

# Financial Performance

FY 2020 Net profit amounted to record-high RUB 10.8 billion (+36.9% compared with FY 2019).

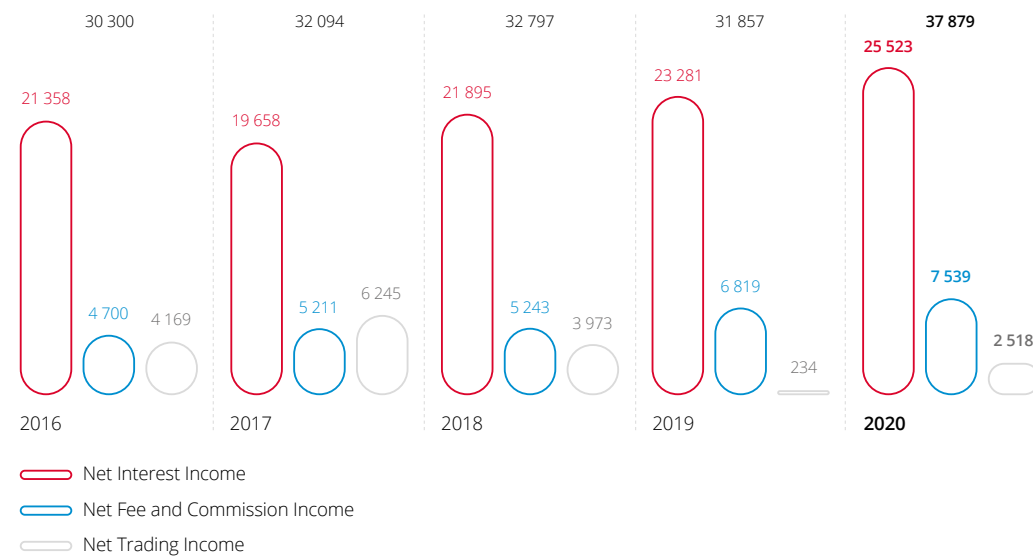


# FINANCIAL HIGHLIGHTS

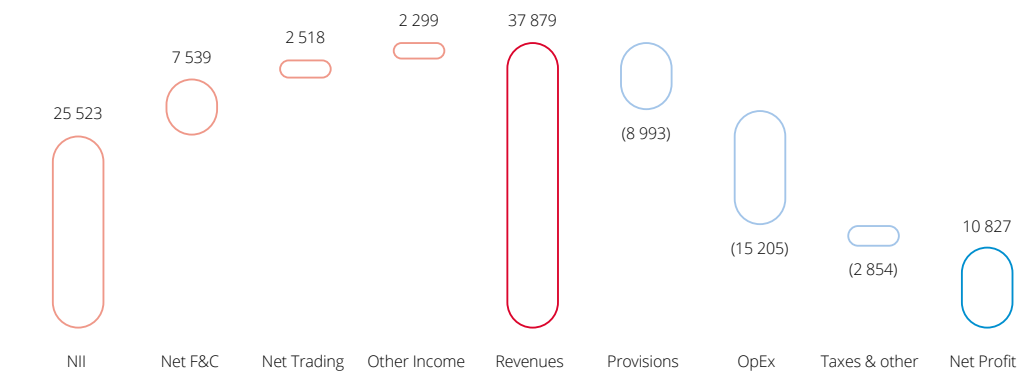
The principal factors that influenced the Bank's 2020 financial results included:

- FY 2020 Net profit amounted to record-high RUB 10.8 billion (+36.9% compared with FY 2019), including RUB 4.5 bn in 4Q 2020 (+86.3% compared with 4Q 2019);
- FY 2020 ROAE up to 12.9% (10.2% in FY 2019), 4Q 2020 ROAE up to 20.3% (12.1% in 4Q 2019);
- Loan portfolio grew by 14.4% YTD, including +15.2% in corporate and +12.0% in retail portfolios.

Revenues structure\*, RUB mln



Financial Result



\* One-off incomes are excluded from Revenues and Net Trading Income; the loyalty program in the structure of net fee and commission income has been taken into account in the Bank's statements since 2018

## NET INTEREST INCOME

The Bank's interest income decreased by 10.4% in 2020 to RUB 43.4 bn, compared to RUB 48.5 bn in 2019. Customer lending contributed to 82.1% of the total interest income: interest income from loans and advances to customers amounted to RUB 35.6 bn. Interest income from other operations, principally from securities, decreased by 36.7%, amounting to RUB 7.8 bn in 2020, compared to RUB 12.3 bn in 2019. Overall, this interest income component still comprises an insignificant amount of 17.9%.

Interest expense decreased by 28.9%, amounting to RUB 16.7 bn in 2020, compared to RUB 23.4 bn in 2019. Interest expense on retail term deposits decreased by 22.0% and amounted to RUB 7.5 bn (45.3% of total interest expenses). Interest expenses on corporate term deposits increased by 29.1% and amounted to RUB 3.5 bn (21.2% of total interest expenses). Interest expenses on due to banks decreased by 36.4% and amounted to RUB 4.7 bn (28.4% of total interest expenses).

