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PRESS RELEASE

Bank Saint Petersburg Announces 9M 2014 IFRS Results

Financial highlights*:

- **9M 2014 Net income** increased by 13.5% compared with 9M 2013 and amounted to RUB 4.1 billion (USD 104 million), **revenues** amounted to RUB 16.3 billion (USD 414 million);
- **9M 2014 Net interest income** increased by 35.8% compared with 9M 2013 and amounted to RUB 13.0 billion (USD 329 million);
- **9M 2014 Net fee and commission income** increased by 41.1% compared with 9M 2013 and amounted to RUB 2.6 billion (USD 67 million);
- **Retail loan portfolio** (mortgage, car and consumer loans) grew by 31.8% compared with January 1, 2014 to RUB 42.3 billion (USD 1.1 billion).

*Consolidated IFRS FS for 9M 2014.

The RUB-nominated figures are translated into USD at the official exchange rate quoted by the CBR for October 1, 2014 (USD 1.00 = RUB 39.38).

Vladislav Guz, Chairman of the Management Board, commented on the Bank's results:

"Our quarterly numbers are mostly in line with expectations. The results underline a solid standing of the Bank showing at the same time signs of deteriorating macro environment. We are entering the upcoming year in an advantageous position: the Bank has a capital cushion and no external debt to refinance. Still, it is clear that 2015 doesn't promise to be an easy year."

As at October 1, 2014, Bank Saint Petersburg was ranked 16th in terms of assets and 17th in terms of retail deposits among the Russian banks (Interfax ranking). Today, the Bank provides services to 1,400,000 individuals and 54,000 corporates. As at October 1, 2014, the number of cards issued by the Bank exceeded 860,000; the Bank's ATM network comprised of 648 units. As at October 1, 2014, Internet-Bank was actively used by 360,000 clients.

Results summary for 9M 2014

9M 2014 Net interest income increased by 35.8% compared with 9M 2013 and amounted to RUB 13.0 billion. Interest income for 9M 2014 increased by 22.9% compared with 9M 2013; interest income is comprised mostly of interest income on loans and advances to customers (79.6%). Interest expense increased by 13.3%: interest expenses on retail term deposits grew by 6.2% (31.5% of total interest expenses) while interest expenses on corporate term deposits decreased by 9.3% (24.3% of total interest expenses). **3Q 2014 Net interest income** increased by 1.3% compared with 2Q 2014 and reached an all-time high of RUB 4.5 billion. **Net interest margin (NIM)** for 9M 2014 and 3Q 2014 amounted to 4.4% (3.7% in 9M 2013 and 4.4% in 2Q 2014).

9M 2014 Net fee and commission income increased by 41.1% compared with 9M 2013 and amounted to RUB 2.6 billion. Compared with 9M 2013, income from cash and settlement transactions grew by 53.5% (43.9% of total F&C income), income from plastic cards and cheque settlements grew by 39.0% (26.8% of total F&C income), income from guarantees and letters of credit issued grew by 8.3% (20.6% of total F&C income). **3Q 2014 Net fee and commission income** increased by 7.4% compared with 2Q 2014 and reached an all-time high of RUB 962 million.

Net trading income. In 9M 2014 an aggregate loss from financial markets operations amounted to RUB 126 million (gain of RUB 1.9 billion in 9M 2013), including a one-off gain from disposal of investment securities available-for-sale in the amount of RUB 249 million. Gains from operations with foreign currencies and derivatives amounted to RUB 1.5 billion, losses from operations with securities amounted to RUB 1.6 billion.

Revenues for 9M 2014 increased by 22.4% compared with 9M 2013 and amounted to RUB 16.3 billion. Revenues for 3Q 2014 amounted RUB 5.4 billion.

The Bank's **Cost-to-Income Ratio** for 9M 2014 stood at 41.7% (40.7% for 9M 2013), 3Q 2014 Cost-to-Income Ratio amounted to 42.9%. **Operating costs** for 9M 2014 increased by 25.4% compared with 9M 2013 to RUB 6.8 billion; operating costs for 3Q 2014 amounted to RUB 2.3 billion (-4.9% compared with 2Q 2014).

Net income for 9M 2014 increased by 13.5% compared with 9M 2013 and amounted to RUB 4.1 billion; net income for 3Q 2014 amounted to RUB 1.2 billion. The Bank's **return on equity (ROAE)** for 9M 2014 amounted to 11.1%, ROAE for 3Q 2014 - 9.2%.

The Bank's financials for 9M 2014 benefited from one-off gains from acquisition of Bank Evropeysky in the amount of RUB 489 million and from disposal of investment securities available-for-sale in the amount of RUB 249 million. Excluding one-offs, net income for 9M 2014 amounted to RUB 3.4 billion, revenues – RUB 15.5 billion, ROAE – 9.1%, Cost-to-Income Ratio – 43.7%.

As at October 1, 2014, the **Bank's assets** amounted to RUB 448.3 billion (+9.5% compared with January 1, 2014; +2.0% compared with July 1, 2014).

Liabilities. Customer deposits totalled RUB 284.4 billion (+8.7% compared with January 1, 2014; +6.4% compared with July 1, 2014). As at October 1, 2014, 49.9% of customer deposits belonged to individuals and 50.1% - to corporate customers. As at October 1, 2014, the share of wholesale funding in liabilities amounted to 5.3%.

Equity and capital. As at October 1, 2014, the shareholders equity amounted to RUB 51.4 billion (+7.9% compared with January 1, 2014; +2.4% compared with July 1, 2014). The Bank's total capital amounted to RUB 59.3 billion (+2.3% compared with January 1, 2014; -1.4% compared with July 1, 2014). As at October 1, 2014, the Bank's Tier 1 and total capital adequacy ratios were 11.3% and 14.0% respectively.

Loan portfolio before provisions totalled RUB 302.7 billion (+9.3% compared with January 1, 2014; +5.8% compared with July 1, 2014). Loans to corporate customers represented 83.9% of the loan portfolio, loans to individuals – 16.1%. During 9M 2014 corporate loan portfolio grew by 6.2% to RUB 253.9 billion. During 9M 2014 retail loan portfolio grew by 31.8% to RUB 42.3 billion (mortgage loans grew by 37.5%, consumer loans – by 32.0%, car loans – by 2.0%).

Loan portfolio quality. During 9M 2014, the share of problem loans in the Bank's portfolio (total share of overdue loans and impaired not past due loans) decreased from 12.9% to 9.6%. As at October 1, 2014, the share of overdue loans in the Bank's portfolio amounted to 4.7% of the total volume of loans. The share of the corporate overdue loans amounted to 4.8% of the total corporate loans; the share of the retail overdue loans amounted to 3.7% of the total retail loans. As at October 1, 2014, impaired not past due loans constituted 4.9% of the total volume of loans. The rate of provisions for loan impairment decreased to 8.5% (9.4% as at January 1, 2014). Provision charge for 9M 2014 amounted to RUB 4.4 billion. In 9M 2014, loans in the amount of RUB 5.6 billion were written off.

9M 2014 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 1,400,000 individuals and 54,000 corporates through its 47 offices in St. Petersburg, the Leningrad region, Moscow, Kaliningrad and Nizhny Novgorod. As at October 1, 2014, the Bank was ranked 16th 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/>