

Bank Saint Petersburg

September 2008

Presentation team



- ❑ **Evgeny Gorodny, Vice-president, Responsible for Investor Relations**
- ❑ **Joined Bank Saint Petersburg in 2007 after 14 years of management experience with public multinational corporations**



- ❑ **Kristina Mironova, Director, Investor Relations Department**
- ❑ **Responsible for relations with investment society in Russia and abroad.**
- ❑ **Joined Bank Saint Petersburg in February 2002 and has been working for six years in credit department .**

Bank Saint Petersburg at a glance

Regional leader

- ❑ Leading independent universal bank in St. Petersburg and the Leningrad region
- ❑ Market share in St. Petersburg region (as at July 1, 2008)*:
 - Assets: 11.4 %
 - Loans: 15% corporate, 7.2% retail
 - Deposits: 10.7% corporate, 8.7% retail

Attractive Saint-Petersburg region

- ❑ 6.2mln population in St. Petersburg and the Leningrad region
- ❑ St. Petersburg is the 4th largest city in Europe, on par with the consumer markets the size of Paris / Denmark
- ❑ Low banking penetration versus Moscow

Strong franchise / focus on local market

- ❑ Large and growing client base: c. 700,000 retail and c. 32,000 corporate customers as at August 1, 2008
- ❑ 36 branches and outlets primarily in St. Petersburg, and 366 ATMs as at August 1, 2008

Financial / operating highlights

- ❑ 21st largest bank in Russia by assets**
As of 1H 2008 (2Q 2008 IFRS Results)
- ❑ Total assets: US\$ 7 bln
- ❑ Ratings: Moody's Ba3 (Stable outlook); Fitch B+ (Stable outlook)
- ❑ Net income: US\$ 74mln
- ❑ ROAE: 22.1%
- ❑ Cost-to-Income ratio: 35.7%
- ❑ c. 2,200 employees

Source:

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

** Interfax, www.finmarket.ru

Note: Financial figures in US\$ and financial ratios mentioned in this presentation include changes in US\$/RUB exchange rate

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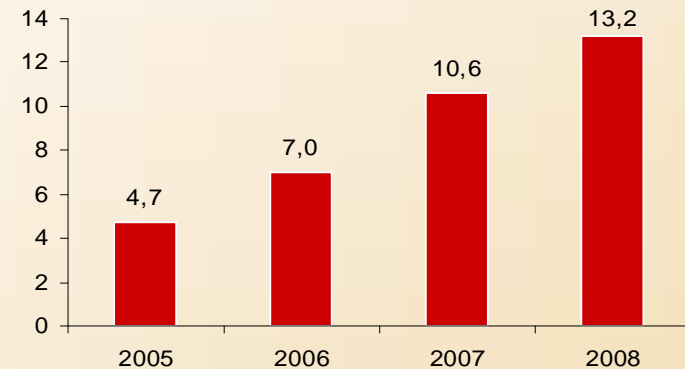
- Investment Highlights**
- Business / Financial Overview
- Strategy

Attractive St. Petersburg region

Comments

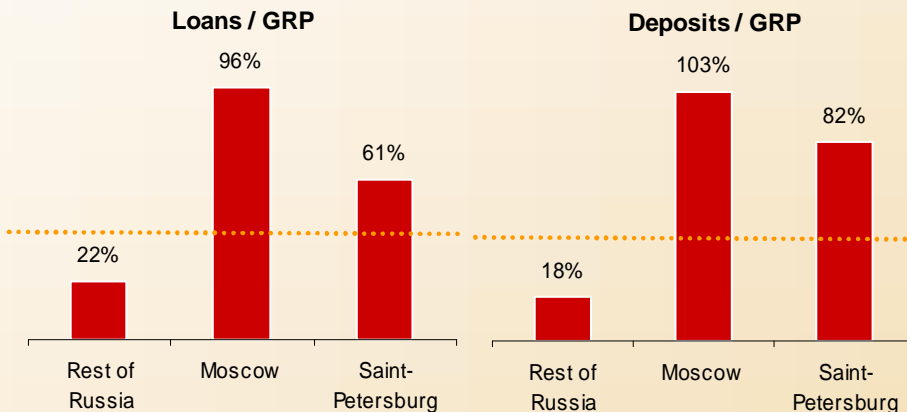
- 6.2mln population in St. Petersburg and the Leningrad region
- St. Petersburg is the Russian window to Europe+, major logistic center which connected Russia with countries of the Baltic Sea and Central Europe
- Developing as an industrial hub for car manufacturing (Ford, Toyota, Nissan, General Motors, Suzuki)
- Relocation of some flagship+headquarters to St. Petersburg (VTB, Russian Standard Bank, Gazpromneft, Sovkomflot, etc.)
- 2007 Gross Regional Product (GRP) of St. Petersburg: +9.7%, up to 1097 bln RUB (45 bln USD)
- Foreign investments: US\$ 6.3bln in 2007 (9-times growth compared with 2003)
- St. Petersburg is rated by Moody's at Baa2 (stable outlook), by S&P at BBB (stable outlook), by Fitch Ratings at BBB (stable outlook)

Expenditure of St. Petersburg budget, US\$ bln



Source: Finance Committee, www.fincom.spb.ru

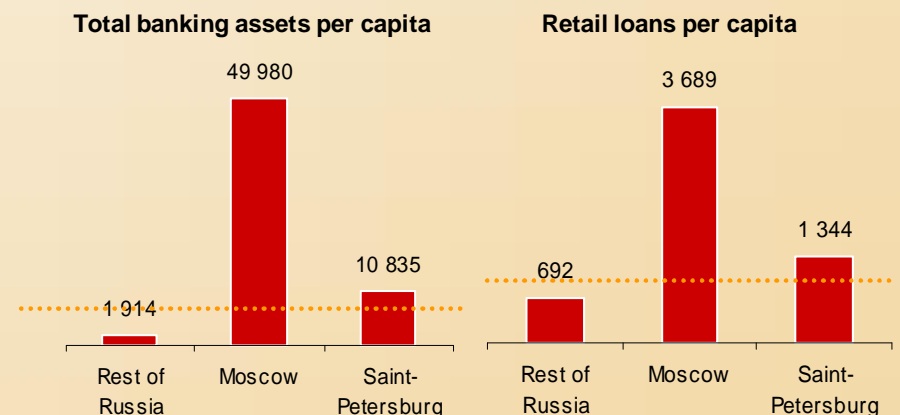
Regional banking penetration, 2007



Source: CBR, the Bank's estimates

Note: - average for Russia

Per capita statistics (US\$), 2007

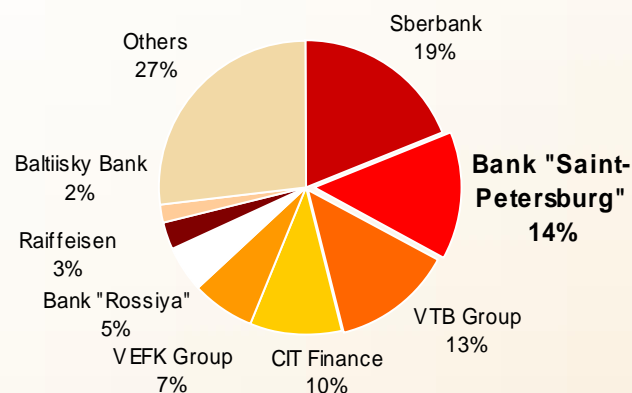


Source: Federal State Statistics Service, CBR

Note: - average for Russia

A leading universal bank in St. Petersburg and Leningrad region

Loans* (market share as at July 1, 2008)

