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PRESS RELEASE

### Bank Saint Petersburg 9M and 3Q 2011 IFRS Results

Financial highlights for 9M and 3Q 2011\*:

- **Net income** for 9M 2011 increased by 145.1% compared with 9M 2010 to RUB 5.6 billion (USD 175.6 million); Net Income for 3Q 2011 amounted to RUB 1.1 billion (USD 35.6 million);
- **Net interest income** for 9M 2011 increased by 14.2% compared with 9M 2010 to RUB 10.3 billion (USD 321.9 million);
- **Loan portfolio** increased by 10.6% compared with January 1, 2011 to RUB 223.7 billion (USD 7.0 billion);
- The share of **overdue loans** decreased to 4.56% of the loan portfolio (5.08% as at January 1, 2011);
- 9M 2011 **Return on equity** amounted to 23.3%

\*The RUB-nominated figures are translated into USD at the official exchange rate quoted by the CBR for October 1, 2011 (USD 1.00 = RUB 32.11).

Alexander Savelyev, Chairman of the Management Board, commented on the Bank's 9M 2011 results: *"The third quarter was not an easy one both for economy and the Bank: the financial markets were significantly affected by situation in Europe and our customers started to feel the environment getting worse. In spite of this the Bank's earnings from core business are growing as well as customer deposits. Our operational efficiency is still high and key ratios remain within the target range"*.

As at October 1, 2011, Bank Saint Petersburg was ranked 14<sup>th</sup> in terms of retail deposits and 16<sup>th</sup> in terms of assets among the Russian banks (Interfax ranking). As at November 1, 2011, the number of cards issued by the Bank exceeded 736 thousand; the Bank's ATM network comprised of 500 items. Today, the Bank provides services to over 1.1 million individuals and 35.7 thousand corporates. As at November 1, 2011, Internet-Bank was actively used by 130 thousand clients.

On October 26, 2011, the Central Bank of Russia officially registered the Report on results of the 14<sup>th</sup> additional ordinary share issue. The major part of the issue was acquired by the Bank's new shareholder, the European Bank for Reconstruction and Development (EBRD). The share of EBRD following the placement amounts to 4.81% of the charter capital and to 6.17% of the voting shares

**Net interest income** for 9M 2011 increased by 14.2% compared with 9M 2010 amounting to RUB 10.3 billion. 3Q 2011 net interest income remains flat compared with 2Q 2011 - RUB 3.6 billion. **Net interest margin (NIM)** for 9M 2011 amounted to 5.0% (5.0% for FY 2010). NIM for 3Q 2010 decreased slightly to 5.0% (5.2% for 2Q 2010) and remains within the Bank's target range.

**Net fee and commission income** for 9M 2011 increased by 24.0% compared with 9M 2010 and amounted to RUB 1.5 billion; 3Q 2011 net fee and commission income grew by 5.1% compared with 2Q 2011 and by 25.9% compared with 3Q 2010.

**Net result from trading.** In 3Q 2011, due to the turbulent situation at the financial markets the Bank received a negative result from trading in the amount of RUB 661.8 billion: loss from operations with securities in the amount of RUB 789.5 million and gains from operations with foreign currencies in the amount of RUB 127.7 million. 9M 2011 aggregate result from financial markets operations amounted to - RUB 90.6 million. Net result from trading for 9M 2011 includes gains from derivatives in the amount of RUB 341.0 million (in 9M 2011 P&L Statement reflected as Other net operating income).

In January-September 2011, the Bank received dividends in the amount of RUB 364.6 million which are also included in Other net operating income.

**Income before provisions and taxes** increased by 9.6% compared with 9M 2010 and amounted to RUB 12.3 billion for 9M 2011. The Bank's **Cost-to-Income Ratio** for 9M 2010 is 32.6% (30.0% for FY 2010) which is close to the target level of around 35%. Bank's **operational expenses** increased to RUB 4.3 billion (+36.1% compared with 9M 2010); operational expenses for 3Q 2011 are flat compared with 2Q 2011: RUB 1.6 billion.

**Net income** for 9M 2011 amounted to RUB 5.6 billion (+145.1% compared with 9M 2010). Net income for 3Q 2011 reached RUB 1.1 billion (-52.5% compared with 2Q 2011; -2.6% compared with 3Q 2010). The Bank's **return on equity (ROAE)** for 9M 2011 improved by 6 percentage points to 23.3% from 15.3% for FY 2010. ROAE for 3Q 2010 declined to 13.3% as a result of trading losses and increased loan loss impairment charges in 3Q 2011.

During 9M 2011 the **Bank's assets** increased to RUB 305.2 billion (+12.2% compared with January 1, 2011; +4.7% compared with July 1, 2011).

**Liabilities.** Customer accounts amounted to RUB 222.0 billion (+9.8% compared with January 1, 2011; +4.6% compared with July 1, 2011). As at October 1, 2011, 63.6% of customer accounts belonged to corporate customers and 36.4% - to individuals. During 9M 2011, the volume of retail customer accounts increased by 11.4% while the volume of corporate customer accounts increased by 8.9%. The share of wholesale funding in liabilities remains insignificant (9.8%).

**Equity and capital.** As at October 1, 2011, the shareholders equity increased to RUB 36.1 billion (+26.5% compared with January 1, 2011; +12.0% compared with July 1, 2011). The Bank's total capital increased to RUB 43.6 billion (+21.6% compared with January 1, 2011; +11.4% compared with July 1, 2011) primarily due to retained earnings (RUB 1.1 billion) and additional share issue completed in October 2011 (RUB 2.7 billion). As at October 1, 2011, the Bank's Tier 1 and total capital adequacy ratios were 10.5% and 13.5% respectively.

As at October 1, 2011, **Loan portfolio before provisions** amounted to RUB 223.7 billion (+10.6% compared to January 1, 2011; +2.6% compared with July 1, 2011). Corporate loans constituted 93.0% of the loan book and amounted to RUB 207.9 billion, during 9M 2011 their volume increased by 10.5%, during 3Q 2011 - by 2.1%. Loans to retail customers amounted to RUB 15.8 billion (+12.1% compared with January 1, 2011; +10.6% compared with July 1, 2011).

**Loan portfolio quality.** As at October 1, 2011, the share of overdue loans in the Bank's portfolio amounted to 4.6% of the total volume of loans (4.6% as at July 1, 2011). The share of the corporate overdue loans amounted to 4.4% of the total corporate loans (4.4% as at July 1, 2011); the share of the retail overdue loans amounted to 7.2% of the total retail loans (8.1% as at July 1, 2011). Impaired not past due loans as at October 1, 2011 constituted 6.8% of the total volume of loans (6.2% as at July 1, 2011).

The rate of provisions for loan impairment increased to 9.1% compared with 9.0% as at July 1, 2011. In 3Q 2011, the Bank increased provision charges to RUB 720.8 million for 3Q 2011 from RUB 221.0 million for 2Q 2011.

**9M 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 1.1 million individuals and 35.7 thousand corporates through its 37 offices in St. Petersburg, the Leningrad region, Moscow, Kaliningrad and Nizhny Novgorod. Based on its 9M 2011 performance, it ranks 16<sup>th</sup> in terms of assets and 14<sup>th</sup> in terms of retail deposits among Russian banks (according to Interfax). The Bank is rated "Ba3" by Moody's with "stable" outlook.

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