

**BANK
SAINT PETERSBURG**

1Q 2017 IFRS Results

May 25, 2017

Highlights for 1Q 2017

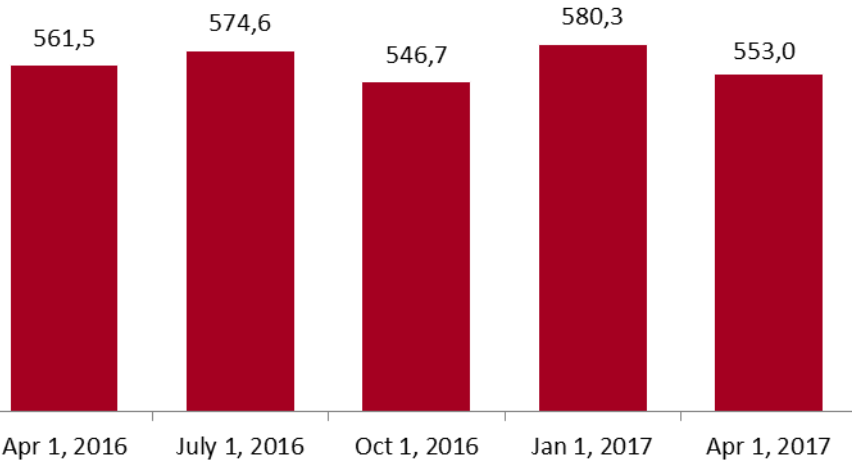
- The best quarter in 6 years:
 - ✓ Net income **RUB 1.5 bn**, the highest net income since 1Q 2011;
 - ✓ ROAE reached **9.7%**, the highest level in 3 years;
 - ✓ Cost of risk decreased to **307 bp**, the lowest level in 2 years.
- Strong retail lending growth (**+10%** y-o-y)

Overview of Key Financials

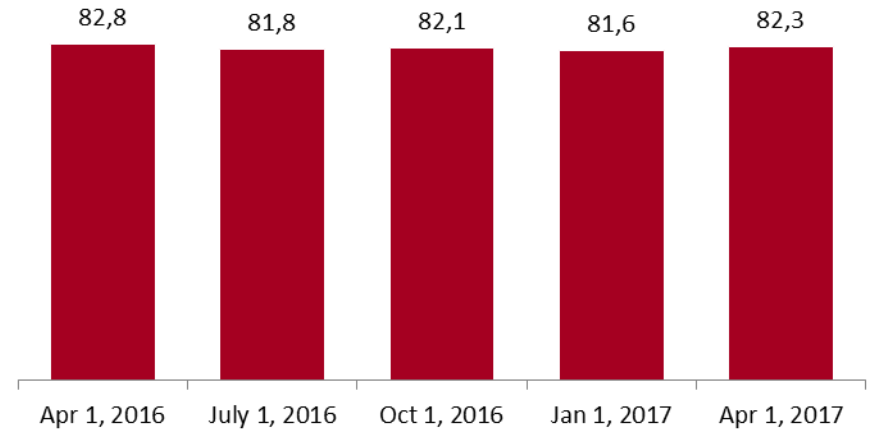
In RUB bn	Jan 1, 2017	Apr 1, 2017	YTD	Apr 1, 2016	Jan 1, 2017	Apr 1, 2017	q-o-q	y-o-y
Total assets	580.29	552.98	-4.71%	561.53	580.29	552.98	-4.71%	-1.52%
Gross Loans	354.31	347.51	-1.92%	367.08	354.31	347.51	-1.92%	-5.33%
Customer Deposits*	357.83	328.20	-8.28%	330.07	357.83	328.20	-8.28%	-0.57%
Total Capital	81.63	82.26	+0.77%	82.79	81.63	82.26	+0.77%	-0.65%
	FY 2016	1Q 2017		1Q 2016	4Q 2016	1Q 2017	q-o-q	y-o-y
Net Interest Income	22.14	4.67		5.07	6.07	4.67	-23.04%	-7.87%
Net Fee and Commission Income	4.70	1.17		1.13	1.23	1.17	-4.41%	+3.83%
Revenues	31.09	7.54		7.54	7.84	7.54	-3.86%	-0.06%
Net Income	4.28	1.48		1.17	1.25	1.48	+18.42%	+26.28%
	FY 2016	1Q 2017		1Q 2016	4Q 2016	1Q 2017	q-o-q	y-o-y
Net Interest Margin	4.06%	3.50%		3.79%	4.48%	3.50%	-0.98 PP	-0.29 PP
Cost/Income Ratio	40.98%	39.57%		38.16%	46.08%	39.57%	-6.51 PP	+1.41 PP
ROAE	7.27%	9.73%		8.20%	8.19%	9.73%	+1.54 PP	+1.53 PP

