

**BANK
SAINT PETERSBURG**

1H 2016 IFRS Results

August 26, 2016

Highlights for 1H and 2Q 2016

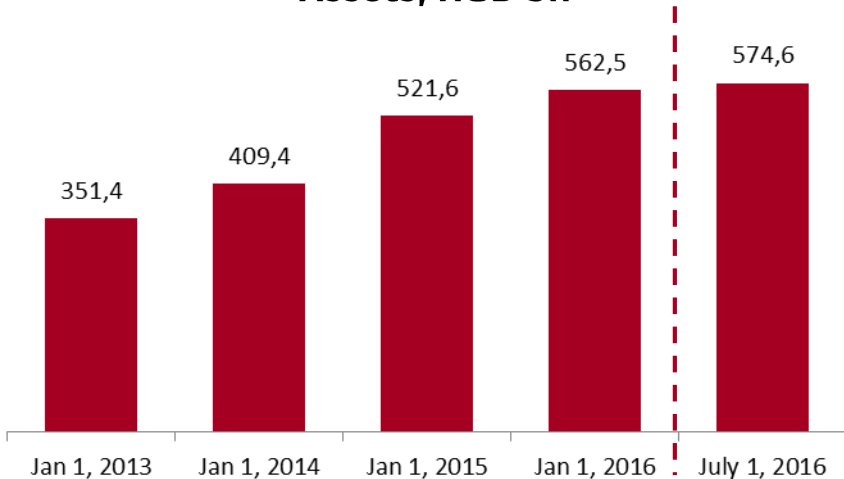
- Strong revenues **RUB 15.3 bn** for 1H 2016 (+22% y-o-y) supported through all business lines,
 - incl. **RUB 7.8 bn** for 2Q 2016 (+11% comp. with 2Q 2015)
- Net interest income **RUB 10.4 bn** for 1H 2016 (+26% y-o-y),
 - incl. **RUB 5.3 bn** for 2Q 2016 (+29% comp. with 2Q 2015)
- Impressive Fee and commission income **RUB 2.3 bn** for 1H 2016 (+23% y-o-y),
 - incl. **RUB 1.2 bn** for 2Q 2016 (+14% comp. with 2Q 2015)
- Rating Agencies affirmed the Bank's ratings and Stable outlook:
 - Fitch Ratings: BB- (Stable outlook)
 - Moody's Investors Service: B1 (Stable outlook)

Overview of Key Financials

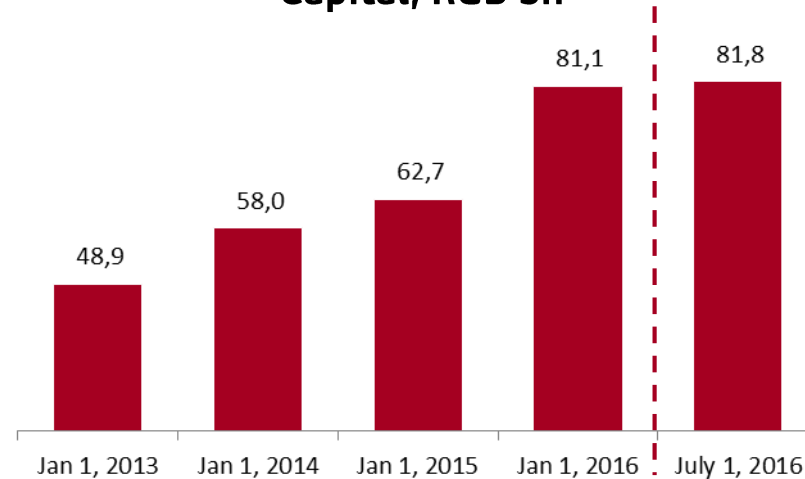
In RUB bn	Jan 1, 2016	July 1, 2016	YTD	July 1, 2015	Apr 1, 2016	July 1, 2016	q-o-q	y-o-y
Total assets	562.53	574.57	+2.14%	520.26	561.53	574.57	+2.32%	+10.44%
Gross Loans	370.27	368.69	-0.43%	334.39	367.08	368.69	+0.44%	+10.26%
Customer Deposits*	343.40	339.23	-1.21%	314.27	330.07	339.23	+2.78%	+7.94%
Total Capital	81.08	81.77	+0.85%	64.43	82.79	81.77	-1.23%	+26.92%
	1H 2015	1H 2016		2Q 2015	1Q 2016	2Q 2016	q-o-q	y-o-y
Net Interest Income	8.24	10.38	+25.98%	4.12	5.07	5.31	+4.84%	+29.02%
Net Fee and Commission Income	1.86	2.30	+23.20%	1.03	1.13	1.17	+3.53%	+13.73%
Revenues	12.58	15.34	+21.96%	7.04	7.54	7.80	+3.39%	+10.78%
Net Income	1.57	2.00	+27.31%	1.00	1.17	0.83	-29.35%	-17.26%
	1H 2015	1H 2016		2Q 2015	1Q 2016	2Q 2016	q-o-q	y-o-y
Net Interest Margin	3.53%	3.95%	+0.42 PP	3.46%	3.79%	4.01%	+0.22 PP	+0.55 PP
Cost/Income Ratio	39.43%	39.08%	-0.35 PP	38.22%	38.16%	39.96%	+1.80 PP	+1.73 PP
ROAE	5.98%	6.93%	+0.95 PP	7.44%	8.20%	5.68%	-2.52 PP	-1.76 PP

