

# Presentation of Q1 2012 financial results

May 29, 2012



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BANK**

# NOMOS at a glance

- Largest listed privately-owned bank in Russia with free float of 24.99%
- Market cap as of May 25, 2012 comprised US \$ 2.0 billion and average daily turnover in 2012 was US \$ 2.19 million
- 2<sup>nd</sup> largest privately-owned and 8th largest banking group in Russia by assets
- A leading consolidator growing faster than the market, both organically and through acquisitions
- Distribution platform including 294 branches and 1,849 ATMs in 42 economically developed regions of Russia <sup>(1)</sup>
- Broad geographic network with focus on 5 key regions - Moscow, Khanty-Mansiysk/Tyumen, St. Petersburg, Novosibirsk and Khabarovsk
- Strategic shareholders, ICT and PPF, focused on value creation
- Credit ratings: “BB” by Fitch (upgraded in August 2011) and “Ba3” by Moody’s . Outlook is Stable

(RUB in billions)	2010	2011	Q1 2012	Change FY'11-Q1'12
Total assets	530.2	662.1	670.3	+1.2%
Gross customer loans	354.9	468.3	469.5	+0.3%
Customer accounts	313.4	382.4	380.9	-0.4%
Shareholders' equity	46.9	62.3	65.7	+5.5%
Total equity	57.9	75.7	80.0	+5.7%
Net profit	10.4 <sup>(6)</sup>	12.1	4.0	+24.9% <sup>(8)</sup>
NIM (%)	5.3 <sup>(6)</sup>	5.5	5.1 <sup>(7)</sup>	-0.4pp
CIR (%) <sup>(3)</sup>	43.5 <sup>(6)</sup>	46.6 <sup>(4)</sup>	43.0 <sup>(7)</sup>	-3.6pp
RoAE (%) <sup>(5)</sup>	21.1 <sup>(6)</sup>	18.5 <sup>(5)</sup>	20.1 <sup>(7)</sup>	+1.6pp
Tier 1 ratio	10.6	12.0	12.8	+0.8pp

## Multi segment business franchise

11,700 mid-sized corporate clients <sup>(1)</sup>

79,600 small business clients <sup>(1)</sup>

Aprx. 1.5 m retail clients <sup>(1)</sup>



(1) Data as of April 1st, 2012.

(2) According to Rosstat.

(3) RoAE to Nomos equity holders.

(4) Excluding one-off IPO transaction costs of RUB 215 mln; CIR would comprise 47.2% if including IPO transaction costs.

(5) Excluding one-off IPO transaction costs of RUB 215 mln; RoAE would comprise 18.2% if including IPO transaction costs.

(6) Pro forma for year 2010 assuming that the acquisition of BKM took place on January 1st, 2010.

(7) Calculated on annualized basis.

(8) Calculated on y-o-y basis, Q1 2012 to Q1 2011. Net profit for Q1 2011 comprised RUB 3.2 billion.