Financial Highlights, 1Q 2017

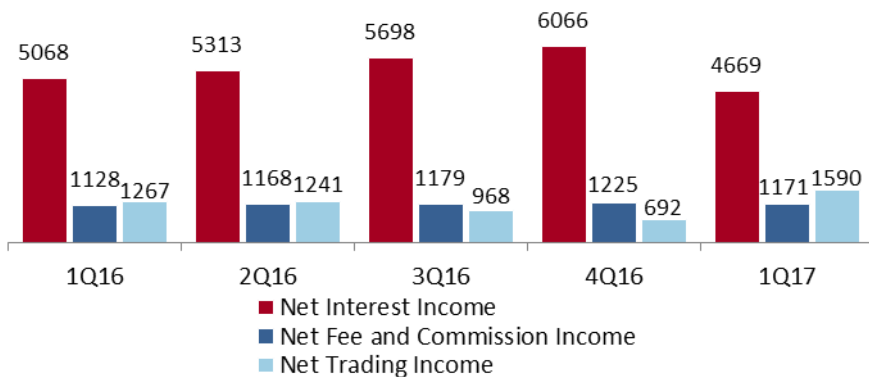
Assets, RUB bn



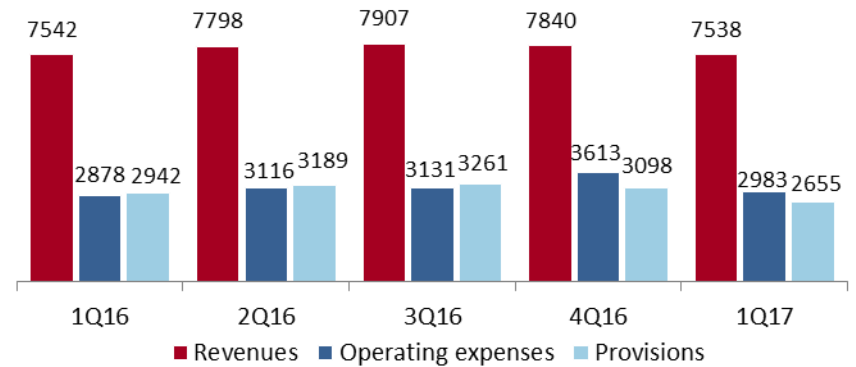
Capital, RUB bn



Income structure, RUB mln

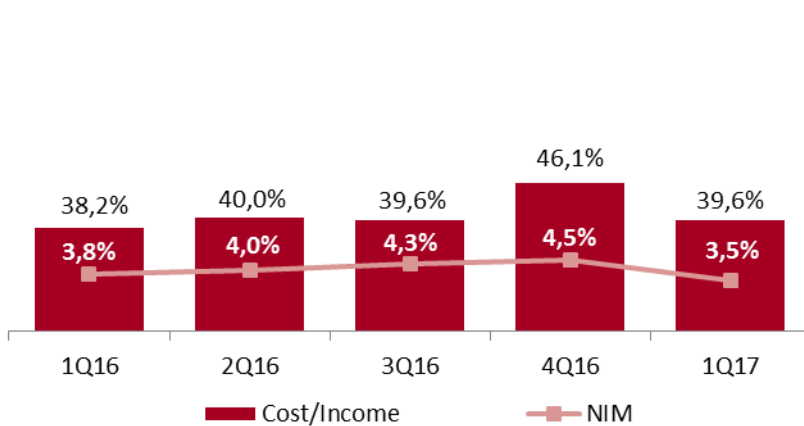


Income and expenses data, RUB mln

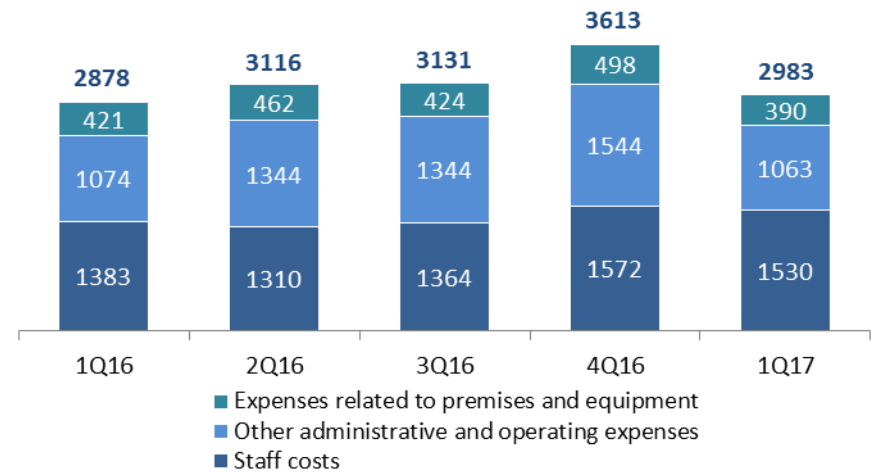


Results for 1Q 2017