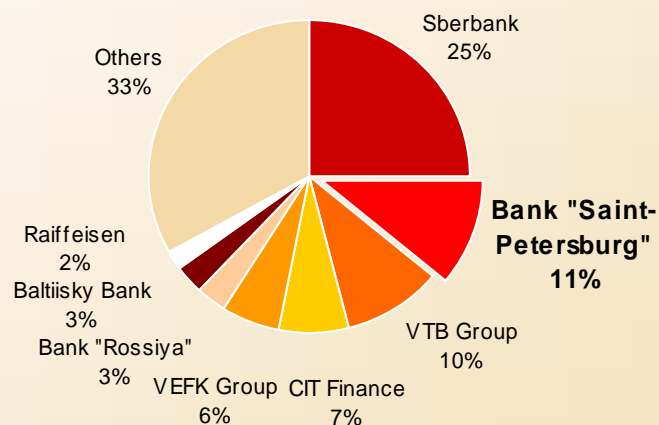


* - Ranking based on banksqRAS financials. Loans include Loans and advances to customers and Due from other banks
Source: Association of North-West banks

Comments

- Local banks historically have a strong position at St. Petersburg market
- Bank Saint Petersburg has grown its customer base to c. 700,000 individuals and c. 32,000 corporates as at August 1, 2008
- Following the model of the regional banking

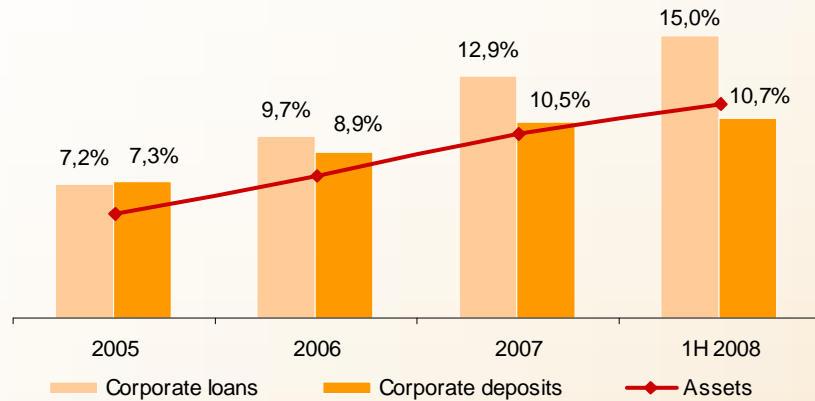
Deposits* (market share as at July 1, 2008)



* - Ranking based on banksqRAS financials
Source: Association of North-West banks

Focused strategy building a strong local franchise

Rapidly growing market share*: Assets / Corporate banking



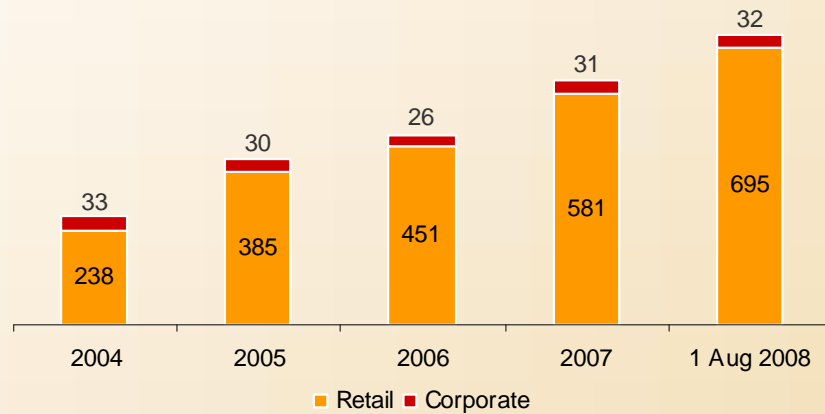
* - Ranking based on banksqRAS financials
Source: Association of North-West banks, Bank Saint Petersburg data

Rapidly growing market share*: Retail banking



* - Ranking based on banksqRAS financials
Source: Association of North-West banks, Bank Saint Petersburg data

Rapidly growing client base, '000



Source: Management data

Comments

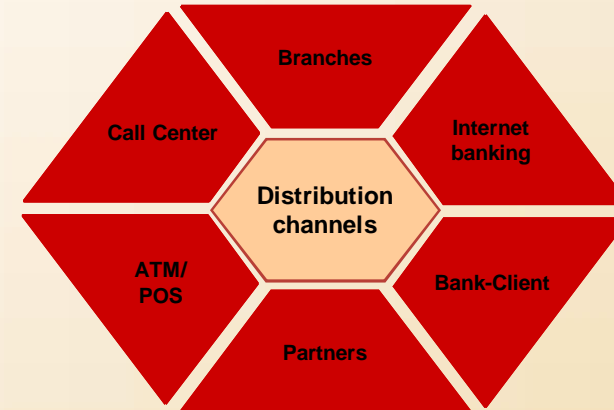
- ❑ Management team is focused on local business and growing regional franchise
- ❑ Decisions on lending are taken close to customers:
 - Speed in meeting customers demands
 - Better understanding of customers needs and risks taken

Strong multi-channel distribution network

Highlights

- ❑ Most products are distributed through branches, outlets, ATMs and partners:
 - 32 branches and outlets in St. Petersburg, 1 branch and 1 outlet in Moscow, 1 branch in Kaliningrad, 1 branch in Nizhny Novgorod as at August 1, 2008
 - 366 ATMs (incl. in every St. Petersburg subway station)
- ❑ Major partners include:
 - Corporate clients with salary projects
 - Construction companies (over 20) with mortgage projects
 - Car dealers (over 90, incl. all major brands) with car projects
 - Leasing companies with corporate customers
- ❑ Expansion plan to double branches/ outlets in St. Petersburg and in the Leningrad region by the end of 2009
- ❑ ATM network targeted to increase up to 540 by the end of 2009
- ❑ Advanced internet banking system in place

