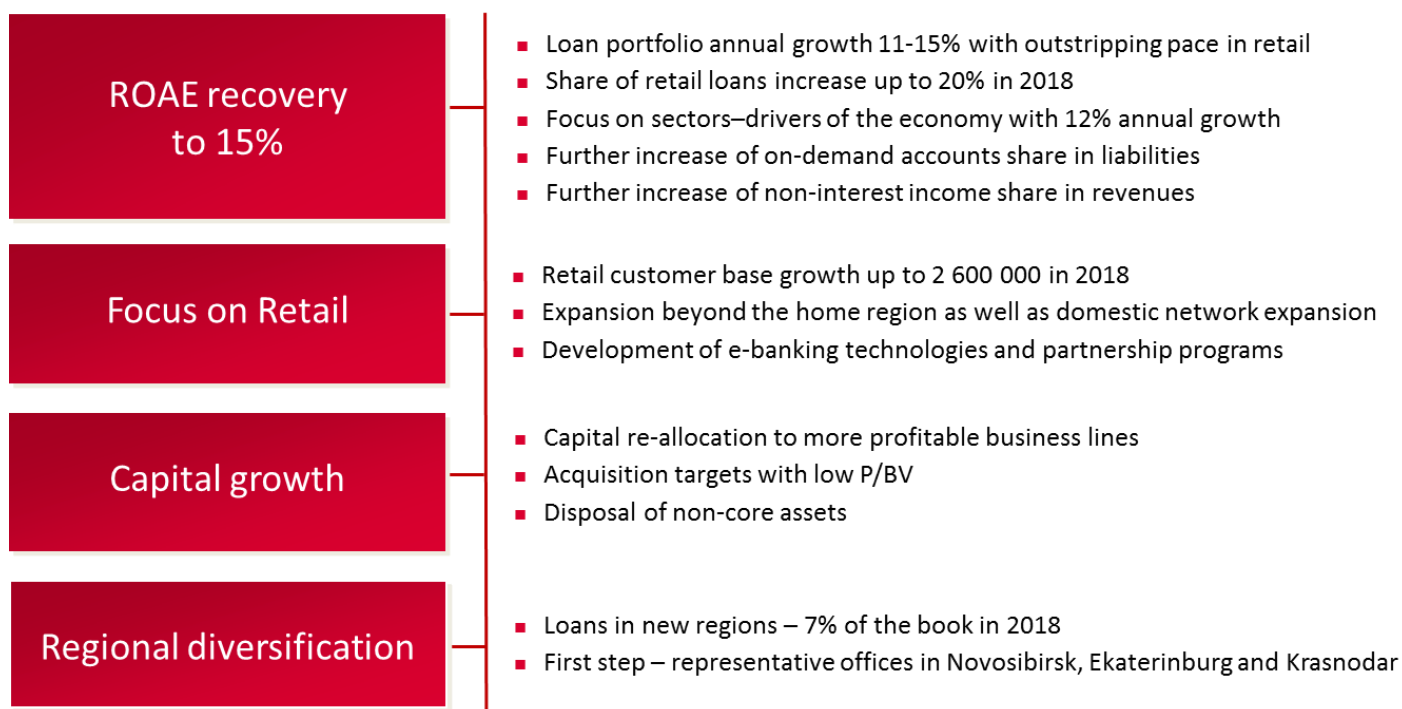


**New Strategy 2016-2018:****Sustainable growth at maximum capacity**

On 18 December 2015 the Supervisory Board approved the Bank's new Strategy 2016-2018. The key financial goal remains the same - a long-term growth of shareholder value and ROAE recovery to 15% on the horizon till 2018.

The key priority is sustainable growth, both organic and by potential mergers and acquisitions, while maintaining a sufficient cushion of the Bank's capital, operational efficiency and moderate risk appetite.

The strategy also envisages further development of the retail business with share of retail loans increase as well as strengthening of leadership in the electronic environment.