Net interest income increased by 9.6% to RUB 25.5 bn, compared to RUB 23.3 bn in 2019. The main factor behind the NII increase is the lending expansion in the FY 2020 with interest rates on liabilities decreasing.

## NET FEE AND COMMISSION INCOME

The Bank's fee and commission income increased by 10.8% in 2020, reaching RUB 9.9 bn, compared to RUB 8.9 bn in 2019. Plastic cards settlements (35.8% of total fee and commission income) increased by 3.1% and amounted to RUB 3.6 bn. Cash and settlement operation fees (40.6% of the total fee and commission income) increased by 11.0% to RUB 3.6 bn compared to 2019. Fees for issuing guarantees and letters of credit (15.3% of the total fee and commission income) increased by 49.0% and stood at RUB 1.5 bn.

Fee and commission expense increased by 11.4% in 2020 to RUB 2.4 bn, compared to RUB 2.2 bn in 2019. The aggregate of commissions on plastic cards settlements (including loyalty programs), securities and settlement transactions amounted to RUB 2.2 bn, or 91.3% of the total fee and commission expenses.

In 2020, the net fee and commission income increased by 10.6% to RUB 7.5 bn (RUB 6.8 bn for 2019).

**25.5**  
 RUB BN  
 net interest  
 income  
**+9.6%**

**7.5**  
 RUB BN  
 net fee  
 and commission  
 income  
**+10.6%**

# 2.5

RUB BN net trading income

## TRADING INCOME RESULT

In 2020, net trading income amounted to RUB 2.5 bn. Gains from operations with foreign currencies and derivatives amounted to RUB 2.8 bn, while losses from operations with securities amounted to RUB 0.3 bn. Results from operations in financial markets were driven by the active increase of the low-risk flow trading income share.

From 2007 onwards, Bank Saint Petersburg has been among the leaders in the most important segments of the Russian financial market and an active trader on foreign stock exchanges. The Bank is systematically included in the activity ratings of the MOEX currency derivatives market and the MOEX futures and options market. The Bank's currency futures trading volume currently represents a sizeable share of the total trading volume of the Chicago Mercantile Exchange. The Bank is also a major participant in the REPO market and a partner of leading domestic and international financial institutions. The Bank contributes to the interest rate indicators calculated by the National Securities Market Association and is a market maker for interest-bearing instruments of the Moscow Exchange.

## COST EFFICIENCY

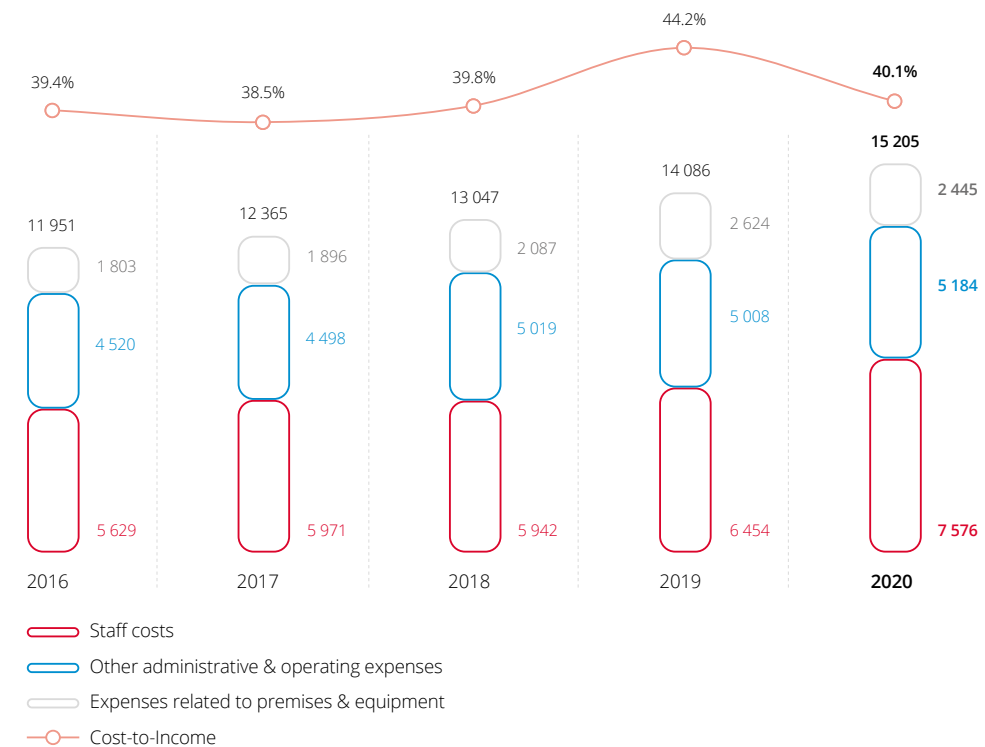
The Bank's operating expenses grew by 7.9% to RUB 15.2 bn compared to 2019. Significant revenues increase mostly due to core business growth resulted in the cost/income ratio of 40.1% in FY 2020 (44.2% in 2019).

