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PRESS RELEASE

Bank Saint Petersburg posted the all-time best IFRS profit

Financial highlights*:

- **Net Income** increased by 21% y-o-y and reached RUB 9.0 bn for FY 2018, the all-time best result;
- **Cost-of-Risk** 1,9% for FY 2018, the lowest level in 5 years;
- **Net interest income** for FY 2018 increased by 11.4% and amounted to RUB 21.9 billion;
- **Net fee and commission income** for FY 2018 increased by 12.3% and amounted to RUB 5.9 billion;

*Consolidated IFRS FS for 2018.

Alexander Savelyev, Chairman of the Management Board, comments on the Bank's 2018 results:

"2018 was a very successful year for us – we posted not only a record profit and made another step towards our ROE target of 15%, but also proved that the strong private bank can be very attractive for the customers. We achieved 21% retail deposits growth being more than 2 times ahead of the market, while maintaining one of the best cost of funding positions in the sector. Impeccable reputation and customer trust, as well as successful implementation of Digitalization Strategy, allow us to look to the future with confidence".

Bank Saint Petersburg is ranked 16th in terms of assets and 15th in terms of retail deposits among Russian banks (Interfax ranking). As at January 1, 2019, the Bank provides services to 2 090 000 individuals and 50 000 corporates; the number of cards issued by the Bank is 1 354 000; the Bank's card network comprised of 797 ATMs. At present Internet Bank is used by 1 130 000 clients.

In November 2018, the Supervisory Board of Bank Saint Petersburg approved a new Dividend Policy. The document establishes the Bank's intention to maintain dividend payout ratio not less than 20% of the Bank's IFRS net profit (according to audited consolidated financial statements, conditional on the availability of equity). For the last four years the Bank has paid out 20% of its RAS net profit as dividend, pursuant to the previous version of the Dividend Policy.

Results summary for FY 2018

Net interest income (NII) amounted to RUB 21.9 billion for FY 2018 (+11.4% compared with FY 2017) and RUB 6.1 billion for 4Q 2018 (+9.9% compared with 3Q 2018). Interest income for FY 2018 decreased by 2.4% compared with FY 2017; interest income is comprised mostly of interest income on loans and advances to customers (70.2%). Interest expense decreased by 14.0%: interest expenses on retail term deposits decreased by 2.3% (37.0% of total interest expenses) while interest expenses on corporate term deposits decreased by 16.0% (20.4% of total interest expenses). **Net interest margin (NIM)** amounted to 3.6% for FY 2018 (3.5% for FY 2017) and 4.1% for 4Q 2018 (3.8% for 3Q 2018).

Net fee and commission income for FY 2018 increased by 12.3% compared with FY 2017 and amounted to RUB 5.9 billion. Compared with FY 2017, income from plastic cards settlements grew by 13.5% (41.5% of total F&C income), income from cash and settlement transactions grew by 14.3% (41.9% of total F&C income), income from guarantees and letters of credit issued decreased by 7.9% (10.9% of total F&C income).

Net trading income for FY 2018 reached RUB 4.0 billion (-36.4% compared with FY 2017). Gains from operations with foreign currencies and derivatives amounted to RUB 5.9 billion, losses from operations with securities amounted to RUB 1.9 billion.

Revenues reached an all-time high of RUB 32.8 billion for FY 2018 (+2.2% compared with FY 2017) and RUB 9.6 billion for 4Q 2018 (+25.1% compared with 3Q 2018).

Cost-to-Income Ratio stood at 39.8% for FY 2018 (38.5% for FY 2017). **Operating costs** amounted to RUB 13.0 billion for FY 2018 (+5.5% compared with FY 2017) and RUB 3.3 billion for 4Q 2018 (+5.5% compared with 3Q 2018).

Net income increased by 20.8% and reached the all-time best RUB 9.0 billion for FY 2018, including RUB 2.6 billion for 4Q 2018 (+46.8% compared with 4Q 2017). The Bank's **return on equity (ROAE)** amounted to 12.3% for FY 2018 (11.4% for FY 2017) and 13.6% for 4Q 2018 (9.9% for 4Q 2016).

As at January 1, 2019, the **Bank's assets** amounted to RUB 673.4 billion (+11.0% compared with January 1, 2018; +9.9% compared with October 1, 2018).

Customer deposits totalled RUB 414.8 billion (+15.1% compared with January 1, 2018; +9.1% compared with October 1, 2018). The volume of current and settlement accounts amounted to RUB 127.2 billion (+16.4% compared with January 1, 2018; -3.3% compared with October 1, 2018). The volume of term deposits amounted to RUB 287.6 billion (+14.6% compared with January 1, 2018; +15.7% compared with October 1, 2018). As at January 1, 2019, 60.1% of customer deposits belonged to individuals and 39.9% - to corporate customers. During FY 2018, the volume of retail deposits increased by 21.2%; the volume of corporate deposits increased by 7.1%.

Equity and capital. As at January 1, 2019, the shareholders equity amounted to RUB 75.7 billion (+6.7% compared with January 1, 2018; +2.1% compared with October 1, 2018). The Bank's total capital amounted to RUB 91.8 billion (+3.2% compared with January 1, 2018; +1.1% compared with October 1, 2018). As at January 1, 2019, the Bank's Tier 1 and total capital adequacy ratios were 13.4% and 17.2% respectively.

Loan portfolio before provisions totalled RUB 375.3 billion (+4.9% compared with January 1, 2018; -0.3% compared with October 1, 2018). Loans to corporate customers represented 76.1% of the loan portfolio, loans to individuals – 23.9%. During FY 2018, corporate loan portfolio increased by 0.9% to RUB 284.5 billion. During FY 2018 retail loan portfolio increased by 18.5% to RUB 84.4 billion (mortgage loans grew by 10.9%, consumer loans grew by 38.9%, car loans grew by 68.5%).

Loan portfolio quality. As at January 1, 2019, the share of problem loans in the Bank's portfolio amounted to 10.8% (14.3% as at January 1, 2018). The rate of provisions for loan impairment amounted to 9.7% (11.0% as at January 1, 2018). Provision charge for FY 2018 amounted to RUB 7.7 billion. For FY 2018, loans in the amount of RUB 8.0 billion were written off.

FY 2018 IFRS Financial Statements are available on the Bank's website:

<https://www.bspb.ru/en/investors/financial-statements/IFRS/>.

Bank Saint Petersburg is the leading privately-owned bank of the North-West of Russia. As at January 1, 2019, the Bank provides services to 2 090 000 individuals and 50 000 corporates through its 65 offices in St. Petersburg, the Leningrad region, Moscow, Kaliningrad, including the representative office in Novosibirsk. It ranks 16th in terms of assets among Russian banks (according to Interfax). The Bank's shares are traded since 2007 and quoted in the top listing level of the Moscow Exchange with stock ticker BSPB.

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For more information about Bank Saint Petersburg please visit <https://www.bspb.ru/en/investors/>