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PRESS RELEASE

Bank Saint Petersburg FY 2012 IFRS Results

Financial highlights for FY 2012*:

- **Net income** for FY 2012 amounted to RUB 1.3 billion (USD 42.9 million);
- **Loan portfolio** grew by 6.6% compared with January 1, 2012 to RUB 246.5 billion (USD 8.1 billion);
- **Retail loan portfolio** grew by 41.8% compared with January 1, 2012 to RUB 22.7 billion (USD 749 million);
- **Capital** increased by 3.8% compared with January 1, 2012 to RUB 48.9 billion (USD 1.5 billion).

*The RUB-nominated figures are translated into USD at the official exchange rate quoted by the CBR for January 1, 2013 (USD 1.00 = RUB 30.37).

Alexander Savelyev, Chairman of the Management Board, commented on the Bank's FY 2012 results: *"It was not an easy year for the Bank. We struggled to remain profitable while dealing with squeezed margins and significant provisions. At the same time we made a dramatic progress in implementation of our strategy with impressive growth in the retail lending and a number of new successful products launched. I believe it will have a visible effect on our results in 2013.*

In these circumstances I am happy to announce that the Supervisory board recommended the Shareholders' meeting to pay dividends on the type A preferred shares in full for 2012. It was not an easy decision to take but we value our relationships with investors who support us in difficult times. We also plan to offer new shares to our shareholders in the course of the rights issue later this year. It's purpose is to raise up to USD 180 million in order to strengthen the Bank's capital position".

As at January 1, 2013, Bank Saint Petersburg was ranked 15th in terms of assets and 18th in terms of retail deposits among the Russian banks (Interfax ranking). As at January 1, 2013, the number of cards issued by the Bank exceeded 763 thousand; the Bank's ATM network comprised of 547 units. Today, the Bank provides services to over 1.2 million individuals and 39 thousand corporates. As at January 1, 2013, Internet-Bank was actively used by 162 thousand clients.

In 2012 the Bank broadened its range of SME loan products, presented to its customers a new state-of-the-art Internet-Bank, implemented a new IT platform, launched credit cards as well as other mass retail loan products. The Bank's market share in St. Petersburg in terms of mortgages increased to 9.1%.

Among the most significant events of the previous year was the placement in October 2012 of 3-year RUB 5 billion domestic bonds and 6-year USD 101 million subordinated eurobonds which enabled the Bank to strengthen its capital position.

Results summary for FY 2012

Net interest income for FY 2012 amounted to RUB 12.0 billion. Interest income for FY 2012 increased by 6.1%; interest income comprises mostly of interest income on loans and advances to customers (83.5%). Interest expenses increased by 26.5%: interest expenses on term deposits of corporate customers grew by 14.5% (34.1% of total interest expenses), interest expenses on term deposits of retail customers – by 28.5% (31.3% of total interest expenses). **Net interest margin (NIM) for FY 2012** amounted to 3.9%.

Net fee and commission income increased by 14.5% compared with FY 2011 and amounted to RUB 2.3 billion. The bulk of fee and commission income (41.9%) comes from settlement transactions; in FY 2012 they amounted to RUB 1.1 billion. Commissions on plastic cards and cheque settlements for FY 2012 increased by 17.3% to RUB 700.3 million (25.4% of total commission income).

Net trading income. In FY 2012 an aggregate result from financial markets operations amounted to RUB 829.7 million (RUB -83.5 million for the previous year). Gains from operations with securities amounted to RUB 136.9 million, gains from operations with foreign currencies amounted to RUB 692.7 million.

Revenues in FY 2012 decreased by 6.1% compared with FY 2011 and amounted to RUB 15.1 billion. The Bank's **Cost-to-Income Ratio** for FY 2012 stood at 47.6% (36.1% for FY 2011). **Operating costs** increased by 17.7% to RUB 7.2 billion mostly driven by the costs related to new Head Office building.

Net income for FY 2012 amounted to RUB 1.3 billion (RUB 5.9 billion for FY 2011). The Bank's **return on equity (ROAE)** for FY 2012 amounted to 3.2% (17.2% for FY 2011).

During FY 2012 the **Bank's assets** increased to RUB 351.4 billion (+6.5% compared with January 1, 2012; +10.8% compared with October 1, 2012).

Liabilities. Customer accounts amounted to RUB 228.0 billion (-3.4% compared with January 1, 2012; +1.5% compared with October 1, 2012). As at January 1, 2013, 55.6% of customer accounts belonged to corporate customers and 44.4% - to individuals. During 2012, the volume of retail customer accounts increased by 15.8%; the volume of corporate customer accounts decreased by 14.7%. As at January 1, 2013, the share of wholesale funding in liabilities amounted to 8.1% (7.2% as at January 1, 2011).

Equity and capital. As at January 1, 2013, the shareholders equity amounted to RUB 40.3 billion compared with January 1, 2012. The Bank's total capital increased to RUB 48.9 billion (+3.8% compared with January 1, 2012; +5.8% compared with October 1, 2012). The growth is mainly attributed to the subdebt issue inclusion in the Bank's Tier 2 in 4Q 2012. As at January 1, 2013, the Bank's Tier 1 and total capital adequacy ratios were 9.9% and 13.8% respectively.

As at January 1, 2013, **Loan portfolio before provisions** amounted to RUB 246.5 billion (+6.6% compared to January 1, 2012; +5.8% compared with October 1, 2012).

Loans to legal entities constituted 90.8% of the loan book and amounted to RUB 223.8 billion, during 2012 their volume increased by 4.0%.

Loans to retail customers amounted to RUB 22.7 billion (+41.8% compared with January 1, 2012). During 2012 mortgage loans grew by 48.1%, consumer loans – by 81.4%, car loans – by 109.9%. As a whole, retail loan portfolio grew by 61.5% excl. loans to VIP clients.

Loan portfolio quality. As at January 1, 2013 the share of overdue loans in the Bank's portfolio amounted to 5.2% of the total volume of loans (5.7% as at January 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); the share of the retail overdue loans amounted to 3.7% of the total retail loans (6.2% as at January 1, 2012). As at January 1, 2013, impaired not past due loans constituted 8.4% of the total volume of loans (6.6% as at January 1, 2012).

The rate of provisions for loan impairment increased to 9.8% compared with 9.2% as at January 1, 2012. Provision charge for FY 2012 amounted to RUB 6.2 billion.

In 2012, the RUB 3.6 billion (1.5% of the gross loan portfolio) written off.

FY 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. The Bank provides services to over 1.2 million individuals and 39 thousand corporates through its 41 offices in St. Petersburg, the Leningrad region, Moscow, Kaliningrad and Nizhniy Novgorod. As at January 1, 2013, the Bank was ranked 15th in terms of assets among Russian banks (according to Interfax).

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