Multi-channel distribution model

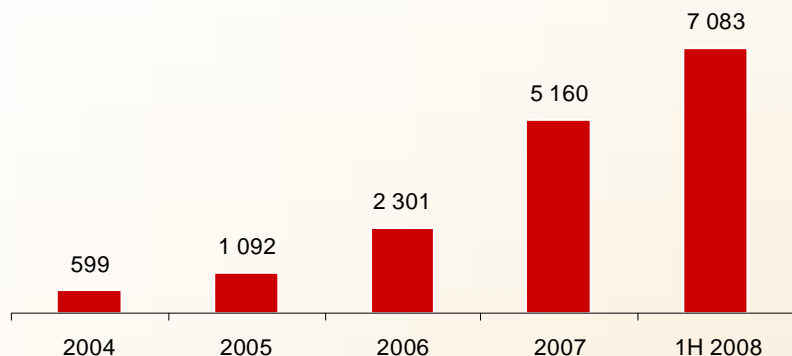


Bank Saint Petersburg branches / outlets



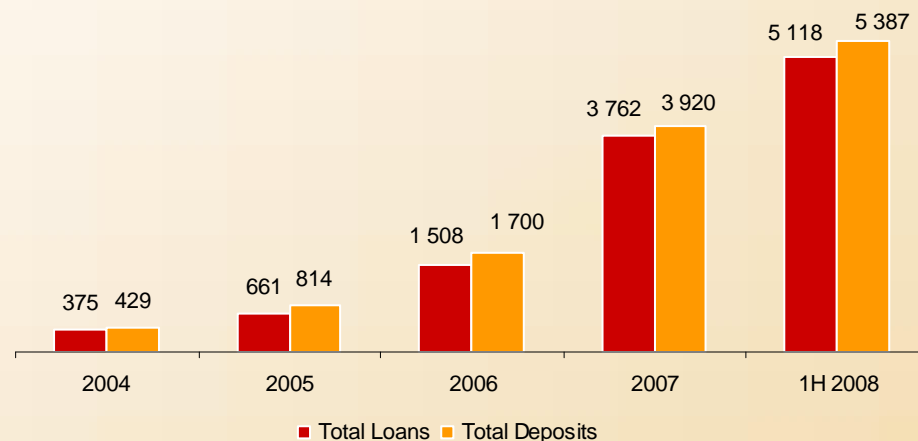
Track record of high profitability and growth

Total assets, US\$ mln



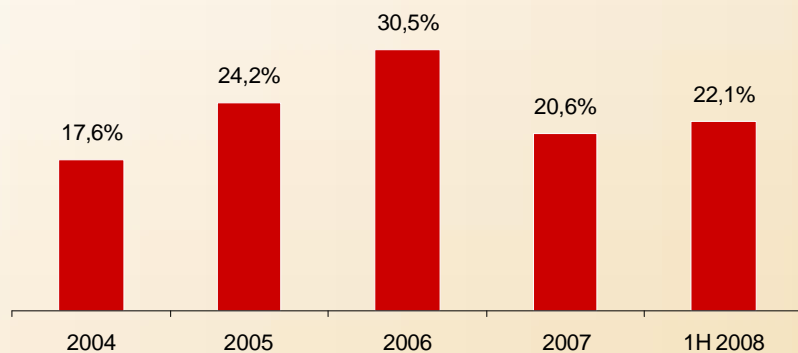
Source: audited IFRS FS 2004-2007, audited IFRS FS 2Q 2008

Total loans and deposits, US\$ mln



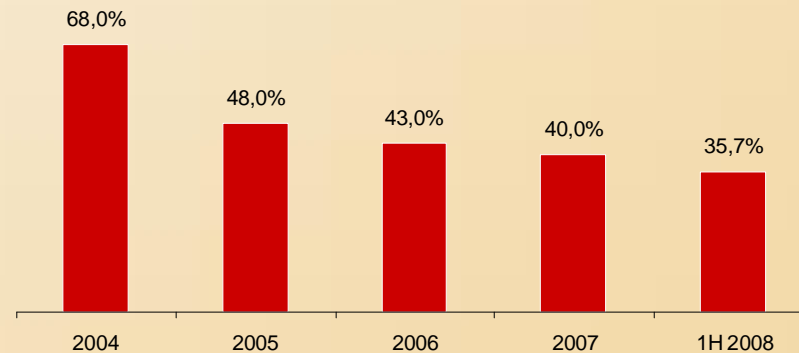
Source: audited IFRS FS 2004-2007, audited IFRS FS 2Q 2008

ROAE, %



Source: audited IFRS FS 2004-2007, audited IFRS FS 2Q 2008

Cost-to-Income ratio, %



Source: audited IFRS FS 2004-2007, audited IFRS FS 2Q 2008

First IPO of Russian privately-owned bank

Advantages of IPO

- ❑ Potential for taking a significant capital sufficient for maintaining of growth for the next 1,5 . 2 years
- ❑ Potential of retaining independency and continuing to develop within the intended strategy
- ❑ Powerful incentive to improve management quality, transparency of the bank
- ❑ Market mechanism of the company evaluation
- ❑ Creating a positive image of the bank
- ❑ Opportunity for credit ratingsqincrease

Starting points

- ❑ Difficult market situation
- ❑ High demand from the investors for high-quality assets
- ❑ Potential to be the first private bank in Russia which completed IPO
- ❑ Interesting history of rapidly-growing regional bank, backed by high efficiency
- ❑ 100% primary
- ❑ Insignificant volume of the issue

Transaction volume

- ❑ 18% of post-IPO total ordinary shares (50,75 mln ordinary shares)

Price

- ❑ Ordinary share price: US\$ 5,4
- ❑ GDR price: US\$ 16,2

Transaction structure

- ❑ 70% of the issue in GDRs, 30% in ordinary shares

Volume of funds raised

- ❑ US\$ 274mln

Market capitalization post-IPO / currently

- ❑ US\$ 1.5 bln post-IPO
- ❑ US\$ 1.1 bln as at September 15, 2008

Listing

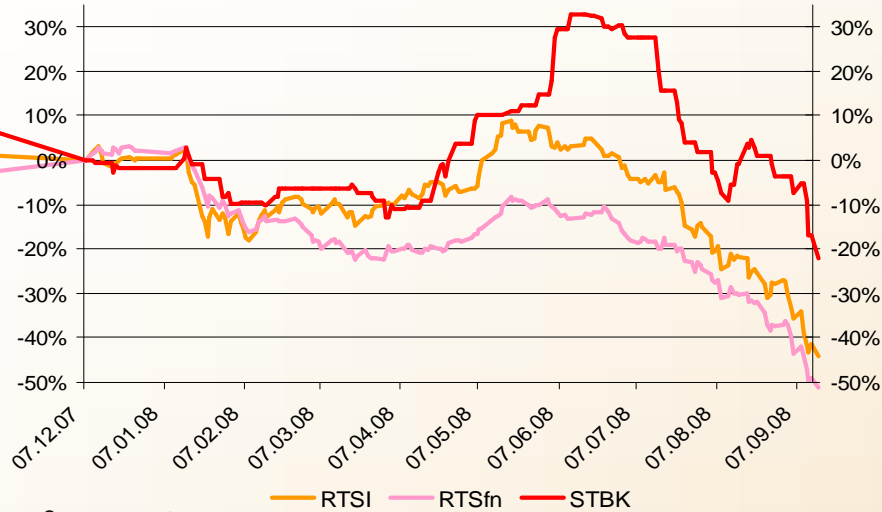
- ❑ RTS, MICEX listing for ordinary shares
- ❑ OTC trading for GDRs (no listing)