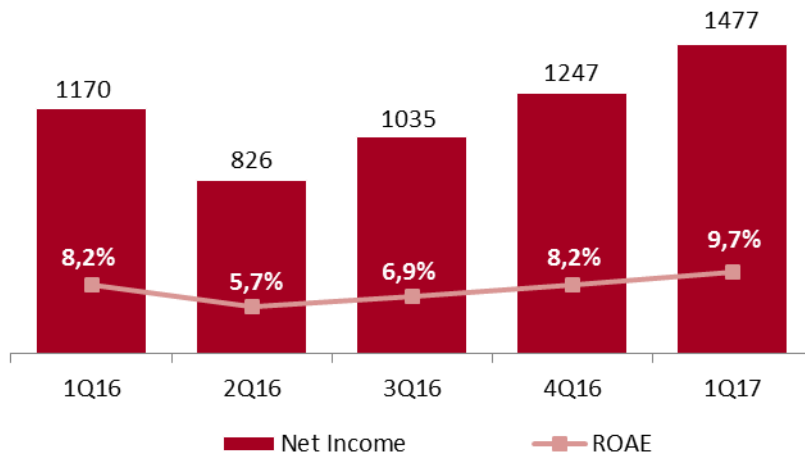
Cost/Income and NIM, %



Operating expenses*, RUB mln



Net income dynamics, RUB mln

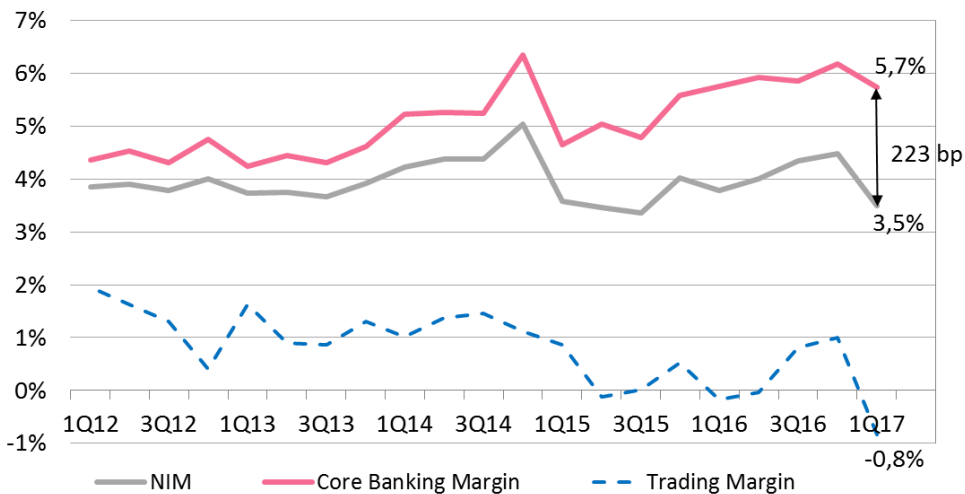


Comments

- Revenues flat y-o-y while provisions are substantially down
- Exceptionally high net trading income adds extra RUB 0.8 bn to interest expenses
- ROAE is back to 2014 level