Financial Highlights, 1H 2016

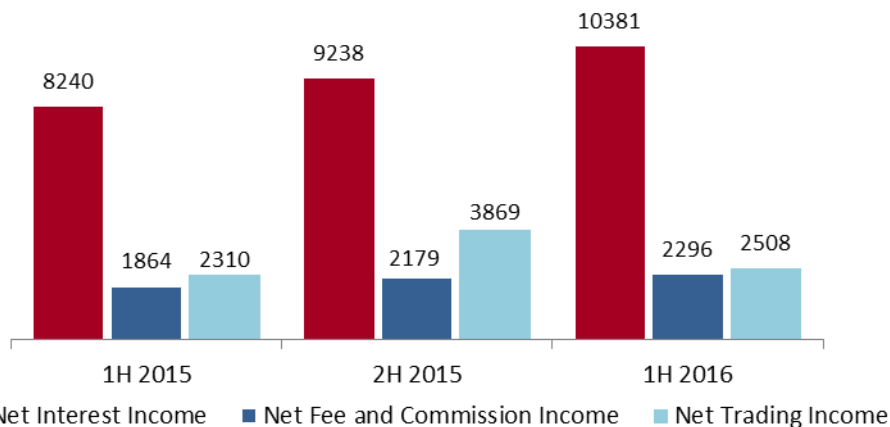
Assets, RUB bn



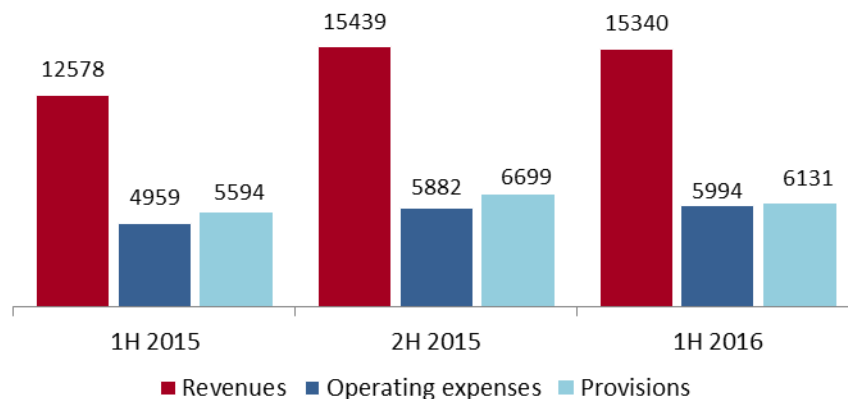
Capital, RUB bn



Income structure, RUB mln

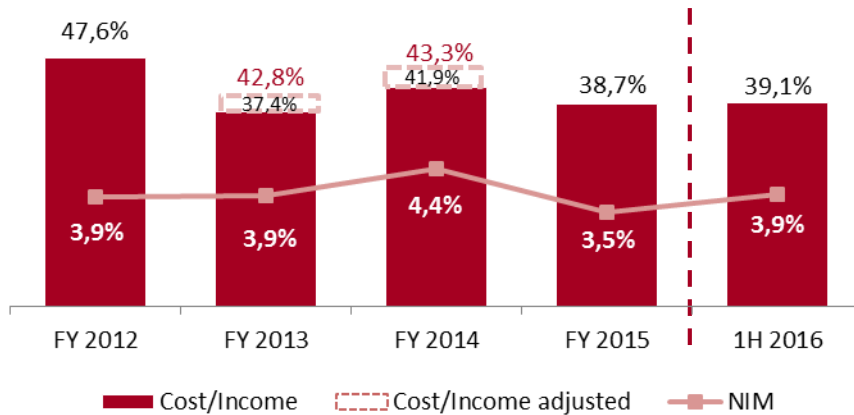


Income and expenses data*, RUB mln

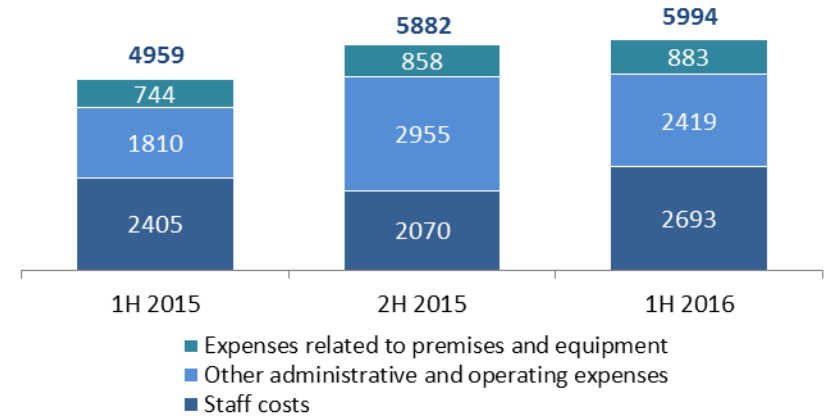


Results for 1H 2016

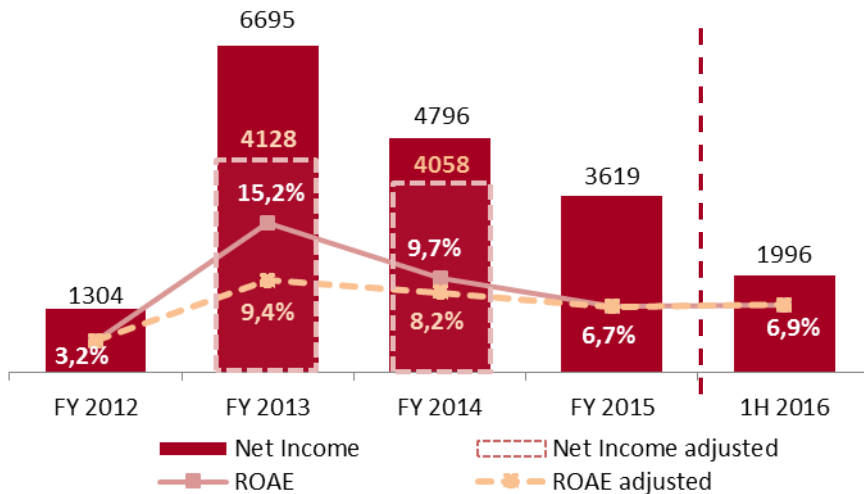