## Strong start in 1Q 2012: good profitability



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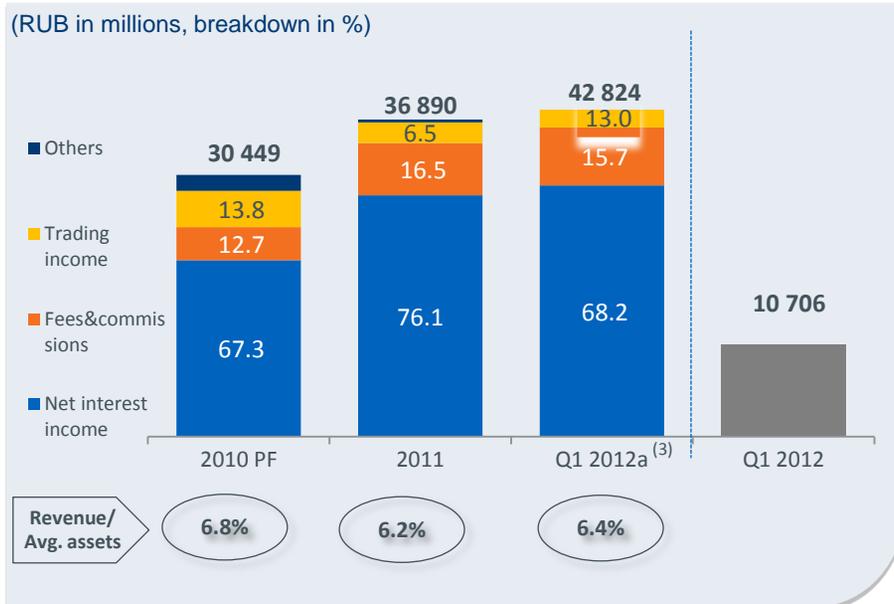
- Overall NOMOS delivered a strong performance with an annualized 20.1% ROE in line with guidance.
- Total net customer loans grew by 0.5% during 1Q 2012, adjusting for movements in exchange rates the net customer loan portfolio increased by 3% with strong growth in retail and corporate segments:
  - ✓ Retail loans grew 6.6% qoq to RUB 61.9 billion.
  - ✓ Corporate loans grew 2.2% qoq to RUB 327.9 billion, adjusting for movements in exchange rates the corporate loan portfolio growth would be appr. 2.9% to RUB 337.3 billion.
  - ✓ Small business loans grew 1.9% qoq to RUB 30.5 billion.
  - ✓ Repo loans went down by 23.6% qoq to RUB 29.8 billion.
- Net interest income increased 18.4% yoy to RUB 7.3 billion showing -7.5% decline qoq driven by a small increase in cost of funding to 6.4% (5.9% as at FY11). Net interest margin was 5.1% in line with 1Q 2011.
- Net fees and commissions increased 47.7% yoy to RUB 1.7 billion. The growth is primarily coming from the Corporate and Retail segments.
- Trading gains were RUB 1.4 billion due to a positive performance from the forex, precious metals and fixed income.
- Operating costs fell 6.3% qoq to RUB 4.6 billion. The CIR was 43.0% in line with guidance. In addition to the day-to-day initiatives to increase productivity, NOMOS is pursuing its efforts to restructure the branch network to reduce decentralized back office work.
- Risk cost was stable at 0.8%. The NPL coverage ratio fell from 212.7% to 164.0% reflecting the migration of two loans into the NPL category. This migration had no impact on the quarterly profitability of NOMOS as the loans were adequately provisioned in Q4 2011.
- The funding structure of NOMOS remained stable with deposits representing 64.5% (RUB 380.9 billion) of total liabilities, interbank 17.8% (RUB 105.2 billion), bonds and PNs issued 11.2% (RUB 66.1 billion). As of 1Q 2012 the Group's LDR was 118.2%.
- The Bank's CT1CAR was 12.8% and total CAR was 16.7% excluding the impact of the new subordinated debt issued in 2Q 2012.
- Net profit attributable to NOMOS shareholders increased by 26.2% yoy to RUB 3.2 billion. Net profit per GDR increased by 18.5% yoy to USD 0.6 in 1Q 2012.