NIM Dynamics

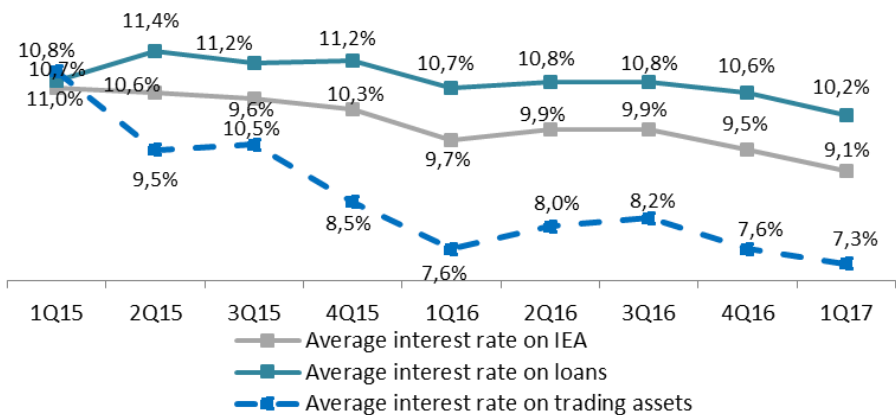
Core Banking Margin* Dynamics



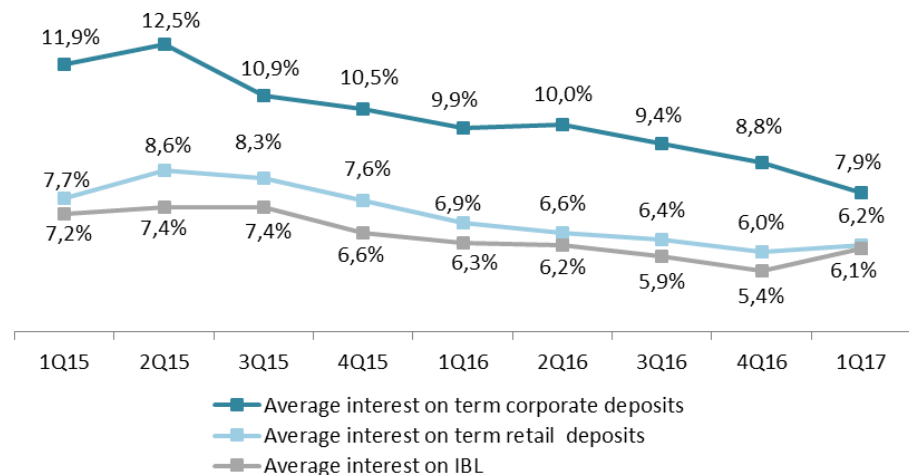
Comments

- Core Banking Margin remains historically high
- Trading margins well below zero in 1Q17 due to increased interbank and repo expenses that were offset by extra trading income

Average interest rates on the assets side



Average interest rates on the liabilities side



Main Factors affected NIM in 1Q 2017


4Q 2016 Core Banking Margin – 6.2%


Average interest rate

Contribution to NIM change:

Gross loans  -44 bp

Retail term deposits  -8 bp

Corporate term deposits  +17 bp


Current/settlement accounts  +8 bp

Total -27 bp

Average balance

Contribution to NIM change:

