

**BANK
SAINT PETERSBURG**

FY 2016 IFRS Results

March 22, 2017

Highlights for FY 2016

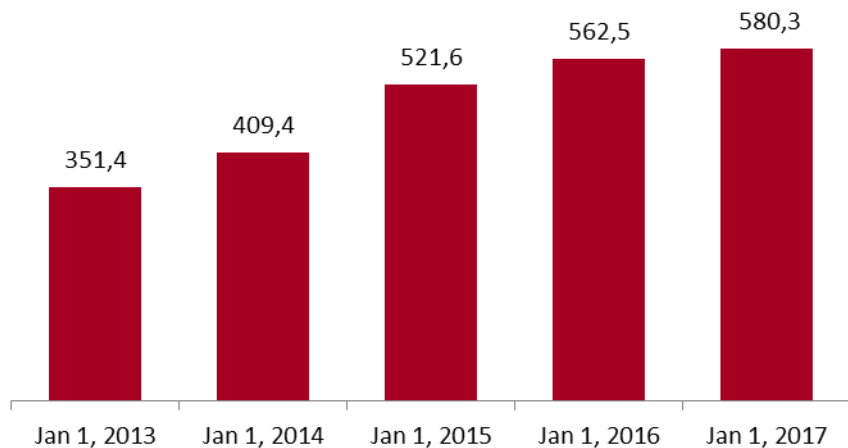
- Double-digit revenues growth (+11% y-o-y)
- NIM recovery to 4%+ area
- Robust retail lending growth (+12% y-o-y)
- Impressive Fee and commission income growth (+16% y-o-y) driven by risk-free commissions (+24% y-o-y)
- Strong trading (RUB 4.2 bn in 2016) represents 13% of revenues

Overview of Key Financials

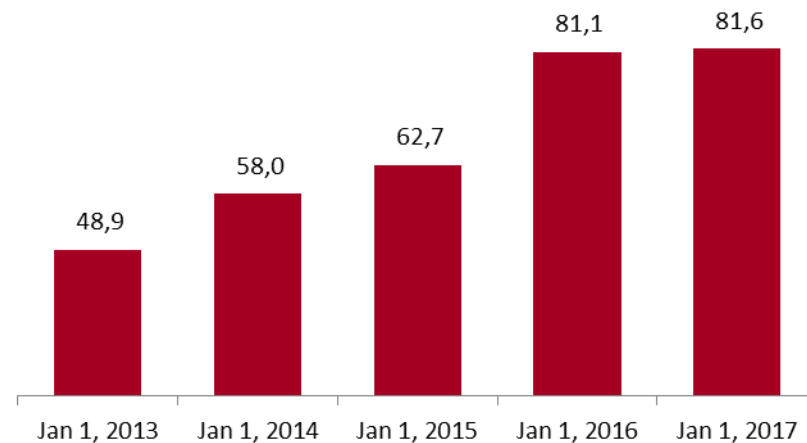
In RUB bn	Jan 1, 2016	Jan 1, 2017	YTD		Oct 1, 2016	Jan 1, 2017	q-o-q	y-o-y
Total assets	562.53	580.29	+3.16%		546.71	580.29	+6.14%	
Gross Loans	370.27	354.31	-4.31%		356.79	354.31	-0.69%	
Customer Deposits*	343.03	357.83	+4.32%		333.73	357.83	+7.22%	
Total Capital	81.08	81.63	+0.67%		82.11	81.63	-0.59%	
	FY 2015	FY 2016		4Q 2015	3Q 2016	4Q 2016	q-o-q	y-o-y
Net Interest Income	17.48	22.14	+26.71%	5.15	5.70	6.07	+6.47%	+17.68%
Net Fee and Commission Income	4.04	4.70	+16.26%	1.14	1.18	1.23	+3.96%	+7.07%
Revenues	28.02	31.09	+10.96%	8.21	7.91	7.84	-0.84%	-4.46%
Net Income	3.62	4.28	+18.22%	0.93	1.03	1.25	+20.51%	+33.96%
	FY 2015	FY 2016		4Q 2015	3Q 2016	4Q 2016	q-o-q	y-o-y
Net Interest Margin	3.52%	4.06%	+0.54 PP	4.02%	4.34%	4.48%	+0.14 PP	+0.46 PP
Cost/Income Ratio	38.70%	40.98%	+2.28 PP	41.07%	39.60%	46.08%	+6.48 PP	+5.01 PP
ROAE	6.70%	7.27%	+0.57 PP	6.56%	6.90%	8.19%	+1.29 PP	+1.63 PP