# Strong operating performance of the Bank

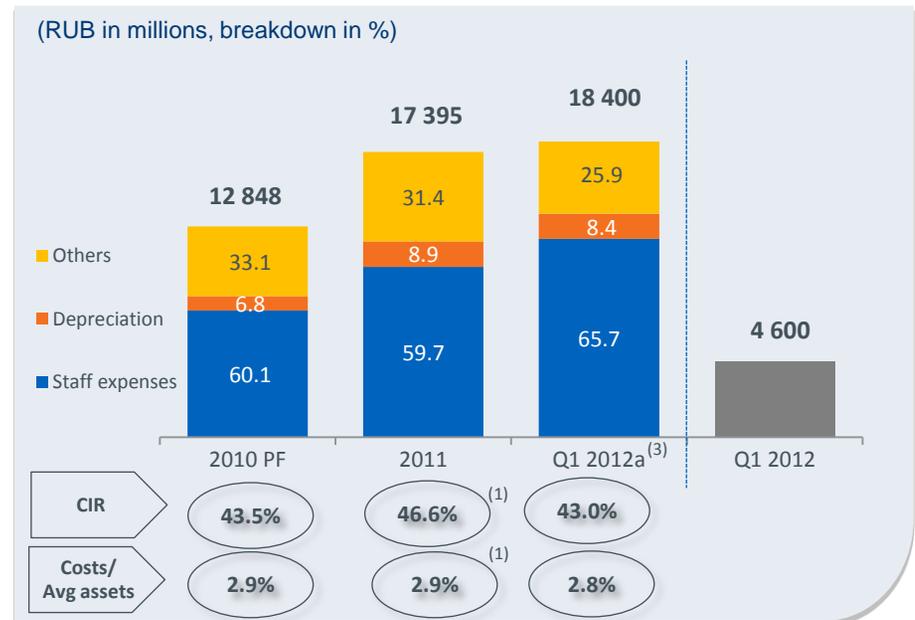


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## Revenue composition



## Operating expenses



## Cost of risk



## Profitability



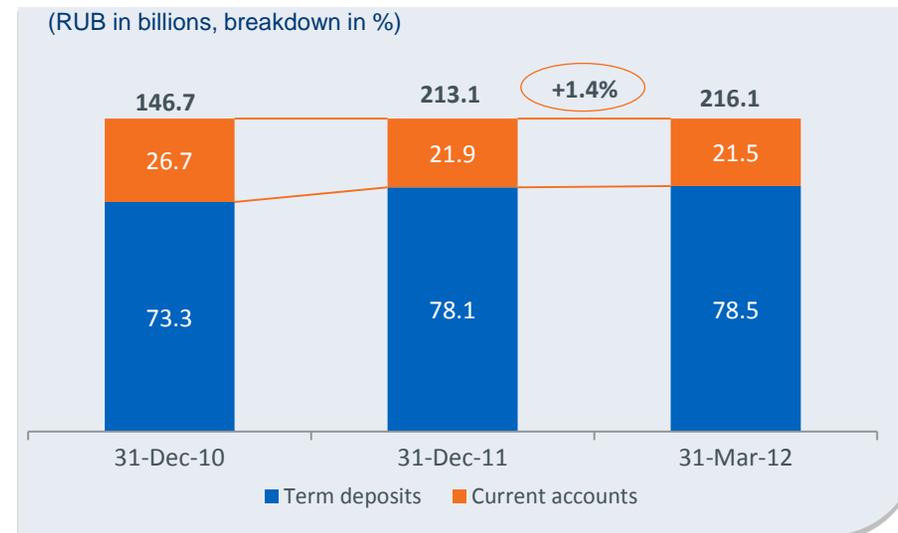
(1) Excluding one-off IPO transaction costs of RUB 215 mln.  
 (2) RoAE to Nomos equity holders.

(3) Annualized.

