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PRESS RELEASE

Bank Saint Petersburg 9M 2013 and 3Q 2013 IFRS Results

Financial highlights*:

- **9M 2013 Net income** increased 4 times compared with 9M 2012 and amounted to RUB 3.6 billion (USD 111 million), **revenues** amounted to RUB 13.3 billion (USD 410 million);
- **3Q 2013 Net income** amounted to RUB 1.6 billion (USD 50 million) with RUB 3.4 billion **net interest income** (USD 105 million);
- **Loan portfolio** grew by 15.2% compared with January 1, 2013 to RUB 284.0 billion (USD 8.7 billion);
- **Retail loan portfolio** (mortgage, car and consumer loans) grew by 61.0% compared with January 1, 2013 to RUB 29.4 billion (USD 907 million);
- **Capital** increased by 10.3% compared with January 1, 2013 to RUB 53.9 billion (USD 1.7 billion).

*The RUB-nominated figures are translated into USD at the official exchange rate quoted by the CBR for October 1, 2013 (USD 1.00 = RUB 32.48).

Alexander Savelyev, Chairman of the Management Board, commented on the Bank's 9M 2013 results:

"We are pleased with the third quarter results. All financial indicators continue to follow the tendencies of this year. Thanks to share placement and subordinated Eurobonds issue the Bank has strengthened its capital position which forms a good basis for sustainable development under the new Strategy for 2014–2017".

As at October 1, 2013, Bank Saint Petersburg was ranked 14th in terms of assets and 16th in terms of retail deposits among the Russian banks (Interfax ranking). As at October 1, 2013, the number of cards issued by the Bank exceeded 781 thousand; the Bank's ATM network comprised of 579 units. Today, the Bank provides services to over 1.3 million individuals and 42 thousand corporates. As at October 1, 2013, Internet-Bank was actively used by 231 thousand clients.

Among the most significant events of 3Q 2013 were the ordinary shares issue, as a result of which the Bank's Tier 1 capital increased by RUB 3 billion, and the placement of 3-year RUB 5 billion domestic bonds. In October the Bank also placed 5.5-year USD 100 million subordinated Eurobonds.

In October 2013 Fitch Ratings has assigned Bank Saint Petersburg long-term issuer default rating of 'BB-' with a stable outlook, Moody's Investors Service has affirmed the Bank's 'Ba3' long-term foreign-currency deposit rating with a negative outlook.

Net interest income for 3Q 2013 amounted to RUB 3.4 billion (+7.7% compared with the previous quarter). 9M 2013 net interest income increased by 7.6% compared with 9M 2012 amounting to RUB 9.6 billion. **Net interest margin (NIM)** for 3Q 2013 amounted to 3.7% (for 2Q 2013 - 3.8%). NIM for 9M 2013 is 3.7%.

Net fee and commission income increased by 14.2% compared with 9M 2012 and amounted to RUB 1.9 billion. Compared with 9M 2012, income from settlement transactions grew by 9.5% (33.9% of total F&C income), income from plastic cards and cheque settlements grew by 23.0% (26.8% of total F&C income), income from guarantees and letters of credit issued grew by 22.4% (26.4% of total F&C income).

Net fee and commission income for 3Q 2013 amounted to RUB 651.5 million (+3.2% compared with 2Q 2013).

Net trading income. In 9M 2013 an aggregate result from financial markets operations amounted to RUB 1.8 billion (RUB 542.4 million in 9M 2012), including a one-off gain from disposal of investment securities available-for-sale in the amount of RUB 586 million. Gains from operations with foreign currencies amounted to RUB 1.5 billion, gains from operations with securities amounted to RUB 331.5 million.

Revenues for 9M 2013 amounted to RUB 13.3 billion (+20.1% compared with 9M 2012). Revenues for 3Q 2013 grew by 24.7% compared with 2Q 2013 and reached an all-time high amounted to RUB 5.1 billion. A one-off gain from disposal of investment securities available-for-sale in the amount of RUB 586 million significantly impacted revenues in 3Q 2013.

The Bank's **Cost-to-Income Ratio** for 9M 2013 stood at 40.7% (46.5% for 9M 2012), 3Q 2013 Cost-to-Income Ratio amounted to 38.6%. **Operating costs** for 9M 2013 increased by 4.9% compared with 9M 2012 to RUB 5.4 billion; operating costs for 3Q 2013 amounted to RUB 2.0 billion (+9.1% compared with 2Q 2013).

Net income for 9M 2013 amounted to RUB 3.6 billion (increased 4 times compared with 9M 2012); net income for 3Q 2013 amounted to RUB 1.6 billion. The Bank's **return on equity (ROAE)** for 9M 2013 amounted to 11.2%, ROAE for 3Q 2013 - 14.6%. Profitability benefited from a one-off gain from disposal of investment securities available-for-sale in the amount of RUB 586 million.

As at October 1, 2013, the **Bank's assets** amounted to RUB 403.4 billion (+7.8% compared with July 1, 2013; +14.8% compared with January 1, 2013).

Liabilities. Customer deposits totalled RUB 262.4 billion (+5.5% compared with July 1, 2013; +15.1% compared with January 1, 2013). As at October 1, 2013, 54.1% of customer deposits belonged to corporate customers and 45.9% - to individuals. As at October 1, 2013, the share of wholesale funding in liabilities amounted to 6.2%.

Equity and capital. As at October 1, 2013, the shareholders equity increased by 14.1% compared with January 1, 2013 to RUB 46.0 billion (+11.2% compared with July 1, 2013). The Bank's total capital amounted to RUB 53.9 billion (+4.5% compared with July 1, 2013; +10.3% compared with January 1, 2013). As at October 1, 2013, the Bank's Tier 1 and total capital adequacy ratios were 9.8% and 13.0% respectively.

As a result of sub debt placed in October 2013 the Bank's total capital will increase by RUB 3.2 billion, total capital adequacy ratio will increase by 0.8 PP.

As at October 1, 2013, **Loan portfolio before provisions** totalled RUB 284.0 billion (+5.5% compared with July 1, 2013; +15.2% compared to January 1, 2013). Corporate loans grew by 11.3% during 9M 2013 and amounted to RUB 249.1 billion. Retail loan portfolio grew by 61.0% compared with January 1, 2013 to RUB 29.4 billion. During 9M 2013 mortgage loans grew by 58.5%, consumer loans – by 78.0%, car loans – by 46.3%.

Loan portfolio quality. As at October 1, 2013 the share of overdue loans in the Bank's portfolio amounted to 6.4% of the total volume of loans (4.9% as at July 1, 2013; 5.2% as at January 1, 2013). The share of the corporate overdue loans amounted to 6.8% of the total corporate loans (5.1% as at July 1, 2013; 5.3% as at January 1, 2013); the share of the retail overdue loans amounted to 3.5% of the total retail loans (3.4% as at July 1, 2013; 3.7% as at January 1, 2013).

As at October 1, 2013, impaired not past due loans constituted 6.0% of the total volume of loans (8.7% as at July 1, 2013; 8.4% as at January 1, 2013). The rate of provisions for loan impairment decreased to 9.3% (9.5% as at July 1, 2013; 9.8% as at January 1, 2013). Provision charge for 9M 2013 amounted to RUB 3.3 billion.

3Q and 9M 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 1.3 million individuals and 42 thousand corporates through its 43 offices in St. Petersburg, the Leningrad region, Moscow, Kaliningrad and Nizhniy Novgorod. As at October 1, 2013, the Bank was ranked 14th in terms of assets among Russian banks (according to Interfax).

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For more information about Bank Saint Petersburg please visit <https://www.bspb.ru/en/investors/>