**Rating Agencies revised outlook to Stable:****Robust profitability and signs of credit costs stabilization as key factors**

On October 19, **Fitch Ratings** has affirmed the Long-term IDRs of Bank Saint Petersburg at 'BB-'. The Outlook is revised to Stable from Negative. The revision of the outlook to Stable reflects the bank's somewhat less vulnerable asset quality than previously and its significant pre-impairment profitability.

On December 21, **Moody's Investors Service** has changed the outlook to Stable from Negative on the long-term debt and deposit ratings of Bank Saint Petersburg. The long-term and short-term debt and deposit ratings have been affirmed. The revision of the outlook to Stable is prompted by robust profitability throughout 2015 and signs of stabilization in the bank's credit costs. The rating action reflect Moody's view that Bank Saint Petersburg is relatively resilient to current pressures stemming from the challenging operating environment in Russia.

## New disclosure: Trading's effect on NIM

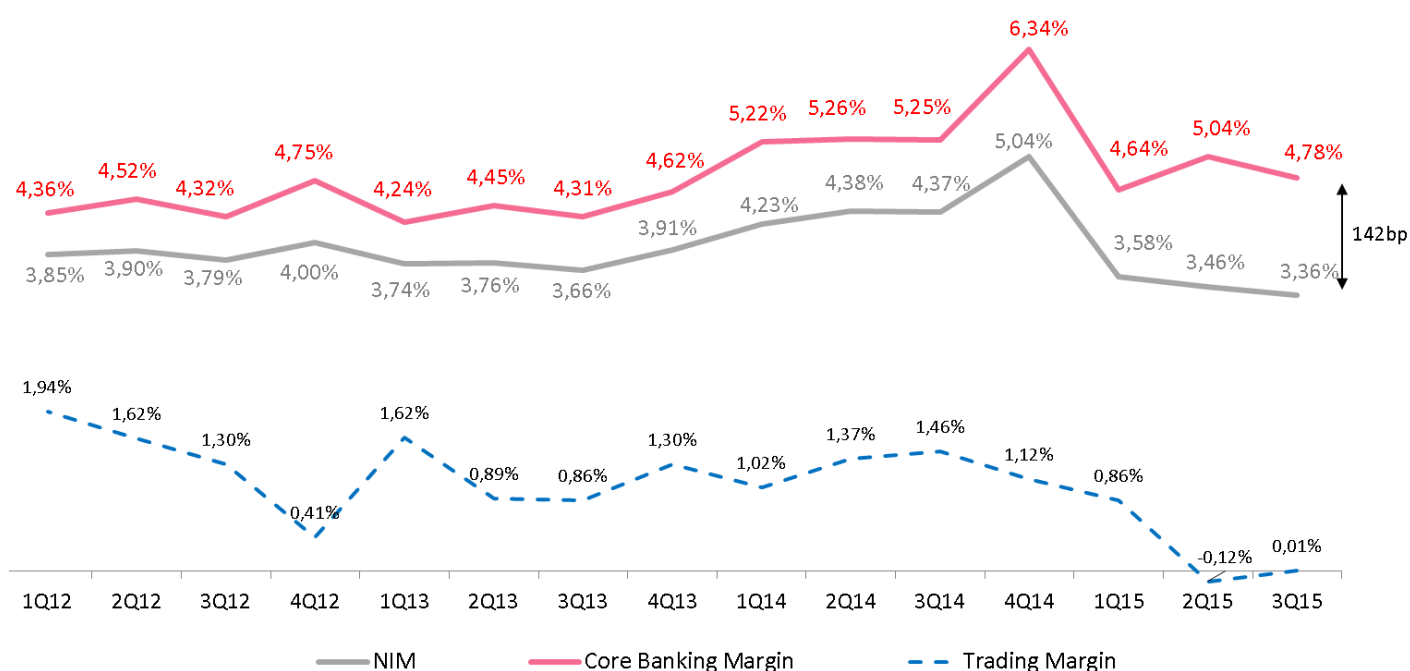
In order to clarify the effect of trading operations on NIM the Bank begins to disclose the structure of NIM showing its breakdown in Core Banking Margin and Trading Margin. The Bank is going to submit this data to the market on a quarterly basis.