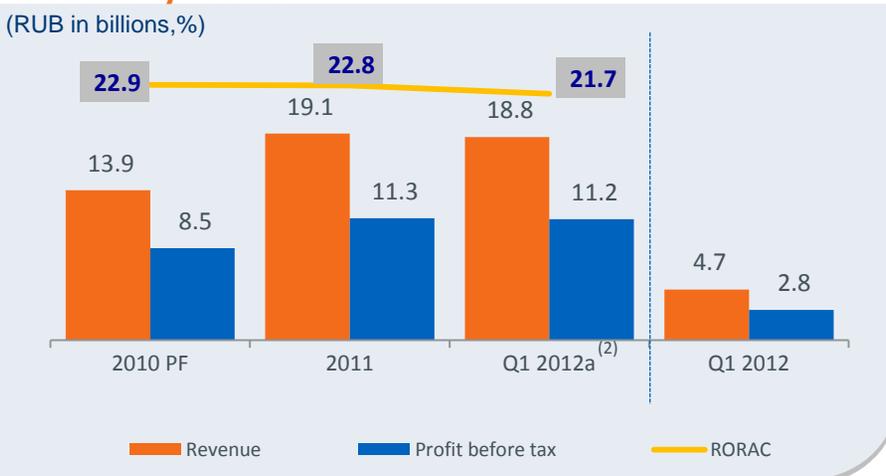
## Loan portfolio dynamic



## Stable deposit portfolio



## Profitability results

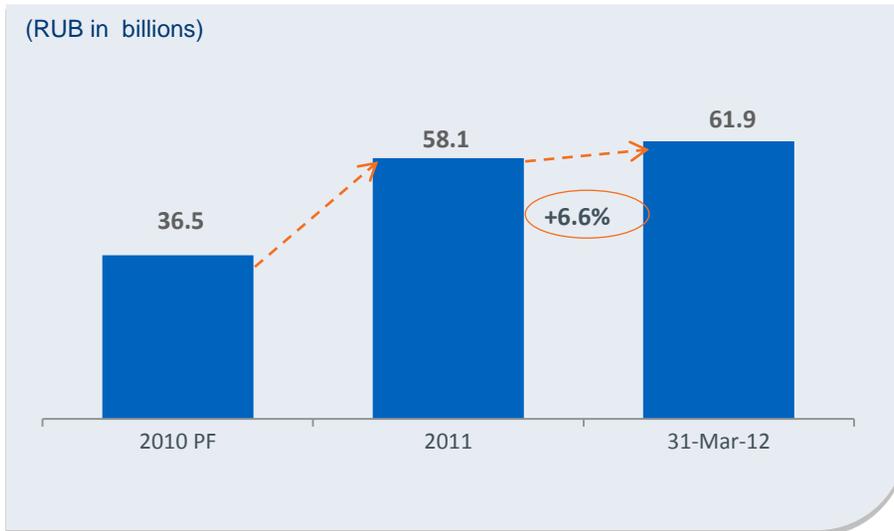


## Net F&C income dynamics

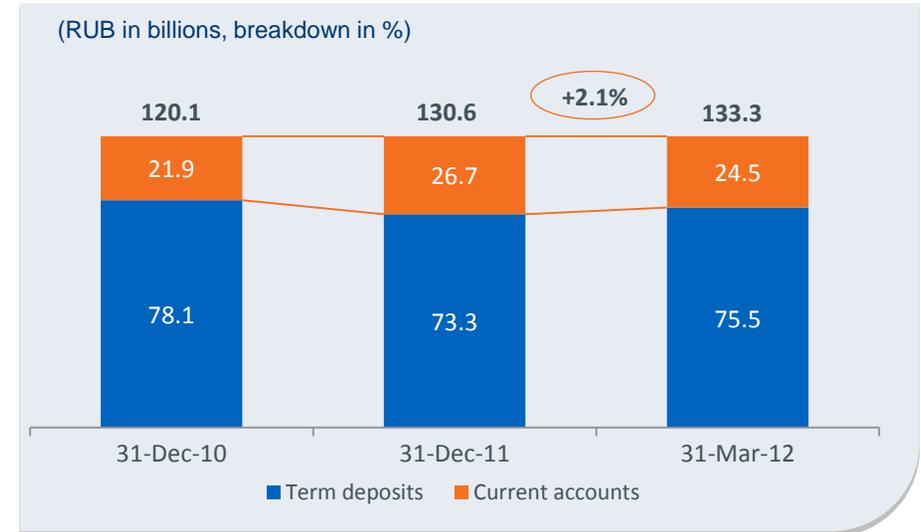


(1) Corporate loan portfolio grew by approximately 2.9% disregarding FX rate fluctuation. Negative effect of USD/RUB and EUR/RUB exchange rate dynamic comprised RUB 9.4 billion.  
 (2) Annualized.