Transaction details

- ❑ 7-times oversubscription at top of the price range
- ❑ 130 investors

Stock performance

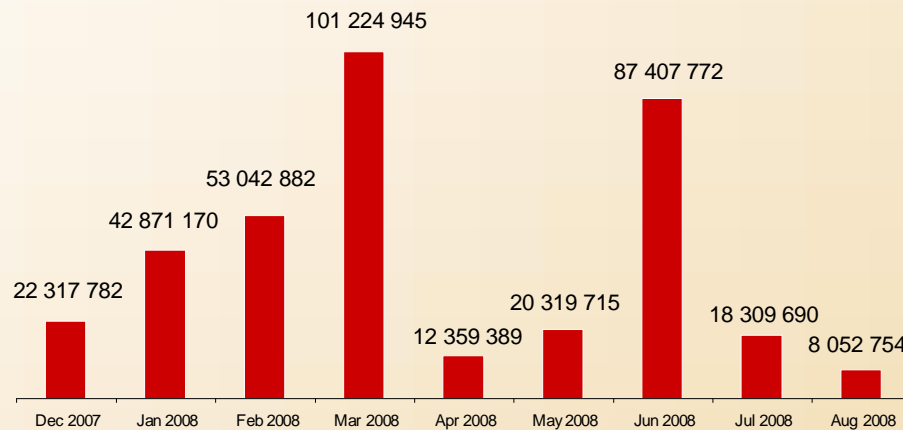
Price as compared with RTSI and RTSfn



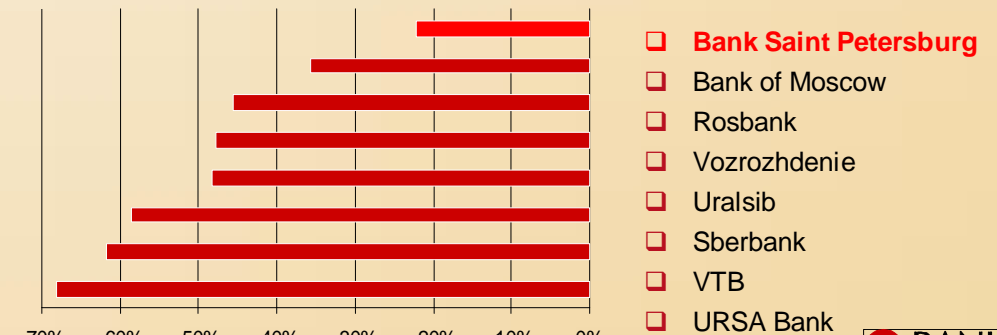
Comments

- **Market capitalization** as at September 15, 2008: 1.1 bln USD
 - **Current multiples:**
 - P/BV 2007 = 1.8 as at September 15, 2008
 - P/Es 2007 = 17.3 as at September 15, 2008
- * Price at September 15, 2008 = US \$ 4.2

Turnover, US\$



Sector stock performance as at September 15, 2008

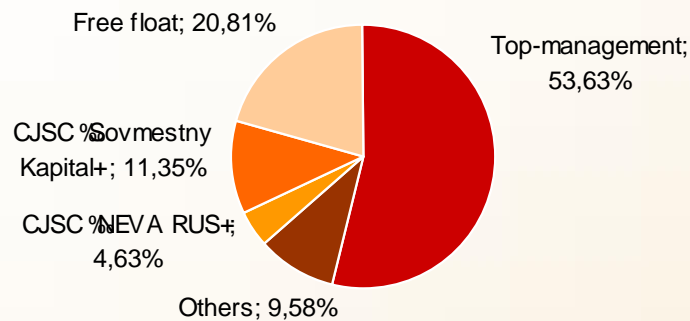


Source: www.rts.ru



Ownership Structure & Corporate governance

Shareholders Structure



Note: Per cent of total ordinary shares

Comments

- ❑ Independent from any financial industrial groups
- ❑ Sberbank and VTB, Bank Saint Petersburg's leading competitors, are both state-owned
- ❑ Majority stake controlled by Bank Saint-Petersburg's top management
- ❑ Mr. Savelyev, CEO, holds 29.91% of Bank Saint Petersburg's ordinary shares and has an option to purchase a company which owns 13.02 % of ordinary shares in Bank Saint Petersburg
- ❑ CJSC %Sovmestny Kapital+ and CJSC %NEVA-RUS+ are controlled by Mr. D.Korzhev and Mr. D.Troitskiy. These shareholders also own a significant stake of one of the largest hypermarket chains operating primarily in Saint Petersburg - %OKEI+chain
- ❑ C. 8,000 shareholders hold 7.5% of Bank Saint Petersburg's ordinary shares

Key personalities



Chairman of the Supervisory Board

I. Neivelt

- ❑ Mr. Indrek Neivelt, former CEO of Hansabank, heads Bank Saint Petersburg's Supervisory Board (since 2005)



Chairman of the Management Board

A.V. Savelyev

- ❑ Mr. Savelyev, CEO, has extensive experience of working as deputy chairman for several local banks. He joined Bank Saint Petersburg in 2001.

Established relationship with municipal government

Municipal enterprises as Bank Saint-Petersburg clients



- ❑ **Vodokanal:** water supply for residents of St. Petersburg



- ❑ **Lenenergo:** electrical supply for residents of St. Petersburg



- ❑ **Petersburg Underground:** underground transport system in St. Petersburg

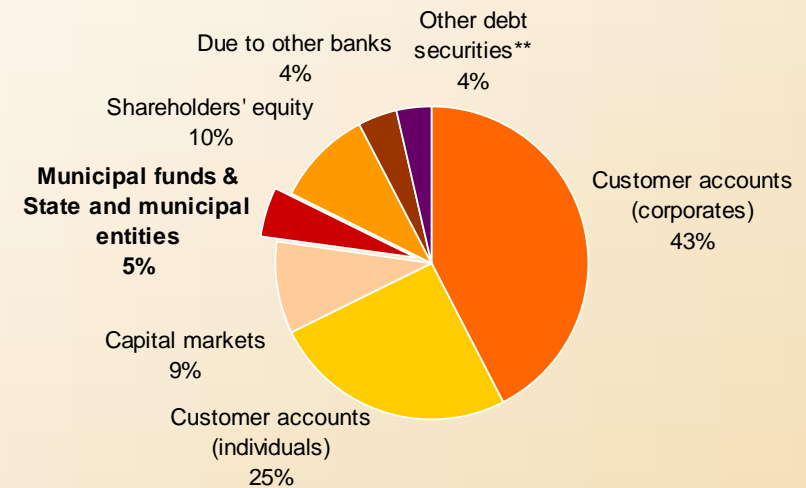


- ❑ **Fuel & Energy Complex of St. Petersburg:** generation and supply of heating energy for residents of St. Petersburg

Major projects with municipal / federal government

- ❑ **Morskoy Fasad:** artificial land on Vasiliyevsky Island, financed from municipal budget; Bank Saint Petersburg's loan exposure as at Jul 1, 2008 - c. US\$ 160mln. Total estimated project amount . c. US\$ 290mln
- ❑ **Ust Luga:** port construction project, financed from the federal budget; Bank Saint Petersburg's loan exposure as at Jul 1, 2008 - c. US\$ 58mln. Total estimated project amount . US\$ 325mln
- ❑ **Ring road project:** ring road around Saint-Petersburg, financed from the federal budget. Bank Saint Petersburg's loan exposure as at Jul 1, 2008 - c. US\$ 31mln. Total estimated project amount . US\$ 5bln

