

# Bank Saint Petersburg

**9M, 3Q 2008 IFRS Results and Recent Developments**

Webcast 12/16/2008

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# Summary – Bank Saint Petersburg at a glance

## Regional leader

- ❑ A leading private universal bank in St. Petersburg and the Leningrad region
- ❑ St. Petersburg market share (as at October 1, 2008)\*:
  - Assets: 11.2%
  - Loans: 13.9% corporate, 7.3% retail
  - Deposits: 9.7% corporate, 9.6% retail

## Focused on North-West

- As at October 1, 2008
- ❑ Client base: 746,000 retail and 32,000 corporate customers
  - ❑ 37 branches and outlets (primarily in St. Petersburg), 390 ATMs

## Selected financial and operational results

- As of 9 months 2008:
- ❑ 18<sup>st</sup> largest bank in Russia by assets\*\*
  - ❑ Total assets: 181 bn RUB (7.5 USD bn)
  - ❑ Total capital: 20 bn RUB (825 USD mln)
  - ❑ Ratings: Moody's Ba3, Stable outlook; Fitch B+, Stable outlook
  - ❑ Net Income: 1,971 mln RUB (USD 81 mln)
  - ❑ ROAE: 16.49%
  - ❑ Cost/Income ratio: 38.66%
  - ❑ 2,200 employees

\* Association of North-West banks, Bank Saint Petersburg data

\*\* Interfax

# Key indicators

## 9 months 2008

## 3Q 2008

### Net Income

9 months 2008: 1,971 mln RUB (81 mln USD)  
+ 36% compared with 9 months 2007

216 mln RUB (9 mln USD)  
- 65% compared with 3Q 2007  
- 81% compared with 2Q 2008

### Assets

181 mln RUB (7.5 bn USD)  
+ 43% compared with YE 2007  
+ 87% compared with October 1, 2007

+ 9% compared with July 1, 2008

### Total capital

20 bn RUB (825 mln USD)  
+ 8% compared with YE 2007  
+ 72% compared with October 1, 2007

+ 1% compared with July 1, 2008

### Loan portfolio

139 bn RUB (5.7 bn USD)  
+ 50% compared with YE 2007  
+ 87% compared with October 1, 2007

+ 16% compared with July 1, 2008

### Customer accounts

135 bn RUB (5.3 bn USD)\*  
+ 41% compared with YE 2007  
+ 78% compared with October 1, 2007

+ 7% compared with July 1, 2008

### Efficiency

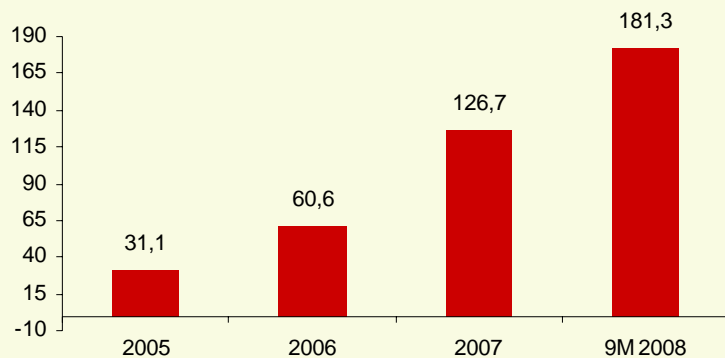
Cost/Income Ratio – 9 months 2008: 38.66%  
ROE – 9 months 2008: 16.49%

Cost/Income Ratio – 3Q 2008: 44.53%  
ROE – 3Q 2008: 5.11%

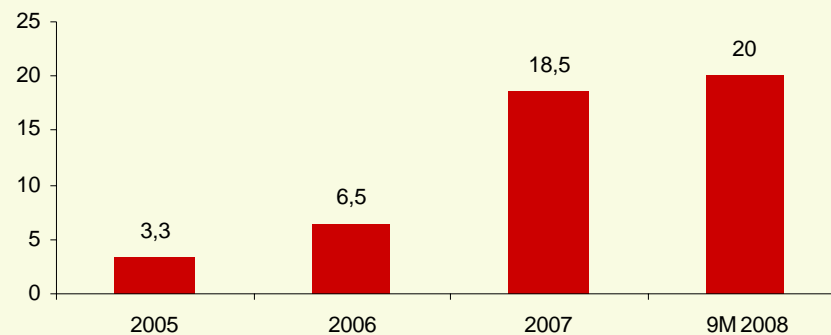
\* Customer accounts are calculated as a sum customer deposits and promissory notes and bills of exchange (other debt securities in issue)