Financial Highlights, FY 2016

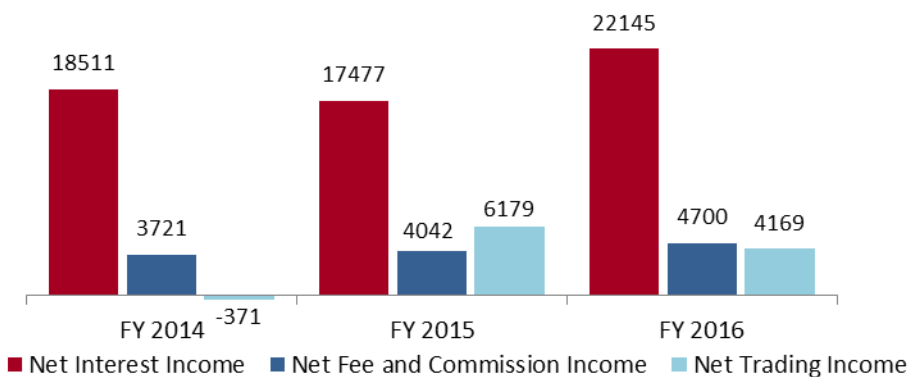
Assets, RUB bn



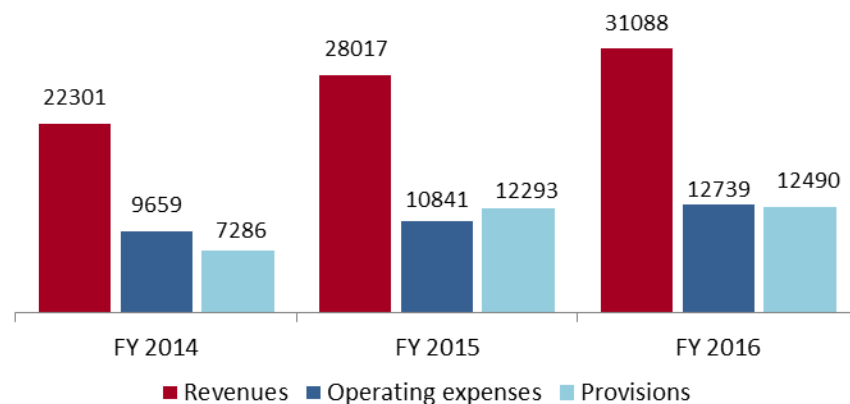
Capital, RUB bn



Income structure, RUB mln

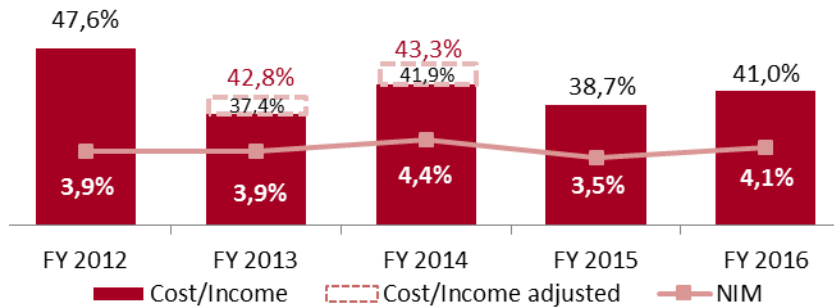


Income and expenses data, RUB mln

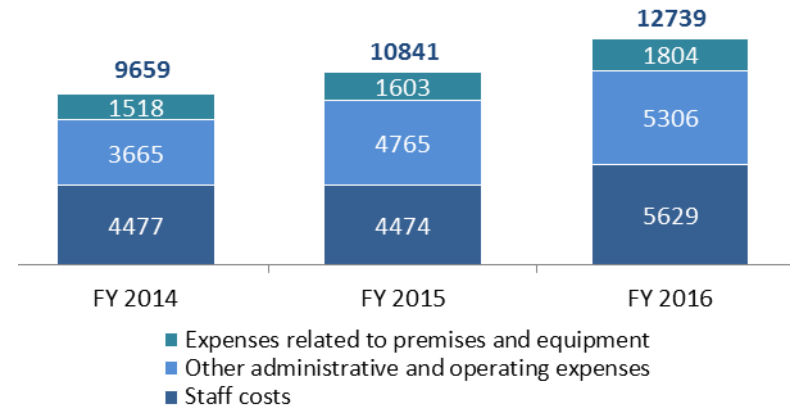


Results for FY 2016

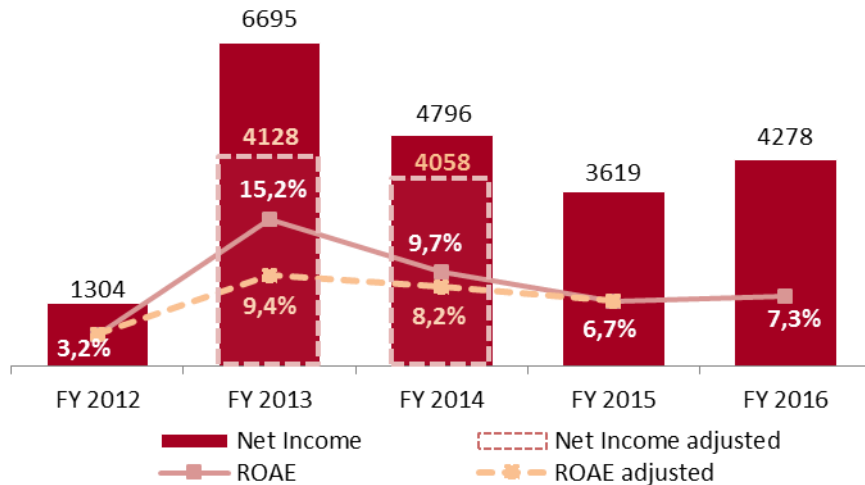
Cost/Income and NIM, %