Municipal funds at Bank Saint Petersburg, July 1, 2008



Source: Management data

** Other debt securities in issue contain promissory notes and bills of exchange

Comments

- ❑ Bank Saint Petersburg enjoys a good relationship with the local government and government agencies, which have put deposits with the Bank. Bank Saint Petersburg is one of the 25 banks in St. Petersburg authorised to participate in tenders to attract municipal funds
- ❑ The Supervisory Board of Bank Saint Petersburg includes CEOs of large municipal enterprises: Petersburg Underground (Mr. Vladimir Gariugin) and Vodokanal (Mr. Felix Karmazinov)
- ❑ Bank Saint Petersburg also runs a number of social projects with municipal government, e.g., children's and pre-school cards, students' cards and a mortgage program for young families

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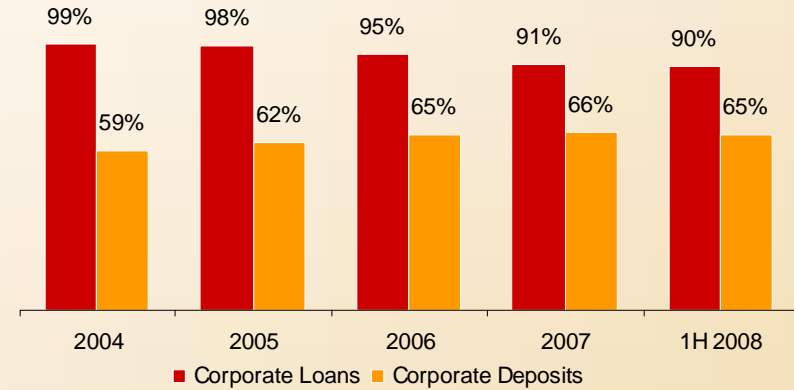
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Corporate banking

Comments

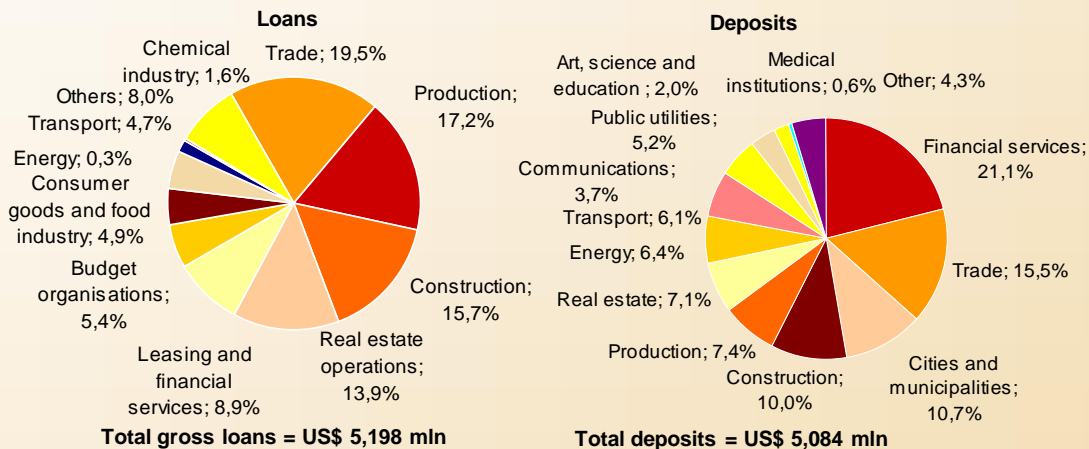
- ❑ Corporate banking remains Bank Saint Petersburg's core activity
- ❑ Typical corporate customer is a local / regional medium-sized company
- ❑ Large client base with c.32 thousand corporate clients
- ❑ Focus on St. Petersburg and the Leningrad region
- ❑ Strategic focus on the fast growing SME segment:
 - EBRD programme (US\$ 30mln financing line)
 - Bank's own programme (launched in October 2007)

Contribution of corporates to total loans/deposits



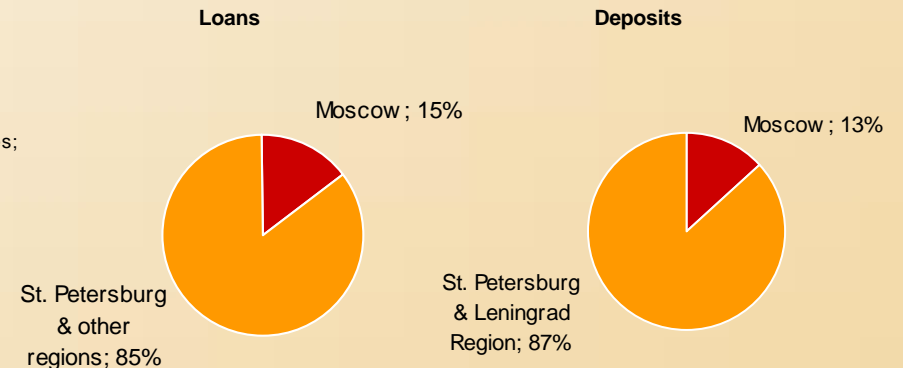
Source: audited IFRS FS 2004-2007, audited IFRS FS 2Q 2008

Sector breakdown of corporate loans/deposits, Jul 1, 2008



Source: audited IFRS FS for 2Q 2008

Geographic breakdown of corporate loans/deposits, Jul 1, 2008



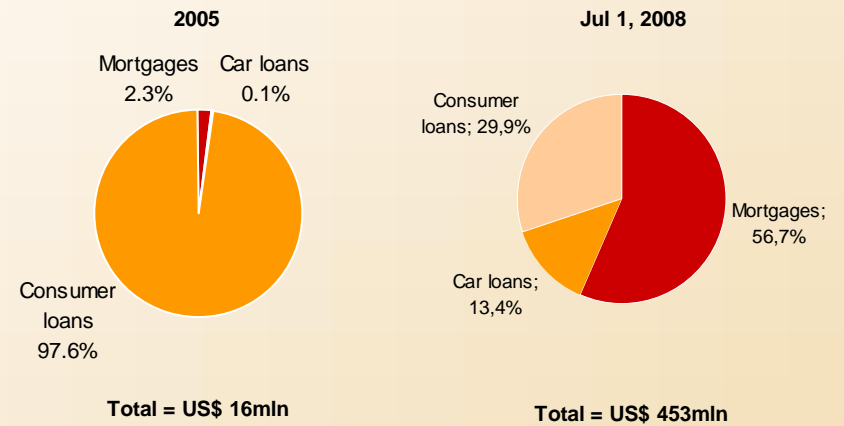
Source: Management data

Retail banking

Comments

- ❑ Rapidly expanding retail customer base: c. 700,000 retail customers
- ❑ Accessibility for customers via a wide network of branches and ATMs
- ❑ On-line banking products: Internet banking, telephone banking, ATMs and POS-terminal networks
- ❑ Relationship with clients on a cross-selling basis
- ❑ Consumer lending is carried out on conservative basis. Principal products are mortgages, car loans and secured consumer loans (incl. overdrafts for payroll cards)