# Financial highlights

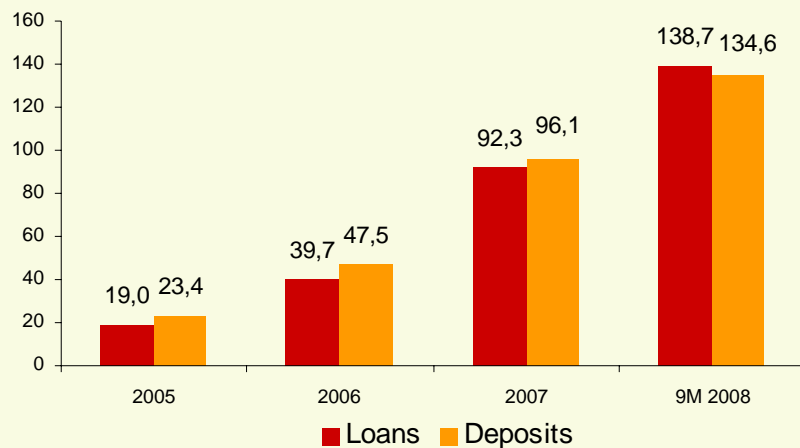
## Assets growth, RUB bn



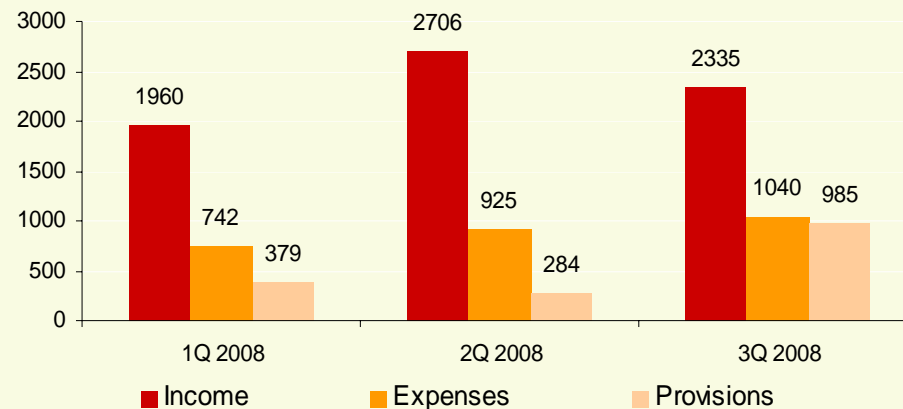
## Total capital growth, RUB bn



## Loans / Deposits, RUB bn\*



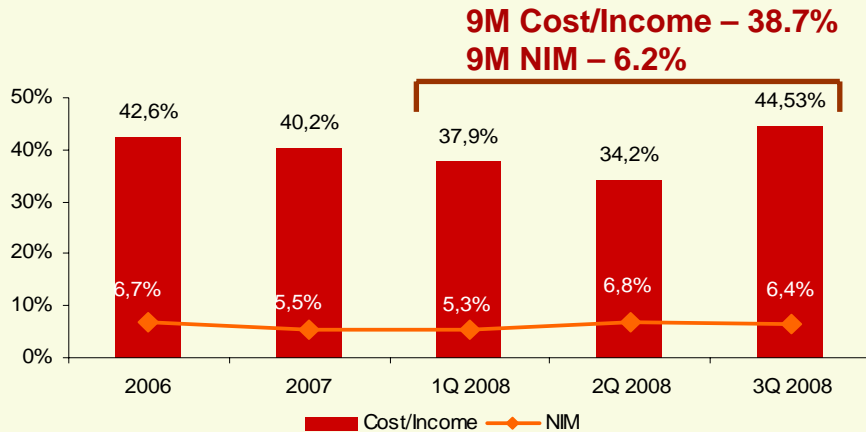
## Income and Expenses data, RUB mln



\* Customer accounts are calculated as a sum customer deposits and promissory notes and bills of exchange (other debt securities in issue)

