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PRESS RELEASE

Bank Saint Petersburg released its 1Q 2011 IFRS Results

Financial highlights for 1Q 2011*:

- **Net income** for 1Q 2011 increased 6 times compared with 1Q 2010 to RUB 2.1 billion (USD 73.3 million);
- **Net interest income** for 1Q 2011 increased by 5.9% compared with 1Q 2011 to RUB 3.3 billion (USD 114.6 million);
- **Loan portfolio** increased by 5.2% compared with January 1, 2011 to RUB 212.8 billion (USD 7.5 billion);
- **1Q 2011 Return on Equity (ROAE)** amounted to 28.6%

*The RUB-nominated figures are translated into USD at the official exchange rate quoted by the CBR for April 1, 2011 (USD 1.00 = RUB 28.52).

Alexander Savelyev, Chairman of the Management Board, commented on the Bank's 1Q 2011 results: *"It was a good quarter for the Bank. We managed to increase our loan portfolio, which is a rare case for the beginning of the year; our net interest margin improved. For the second quarter in a row we are breaking our earnings records. We are happy with the return on equity which looks comfortably above 20% meaning the business is back to normal"*.

As at April 1, 2011, Bank Saint Petersburg was ranked 15th in terms of retail deposits and 16th in terms of assets among the Russian banks (Interfax ranking). As at April 1, 2011, the number of cards issued by the Bank exceeded 700 thousand; the Bank's ATM network comprised of 472 units. Today, the Bank provides services to over 1 million individuals and 35 thousand corporates. As at April 1, 2011, Internet-Bank was actively used by 86 thousand clients.

Net interest income for 1Q 2011 reached RUB 3.3 billion reflecting the first major increase since 4Q 2009: +5.9% compared with 1Q 2010; +9.7% compared with 4Q 2010. **Net interest margin (NIM)** for 1Q 2011 increased by 0.33 percentage points compared with 4Q 2010 and amounted to 5.0%.

Net fee and commission income amounted to RUB 439.1 million (+30.2% compared with 1Q 2010; -17.9% compared with 4Q 2010).

Net trading income. In 1Q 2011 an aggregate result from financial markets operations amounted to RUB 514.6 million (-41.9% compared with 1Q 2010; +939.7% compared with 4Q 2010). The result is attributed to the gains from operations with foreign currencies in the amount of RUB 372.7 million and gains from operations with securities in the amount of RUB 141.9 million.

Income before provisions and taxes amounted to RUB 4.3 billion (-1.3% compared with 1Q 2010; +19.6% compared with 4Q 2010) which is the best result for the last four quarters. The Bank's **Cost-to-Income Ratio** for 1Q 2011 amounted to 26.2% (35.8% for 4Q 2010; 30.0% for FY 2010). Bank's **operational expenses** increased to RUB 1.1 billion (+30.2% compared with 1Q 2010; -14.2% compared with 4Q 2010).

Net income for 1Q 2011 amounted to RUB 2.1 billion (+497.5% compared with 1Q 2010; +15.2% compared with 4Q 2010) which is a second record breaker in a row. The Bank's **return on equity (ROAE)** for 1Q 2011 reached 28.6% (26% for 4Q 2010; 15.3% for FY 2010).

During 1Q 2011 the **Bank's assets** increased to RUB 282.4 billion (+3.6% compared with January 1, 2011; +21.7% compared with April 1, 2010).

Liabilities. Customer accounts amounted to RUB 200.0 billion (-1.1% compared with January 1, 2011; +15.6% compared with April 1, 2010). As at April 1, 2011, 64.3% of customer accounts belonged to corporate customers and 35.7% - to individuals. The share of wholesale funding in liabilities amounted to 10.1% (10.8% as at January 1, 2011).

Equity and capital. As at April 1, 2011, the shareholders equity increased by 7.3% to RUB 30.7 billion compared with January 1, 2011. The Bank's total capital increased to RUB 37.4 billion (+4.4% compared with January 1, 2011; +12.9% compared with April 1, 2010) due to retained earnings. The Bank's Tier 1 and total capital adequacy ratios were 9.7% and 12.7% respectively. On April 28, 2011, the Annual General Shareholders' Meeting of Bank Saint Petersburg made the decision on dividend payment for FY 2010. Total payout amounts to RUB 793.6 million and will not significantly impact the Bank's capital adequacy ratios.

As at April 1, 2011, **Loan portfolio before provisions** amounted to RUB 212.8 billion (+5.2% compared to January 1, 2011; +19.5% compared with April 1, 2010). Corporate loans constituted 93.2% of the loan portfolio and amounted to RUB 198.4 billion, during 1Q 2011 their volume increased by 5.4%. Loans to retail customers amounted to RUB 14.4 billion, during 1Q 2011 their volume increased by 2.2%.

Loan portfolio quality. As at April 1, 2011, the share of overdue loans in the Bank's portfolio amounted to 5.2% of the total volume of loans (5.1% as at January 1, 2011). The share of the corporate overdue loans amounted to 5.0% of the total corporate loans (4.8% as at January 1, 2011); the share of the retail overdue loans amounted to 8.3% of the total retail loans (8.8% as at January 1, 2011). As at April 1, 2011, impaired not past due loans constituted 6.3% of the total volume of loans (5.9% as at January 1, 2011). The rate of provisions for loan impairment amounted to 9.5% compared with the peak of 11.1% as at July 1, 2010. Provision charge amounted to RUB 742.0 million. Additional income in the amount of RUB 69.0 million related to the decrease of the volume of loans granted at below market rates is reflected as the gain at loans granted on below market rates.

1Q 2011 IFRS Financial Statements are available on the Bank's website: <http://en.bspb.ru/2095/>.

Bank Saint Petersburg is the leading privately-owned bank of the North-West of Russia. Founded in 1990, the Bank has become an integral part of the financial sector in the North-West of Russia over the past years. Today, the Bank provides services to over 1 million individuals and 35 thousand corporates through its 36 offices in St. Petersburg, the Leningrad region, Moscow, Kaliningrad and Nizhniy Novgorod. Based on its 1Q 2011 performance, it ranks 16th in terms of assets and 15th in terms of retail deposits among Russian banks (according to Interfax). The Bank is rated "Ba3" by Moody's with "stable" outlook.

For further information please contact:

Tatiana Oreshkina, Head of IR

Tel.: +7 812 332 78 36

E-mail: ir@bspb.ru

For more information about Bank Saint Petersburg please visit www.bspb.ru