Gross loans  -4 bp

Corporate term deposits  -23 bp

Bonds issued  +8 bp

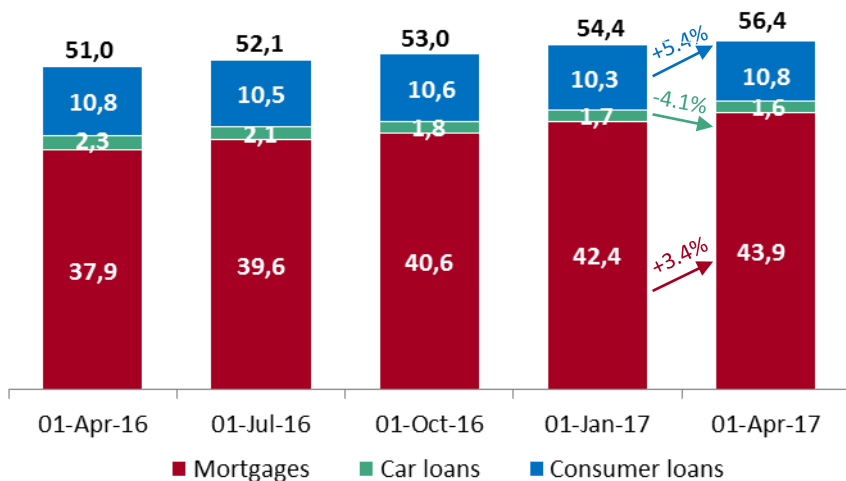
Total -19 bp

other factors +2 bp

1Q 2017 Core Banking Margin – 5.7%

Business highlights: retail banking

Retail loan portfolio growth, RUB bn

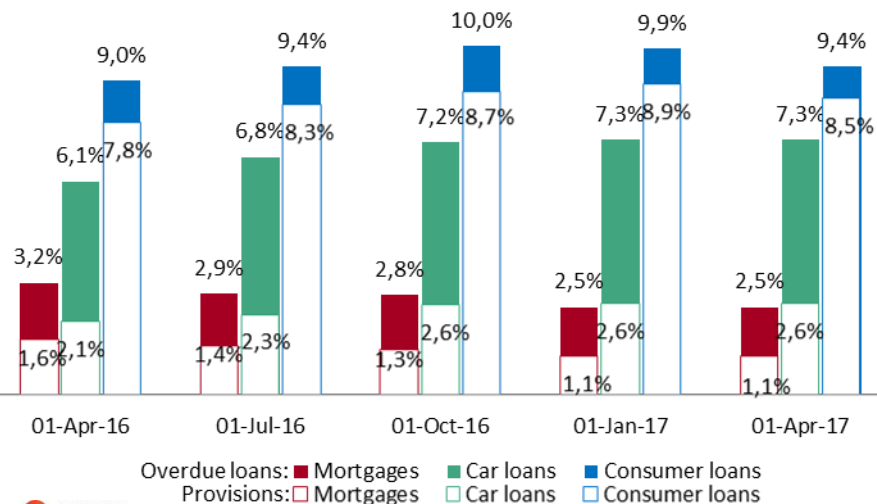


- Large customer base: 1 800 000 retail customers
- Number of cards issued – 1 057 000
- 3 new offices opened in 2017 (from 61 to 64)

Retail lending:

- Retail loans 10% growth y-o-y*
- Retail loan portfolio quality started to improve
- Top-3 in regional mortgage lending market in 2016 (Top-10 in Russia)
- 8 mortgage lending centers within the branch network

Retail loan portfolio quality

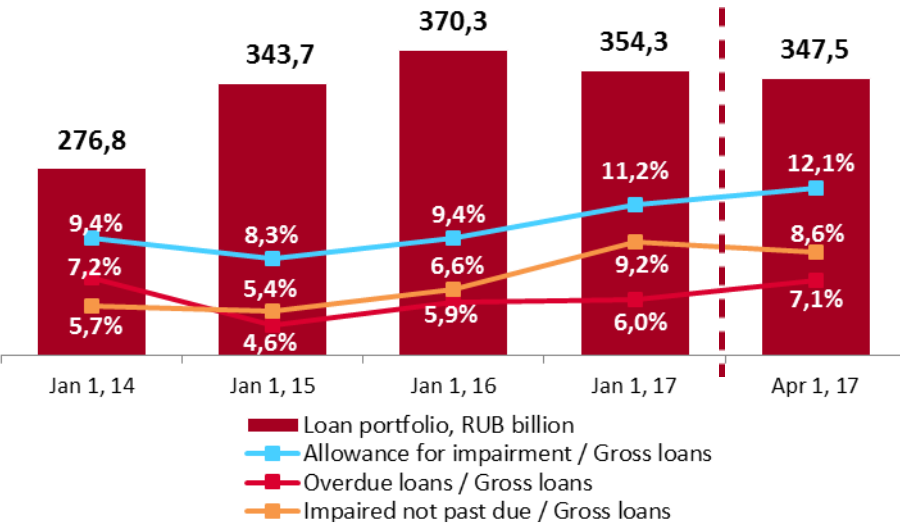


E-banking:

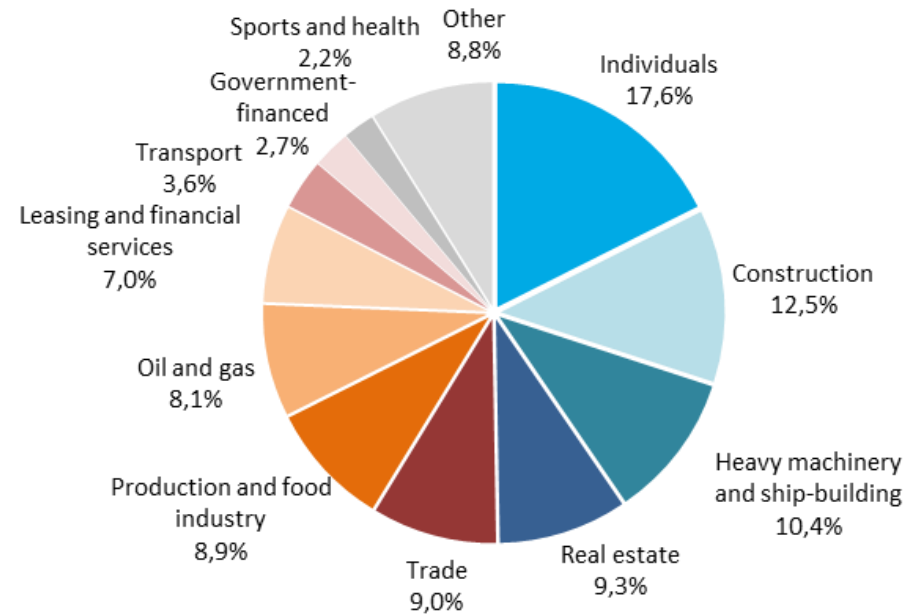
- Successful Internet Bank platform – 809 000 users
- During 1Q 2017:
 - ✓ 67% of the total retail deposits are online deposits
 - ✓ 87% of consumer loans originated through the Internet Bank
 - ✓ 97% of payments were made through digital channels (Internet Bank, ATMs and payment kiosks)