# Results for 9M 2008

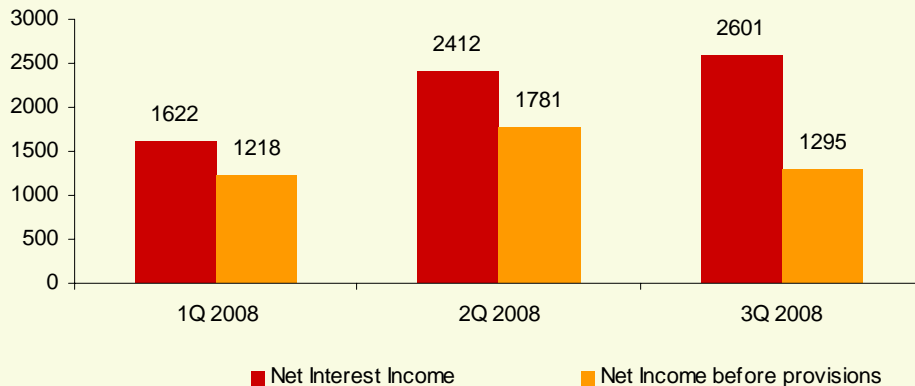
## Cost/Income and NIM



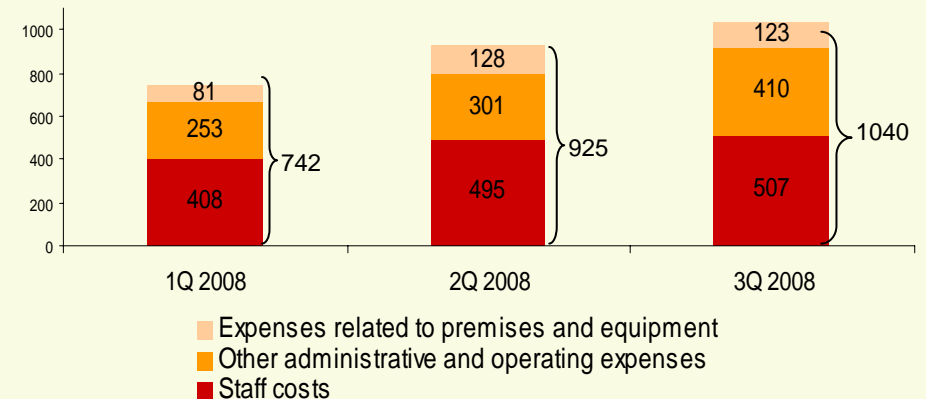
## Comments

- NIM stabilized over 6%
- Strong income generation despite trading losses
- Reclassification option (Amendments to IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures) not used
- 3Q Cost/Income ratio up due to trading losses; 9M figure is in line with the target
- Extra provisions of around 600 RUB mln created to meet the unfolding crisis

## Income dynamics, RUB mln



## Operational Expenses, RUB mln



# Financial Summary

RUB bn	Jan 1, 2007	Jan 1, 2008	April 1, 2008	Jul 1, 2008	Oct 1, 2008
Loans and Advances to Customers	39.70	92.34	105.12	119.68	138.74
Total Assets	60.60	126.66	138.48	165.79	181.29
Customer Accounts***	47.51	96.15	102.65	126.14	134.73
Total Liabilities	56.07	111.65	122.83	149.07	164.36
Total Shareholders' Equity	4.51	15.00	15.64	16.72	16.93
Total Capital	6.50	18.50	18.7	19.82	20.22
Net profit*	1.19	2.00	0.64	1.75	1.97
Net Interest margin**	6.70%	5.46%	5.27%	6.01%	6.17%
Capital Adequacy	12.77%	16.41%	14.70%	12.75%	11.61%
Cost-to-Income ratio**	42.60%	40.21%	37.85%	35.72%	38.66%
Provisions / Gross loans	3.88%	2.74%	2.66%	2.57%	2.89%
Provision charge	2.29%	1.88%	2.83%	2.38%	3.44%
Loans / Deposits***	84%	96%	102%	95%	103%
ROAA**	2.61%	2.15%	1.94%	2.41%	1.71%
ROAE**	30.50%	20.60%	16.79%	22.25%	16.49%