Cost/Income and NIM, %



Operating expenses*, RUB mln



Net income dynamics, RUB mln

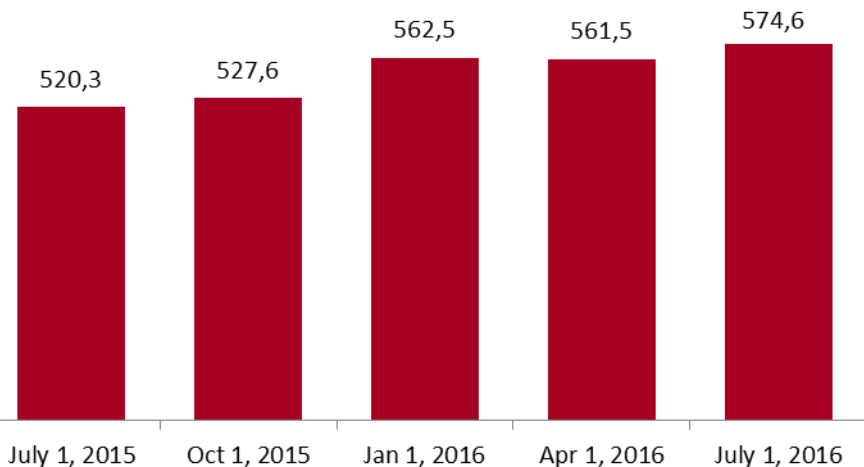


Comments

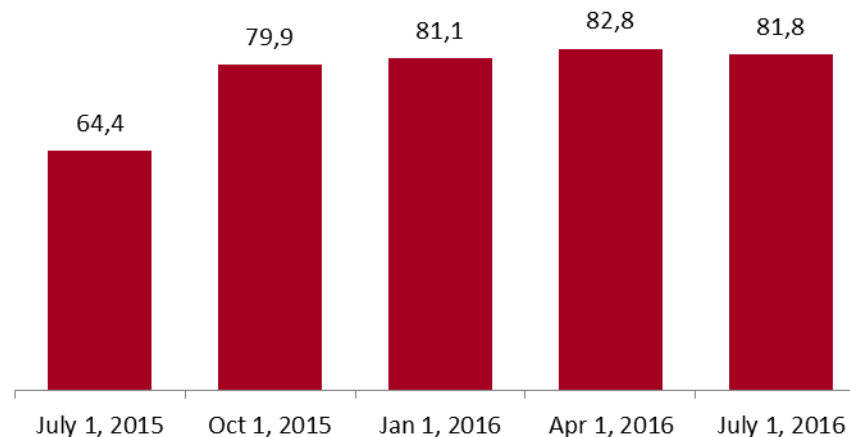
- More than RUB 2 bn of extra net interest income compared with 1H 2015
- Strong F&C and trading income
- Cost/Income ratio is in line with guidance