Dynamics of retail loans



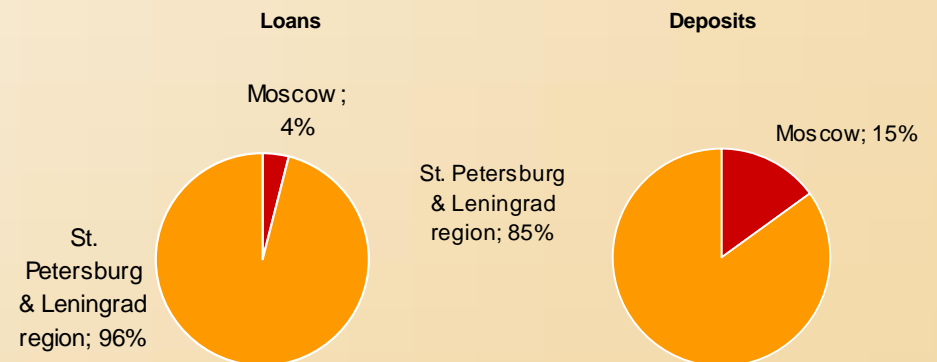
Source: Management data

Contribution of retail to total loans/deposits



Source: audited IFRS FS 2004-2007, audited IFRS FS 2Q 2008

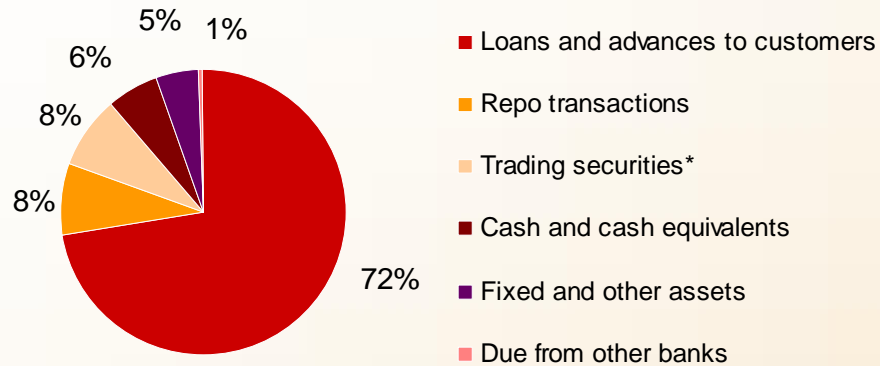
Geographic breakdown of retail loans/deposits, Jul 1, 2008



Source: Management data

Risk management : assets structure

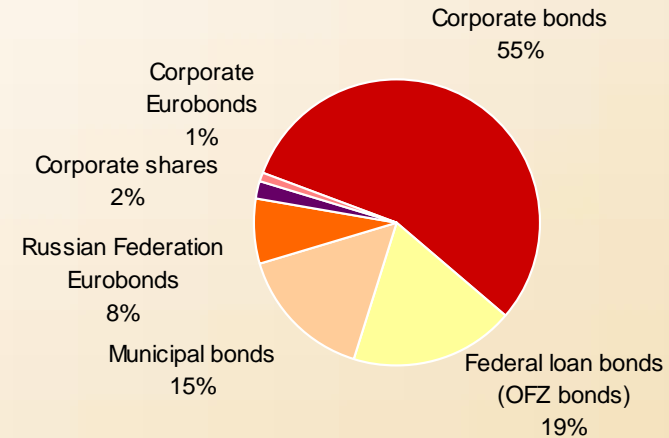
Assets structure, Jul 1, 2008



Source: audited IFRS FS 2Q 2008

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

Trading securities portfolio, Jul 1, 2008



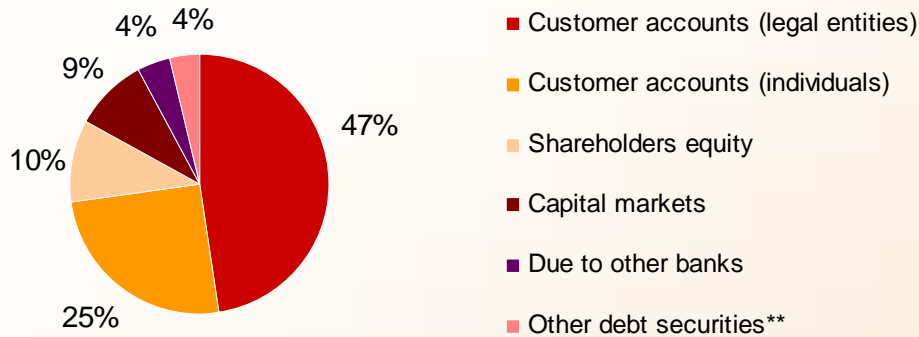
Source: audited IFRS FS 2Q 2008

Comments

- ❑ Simple business structure:
72% of assets in type of loans,
85% of liabilities in type of customers accounts
- ❑ Low-risky securities portfolio

Risk management : funding

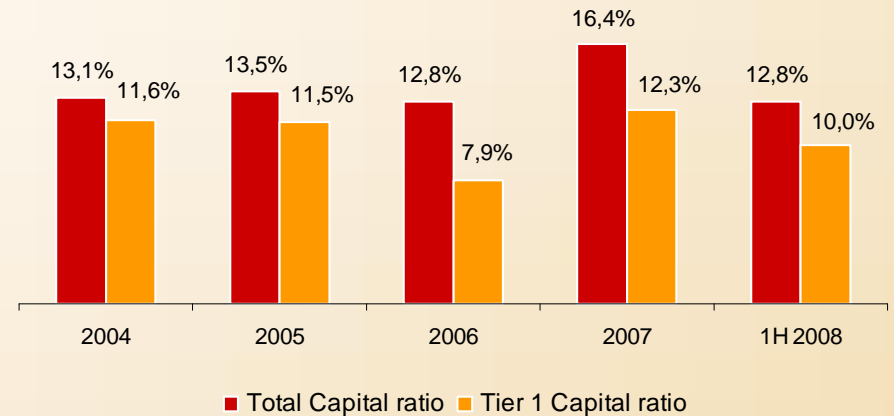
Liabilities and equity structure, Jul 1, 2008



Source: audited IFRS FS for 1H 2008

** Other debt securities in issue contain promissory notes and bills of exchange

Capital adequacy, %



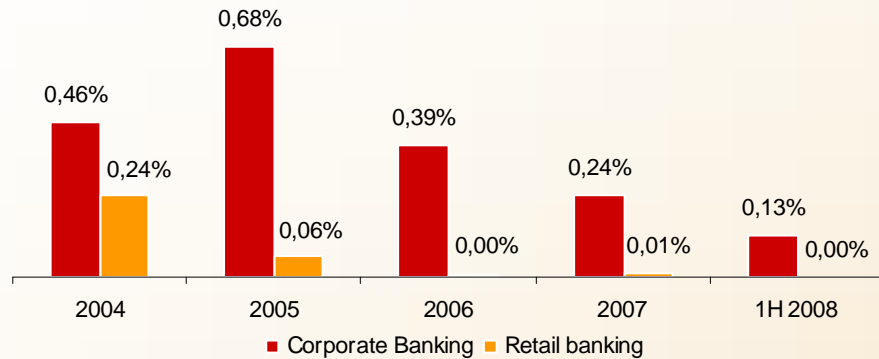
Source: Management data, audited IFRS FS 2Q 2008