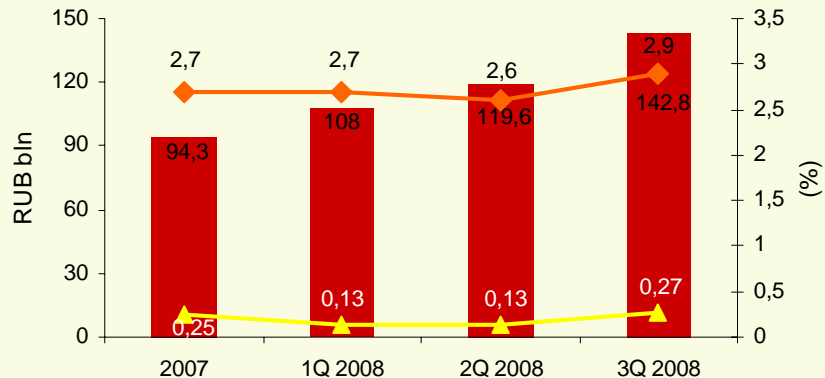
\* Profit is presented on an accrual basis

\*\* Ratios as of Apr 1, Jul 1 and Oct 1, 2008 are presented on an accrual basis

\*\*\* Customer accounts are calculated as a sum customer deposits and promissory notes and bills of exchange (other debt securities in issue)

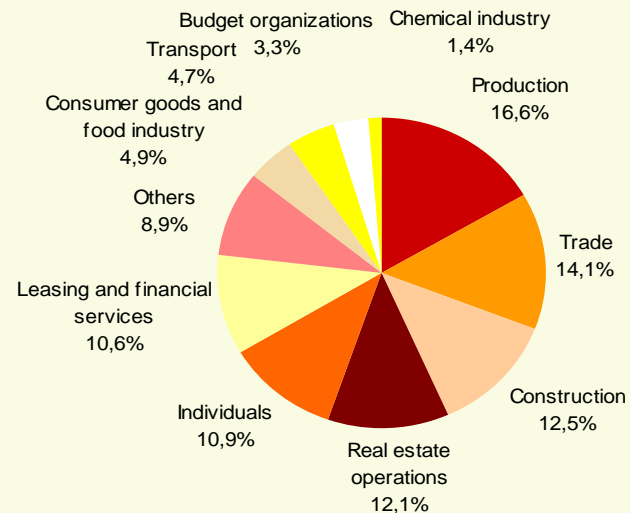
# Loan portfolio

## Loan portfolio

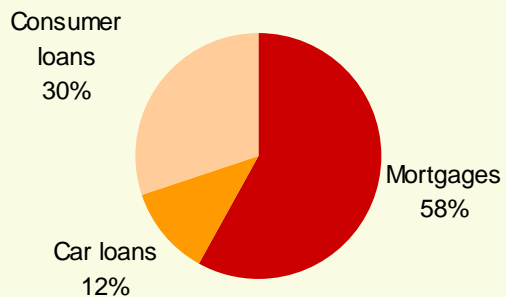


■ Gross loans —◆— Provisions / Gross loans —▲— NPL / Gross loans

## Loan portfolio by sector, October 1, 2008



## Retail loans by type, October 1, 2008



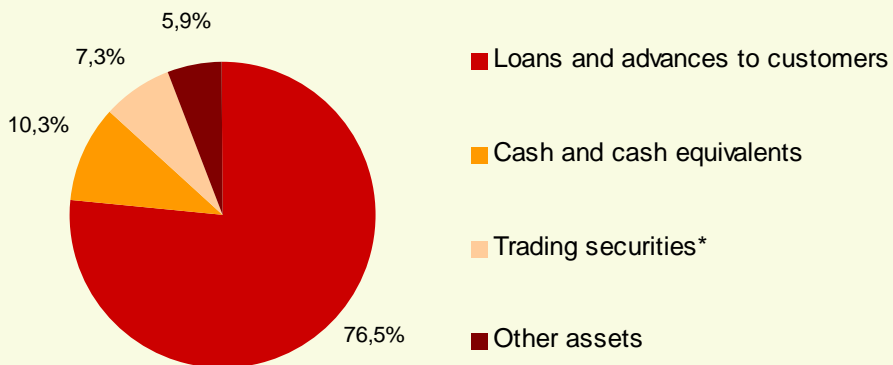
## Comments

- NPL remains at the low level
- Construction / real estate sector exposure keeps declining from 38.1% (in June 2006) to 24.6% (at present)