Financial Highlights, 2Q 2016

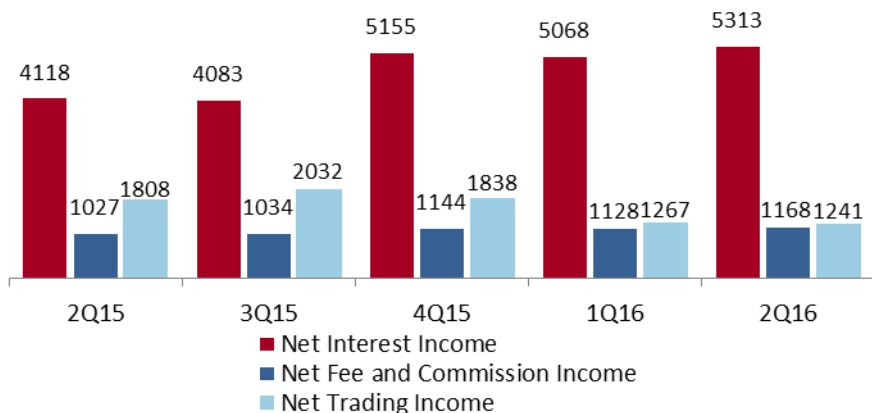
Assets, RUB bn



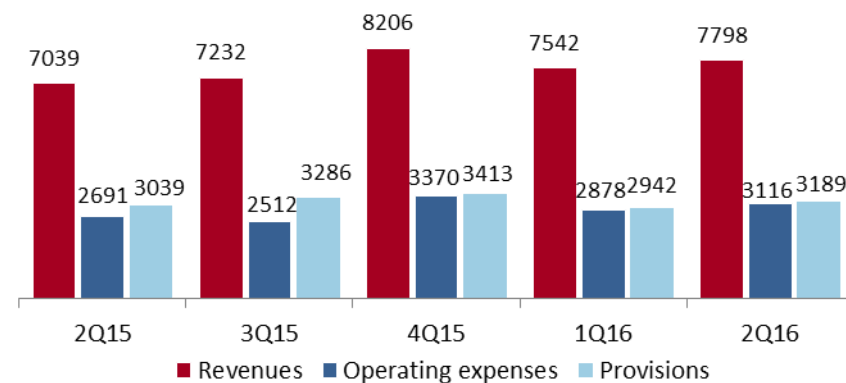
Capital, RUB bn



Income structure, RUB mln

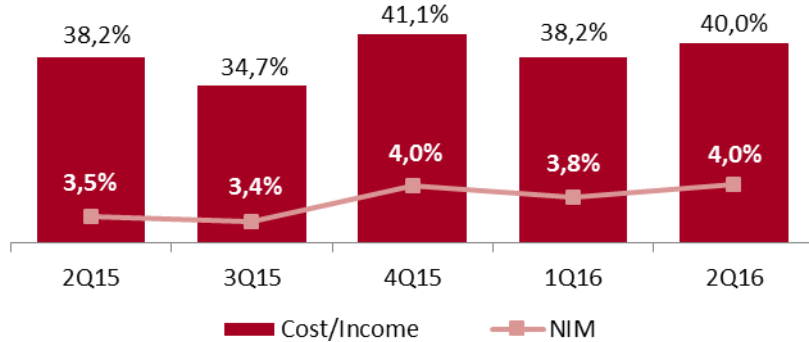


Income and expenses data, RUB mln

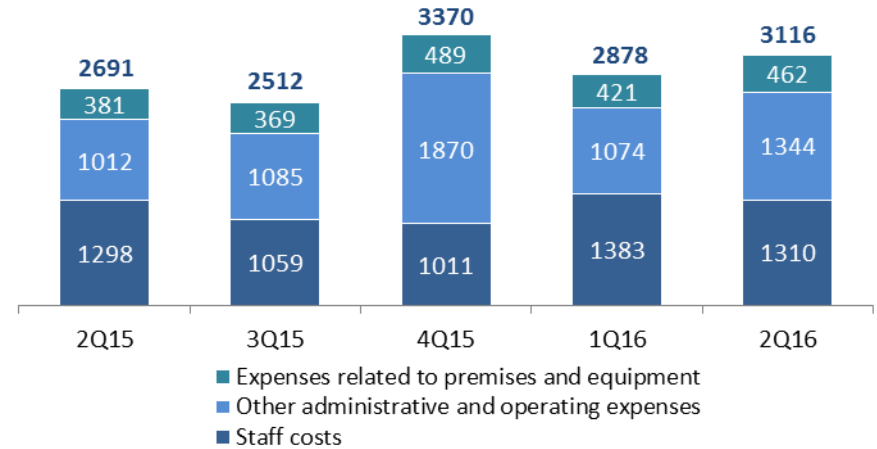


Results for 2Q 2016

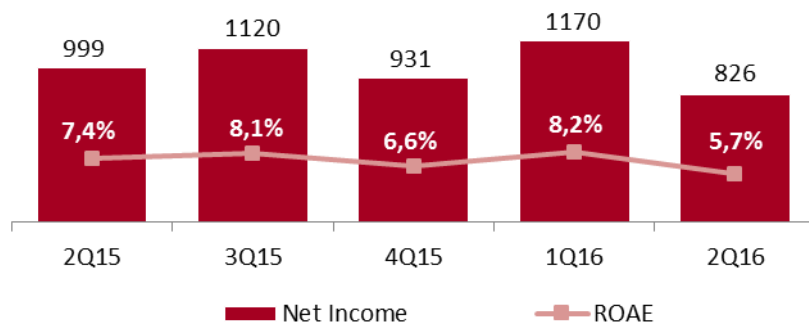
Cost/Income and NIM, %



Operating expenses*, RUB mln



Net income dynamics, RUB mln

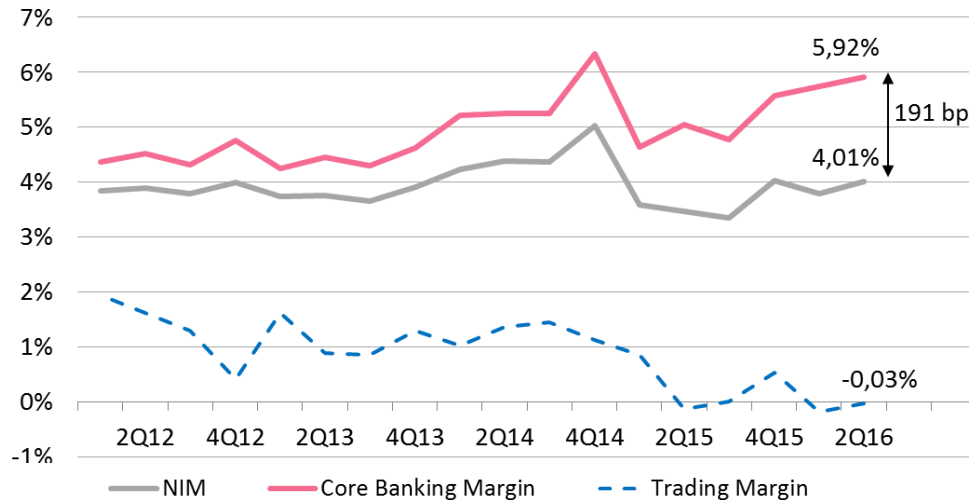


Comments

- NIM is on track to the targeted 4%+
- Provisions remain high due to challenging macro environment, putting pressure on ROAE