Operating expenses*, RUB mln



Net income dynamics, RUB mln

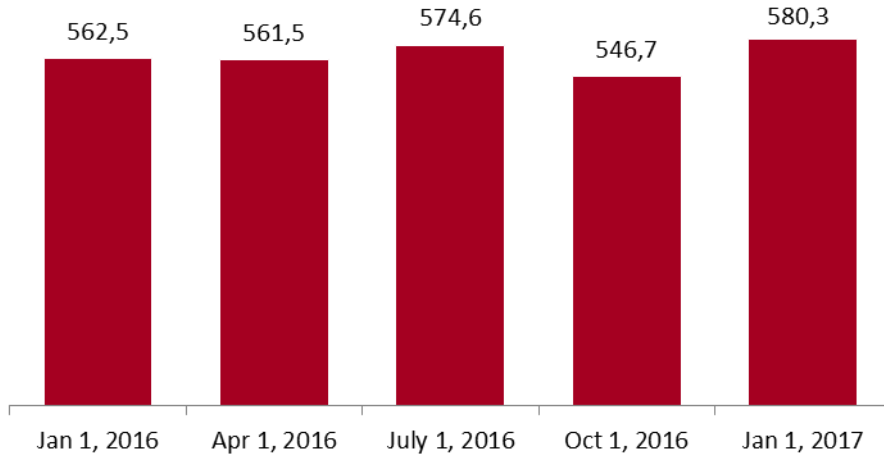


Comments

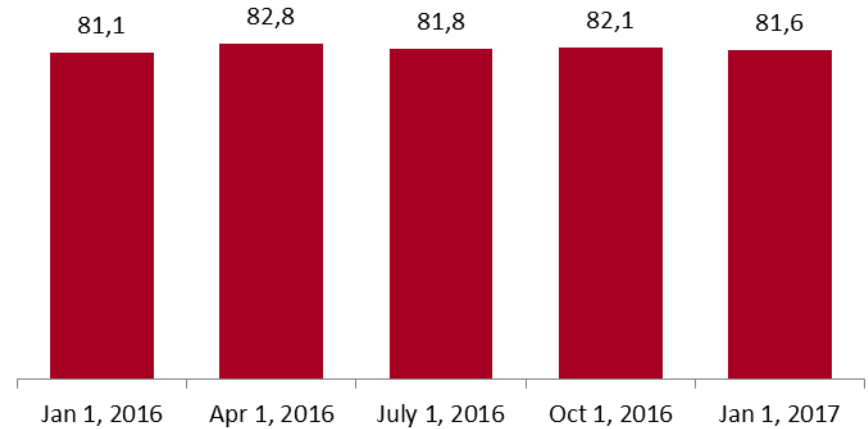
- More than RUB 4.5 bn of extra net interest income compared with FY2015
- NIM is back to 4%+ area
- F&C and trading income continue to make strong contributions
- Cost/Income ratio in line with the guidance

