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PRESS RELEASE

## Bank Saint Petersburg 1H 2013 IFRS Results

Financial highlights for 1H 2013\*:

- **Net income** increased 8 times compared with 1H 2012 and amounted to RUB 2.0 billion (USD 61 million), **revenues** amounted to RUB 8.2 billion (USD 251 million);
- **Net fee and commission income** increased by 18.4% compared with 1H 2012 to RUB 1.2 billion (USD 37 million);
- **Loan portfolio** grew by 9.2% compared with January 1, 2013 to RUB 269.2 billion (USD 8.2 billion);
- **Retail loan portfolio** (mortgage, car and consumer loans) grew by 40.2% compared with January 1, 2013 to RUB 25.6 billion (USD 783 million);
- **Capital** increased by 5.6% compared with January 1, 2013 to RUB 51.6 billion (USD 1.6 billion).

\*The RUB-nominated figures are translated into USD at the official exchange rate quoted by the CBR for July 1, 2013 (USD 1.00 = RUB 32.71).

Alexander Savelyev, Chairman of the Management Board, commented on the Bank's 1H 2013 results:

"In 1H 2013 the Bank demonstrated healthy key financials growth, as well as ROE recovery. We are particularly pleased with our retail lending dynamics. In a deteriorating macroeconomic environment we strengthened our equity through a rights issue which was supported by our major shareholders and investors. We believe that healthy performance and the successful share issue will allow us to confidently overcome the currently challenging market situation".

As at July 1, 2013, Bank Saint Petersburg was ranked 14<sup>th</sup> in terms of assets and 16<sup>th</sup> in terms of retail deposits among the Russian banks (Interfax ranking). As at July 1, 2013, the number of cards issued by the Bank exceeded 771 thousand; the Bank's ATM network comprised of 582 units. Today, the Bank provides services to over 1.2 million individuals and 41 thousand corporates. As at July 1, 2013, Internet-Bank was actively used by 205 thousand clients.

**Net interest income** for 1H 2013 amounted to RUB 6.1 billion (+3.1% compared with 1H 2012). **Net interest margin (NIM) for 1H 2013** amounted to 3.8% (3.9% for FY 2012).

**Net fee and commission income** increased by 18.4% compared with 1H 2012 and amounted to RUB 1.2 billion. Compared with 1H 2012, income from settlement transactions grew by 6.5% (39.8% of total F&C income), income from plastic cards and cheque settlements grew by 28.6% (27.3% of total F&C income), income from guarantees and letters of credit issued grew by 19.3% (25.4% of total F&C income).

**Net trading income.** In 1H 2013 an aggregate result from financial markets operations amounted to RUB 678.6 million (RUB 116.0 million in 1H 2012). Gains from operations with foreign currencies amounted to RUB 885.1 million, losses from operations with securities amounted to RUB 206.4 million.

**Revenues** for 1H 2013 amounted to RUB 8.2 billion (+16.1% compared with 1H 2012). The Bank's **Cost-to-Income Ratio** for 1H 2013 stood at 42.0% (48.2% for 1H 2012). **Operating costs** remained at the level of 1H 2012 and amounted to RUB 3.5 billion.

**Net income** for 1H 2013 amounted to RUB 2.0 billion (increased 8 times compared with 1H 2012). The Bank's **return on equity (ROAE)** for 1H 2013 amounted to 9.9% (1.2% for 1H 2012).

As at July 1, 2013, the **Bank's assets** amounted to RUB 374.2 billion (+7.3% compared with April 1, 2013; +6.5% compared with January 1, 2013).

**Liabilities.** Customer deposits totalled RUB 248.6 billion (+5.3% compared with April 1, 2013; +9.0% compared with January 1, 2013). As at July 1, 2013, 52.9% of customer deposits belonged to corporate customers and 47.1% - to individuals. As at July 1, 2013, the share of wholesale funding in liabilities amounted to 7.2%.

**Equity and capital.** As at July 1, 2013, the shareholders equity increased by 2.6% compared with January 1, 2013 to RUB 41.4 billion (+0.6% compared with April 1, 2013). The Bank's total capital amounted to RUB 51.6 billion (+1.5% compared with April 1, 2013; +5.6% compared with January 1, 2013). As at July 1, 2013, the Bank's Tier 1 and total capital adequacy ratios were 9.3% and 13.3% respectively. The change in the Bank's capital is primarily attributed to dividends payment in 1H 2013 (RUB 867.4 million).

As a result of the rights issue placed in Q3 2013 the Bank's Tier 1 capital will increase by RUB 3.02 billion, Tier 1 capital adequacy ratio will increase by 0.8 PP.

As at July 1, 2013, **Loan portfolio before provisions** totalled RUB 269.2 billion (+5.1% compared with April 1, 2013; +9.2% compared to January 1, 2013). Corporate loans grew by 6.5% during 1H 2013 and amounted to RUB 238.3 billion. Retail loan portfolio grew by 40.2% compared with January 1, 2013 to RUB 25.6 billion. During 1H 2013 mortgage loans grew by 37.7%, consumer loans – by 50.1%, car loans – by 35.7%.

**Loan portfolio quality.** As at July 1, 2013 the share of overdue loans in the Bank's portfolio amounted to 4.9% of the total volume of loans (5.4% as at April 1, 2013; 5.2% as at January 1, 2013). The share of the corporate overdue loans amounted to 5.1% of the total corporate loans (5.6% as at April 1, 2013; 5.3% as at January 1, 2013); the share of the retail overdue loans amounted to 3.4% of the total retail loans (3.4% as at April 1, 2013; 3.7% as at January 1, 2013).

As at July 1, 2013, impaired not past due loans constituted 8.7% of the total volume of loans (8.5% as at April 1, 2013; 8.4% as at January 1, 2013). The rate of provisions for loan impairment decreased to 9.5% (9.8% as at April 1, 2013 and January 1, 2013). Provision charge for 1H 2013 amounted to RUB 1.1 billion.

**1H 2013 IFRS Financial Statements are available on the Bank's website:**

<https://www.bspb.ru/en/investors/financial-statements/IFRS/>.

**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 41 thousand corporates through its 41 offices in St. Petersburg, the Leningrad region, Moscow, Kaliningrad and Nizhniy Novgorod. As at July 1, 2013, the Bank was ranked 14<sup>th</sup> in terms of assets among Russian banks (according to Interfax).

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