NIM Dynamics

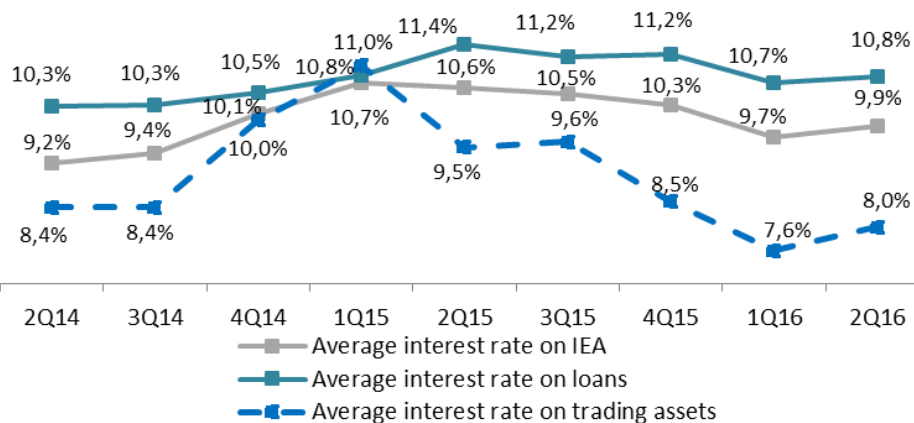
Core Banking Margin* Dynamics



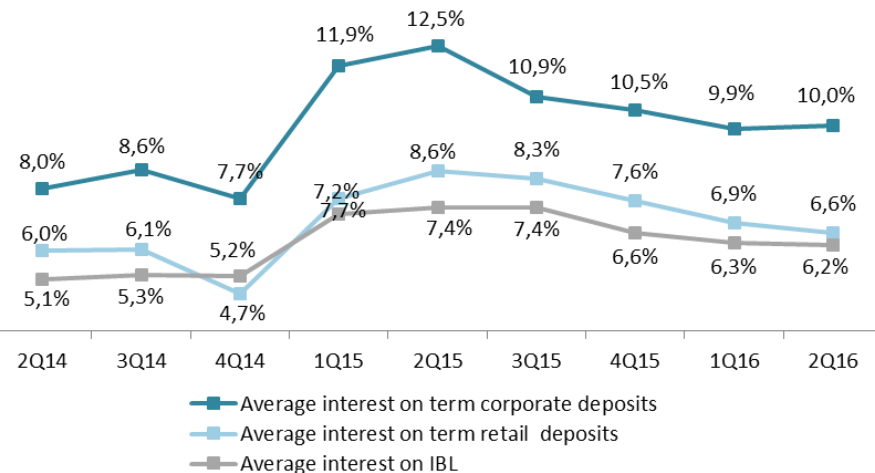
Comments

- Core Banking Margin touching record levels
- Term deposits repricing outpaces loans repricing

Average interest rates on the assets side



Average interest rates on the liabilities side






Main Factors affected NIM in 2Q 2016

1Q 2016 Core Banking Margin – 5.75%





Average interest rate

Contribution to NIM change:

Gross loans	 +6 bp
<hr/>	
Retail term deposits	 +14 bp
Bonds issued	 +5 bp
<hr/>	
Total	+25 bp

Average balance

Contribution to NIM change:

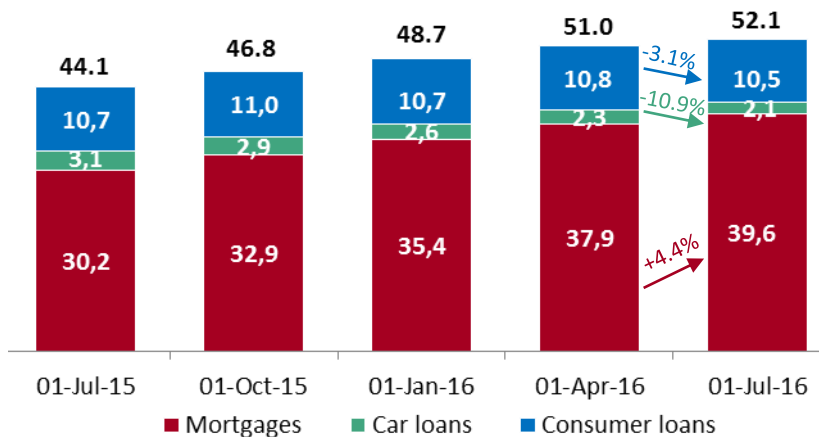
Gross loans	 +6 bp
<hr/>	
Due to banks	 -30 bp
Promissory notes issued	 +5 bp
Bonds issued	 +4 bp
<hr/>	
Total	-15 bp

