

**Letter of complaint**

Dear Sir or Madam,

Arsagera Asset Management (onwards - Arsagera) is a professional participant of securities market and has a Bank of Russia's license for managing mutual funds and practice fiduciary portfolio management.

We are writing to express our suspicion of insider trading, presumably carried out by the company EAST CAPITAL ASSET MANAGEMENT SA. More specifically, our complaint concerns transactions made from the mutual fund under this company's management - EAST CAPITAL - EAST CAPITAL RUSSIA. EAST CAPITAL - EAST CAPITAL RUSSIA is a large shareholder of «Bank «Saint-Petersburg» Public Joint-Stock Company (onwards - Bank «Saint-Petersburg» or Bank). Arsagera is also a stockholder of the Bank.

On the 19<sup>th</sup> of May, 2017, Bank «Saint-Petersburg» PJSC announced the placement of an additional issue of shares. The volume of this emission was set at the amount of 60 million common shares. This information was spread through the server of official information disclosure (<http://e-disclosure.ru/portal/event.aspx?EventId=Dug-At3flgky2YQqcCWcllg-B-B>). At that moment, there was no official information regarding price of the placement. Bank's Board of Directors decided to set the price upon the completion of the receipt of applications for the purchase of shares under the preemptive right. This means, that neither the price nor its range were announced by the 19<sup>th</sup> of May.

However, 3 weeks before the decision of the Bank's Board of Directors to place an additional issue, namely, on the 28<sup>th</sup> of April, anomalously high trading volume of Bank «Saint-Petersburg»'s shares on the Moscow Stock Exchange was registered. The daily trading volume of Bank's stocks reached about 0.4% of the whole number of ordinary shares. It is 20 times more than the usual daily trading turnover, and the average selling price at that day was about 63 rubles per share.

On the 28<sup>th</sup> of July, 2017, the Board of Directors of the Bank set the price of placement of that additional issue of common shares at 53 rubles per share. It remains a mystery how this price was calculated and how the Bank's Board of Directors identified it – during the year 2017, there was not a single transaction with Bank's shares at the price of 53 rubles or below it.

At the same moment, on the 28<sup>th</sup> of July, information concerning the reduction of the share participation of EAST CAPITAL - EAST CAPITAL RUSSIA appeared on the server of official information disclosure. Link for the original source: (<http://e-disclosure.ru/portal/event.aspx?EventId=ToAEHQsYTkytupo95AHww-B-B>). This mutual fund's stake in Bank's equity decreased from 5.47% to 4.80%. About 3 million shares were sold, and that coincides with the volume of shares that the given shareholder could potentially make up in the course of additional issue using its preemptive right.

We suspect that EAST CAPITAL ASSET MANAGEMENT SA, more specifically – mutual fund under its management EAST CAPITAL - EAST CAPITAL RUSSIA, in the period between April 28 and July 28, used insider information about the future price of that additional issue placement, and sold a part of its stake at high prices before the official announcement of the emission's price. We assume that was done in order to subsequently replenish this sale by buying shares at a lower price using the preemptive right.

We kindly ask you to carry out an investigation concerning these transactions and to report the results to us and the Central Bank of the Russian Federation.

Chairman of Executive Board



Soloviev Vasily