As a matter of fact Aggregate Trading Income consists of net gains (losses) from securities, FX and derivatives trading, FX translations and interest income. Since the types of transactions the Bank carries out can vary depending on arbitrage possibilities, the structure of Aggregate Trading Income can be different from time to time. For example, USD/RUB swaps can be funded by interbank RUB deposits that results in interest expenses increase and additional FX gains. Such operations being profitable for the Bank squeeze NIM.

Therefore, Core Banking Margin elimination from total NIM allows to adequately assess the Bank's margin development without Trading operations effect. The average Trading impact on NIM amounted 60 bp and 64 bp in 2012 and 2013 respectively, whereas these days Trading takes twice as many bp: 101 bp in 2014 and 135 bp in 2015.

Core Banking Margin, or overall NIM adjusted for Trading factor, in 2015 exceeds the level of the end of 2013 in spite of external shocks and interest rate risk effects of the end of 2014.

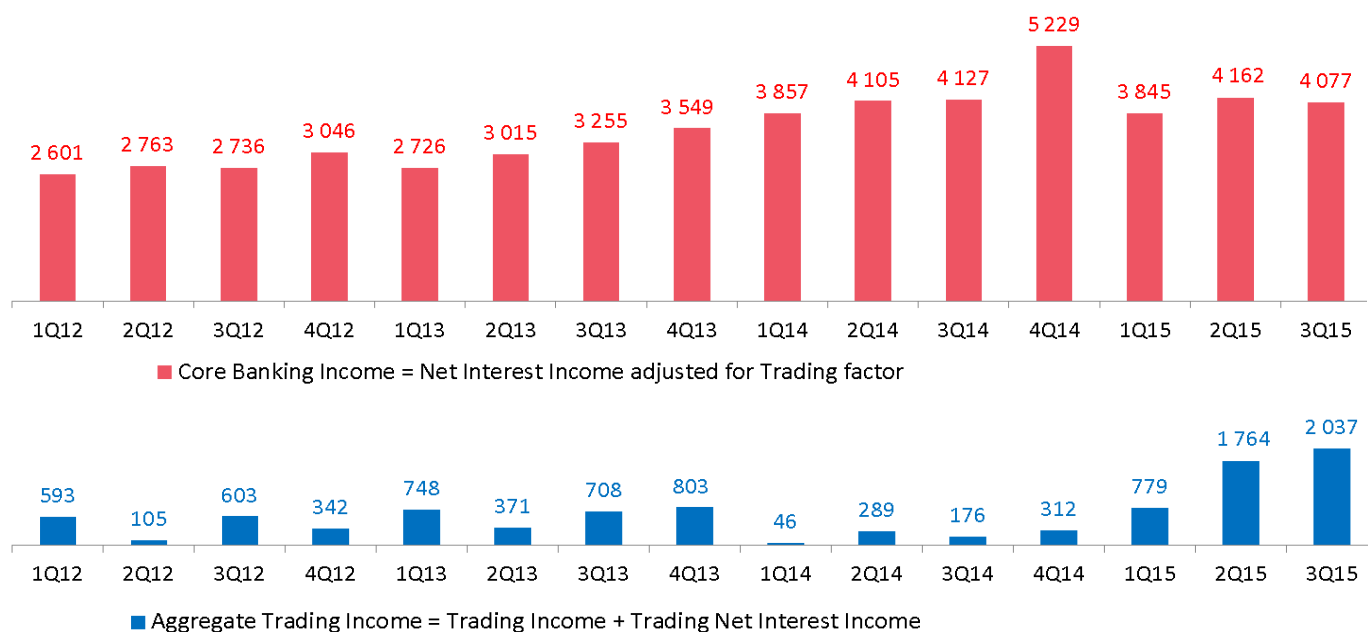
## Core Banking Margin dynamics



Note: Core Banking Margin =  $\frac{\text{Core Banking Income}}{\text{Core Banking Interest Earning Assets}}$  (annualised)

Trading Margin =  $\frac{\text{Trading Net Interest Income}}{\text{Trading Interest Earning Assets}}$  (annualised)