other factors +7 bp

2Q 2016 Core Banking Margin – 5.92%

Business highlights: retail banking

Retail loan portfolio growth, RUB bn

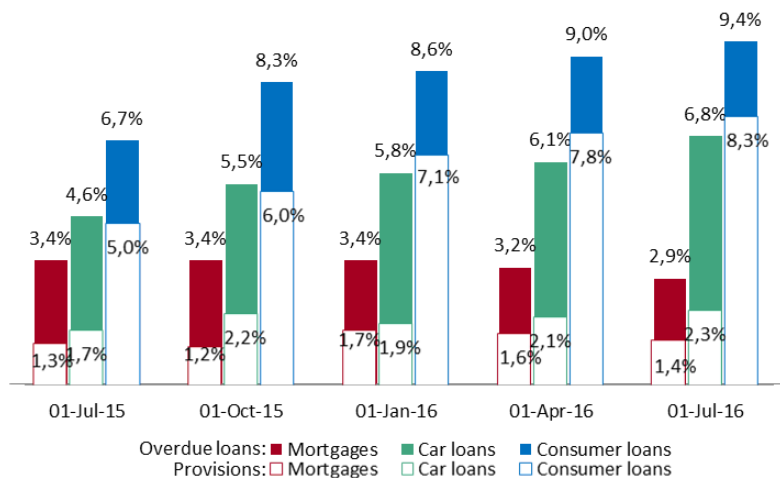


- Large customer base: 1,673,000 retail customers
- Number of cards issued – 1,040,000
- 10 new offices opened in 2015 (+19% y-o-y), 7 new offices in the pipeline in 2016

Retail lending:

- Retail loans 18% growth y-o-y*
- Top-5 player participating in Mortgage Subsidy Government Program (limit is RUB 19.6 bn)
- The Bank #8 in the Russia' mortgage lending market in 1H 2016
- 7 mortgage lending centers within the Bank's branch network

Retail loan portfolio quality

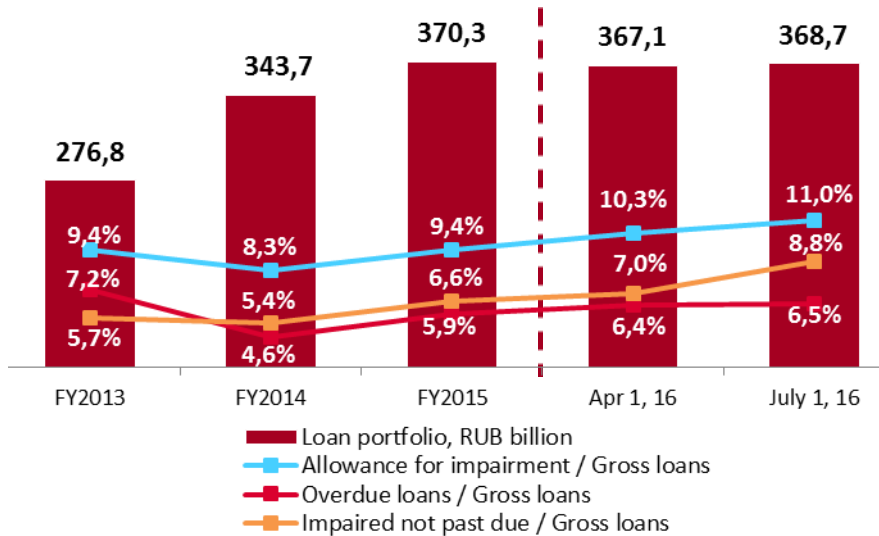


E-banking:

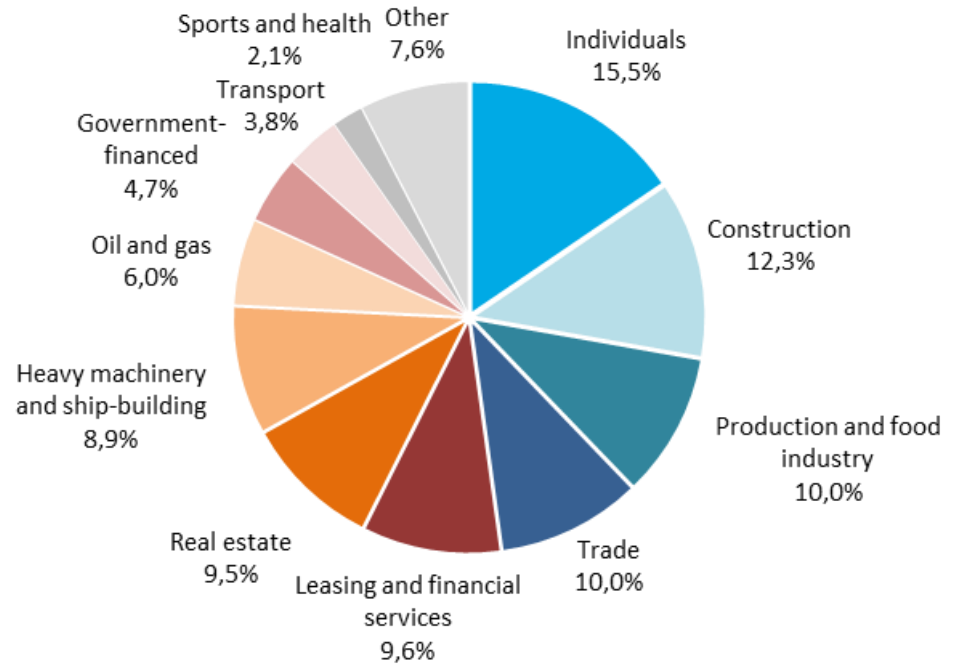
- Successful internet bank platform – 674,000 users
- During 1H 2016:
 - ✓ 59% of the total retail deposits are online deposits
 - ✓ 83% of consumer loans originated through the Internet Bank
 - ✓ 96% of payments were made through digital channels (Internet Bank, ATMs and payment kiosks)