Financial Highlights, 4Q 2016

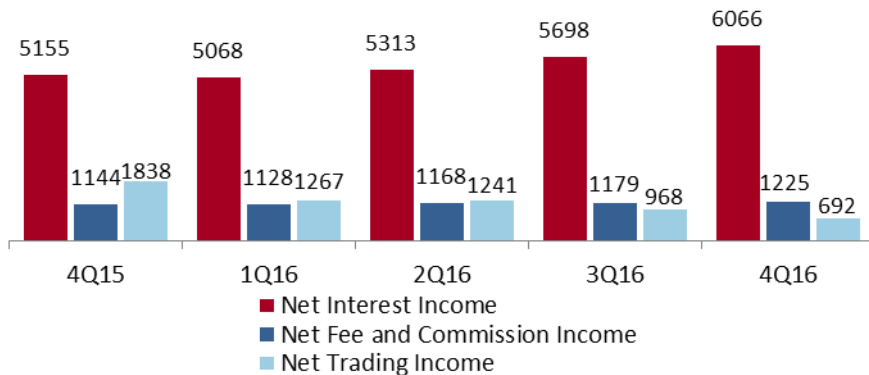
Assets, RUB bn



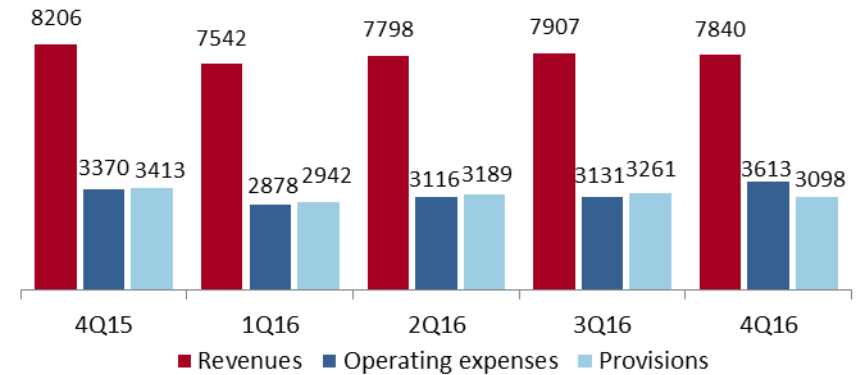
Capital, RUB bn



Income structure, RUB mln

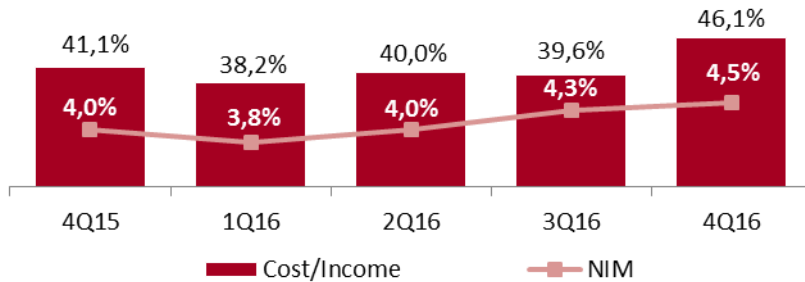


Income and expenses data, RUB mln

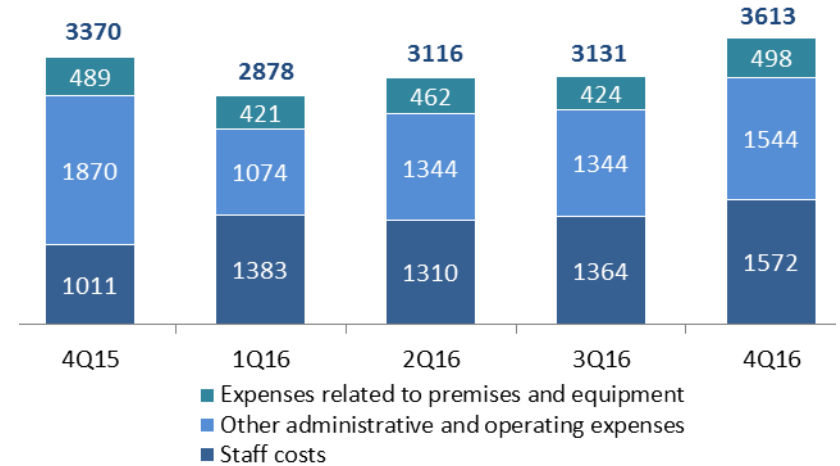


Results for 4Q 2016

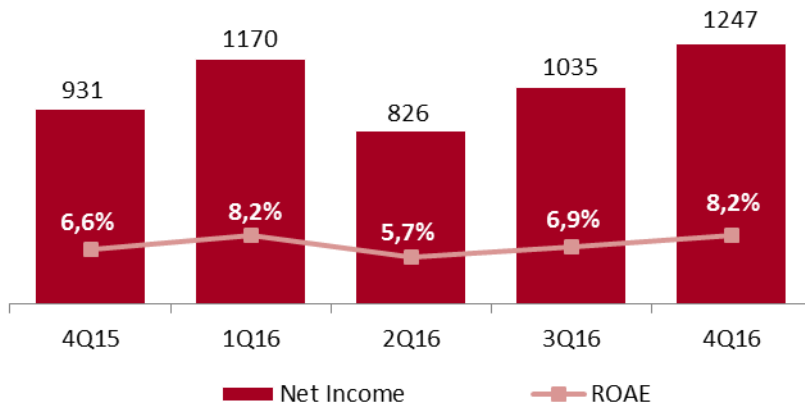
Cost/Income and NIM, %



Operating expenses*, RUB mln



Net income dynamics, RUB mln

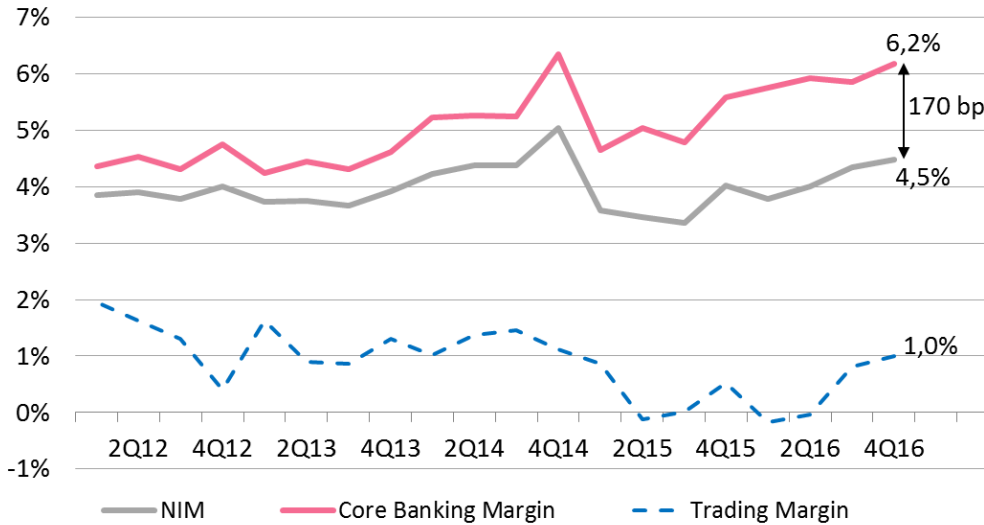


Comments

- Record Net interest income
- Expenses seasonally high
- The best net income since 1Q 2014