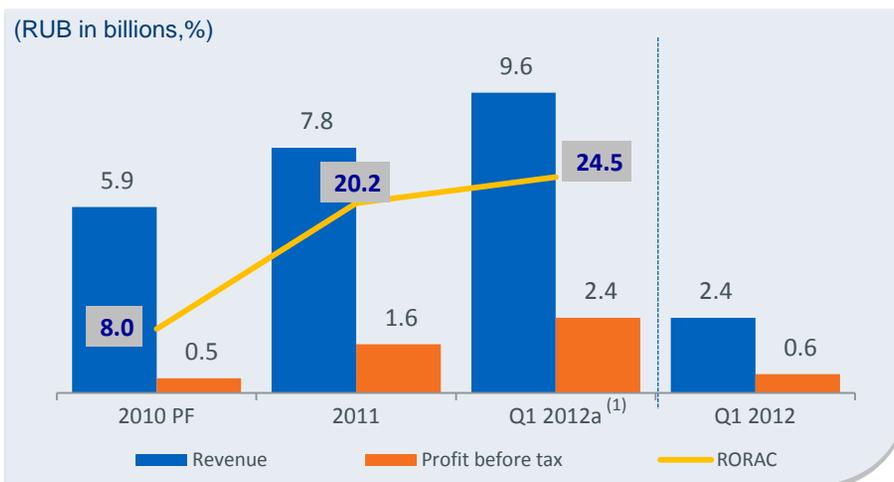
## Growing loan portfolio



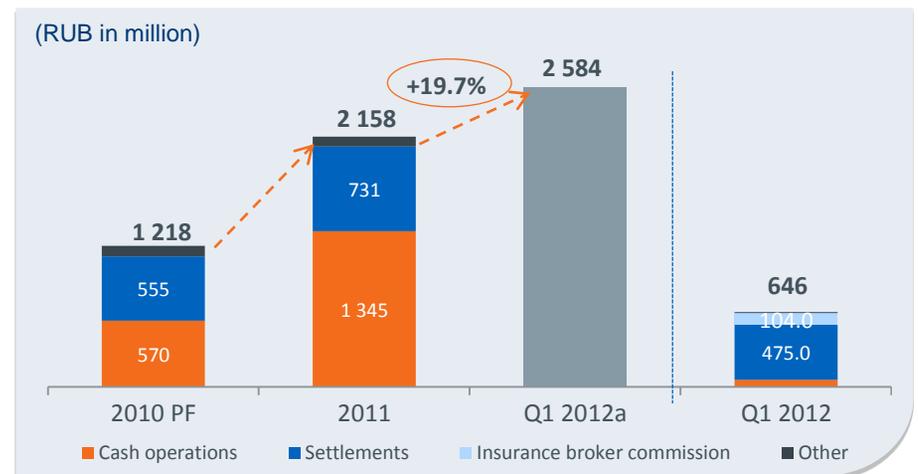
## Stable deposit portfolio



## Profitability results



## Net F&C income

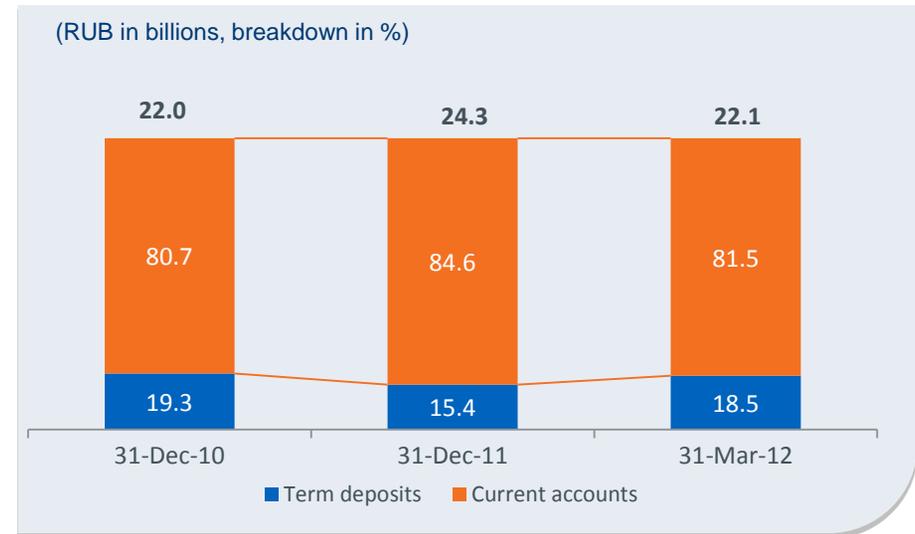


(1) Annualized.