Comments

- ❑ Low dependence on capital markets: US\$ 650 mln in form of syndicated loans, Eurobonds and other type of loans
- ❑ Capital raising plans:
 - Subdebt (100+ mln USD) to be attracted in October 2008 through private placement
- ❑ Funding
 - 100+ mln USD syndicated loan to be signed at the end of October 2008
 - 44.5 mln USD to be extended in November 2008
- ❑ Maturity schedule:
 - US\$ 44.5 mln . 2H 2008
 - US\$ 72 mln . 1H 2009
 - US\$ 209.2 mln . 2H 2009

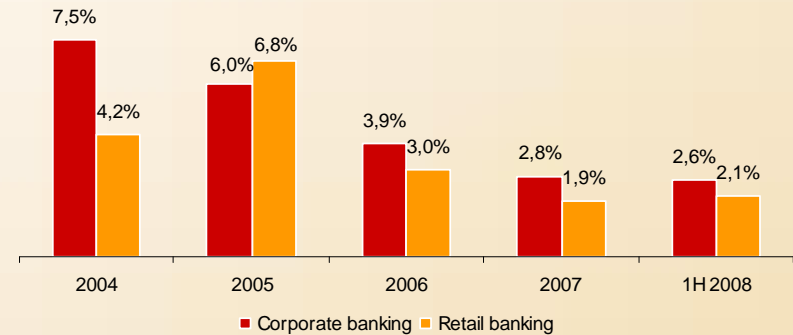
Risk management : asset quality

NPL ratio, %



Note: NPL ratio is calculated as non-performing loans (all loans overdue at least by one day) divided by gross total loans
Source: Management data

Provisioning, %



Note: Corporate business rate is calculated as provisions for corporate loans divided by total corporate loans and retail business rate is calculated as provisions for retail loans divided by total retail loans
Source: Management data

Comments

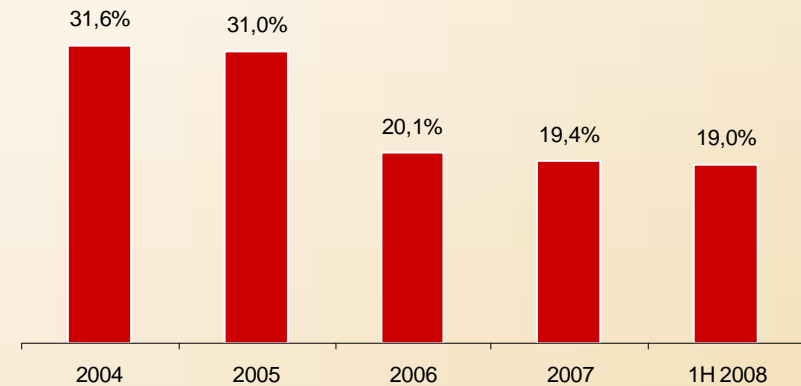
- As a result of a conservative credit policy and broad experience, Bank Saint Petersburg is able to maintain the NPL ratio at a very low level

Risk management : diversification

Comments

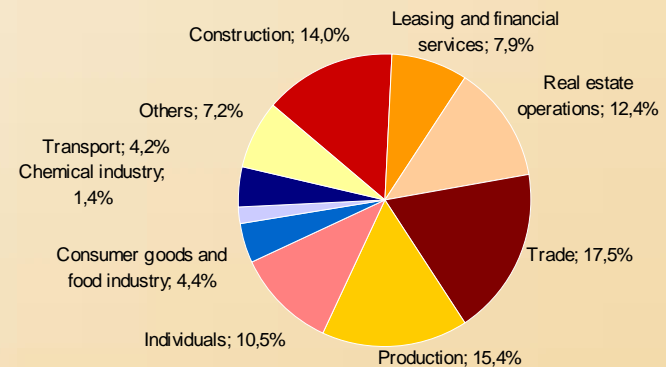
- ❑ Rapidly growing loan portfolio with annual compound growth over last 3 years . 94%, for 2007 . 149% and for 1H 2008 . 30%
- ❑ Conservative risk management based on diversification principle
- ❑ Reduction of construction / real estate sector exposure planned over the next two years
- ❑ Consistent decreasing of construction and real estate operations exposure (from 29.5 % of total loan book as for Jan 1, 2007 to 26.4% as for Jul 1, 2008) with the target level of exposure at 25% medium-term horizon