Loan portfolio and quality

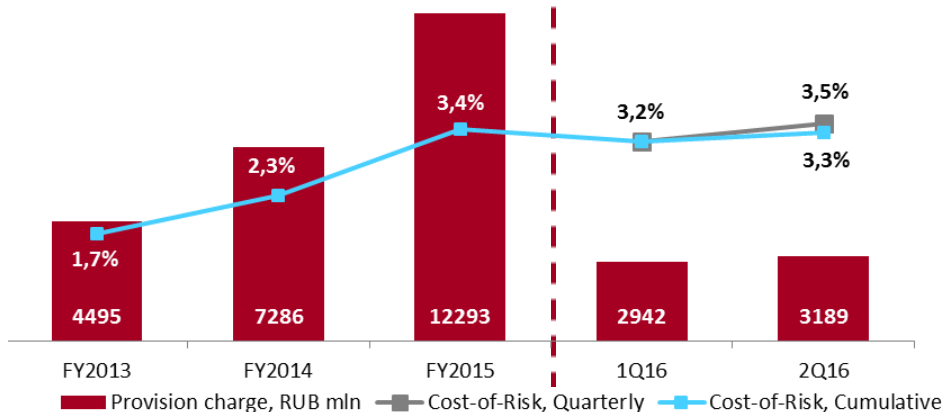
Loan portfolio quality



Loan portfolio by sector, July 1, 2016



Provision charge, RUB mln, and CoR, %

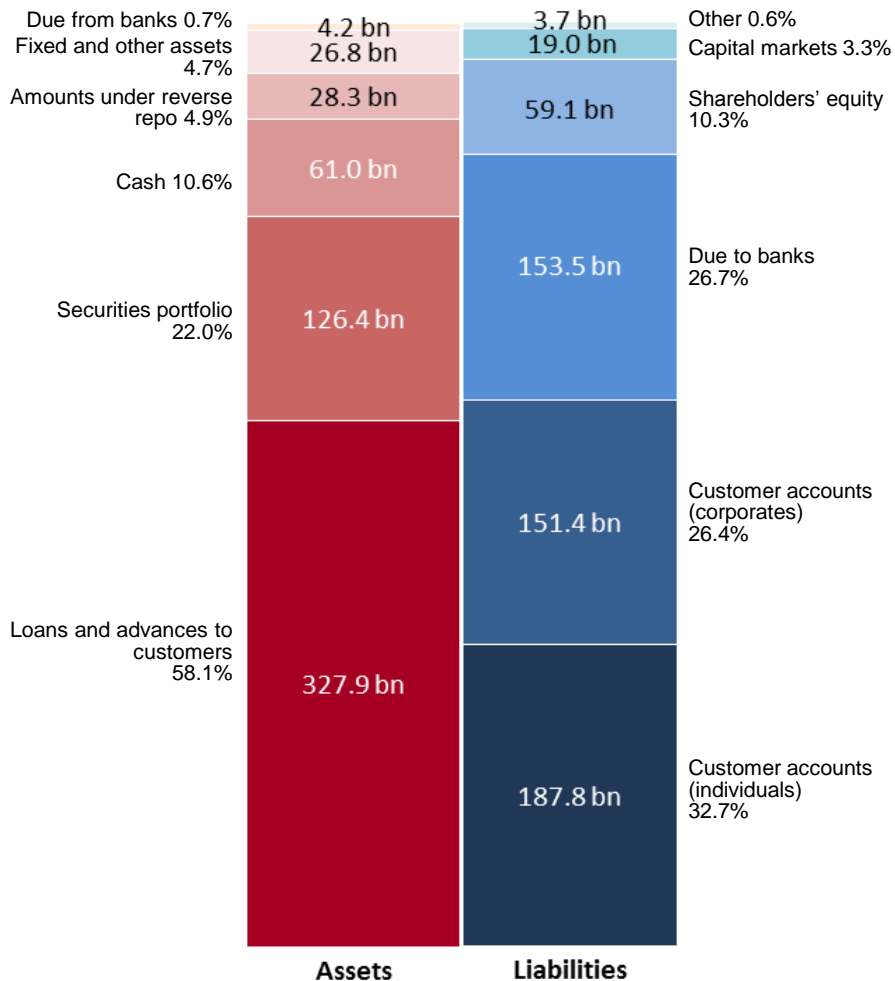


Comments

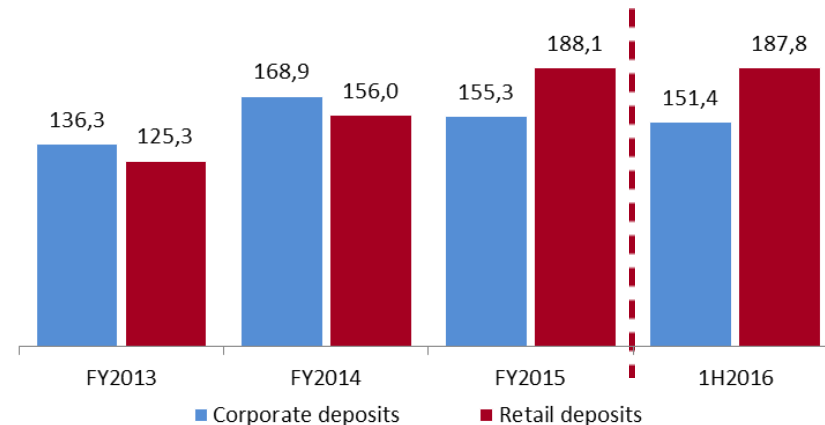
- Gross loan portfolio increased by 10.3% y-o-y
- Loans to individuals is a major segment of loan portfolio
- RUB 0.4 bn of the loan portfolio written off in 1H 2016