## Loan portfolio dynamic



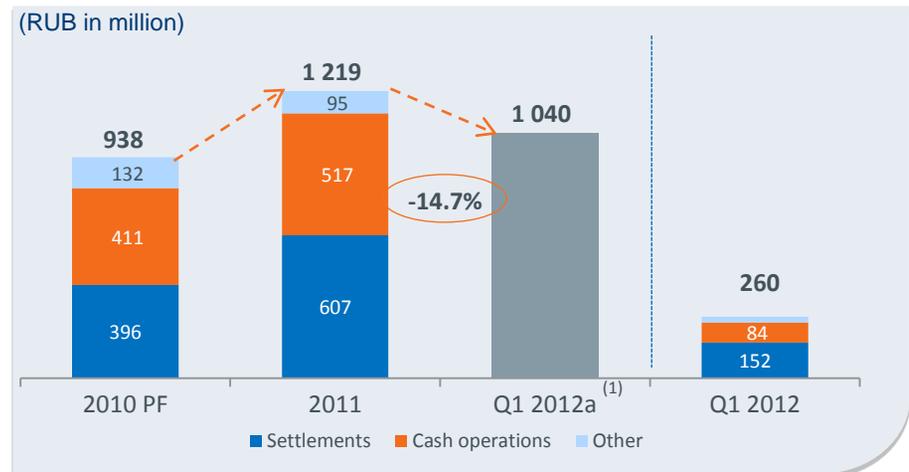
## Deposit portfolio structure



## Profitability results



## Net F&C income



(1) Annualized.

# Growing net interest income and stable interest margin

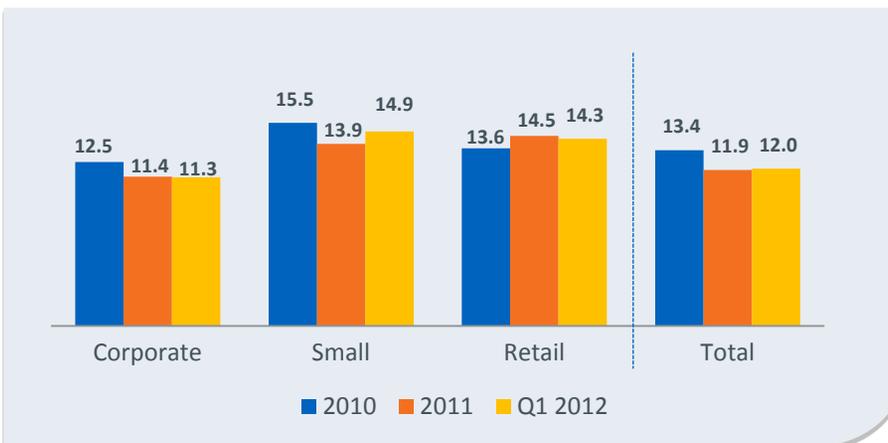
## Net interest income



## Net interest margin



## Average rate on loans to customers



## Average rate on customer accounts



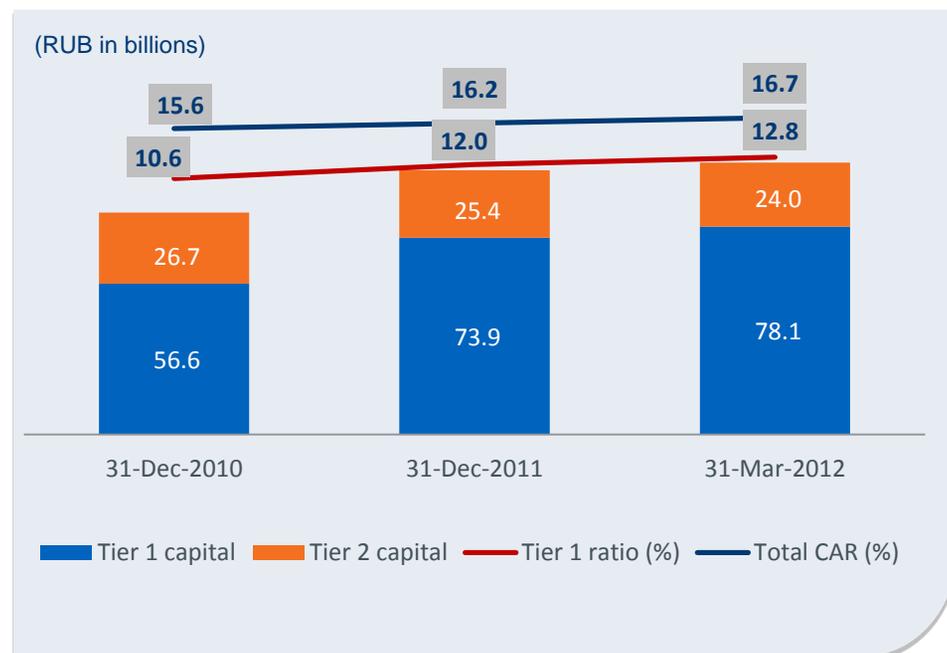
(1) Annualized.