Staff costs is a major component of the Bank's operating expenses, comprising 49.8% of all costs. Staff costs increased by 17.4% and amounted to RUB 7.6 bn.

The Bank's expenses related to premises and equipment amounted to RUB 2.3 bn in 2020, a 7.5% increase compared to 2019.

The Bank's other operating expenses include rental payments, administrative costs, professional services, security, transportation, delivery and other expenses. In 2020, these expenses decreased by 3.7% to RUB 5.3 bn.

Operating Expenses\*, RUB mln



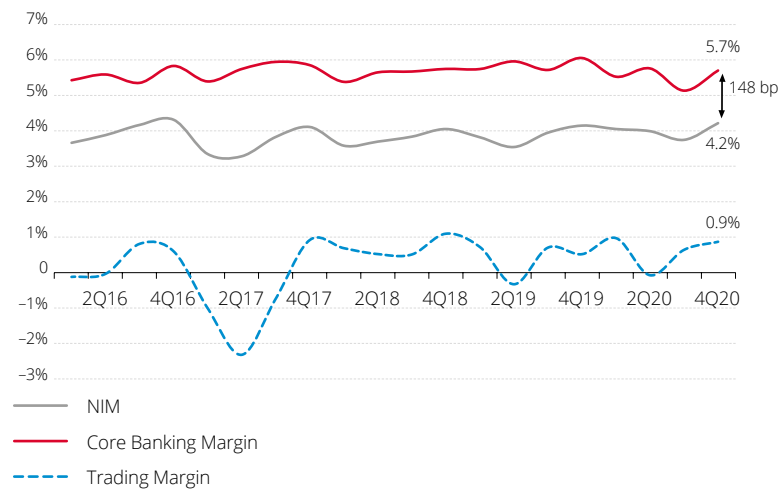
\* Property tax is excluded from other administrative and operating expenses and included in expenses related to premises and equipment. Costs reclassified according to IFRS 16 — from other OpEx to OpEx related to premises and equipment.

## KEY FINANCIAL INDICATORS

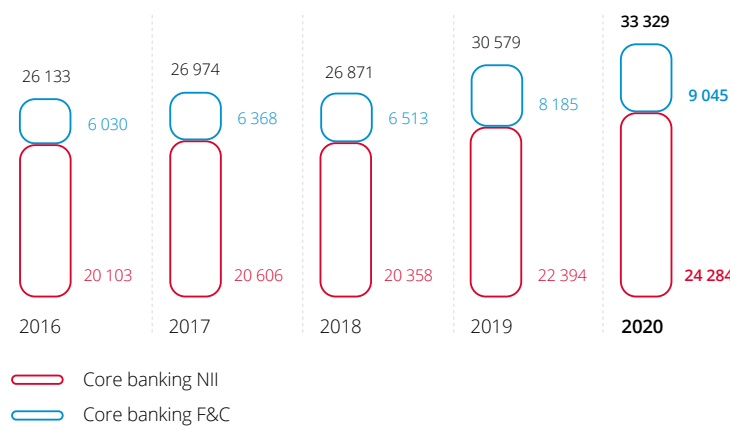
The core banking margin remains at a historically high level.

Core banking revenues increased by 9.0% and amounted to RUB 33.3 bn in FY 2020. Net income amounted to RUB 10.8 bn for FY 2020. The Bank's return on equity (ROAE) amounted to 12.9% for FY 2020 (10.2% for FY 2019).

### Core banking margin dynamics



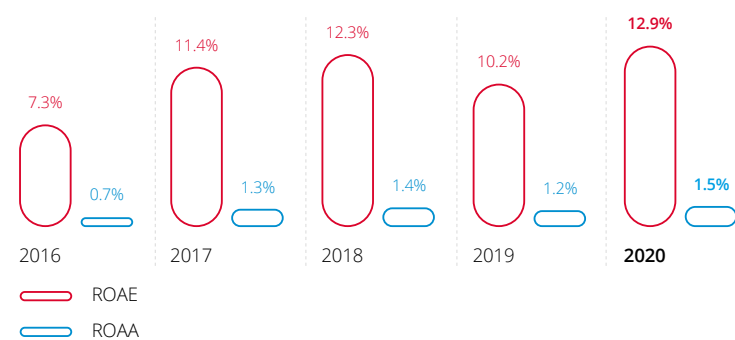
### Net income dynamics\*, RUB mln



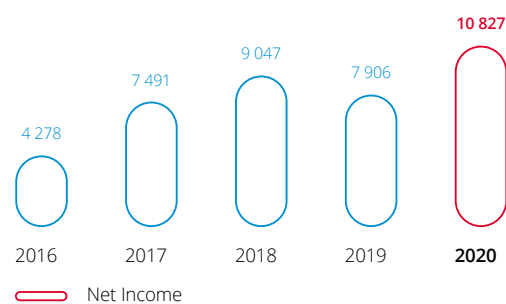
\* Starting from FY 2019, loyalty program expenses are added to F&C income

Source: Bank's management accounts.