Assets and liabilities structure

Assets and liabilities structure, July 1, 2016



Customer deposits*, RUB bn

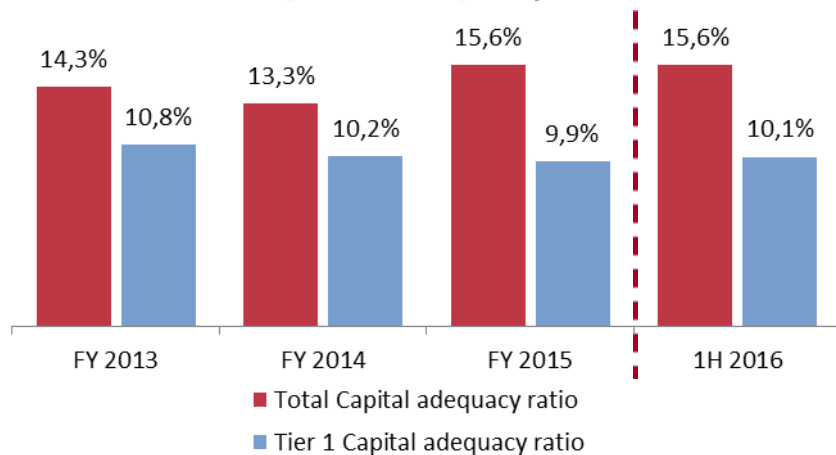


Comments

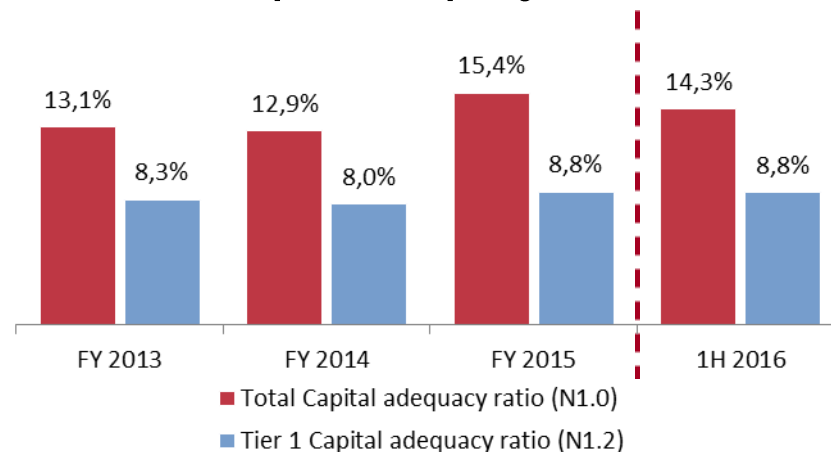
- Retail deposits represent 55% of total customer deposits
- Loans/Deposits Ratio close to targeted 100%
- Conservative approach to risk: approximately 95% of the debt securities belong to the CBR Lombard list
- Average duration of the bonds portfolio is 1.3 years

Capital and funding

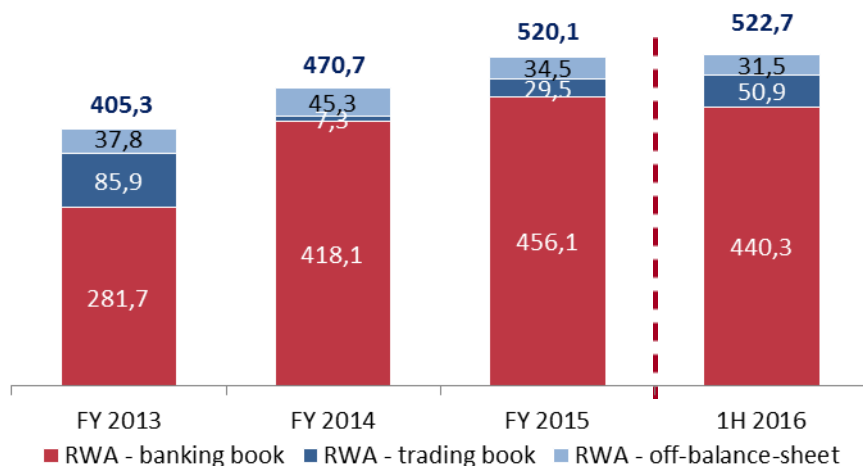
IFRS Capital adequacy, Basel I



RAS Capital adequacy, Basel III



Risk-weighted assets (RWA), RUB bn



Comments

- Comfortable level of all capital adequacy ratios

FY2016 Guidance

FY2016 guidance

- ✓ Loan portfolio growth 5%
- ✓ Cost of Risk 300-350 bp
- ✓ Costs growth 12-15%
- ✓ Cost-Income ratio 40-42%
- ✓ ROAE 5-10%

Presentation team



Konstantin Noskov
Vice-president, Finance Director



Elena Demicheva
Head of IR

All information for the investors is available on the Bank's web site: <https://www.bspb.ru/en/investors/>

Contact information:

E-mail: ir@bspb.ru

Phone: +7 812 332 78 36