Top 10 borrowers as % of loan portfolio



Source: Company information

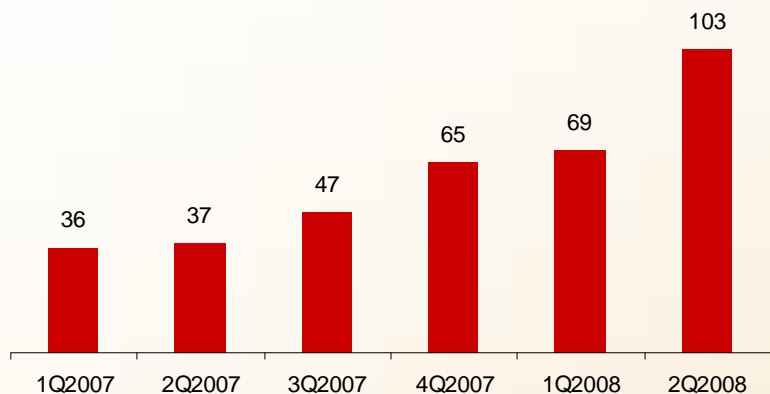
Loans by sector, Jul 1, 2008



Source: audited IFRS FS 2Q 2008

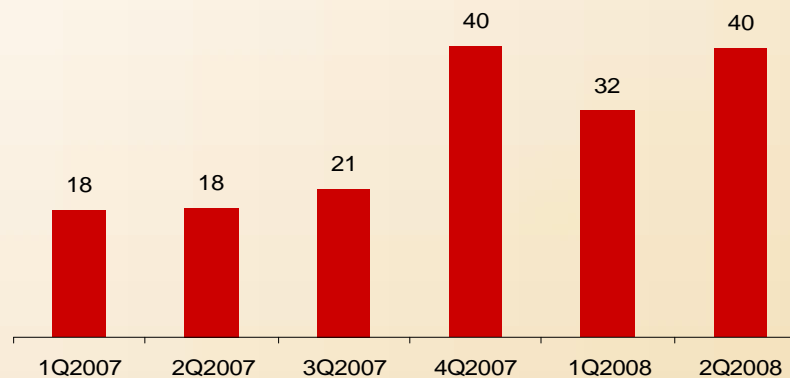
Income and expense dynamics

Net interest income (before LLP charge), US\$ mln



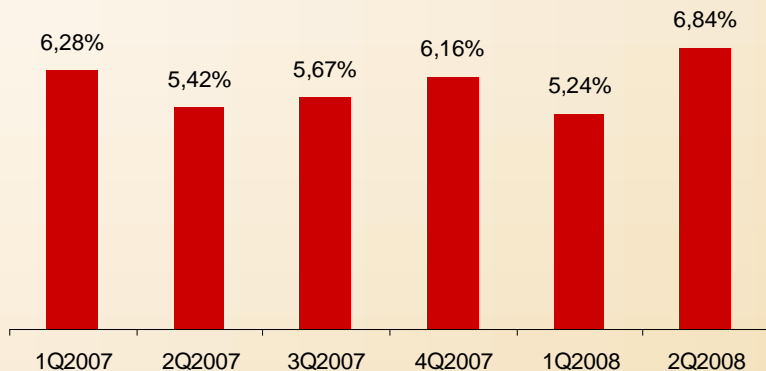
Source: unaudited IFRS FS for 1Q2007-1Q2008, audited IFRS FS 2Q 2008

Operating expenses, US\$ mln



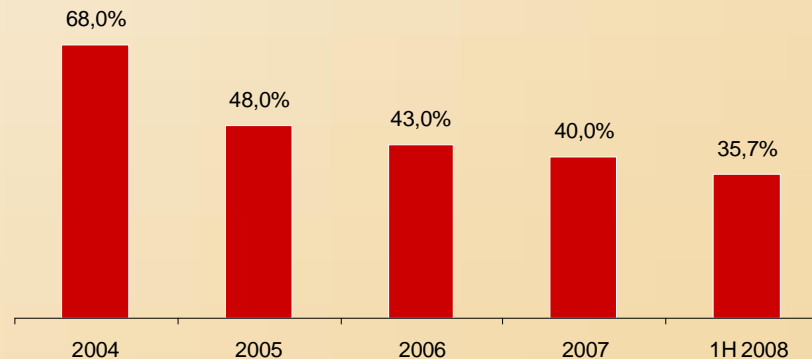
Source: unaudited IFRS FS for 1Q2007-1Q2008, audited IFRS FS 2Q 2008

Net interest margin



Source: unaudited IFRS FS 1Q2007-1Q2008, audited IFRS FS 2Q 2008

Cost-to-Income ratio, %



Source: audited IFRS FS 2004-2007, audited IFRS FS 2Q 2008

Financial summary

USD mln	1 Jan 2006	1 Jan 2007	1 Jan 2008	1 Jul 2008
Loans and Advances to Customers	661	1,508	3,736	5,113
Total Assets	1,082	2,301	5,159	7,083
Customer Deposits	814	1,700	3,614	5,131
Total Liabilities	967	2,131	4,548	6,370
Total Shareholders' Equity	115	171	611	713
Total Capital	115	247	753	846
Net profit	22	45	82	76
Net Interest margin*	8.2%	6.7%	5.5%	6.0%
Capital Adequacy	13.5%	12.8%	16.4%	12.75%
Cost-to-Income ratio	47.8%	42.6%	40.2%	35.7%
Provisions / Gross loans	5.8%	3.9%	2.7%	2.57%
Provision charge	5.3%	2.3%	1.9%	2.4%
Loans / Deposits**	81%	89%	103%	95%
ROAA*	2.6%	2.6%	2.1%	2.4%
ROAE*	24.2%	30.5%	20.6%	22.1%

Notes:

- Ruble-denominated IFRS financials are translated into US\$ based on CBR closing exchange rates
- **Net Interest margin:** calculated as net interest income divided by the average interest earning assets (loans, due from banks, nostro accounts and securities portfolio)
- **Cost-to-Income:** calculated as operating expenses divided by operating income (before provision charge)
- **ROAA:** calculated as net income divided by the average total assets (sum of opening and closing total assets divided by 2)
- **ROAE:** calculated as net income divided by the average equity (sum of opening and closing equity divided by 2)
- **Total capital:** calculated as the sum of shareholders' equity and subordinated loans

* Ratios as at Jul 1, 2008 are annualized

** Deposits calculated as a sum of customer deposits and other debt securities in issue (i.e. promissory notes and bills of exchange)

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Successful strategy implementation

Strategy

- ❑ Rapid growth, emphasis on retail banking
- ❑ Focus on regional market - St. Petersburg and the Leningrad region

Financing

- ❑ Entrance into international debt capital markets

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- ❑ New level of transparency, accessibility and communication with the investment community

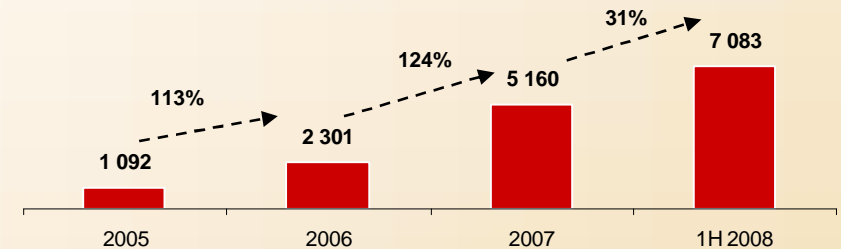
Clients

- ❑ New focus groups: private banking and SME lending
- ❑ Retail-oriented infrastructure including on-line banking product
- ❑ Streamlining of credit approval

Distribution network

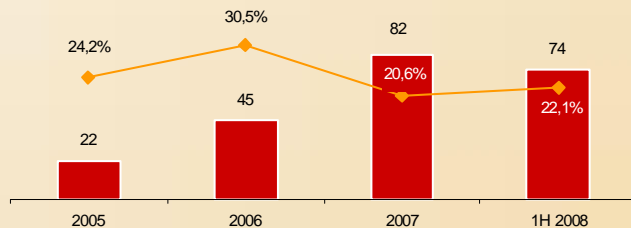
- ❑ New branches opened, new ATMs installed

Total assets, US\$ mln



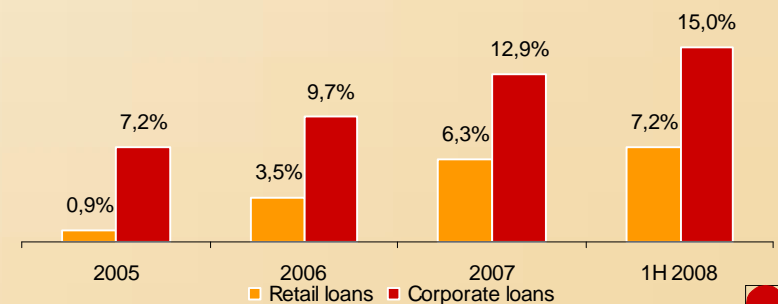
Source: audited IFRS FS 2005-2007, audited IFRS 2Q 2008

Net Income, US\$ mln, and ROAE, %



Source: audited IFRS FS 2005-2007, audited IFRS 2Q 2008

Market Share*



* - Ranking based on banksqRAS financials

Source: Association of North-West banks, Bank Saint-Petersburg data