NIM Dynamics

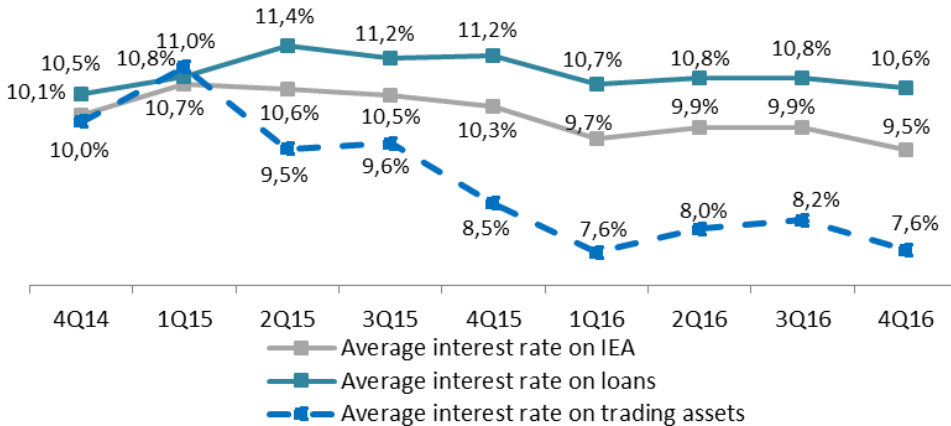
Core Banking Margin* Dynamics



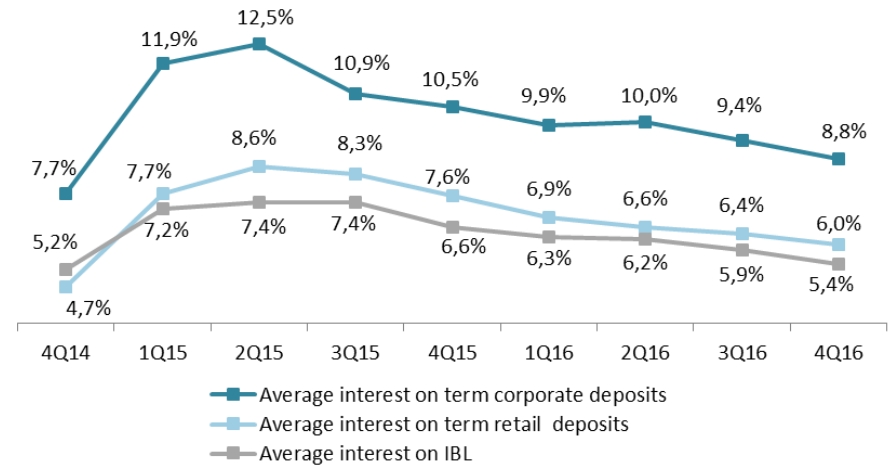
Comments

- Core Banking Margin remains historically high
- Trading margin contributes to NIM growth
- 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 4Q 2016

3Q 2016 Core Banking Margin – 5.9%

Average interest rate

Contribution to NIM change:

Gross loans  -19 bp

Retail term deposits  +14 bp

Corporate term deposits  +11 bp

Total +6 bp

Average balance

Contribution to NIM change:

Liquidity portfolio  +35 bp

Gross loans  -7 bp

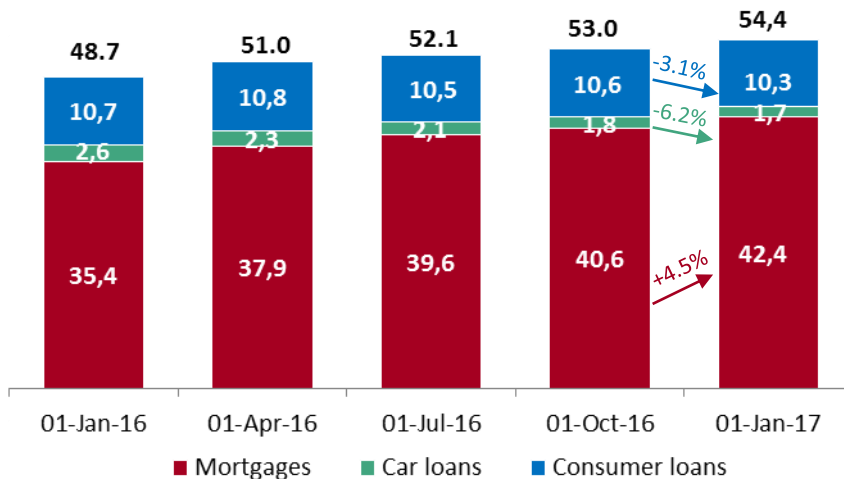
Total +28 bp

other factors -2 bp

4Q 2016 Core Banking Margin – 6.2%

Business highlights: retail banking

Retail loan portfolio growth, RUB bn

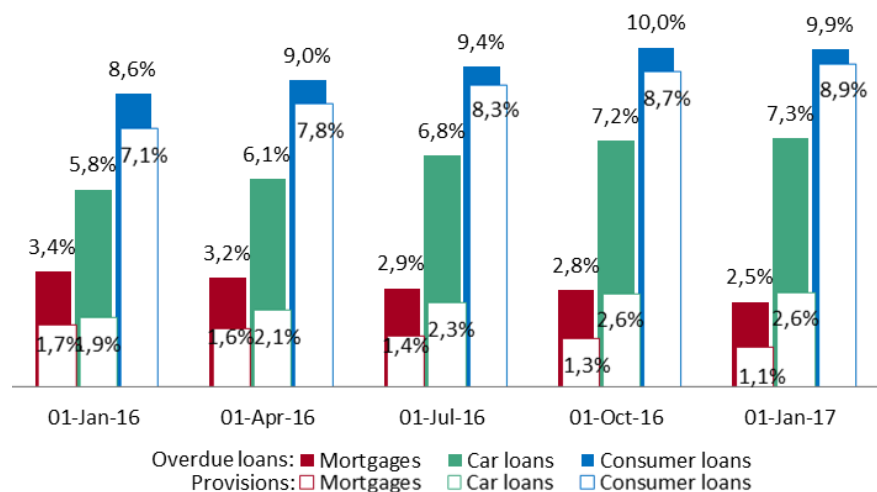


- Large customer base: 1 770 000 retail customers
- Number of cards issued – 1 049 000
- 4 new offices opened in 2016 (from 57 to 61)

