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PRESS RELEASE

Bank Saint Petersburg 1H 2012 IFRS Results

Financial highlights for 1H 2012*:

- **Net income** for 1H 2012 amounted to RUB 237.4 million (USD 7.2 million);
- **Loan portfolio** increased by 5.5% compared with January 1, 2012 to RUB 244.1 billion (USD 7.5 billion);
- **Retail customers accounts** increased by 10.8% compared with January 1, 2012 to RUB 96.8 billion (USD 3 billion);
- The share of **overdue loans** in the loan portfolio decreased to 5.3% from 5.7% compared with January 1, 2012.

*The RUB-nominated figures are translated into USD at the official exchange rate quoted by the CBR for July 1, 2012 (USD 1.00 = RUB 32.82).

Alexander Savelyev, Chairman of the Management Board, commented on the Bank's 1H 2012 results: *"Our numbers are far from the targets and mainly relate to the previous year problems. At the same time we are getting to see the first results of new strategy implementation: loan portfolio concentration is decreasing, SME lending is growing, the share of retail business is getting more significant. We expect these changes to influence our financials soon"*.

As at July 1, 2012, Bank Saint Petersburg was ranked 15th in terms of assets and 17th in terms of retail deposits among the Russian banks (Interfax ranking). As at July 1, 2012, the number of cards issued by the Bank exceeded 743 thousand; the Bank's ATM network comprised of 528 units. Today, the Bank provides services to over 1.2 million individuals and 37 thousand corporates. As at July 1, 2012, Internet-Bank was actively used by 155 thousand clients.

Net interest income for 2Q 2012 increased by 3.9% compared with the previous quarter to RUB 3.0 billion. 1H 2012 net interest income decreased by 12.2% compared with 1H 2011 amounting to RUB 6.0 billion. **Net interest margin (NIM)** for 2Q 2012 amounted to 3.82% compared to 3.75% for 1Q 2012. NIM for 1H 2012 is 3.84%;

Net fee and commission income increased by 10.3% compared with 1H 2011 and amounted to RUB 1,035.8 million. Net fee and commission income for 2Q 2012 amounted to RUB 553.7 million (+14.9% compared with 1Q 2012; +10.8% compared with 2Q 2011). This growth was primarily driven by increase in commissions on guarantees and letters of credit as well as commissions on settlements and plastic cards transactions.

Net trading income. In 1H 2012 an aggregate result from financial markets operations amounted to RUB 116.0 million. The result is attributed to the gains from operations with foreign currencies in the amount of RUB 316.5 million and losses from operations with securities in the amount of RUB 200.5 million.

Income before provisions and taxes for 1H 2012 decreased by 16.2% compared with 1H 2011 amounting to RUB 7.0 billion.

Bank's **operational expenses** for 1H 2012 increased by 27.0% compared with 1H 2011 to RUB 3.4 billion; operational expenses for 2Q 2012 amounted to RUB 1.7 billion (+1.9% compared with 1Q 2012; +9.9%

compared with 2Q 2011). The Bank's **Cost-to-Income Ratio** for 1H 2012 amounted to 48.2%, while 2Q 2012 **Cost-to-Income Ratio** amounted to 49.9%.

Net income for 1H 2012 amounted to RUB 237.4 million; net income for 2Q 2012 amounted to RUB 114.1 million. Net income decrease is mostly attributed to high provisioning in 1H 2012. The Bank's **return on average equity (ROAE)** for 1H 2012 amounted to 1.2%. ROAE for 2Q 2012 is 1.2% as well.

As at July 1, 2012, the **Bank's assets** reached RUB 340.6 billion (+3.2% compared with January 1, 2012; no changes compared with April 1, 2012).

Liabilities. Customer accounts totaled to RUB 226.9 billion (-3.9% compared with January 1, 2012; +1.1% compared with April 1, 2012). As at July 1, 2012, 57.3% of customer accounts belonged to corporate customers and 42.7% - to individuals. During 1H 2012, the volume of retail customer accounts increased by 10.8%; the volume of corporate customer accounts decreased by 12.5%. As at July 1, 2012, the share of wholesale funding in total amount of liabilities and shareholders' equity was 7.0% (7.2% as at January 1, 2012).

Equity and capital. As at July 1, 2012, the shareholders' equity amounted to RUB 39.5 billion (-1.3% compared with January 1, 2012). The Bank's total capital amounted to RUB 46.7 billion (-0.9% compared with January 1, 2012; +0.4% compared with April 1, 2012). As at July 1, 2012, the Bank's Tier 1 and total capital adequacy ratios were 9.3% and 12.9% respectively. The change in the Bank's capital is primarily attributed to dividends payment in 1H 2012 (RUB 817.8 million).

As at July 1, 2012, **Loan portfolio before provisions** amounted to RUB 244.1 billion (+5.5% compared to January 1, 2012; +5.2% compared with April 1, 2012). Corporate loans portfolio constituted 92.8% of the loan book and amounted to RUB 226.6 billion, during 1H 2012 its volume increased by 5.3%, during 2Q 2012 - by 5.0%. Retail loan portfolio totaled to RUB 17.5 billion as at July 1, 2012. Its 1H 2012 growth rate amounted to 9.1% which is almost twice as fast as corporate loan portfolio growth rate.

Loan portfolio quality. As at July 1, 2012, the share of overdue loans in the Bank's portfolio amounted to 5.3% of the total volume of loans (5.7% as at January 1, 2012; 6.0% as at April 1, 2012). The share of the corporate overdue loans amounted to 5.3% of the total corporate loans (5.7% as at January 1, 2012; 5.9% as at April 1, 2012); the share of the retail overdue loans amounted to 5.5% of the total retail loans (6.2% as at January 1, 2012; 6.6% as at April 1, 2012).

As at July 1, 2012, impaired not past due loans constituted 7.9% of the total volume of loans (6.6% as at January 1, 2012; 8.4% as at April 1, 2012). The rate of provisions for loan impairment decreased to 9.1% from 9.2% as at January 1, 2012. Provision charge for 2Q 2012 decreased by 12.9% to RUB 1.5 billion compared with 1Q 2012.

1H 2012 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 1.2 million individuals and 37 thousand corporates through its 39 offices in St. Petersburg, the Leningrad region, Moscow, Kaliningrad and Nizhniy Novgorod. Based on its 1H 2012 performance, it ranks 15th in terms of assets 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