# 12.8% CT1 and 16.7% total CAR allowing further growth



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## Capital adequacy



## Total RWA



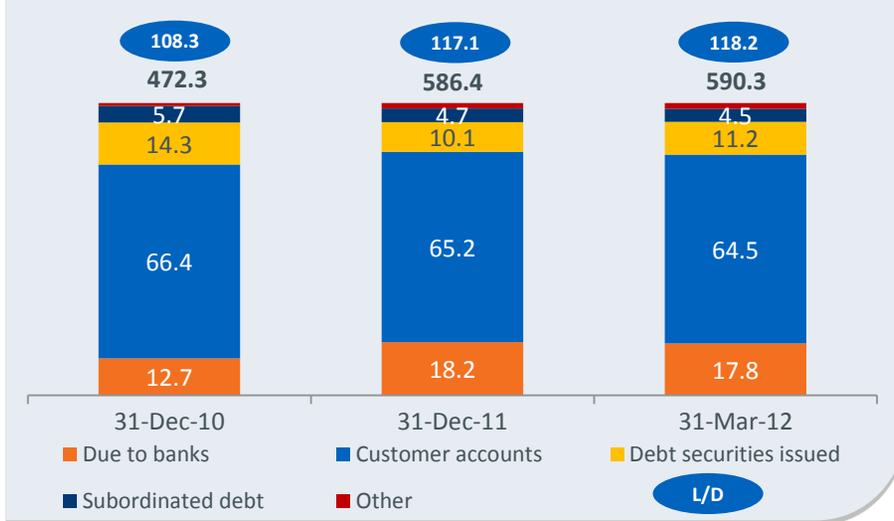
# Strong and diversified funding



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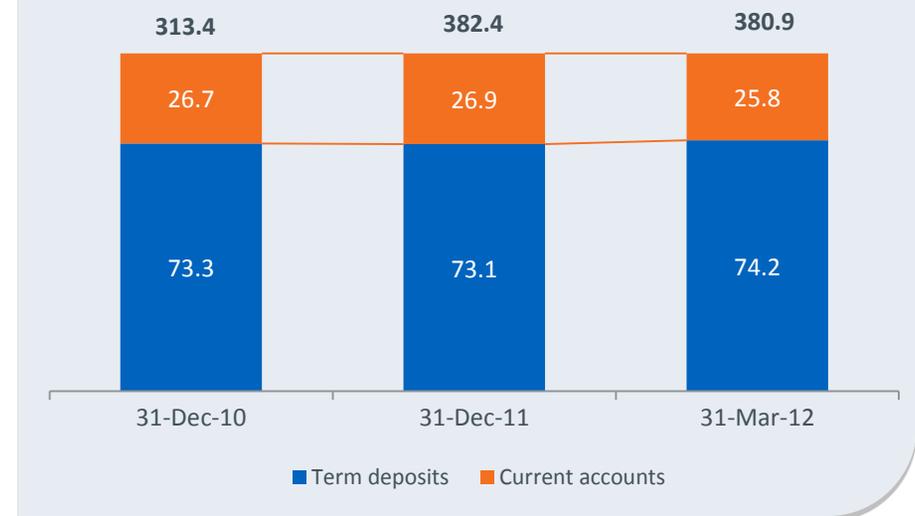
## Liabilities composition