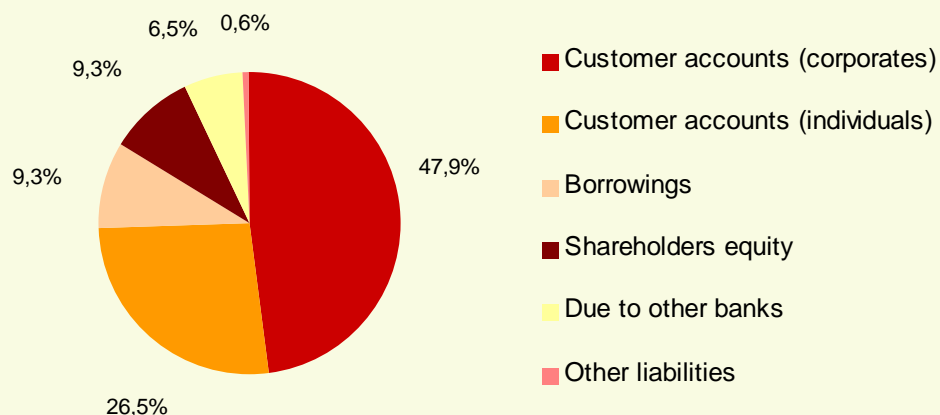


# Balance sheet structure

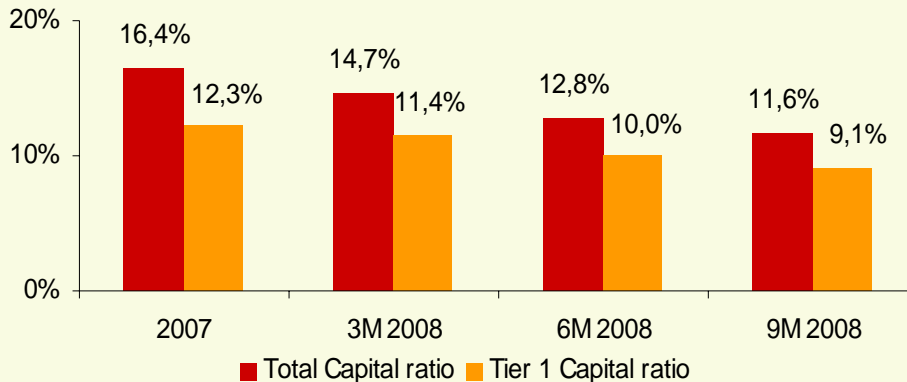
## Assets structure, October 1, 2008\*



## Liabilities and equity structure, October 1, 2008\*\*



## Capital Adequacy

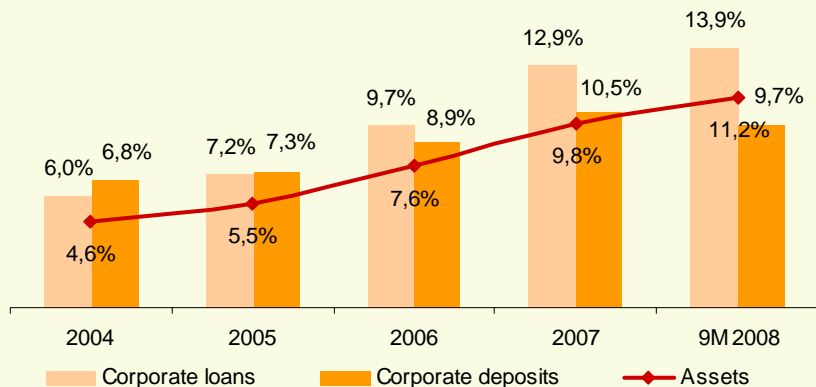


\* Trading securities are calculated as a sum of trading securities and securities pledged under repurchase agreement