Loan portfolio and quality

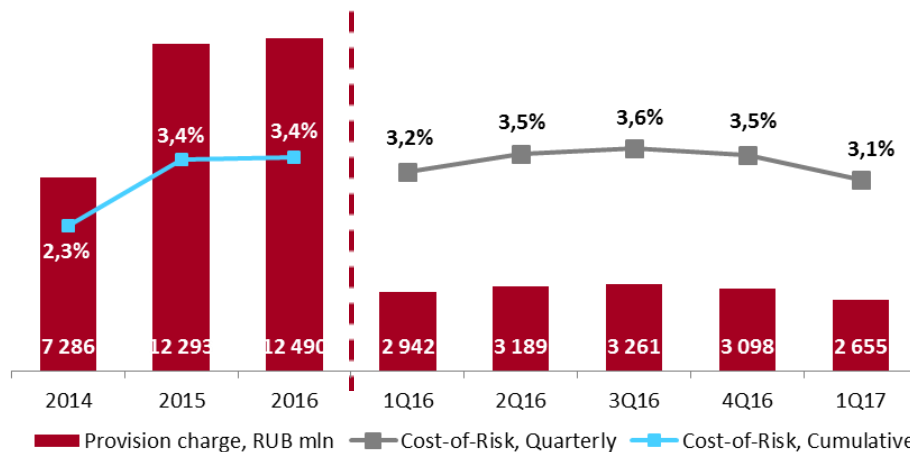
Loan portfolio quality



Loan portfolio by sector, April 1, 2017



Provision charge, RUB mln, and CoR, %

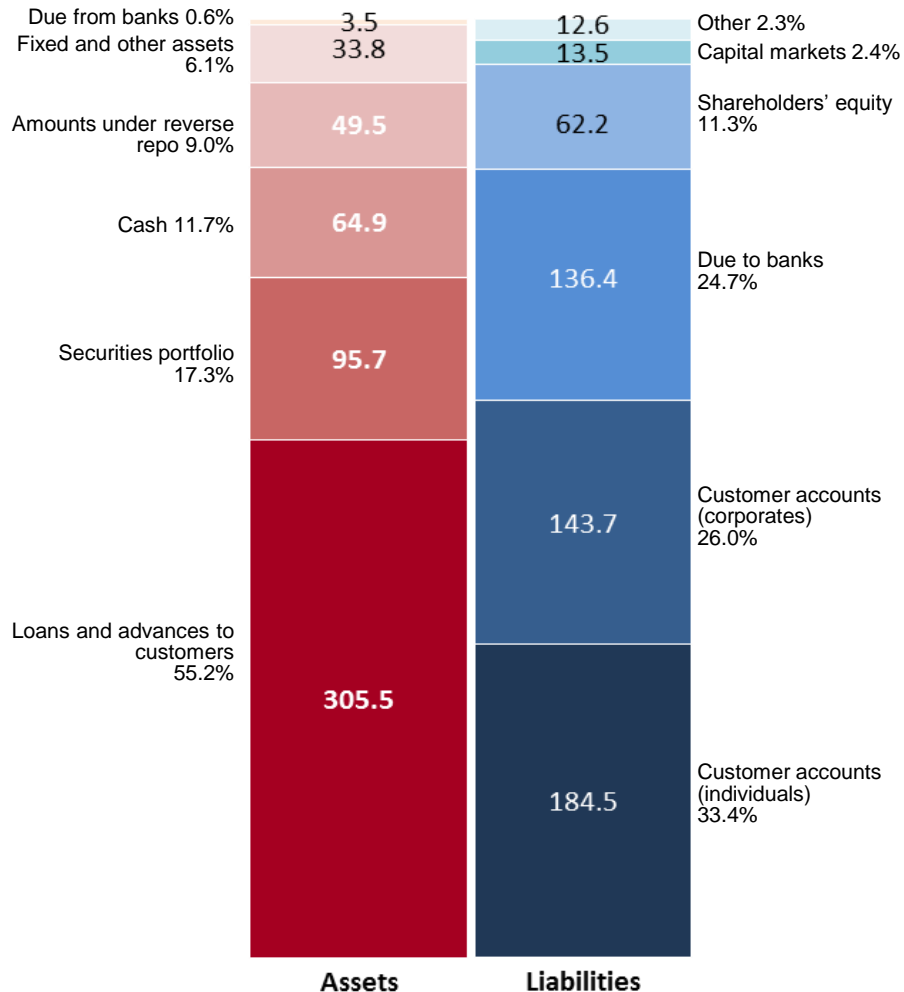


Comments

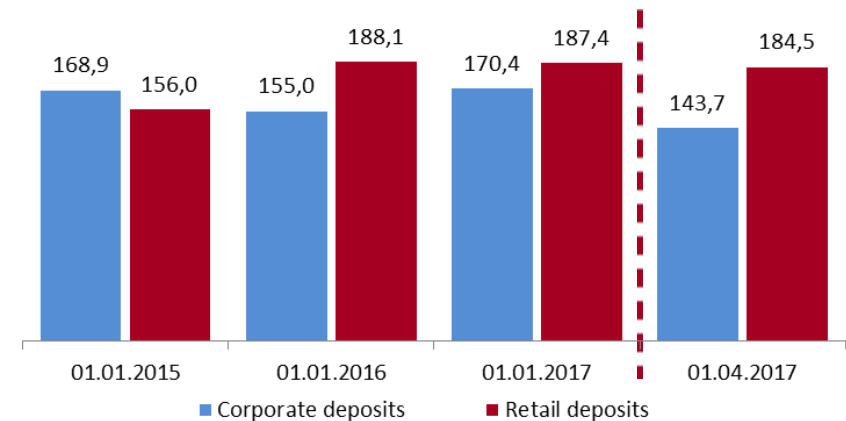
- Gross loan portfolio decreased by 5.3% y-o-y
- Loans to individuals is a major segment of loan portfolio
- RUB 0.2 bn of the loan portfolio written off in 1Q17