### ROAE & ROA



### Net Income dynamics



## BALANCE STRUCTURE

The Bank's assets increased by 8.4% in 2020, reaching RUB 730.2 bn, compared to RUB 673.7 bn as at January 1, 2020.

Gross loans increased by 14.4% in 2020 and stood at RUB 459.3 bn, compared to RUB 401.4 bn as at January 1, 2020. The share of loans and advances to customers comprised 57.4% of total assets.

Securities portfolio decreased by 16.9% in 2020 and amounted to RUB 82.1 bn, compared to RUB 98.7 bn as at January 1, 2020. The share of the securities portfolio comprised 11.2% of total assets.

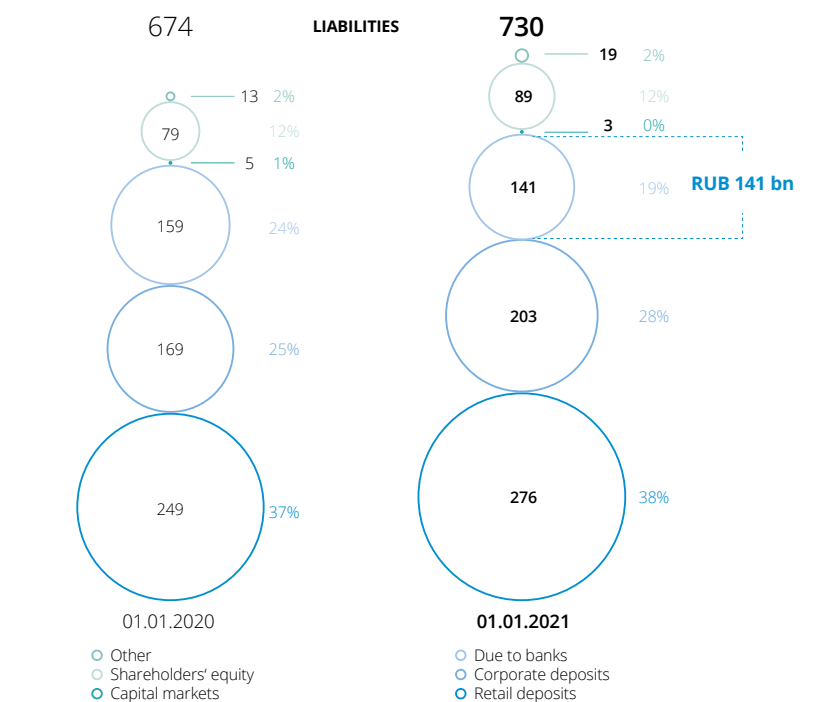
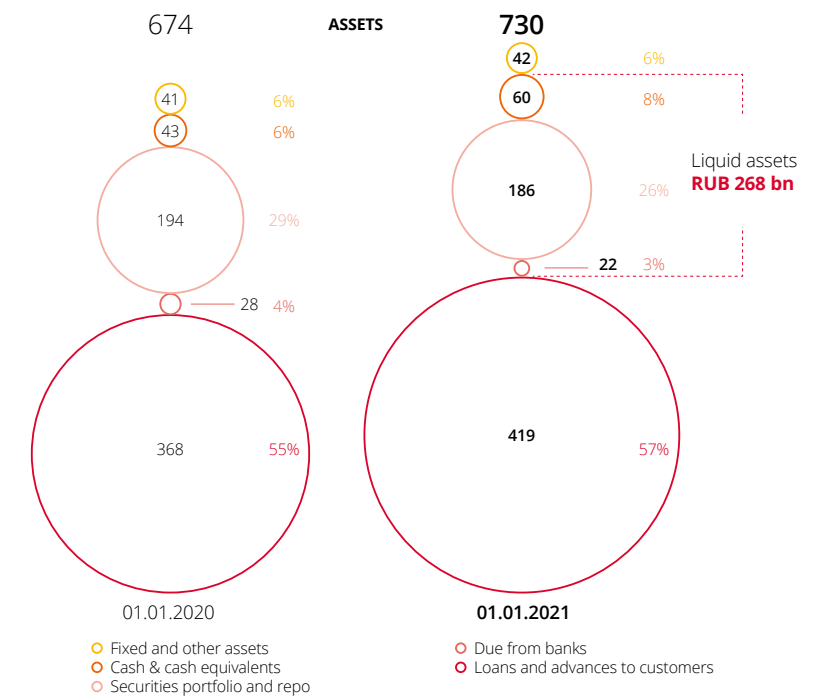
Amounts under reverse repo increased in 2020 by 9.3% to RUB 104.3 bn, compared to RUB 95.4 bn as at January 1, 2020. The share of the amounts under reverse repo comprised 14.3% of total assets.

The volume of customer deposits (customer accounts and promissory notes and deposit certificates issued) increased in 2020 by 14.7% to RUB 479.1 bn, compared to RUB 417.6 bn as at January 1, 2020. The share of customer deposits comprised 65.6% of the liabilities and equity total.