Retail lending:

- Retail loans 12% growth y-o-y*
- Top-5 player participating in Mortgage Subsidy Government Program (limit is RUB 22.1 bn)
- The Bank #10 in the Russia' mortgage lending market in 2016
- 8 mortgage lending centers within the Bank's branch network

Retail loan portfolio quality

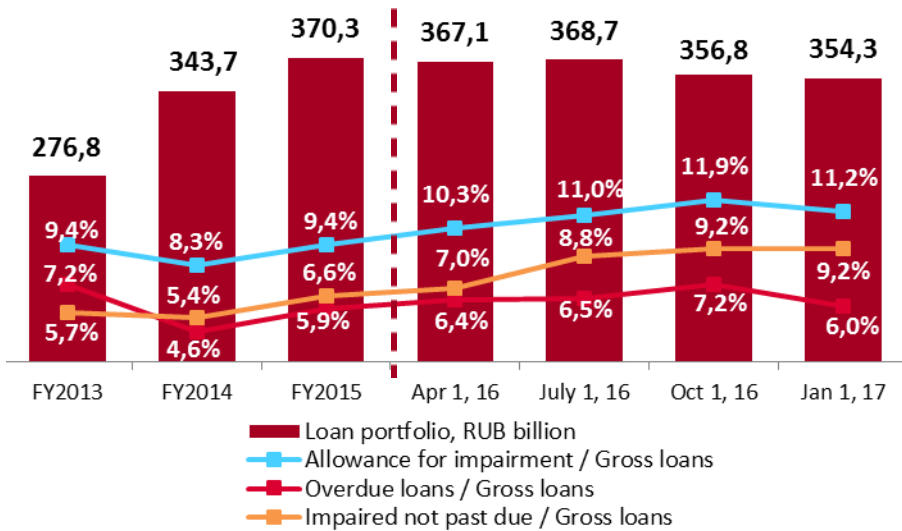


E-banking:

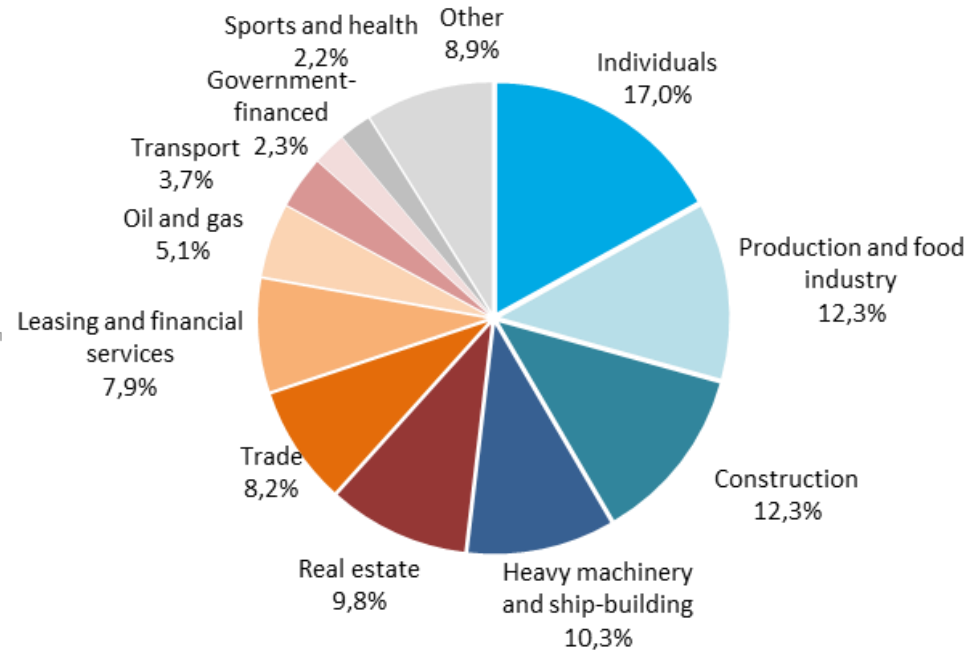
- Successful internet bank platform – 770 000 users
- During FY 2016:
 - ✓ 62% of the total retail deposits are online deposits
 - ✓ 85% of consumer loans originated through the Internet Bank
 - ✓ 96% of payments were made through digital channels (Internet Bank, ATMs and payment kiosks)