Assets and liabilities structure

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



Customer deposits*, RUB bn

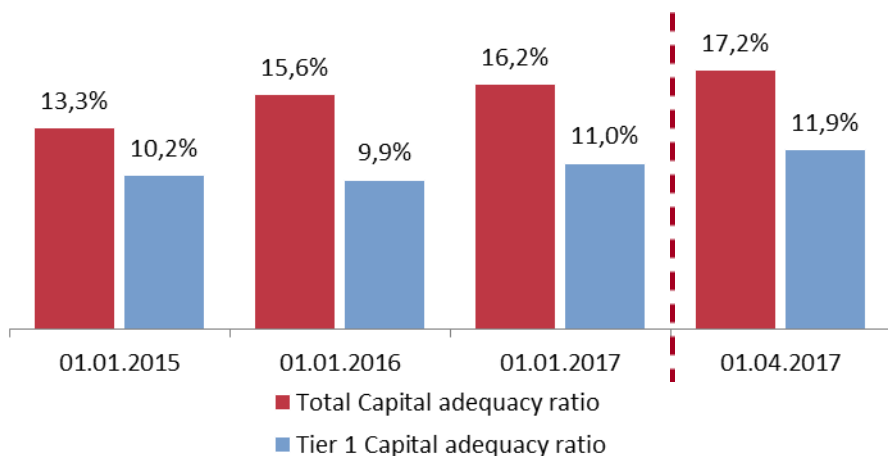


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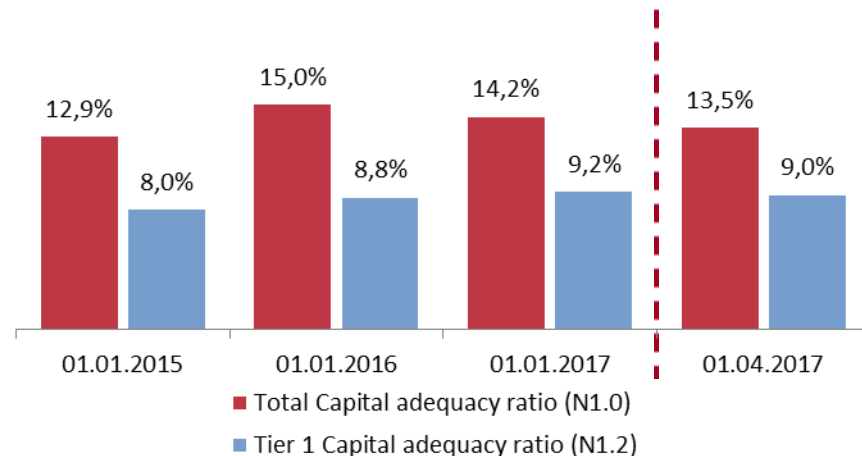
- Retail deposits represent 56% of total customer deposits
- Loans/Deposits Ratio 93%
- Conservative approach to risk: approximately 84% of the debt securities belong to the CBR Lombard list
- Average duration of the bonds portfolio is 1.7 years

Capital and funding

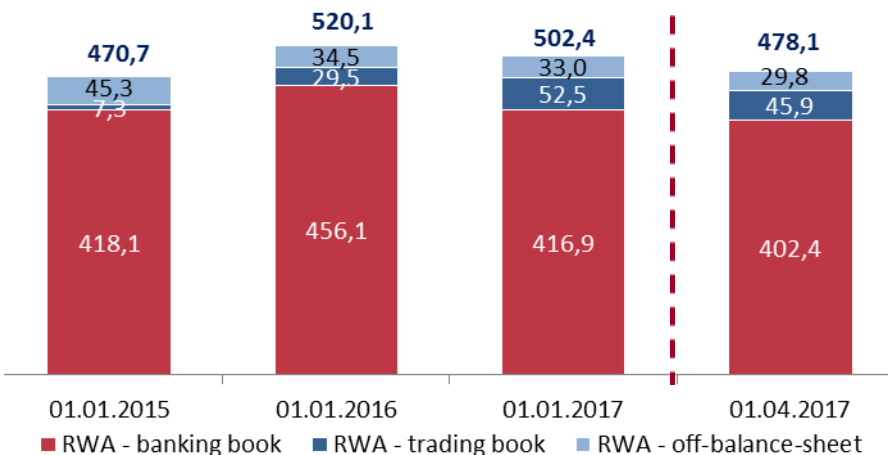
IFRS Capital adequacy, Basel I



RAS Capital adequacy, Basel III



Risk-weighted assets (RWA), RUB bn



Comments

- Comfortable level of all capital adequacy ratios

Key corporate actions & Recent developments

Dividends

On May 18, 2017, AGM made the decision on payment of dividends for 2016:

- ordinary shares: RUB 1.05
- preferred shares: RUB 0.11

Total sum of dividends: RUB 463,742,700 (20% of the Bank's 2016 RAS Net income)

Dividend record date – May 31, 2017

Supervisory Board

New independent Supervisory Board member was elected:

Mr. Andrey Zvezdochkin, CEO of ATON Investment Group

Management Board

New Head of Corporate Banking and new Head of HR Management were approved for nomination to the Management Board:

Ms. Oksana Panchenko (formerly Raiffeisenbank Russia) and Ms. Marina Danilova (formerly Ford Motor Company and Philip Morris International)

Upcoming share issue

On May 18, 2017, the Supervisory Board made the decision to increase share capital

- ✓ Up to 60 mln ordinary shares
- ✓ Open subscription / rights issue
- ✓ Pre-emptive rights cut-off date – May 31, 2017
- ✓ Purposes: to strengthen capital position and comply with the equity increase requirement imposed by the Deposit Insurance Agency
- ✓ Decision on additional share issue and prospectus have been filed with CBR. CBR registration is expected by the end of June
- ✓ The offer timing and price will be further determined by the Supervisory Board in due course, subject to market conditions
- ✓ Once the subscription process has been initiated, investors will have two options:
 - to submit orders through a Russian broker or directly to the Bank (heavy CBR documentation required)
 - to submit orders via a bookrunner / underwriter (no CBR documentation required)
- ✓ The Bank will notify investors about timing and further details in due course

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/>

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