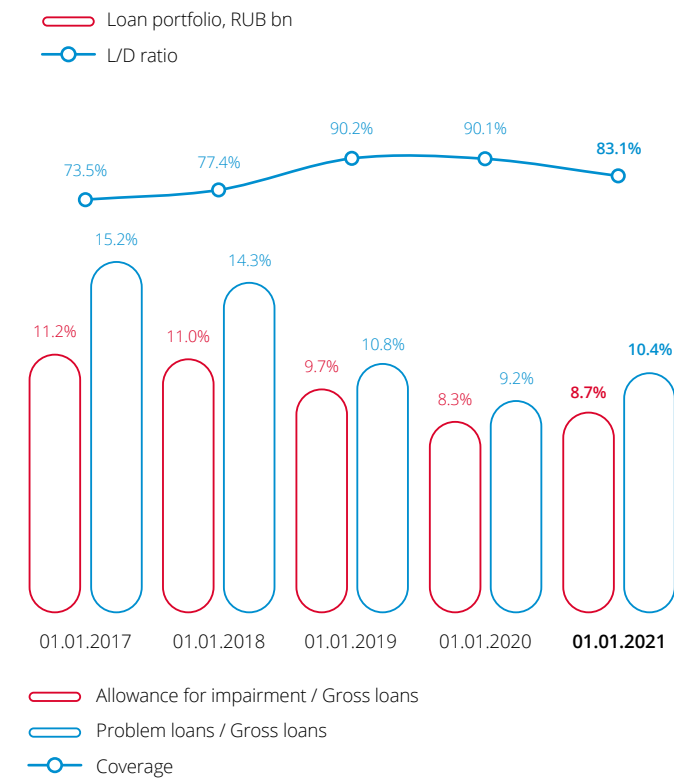
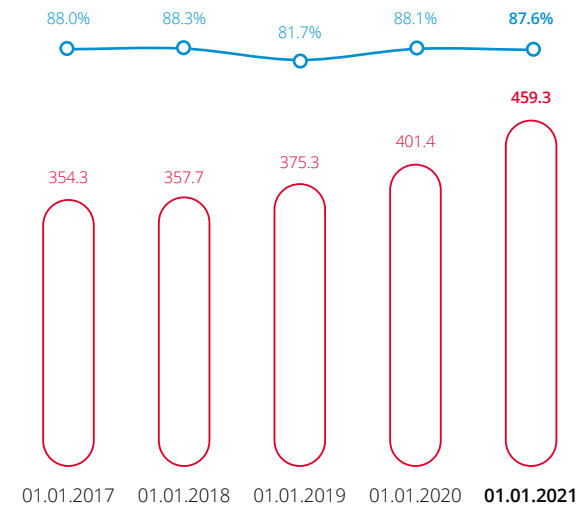
The volume of due to banks increased in 2020 by 11.0% to RUB 141.1 bn, compared to RUB 158.6 bn as at January 1, 2020. The share of due to banks comprised 19.3% of the liabilities and equity total.

As at January 1, 2020, the share of funds attracted from capital markets was 0.4% of the liabilities and equity total, compared to 0.7% as of January 1, 2020.

### Assets and liabilities structure, January 1, 2020 & January 1, 2021, RUB bn



### Loan portfolio quality



\* Starting from Apr. 1, 2018, problem loans include all lifetime ECL credit-impaired loans (stage 3) and loans impaired at initial recognition (POCI)

### LOAN PORTFOLIO QUALITY

Since lending constitutes the majority of the Bank's assets, the Bank focuses on maintaining the high quality of its loan portfolio.

In 2020, the volume of loans to customers (gross loans) increased by 14.4% and stood at RUB 459.3 bn. The provision charge for FY 2020 decreased by 14.0% and amounted to RUB 9.0 bn (RUB 6.3 bn without macro factors recalculation). As at January 1, 2021, the allowance for loan impairment amounted to 8.7% of the loan portfolio (compared to 8.3% as of January 1, 2020).

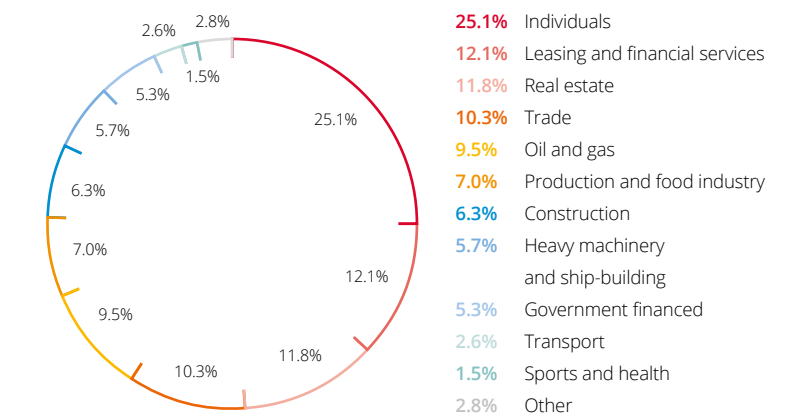
As at January 1, 2021, the share of problem loans in the Bank's portfolio (Stage 3 loans and POCI) amounted to 10.4% (compared to 9.2% as at January 1, 2020). The share of corporate problem loans amounted to 12.4% of the total corporate loans; the share of retail problem loans amounted to 4.4% of the total retail loans.