Loan portfolio and quality

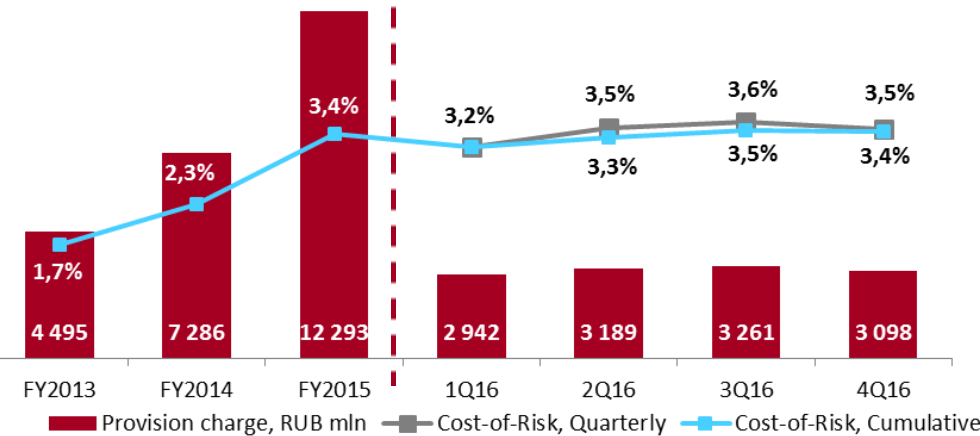
Loan portfolio quality



Loan portfolio by sector, January 1, 2017



Provision charge, RUB mln, and CoR, %

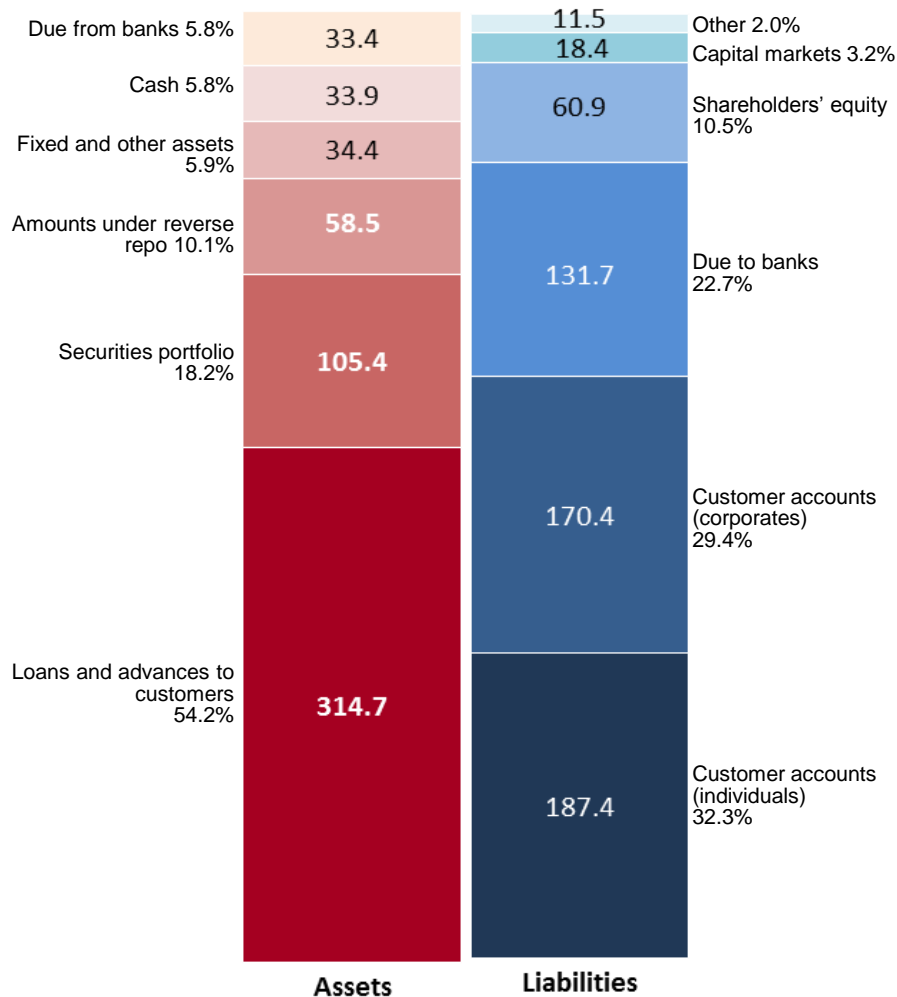


Comments

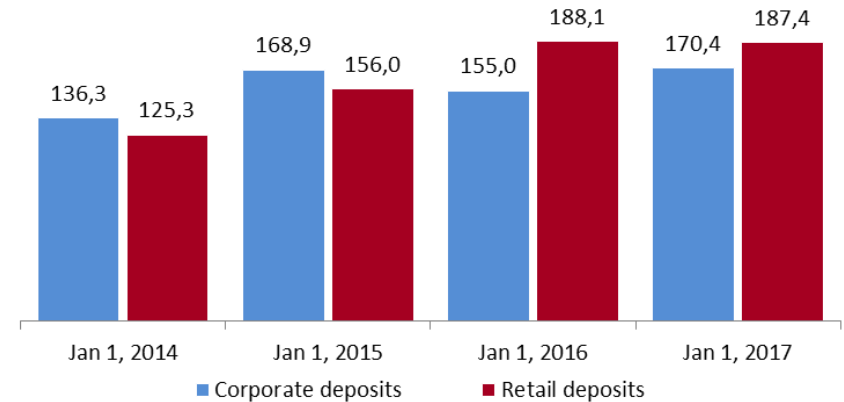
- Gross loan portfolio decreased by 4.3% y-o-y
- Loans to individuals is a major segment of loan portfolio
- RUB 7.9 bn of the loan portfolio written off in 2016, incl. RUB 5.8 bn in 4Q 2016