## Dynamics of Core Banking Income and Aggregate Trading Income, RUB mln



### Share buy-back announced: Supporting share price growth

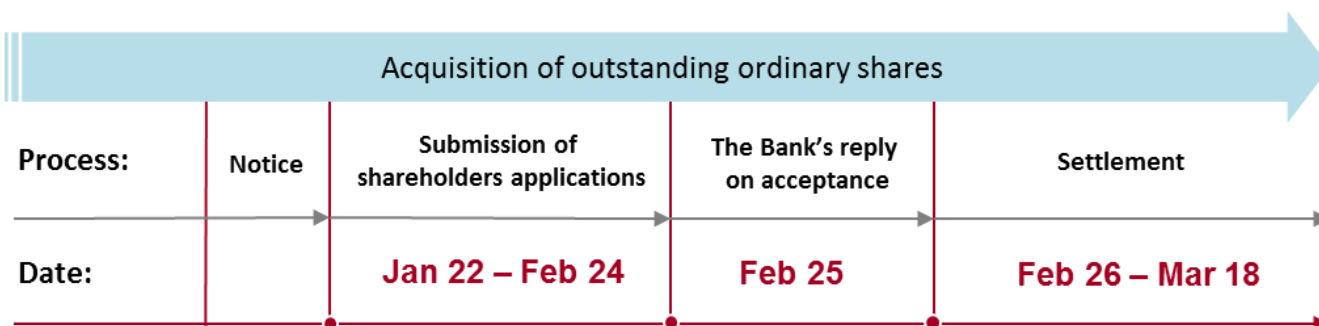
On 18 December 2015 the Supervisory Board approved acquisition of the Bank's outstanding ordinary shares (registration number 10300436B; ISIN RU0009100945). The goal is to support share price and to overcome the Bank's current undervaluation.

The price of acquisition approved is RUR 46 per share. The number of ordinary shares to be acquired is 13,800,000 (3.0% of the share capital or app. 3.1% of the Bank's ordinary shares).

The applications of the shareholders or withdrawal of these applications may be submitted from 22 January to 24 February to Maria Gorokhova, Head of the Shareholder Equity Department, [GorokhovaMN@bspb.ru](mailto:GorokhovaMN@bspb.ru).

The Bank will send a reply on acceptance of the shareholders' requests on 25 February 2016. The shares acquired by the Bank shall be transferred to the Bank's treasury account from 26 February to 11 March 2016. The Bank will pay for the shares acquired in a lump sum in RUB from 14 March to 18 March 2016 (inclusive).

Should the total number of shares for which the applications were submitted by the Bank's shareholders exceed 13,800,000, the shares will be acquired from the shareholders pro rata to the requests submitted.



The Notice of Acquisition of outstanding shares and the application form can be found at: <https://www.bspb.ru/en/investors/shareholder-centre/shares-acquisition/>

---

## Tender Offer Results for Subordinated Eurobonds

In 2015, Bank Saint Petersburg bought back USD 40.8 mln in aggregate principal amount across both series of Eurobonds issued by BSPB Finance P.L.C., including:

- USD 25.0 mln of Notes due 2017 (ISIN XS0312572984) at a purchase price from \$829 to \$980;
- USD 15.7 mln of Notes due 2018 (ISIN XS0848163456) at a purchase price from \$821 to \$1000.

After the buyback, outstanding principal amounts of Eurobonds are as follows:

	Initial amount	Coupon rate	Outstanding principal amount, as at Dec 31, 2015
Eurobonds – LPN due 2017 (ISIN: XS0312572984)	\$100 000 000	7,63%	\$74 972 000
Eurobonds – LPN due 2018 (ISIN: XS0848163456)	\$101 000 000	11,00%	\$85 263 000
Eurobonds – LPN due 2019 (ISIN: XS0954673934)	\$100 000 000	10,75%	\$100 000 000

---

For further information please contact:

Elena Demicheva, Head of IR

Tel.: +7 812 332 78 36

E-mail: [ir@bspb.ru](mailto:ir@bspb.ru)

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