
Supervisory board approves Strategy 2021-2023

In the beginning of 2018, the Bank published its Strategy for 2018-2020, followed by 2019 amendments extending the planning horizon up until 2022 and outlining new strategic priorities. However, the original strategy's period of action drew to a close, prompting the Bank to look quite ahead once again in 2020.

On December 24, 2020 the Supervisory Board of Bank Saint Petersburg approved the Bank's Strategy for 2021–2023.

The Bank has decided to adopt a new concise form for its new Strategy – namely, one-page strategy. It allows for capturing a better focus on the essence of optimal long-term development.

The new Strategy provides for five key strategic priorities, outlining the rationale of their adoption as well as formulating key appropriate metrics:

- ✓ Market leadership in EXIM operations
- ✓ Significant growth in SME business
- ✓ Large corporate business position strengthening
- ✓ Growth of high income-generating customer base
- ✓ Remote model of customer acquisition and service

KEY STRATEGIC PRIORITIES

MARKET LEADERSHIP IN EXIM OPERATIONS

This priority was initially set in 2019, when the Bank stated EXIM as a strategic direction of development. The Bank boasts advanced EXIM operations infrastructure with limited impact from geopolitics on its operations due to the status of a privately-owned bank. Coupled with existing vast expertise in EXIM, as well as significant customer base amassed in the regions of operation, the Bank sets out goals to increase active customer base by 25%, with volume of transactions growing by 20%, the Bank targets doubling EXIM operations revenues in three years by actively utilizing its customer base and offering the best products and services. Having said that, the quality of services provided and customer satisfaction importance is also recognized, with the fourth metric having to do with maintaining the already high level on NPS (Net promoter score) among EXIM customers.

SIGNIFICANT GROWTH IN SME BUSINESS

Focus on SME business is a reflection of the goals to expand in Moscow and to increase the volumes of transaction business. One of the pillars for this priority is still a “blue ocean” of a Moscow market, where taking even a percent of the market would translate into significant transaction revenues growth for the Bank as a whole. Also, the Bank has already been operating on the Moscow market for a number of years, and has garnered a strong reputation, building a solid name for itself. So one of the metrics used here is active SME customers fivefold growth in Moscow, driving the growth of a total SME customer base by 85% over three years. Tripling the revenues in SME business in Moscow segment will drive 25% increase in total SME segment revenues. The Bank also sets a 5% annual ARPU (average revenue per user) increase target.

LARGE CORPORATE BUSINESS POSITION STRENGTHENING

Large corporate business is a key BS & PL growth driver for the Bank, therefore its expansion is essential for overall development of the Bank. Last years we managed to find a golden mean between growth,

moderate risk appetite and profitability in this segment. The Bank is benefiting from strong brand recognition and successful story of relations with large business - coupled with great Moscow market potential it allows for ambitious growth targets in Moscow. We are looking to realize Moscow potential by increasing its loan portfolio by 45%, resulting in overall increase of 30% across the Bank, in addition to which the Bank also targets doubling its customer base in Moscow, with 30% overall increase in the large corporates.

GROWTH OF HIGH INCOME-GENERATING CUSTOMER BASE

The Bank realizes that nowadays acquisition costs of new customers grow ever higher. Customer retention and efficient cross-sales are a much cheaper option. In these terms, the Bank has been developing AI & ML based big data analytics systems, allowing for better churn rate management and individual offering. Lending is still the main driver for ARPU growth, while loan products penetration potential in existing base remains high. The Bank has adopted the following metrics: ARPU growth by 15% and increasing payroll customers loan penetration from the current 22% to 35%.

REMOTE MODEL OF CUSTOMER ACQUISITION AND SERVICE

This priority is based on the Bank's desire to create a possibility of mass customer acquisition and service exclusively in remote channels. Current combined offline-online model is effective in the regions of presence, but limits the expansion. And physical expansion seems to be expensive and out-of-date. Since this approach is new and challenging for us, in 2021 we are going to define the methodology for accurate measurements of success, however, we aim to guarantee the availability of all mass services completely in online-format, which will facilitate new customers acquisition through remote channels enabling digital revenues growth.

KEY STRATEGIC ISSUES

GEOGRAPHY

We remain a bank of two capitals, while creating the basis for the use of remote channels to unlock the new regions.

OUR TARGET CUSTOMERS

Talking about mass corporates, we aim to attract all segments of SME business, supporting our transactional model. Lending will be used as a leverage for the growth of this model, and is not a focus in and of itself. Payroll account customers also remain a focus for our acquisition. On the retail side, we aim for product-based acquisition primarily of middle-aged and older individuals with some substantial income. We also aim to expand our business partner collaborations (construction companies, insurance agencies, car dealerships), which would allow us another channel for new customer acquisition.

DATA DRIVEN ORGANIZATION

Continuing from the results of digital transformation and going one step deeper, we, feeling comfortable in a transformed digital environment, have formulated our new strategic direction for digital development as "Data driven organization". Having acquired experience in big data analytics, we are expanding our use of machine learning and artificial intelligence based macro and risk modeling, also allowing for customer base management, as well as smart pricing and offering, making possible the tailored individual offers even to mass customers.

CREATIVE AND OPEN-MINDED TEAM

We also recognize that all of the above is not possible without having highly qualified and motivated employees engaged in collaboration on every level and efficient cross-functional teams.

KEY STRATEGIC TARGETS

1. **ROE – 15%.** The Bank has been gradually increasing its ROE in recent years, with 15% level still remaining our target.

2. **TSR – ABOVE THE MARKET.** The Bank is striving to bring value to our shareholders. Our aim is to increase shareholders return both in share price growth and dividend payout. The benchmark is TSR (Total Shareholder return) of MOEX index.