Assets and liabilities structure

**Assets and liabilities structure, RUB bn,
January 1, 2017**



Customer deposits*, RUB bn

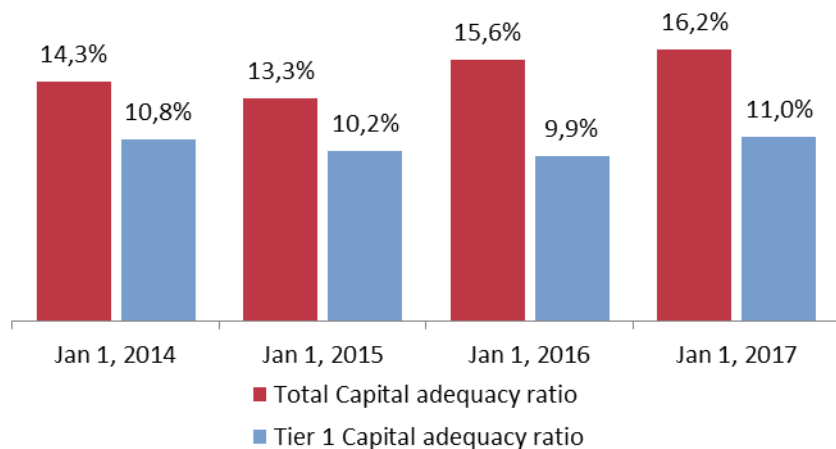


Comments

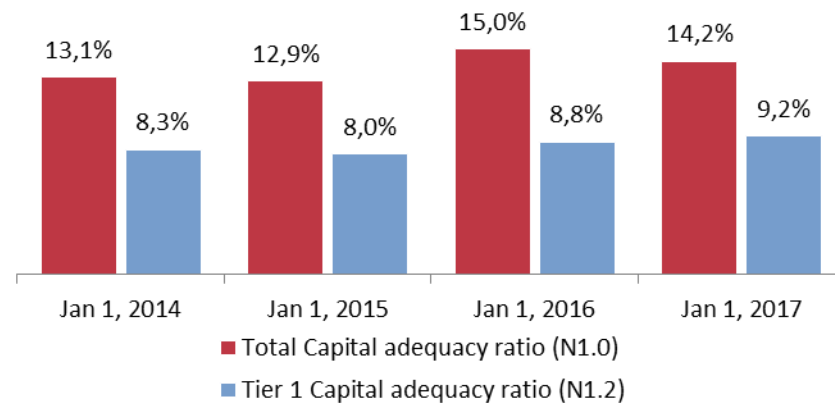
- Retail deposits represent 52% of total customer deposits
- Loans/Deposits Ratio 88%
- Conservative approach to risk: approximately 93% of the debt securities belong to the CBR Lombard list
- Average duration of the bonds portfolio is 1.9 years

Capital and funding

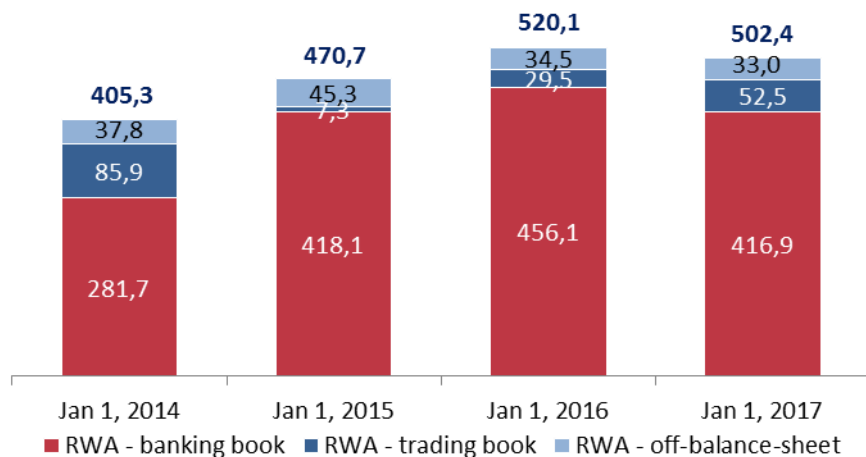
IFRS Capital adequacy, Basel I



RAS Capital adequacy, Basel III



Risk-weighted assets (RWA), RUB bn



Comments

- Comfortable level of all capital adequacy ratios
- USD 118 mln of subordinated Eurobonds bought back in 2015-2017 with USD 183 mln left outstanding (<2% of liabilities)
- In December 2016 the Bank completed the debut RUB 3.7 bn mortgage loan portfolio securitization

Targets for 2017

FY 2017 targets

- ✓ Loan portfolio growth 5%
- ✓ Cost of Risk below 300bp
- ✓ Costs growth 5%
- ✓ Cost-Income ratio 41%
- ✓ NIM 4%+
- ✓ ROAE 10%

Presentation team



Konstantin Balandin
Deputy Chairman
of the Management Board



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