Provisions for the coverage of problem loans were 83%. In 2020, the volume of loans written off amounted to RUB 6.2 bn.

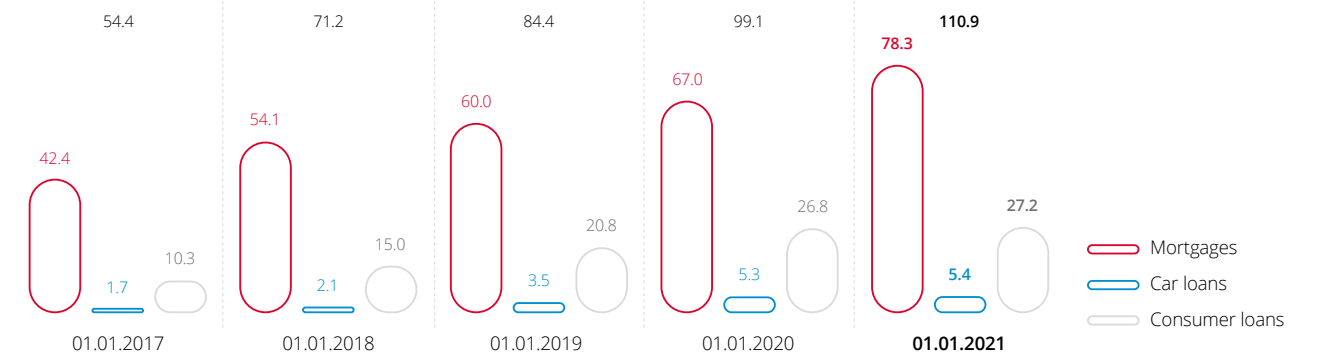
As at January 1, 2020, corporate loans comprised 74.9% of the loan portfolio, its volume increased by 15.2% in 2020 to RUB 344.0 bn. The breakdown of the Bank's corporate portfolio by sector reflects St. Petersburg's economic structure, which has a high proportion of construction, allowing the Bank to benefit from all the advantages of the region's economic structure, as well as to contribute to its development.

In 2020, the retail loan portfolio (mortgage, car and consumer loans) increased by 11.9% and amounted to RUB 110.9 bn. As of January 1, 2021, loans to individuals amounted to RUB 115.3 bn (up 12.0% compared to January 1, 2020). The share of loans to individuals in the loan portfolio amounted to 25.1% as at January 1, 2021 (compared to 25.6% in the previous year).

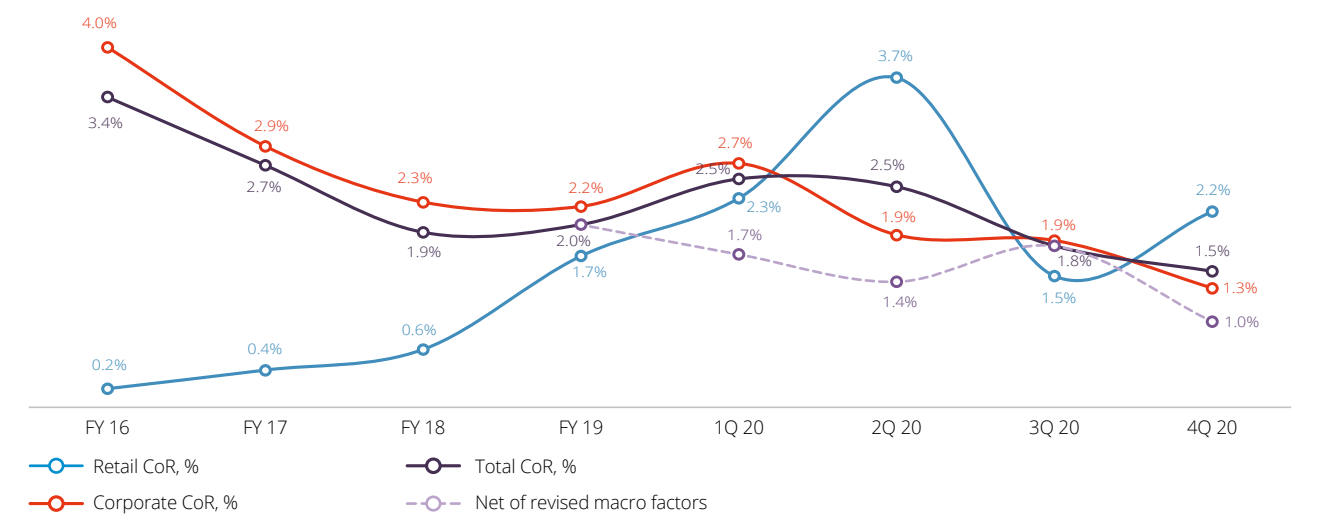
### Loan portfolio by sector, January 1, 2021



### Retail loan portfolio dynamics, RUB bn



### Cost-of-Risk dynamics



## DIVIDEND POLICY

### CUSTOMER DEPOSITS

The volume of customer deposits (customer accounts and promissory notes and deposit certificates issued) increased in 2020 by 14.7%, reaching RUB 479.1 bn (RUB 417.6 bn as of January 1, 2020). As of January 1, 2021, 57.6% of customer accounts belonged to individuals and 40.4% belonged to corporate customers.