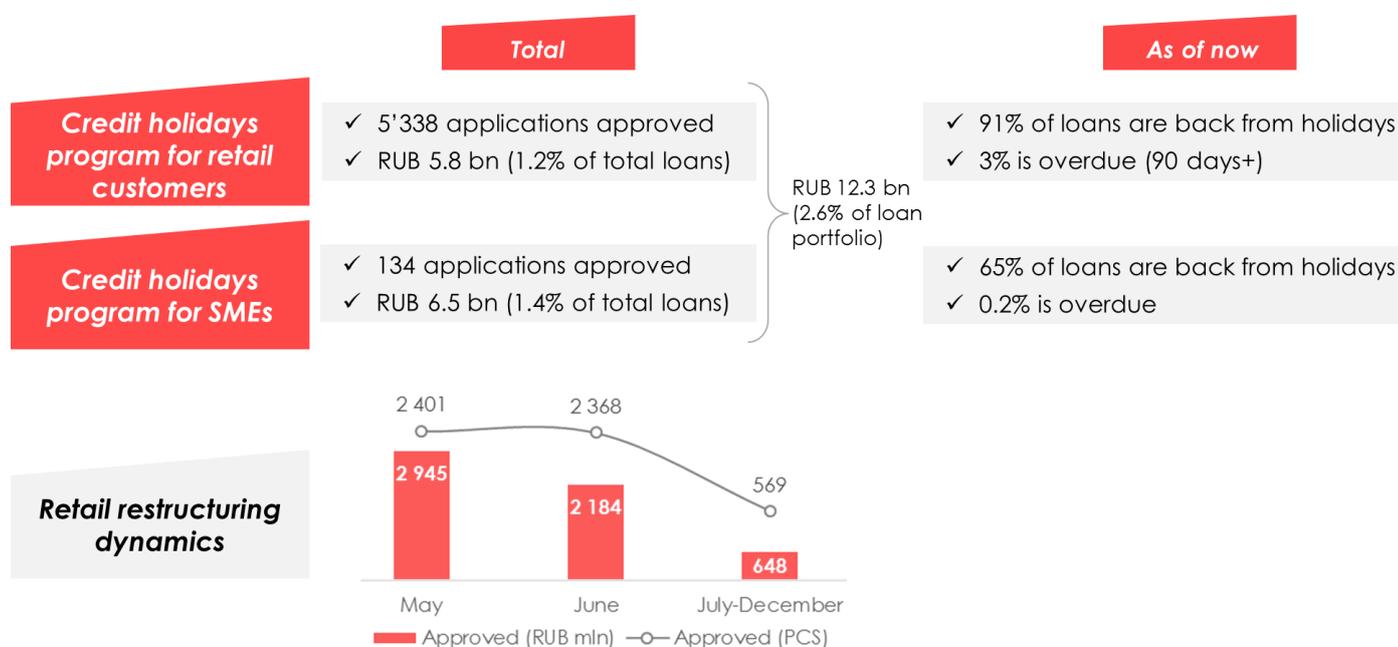
KEY FINANCIAL METRICS

RUB bn	2020E	2023	
LOAN PORTFOLIO	460	600	+30%
CORPORATE	350	440	+25%
RETAIL	110	160	+45%
REVENUES	37	50	+35%
NET INCOME	10	17	+70%
CIR	36%	34%	-2 pp
CAR (N1.2)	9.9%	>9.5%	+5 pp

**based on internal management accounts as of the date of the Strategy approval*

The Strategy 2021-2023 is available [at the Bank's website](#)

An update on restructured loans performance (pandemic credit holidays)



An update concerning preferred shares listing

Following the Bank's application, Moscow Exchange decided to add the preferred shares of Bank Saint Petersburg from December 30, 2020 to the Level 3 List of securities admitted to trading. The Bank's

preferred shares (ISIN: RU000A0JP0U9) are traded on the stock market of the Moscow Exchange with ticker symbol BSPBP.

We inform you that in accordance with the Bank's Charter, the dividend on the preferred shares amounts to 11% of nominal share value or RUB 0.11 per share. Please be noted that the Bank does not have any plans to revise its Dividend Policy, or to make a buyback or conversion in relation to the preferred shares.

Bank Saint Petersburg earned record-breaking net income for FY 2020

On January 20, 2021, Bank Saint Petersburg released its preliminary FY 2020 RAS results (may be subject to change following the subsequent events). Bank Saint Petersburg continues to demonstrate good results and posted record-breaking profit in the challenging financial market. Net Income for FY 2020 doubled compared to the previous year and amounted to RUB 11.7 bn. The Bank is expecting FY 2020 net income after the subsequent events to be around RUB 10.9 bn.

Net Interest Income for FY 2020 amounted to RUB 25.0 bn (+13.3% compared with FY 2019); Net Fee and Commission Income for FY 2020 amounted to RUB 7.3 bn (+10.9% compared with FY 2019). Loans to corporates in FY 2020 increased by 14.5% and amounted to RUB 341.2 bn; Loans to retail customers in FY 2020 increased by 11.7% and amounted to RUB 114.6 bn.

Respective press-release is available at: <https://www.bspb.ru/en/news/2021/01/20/>

Corporate Calendar 2021

1 week prior to the results release	Quiet period
March 10	FY 2020 IFRS Results release Webcast and conference call for analysts and investors
March-April	Investor Day
1 week prior to the results release	Quiet period
May 24-28	1Q 2021 IFRS Results release Webcast and conference call for analysts and investors
May	Annual General Shareholders' Meeting
1 week prior to the results release	Quiet period
August 23-27	2Q 2021 IFRS Results release Webcast and conference call for analysts and investors
1 week prior to the results release	Quiet period
November 22-29	3Q 2021 IFRS Results release Webcast and conference call for analysts and investors