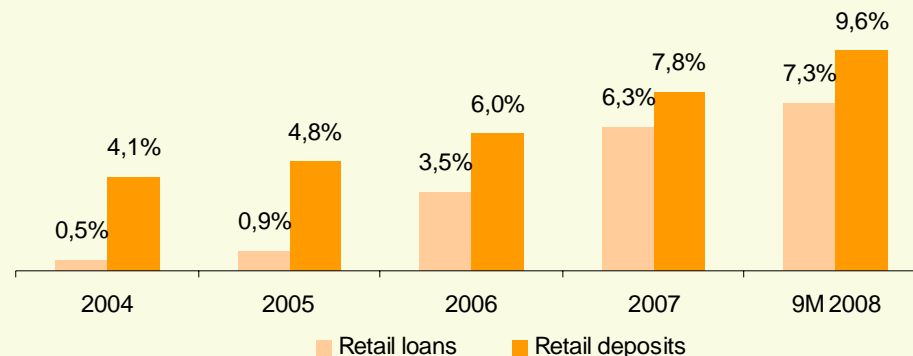
\*\* Customer accounts are calculated as a sum customer deposits and promissory notes and bills of exchange (other debt securities in issue)

# Market share

## Market share: Assets / Corporate banking\*



## Market share: Retail banking\*



## Comments

### Market share in St. Petersburg at October 1, 2008:

- corporate loans 13.9%
- corporate deposits 9.7%
- retail loans 7.3%
- retail deposits 9.6%

## Rankings

### Interfax rankings as at October 1, 2008:

- 18<sup>st</sup> by assets (24<sup>th</sup> in 2007, 29<sup>th</sup> in 2006)
- 26<sup>th</sup> by equity (24<sup>th</sup> in 2007, 49<sup>th</sup> in 2006)
- 19<sup>th</sup> by profit before tax (27<sup>th</sup> in 2007, 32<sup>nd</sup> in 2006)
- 11<sup>th</sup> by retail deposits

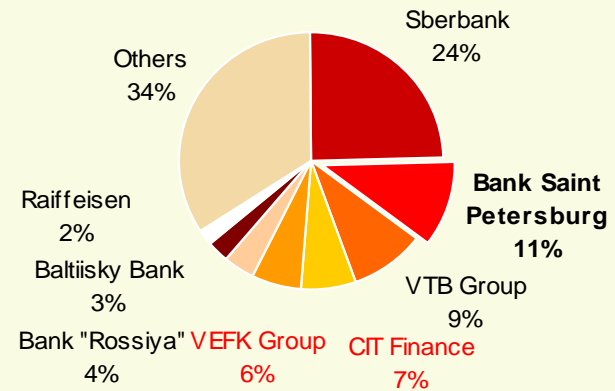
\* Association of North-West banks, Bank Saint Petersburg own estimates

# Recent developments

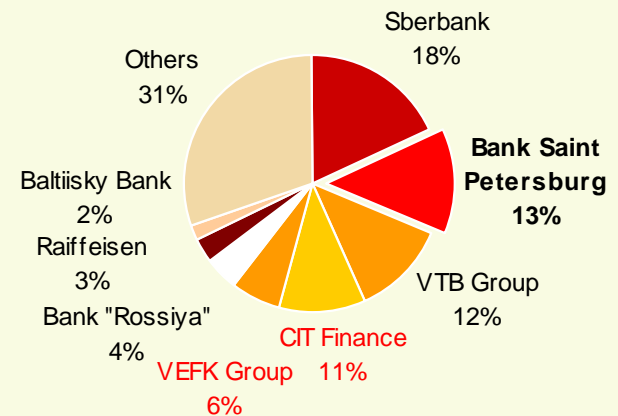
# Coping with the Crisis

- ❑ Competitive landscape is changing – 2 of top 5 competitors failed
- ❑ No losses in a repo market collapse
- ❑ Liquidity stable with CBR and Government support
- ❑ No substantial increase in NPLs
- ❑ Cost cutting process:
  - 10% head cut starting with YE 2008
  - cost saving measures implemented on all levels
  - branch network expansion postponed
  - Headquarters construction suspended
- ❑ USD 44.5 mln syndicate loan repaid in November 2008

**Market share as at October 1, 2008: Deposits\***



**Market share as at October 1, 2008: Loans\***



\* Association of North-West banks, Bank Saint Petersburg data

# Customer accounts dynamics

**Customer accounts\*, January-November 2008, RUR bn\*\***



\* Customer accounts are calculated as a sum customer deposits and promissory notes and bills of exchange