Retail customer deposits increased by 10.9%, amounting RUB 276.0 bn. In 2020 corporate customer deposits increased by 20.4% to RUB 203.0 bn.

Retail term deposits decreased by 2.0% and stood at RUB 171.3 bn. During 2020, corporate term deposits went up by 10.2% to RUB 97.9 bn.

### SHAREHOLDERS EQUITY AND CAPITAL

As of January 1, 2021, the Bank's shareholders' equity (EFRS) stood at RUB 88.7 bn (up 11.7% compared to January 1, 2020). The Bank's total capital (RAS, Basel III) amounted to RUB 85.7 bn (up 4.8% compared to January 1, 2020). In compliance with Basel Committee requirements (RAS, Basel III), as of January 1, 2021, the Bank's total capital adequacy stood at 13.3% and Tier 1 capital adequacy stood at 10.6%.

The Bank increases capital per share for its shareholders. As of January 1, 2021, the Bank's book value per share has reached RUB 187.

The Dividend Policy establishes the Bank's intention to maintain a dividend payout ratio of 20%+ of the Bank's IFRS net profit (RUB 10.8 bn for FY 2020). The dividend amount is approved by the General Shareholders Meeting, as recommended by the Supervisory Board.

However, the 2020 coronavirus pandemic's impact on the economic environment is significant. It creates a necessity to maintain extra capital. In these conditions, following global market tendencies and in line with the regulator's measures aimed at strengthening Russian banks' capital, the Bank's Supervisory Board decided to recommend AGM not to pay out dividends on ordinary shares for 2019.

Conditional on the economy stabilization the Bank communicated an intention to consider the issue of dividends in the second half of 2020.

In accordance with its promises and taking into account the stable financial position of the Bank, as well as the limited impact of the pandemic on its activities compared to the initial expectations in spring 2020, on October 22, 2020, the Supervisory Board decided to recommend to the Extraordinary General Shareholders Meeting of PJSC "Bank "Saint-Petersburg" to pay dividends.

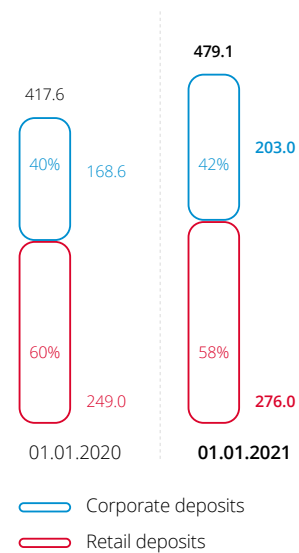
BSPB summed up the results to the Extraordinary General Shareholders Meeting of Bank Saint Petersburg held on November 30, 2020 in a form of remote voting, following the regulator's recommendations.

Bank's shareholders took a decision regarding the order of dividend payout. Dividends will be paid out in the amounts as follows (the dividend payout amount calculated based on 20% of IFRS FY 2019 net income):

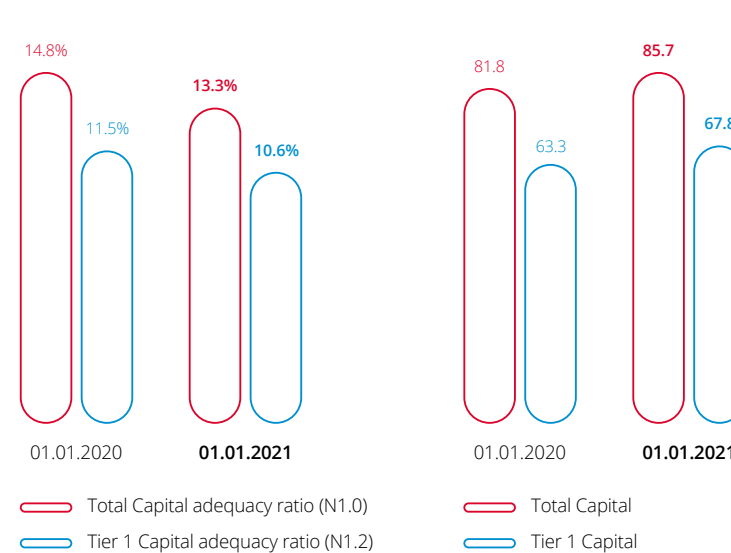
- RUB 3.33 per ordinary share;
- RUB 0.11 per preferred share.

The source of payout is retained earnings. Total dividend payout amounts to RUB 1.6 bn.

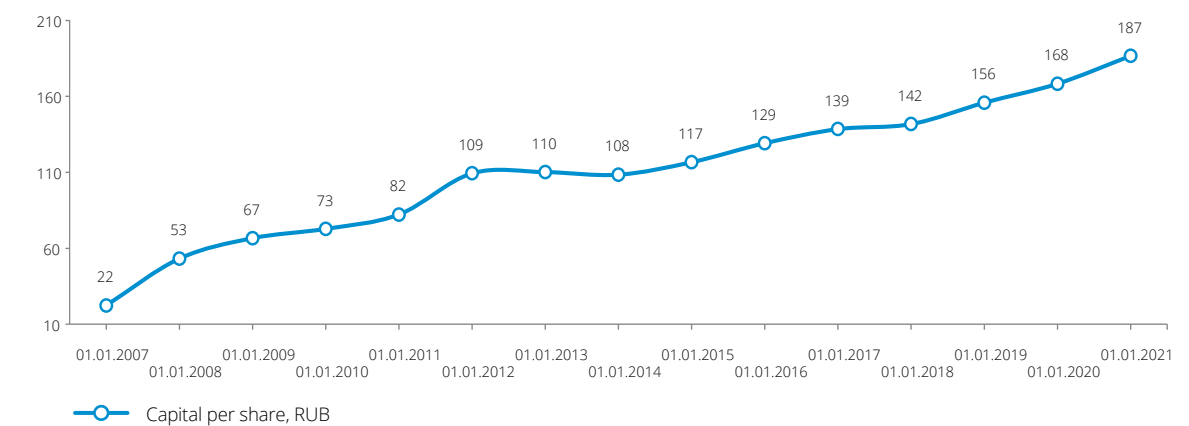
Customer deposits, RUB bn



Capital Adequacy Ratio (RAS, BASEL III)



The Bank increases capital per share for its shareholders



# INVESTOR RELATIONS

**The Bank makes every effort to increase transparency, in addition to improving the quality and quantity of information available to its investors and shareholders. The Bank is focused on providing equal access to public information to all of its stakeholders.**

Bank Saint Petersburg built all the processes in Investor Relations based on the best practice that existed in the world and is striving to maintain them at a high level, extending the circle of communications and the range of products prepared for the market.

Making every effort to maintain a close connection with the investment community, the Bank's representatives pay significant attention to interacting with its current and potential investors. During 2020, the Investor Relations team held 65 meetings and 10 events, including two roadshows and one business-lunch in Moscow. Also, the Bank took part in six online investor conferences.

Keeping in mind the challenges posed by the current situation and high level of uncertainty, in 2020 the Bank actualized the structure of its presentational materials in order to provide an answer to the most pressing queries from the market, namely business recovery after quarantine and evaluation of pandemic and customer support measures on loan portfolio quality.

Thanks to the successful experience of online investor conference participation via the Zoom platform, which turned into the golden standard in the field of meetings/conferences arrangement in the reality of remote workspaces, the decision was taken to conduct quarterly IFRS earnings calls in a Zoom online video conference.

Proactive communications were carried out as new materials emerged (in the form of presentations, press releases, updating materials on the Bank's website, etc.). In total, in 2020, IR distributed 37 newsletters (press releases/messages/reports) on the most significant events for the investment community.

Press releases/messages/reports are sent out based on an investor base of about 500 analysts and portfolio managers. In addition, the Investor Relation team weekly provides existing and potential investors and investment bank analysts covering the Bank with five to ten comments necessary to analyze the financial condition of the Bank and make informed investment decisions.

Foreign investors hold about 30% of the Bank's voting shares.

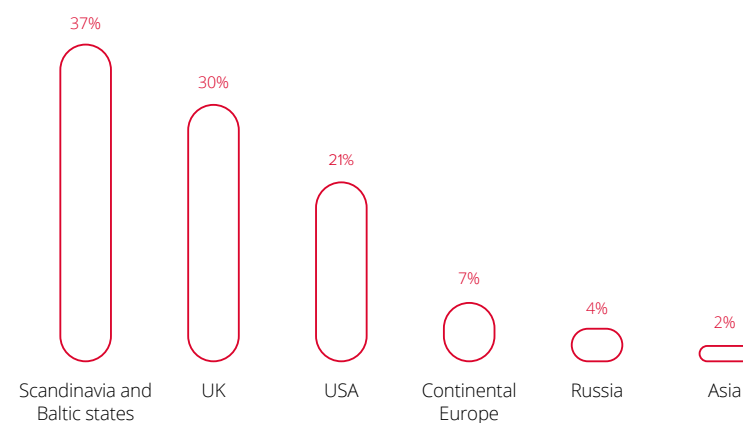
## BANK'S SHARES TRADING

The Bank's ordinary registered shares (state registration number 10300436B, ISIN: RU0009100945) are listed on the stock market of the Moscow Exchange. Since October 28, 2016, ordinary registered shares of the Bank have been traded with listing Level 1 (stock ticker BSPB).

The Bank's shares are included into the following Moscow Exchange indices: Moscow Exchange Indices (Broad Market Index (MOEXBMI/RUBMI); Sectoral Financials Index (MOEXFN/ RTSfn).

Following the Bank's application, the 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: RU000A0JPOU9) are traded on the stock market of the Moscow Exchange with ticker symbol BSPBP.

### Foreign Institutional Investor Base



Source: the Bank's own research, December, 2020.