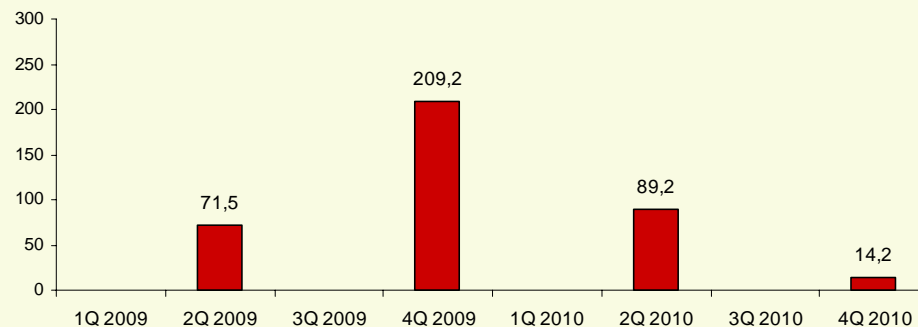
\*\* RAS

# Liquidity position

## Liquidity position, December 5, 2008

Cash and cash equivalents	13.4 bn RUR / 0.48 bn USD
Securities portfolio	12.5 bn / 0.45 bn USD
Net interbank loan position	8.6 bn / 0.31 bn USD
<b>Total liquid assets</b>	<b>34.5 bn / 1.24 bn USD</b>
Unutilized lines from other banks and state authorities	12 bn / 0.33 bn USD

## Repayment schedule for 2009-2010, USD mln



❑ 84.3% of the securities portfolio is CBR Lombard list securities

❑ Average duration of bonds is 1.3 year

❑ Borrowings amount to 9.3% of Bank Saint Petersburg's total liabilities as at October 1, 2008

# Credit and FX Risk Factors

## Loan portfolio\*, December 1, 2008

**Loan portfolio (gross): 148 bn RUB**

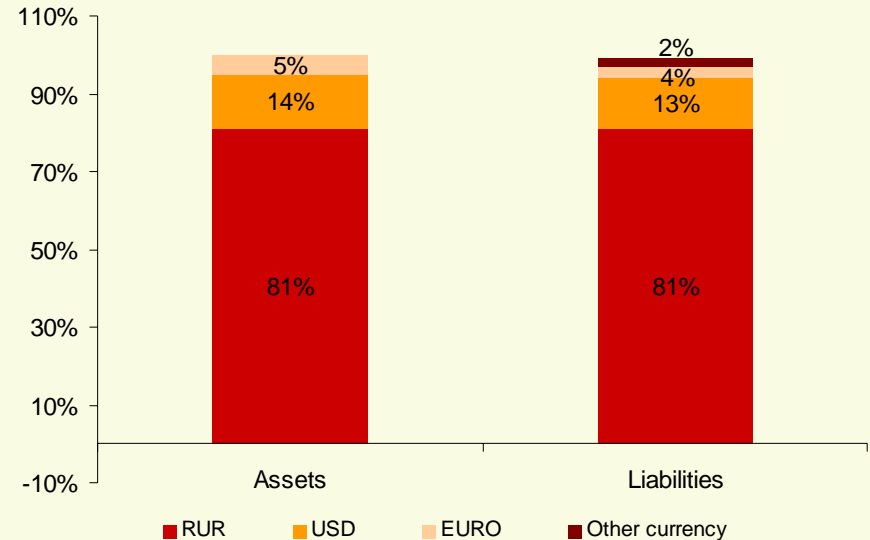
**NPL ratio: 0.36%**

\* RAS

### Comments

- Lending activities limited
- Interest rates being increased throughout a loan book
- No major NPLs
- Provision level is growing
- Credit policy is tightened:
  - Requirements to collateral raised
  - Real estate LTV is 50%

## Currency exposure, December 1, 2008



## Open currency position, December 1, 2008

**USD: - 15 mln, 1.95% of total capital**

**EURO: - 13 mln, 2.21% of total capital**

## Presentation team



**Konstantin Balandin**  
Deputy Chairman of the Management Board



**Konstantin Noskov**  
Director, International Finance and Financial Institutions



**Tatiana Oreshkina**  
Head of IR

[ir@bspb.ru](mailto:ir@bspb.ru)

<http://www.en.bspb.ru>