(RUB in billions, breakdown in %)



## Customer accounts composition

(RUB in billions, breakdown in %)



## Bonds and subordinated debt repayments schedule

(RUB in millions as of 31 March 2012)



## Successful subordinated eurobond issue in April, 2012

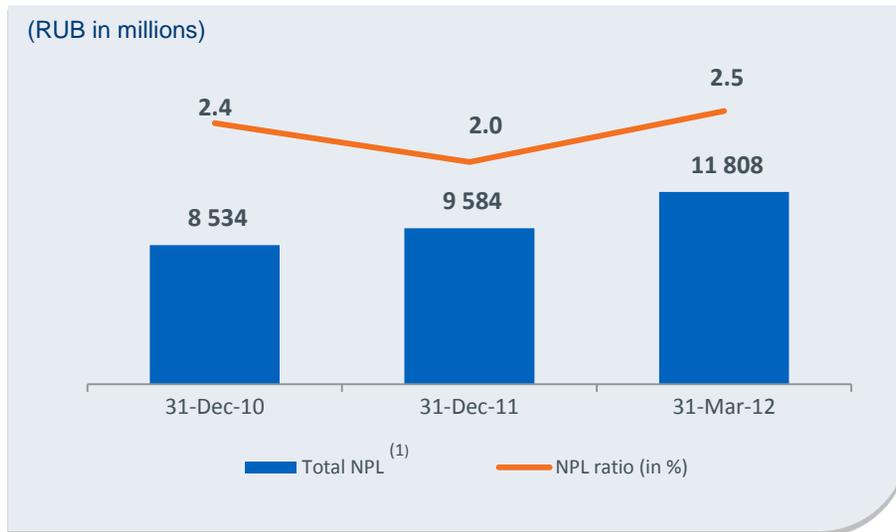
- Subordinated Eurobonds issue: USD 500m, 7 years, 10%.
- Over 120 orders - nearly twice over subscribed, 75% allocated to investors outside Russia.
- Third subordinated bond issue of NOMOS.
- As of 1Q 2012 there were no outstanding deposits from Min Fin. CBR funding amounted to RUB 6.5 billion.

# High quality assets

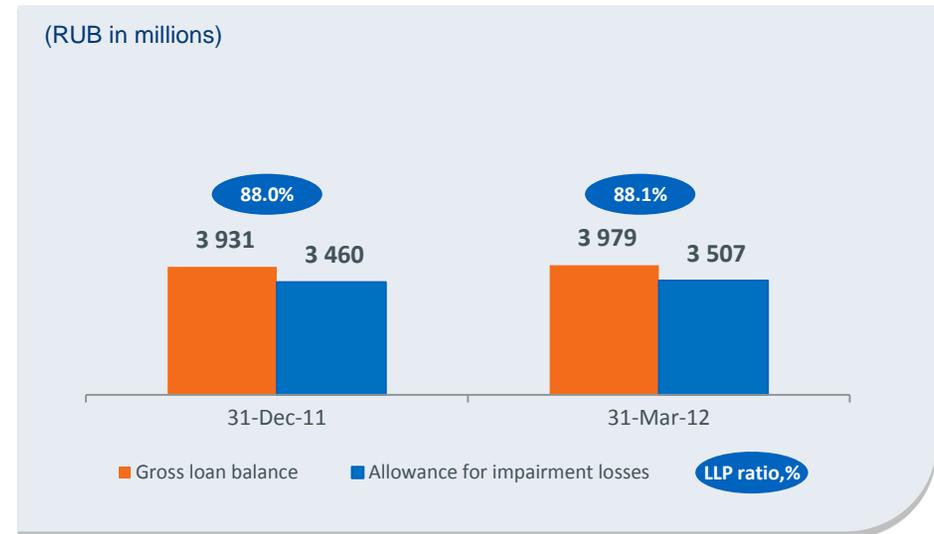


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## Non-performing loans dynamic



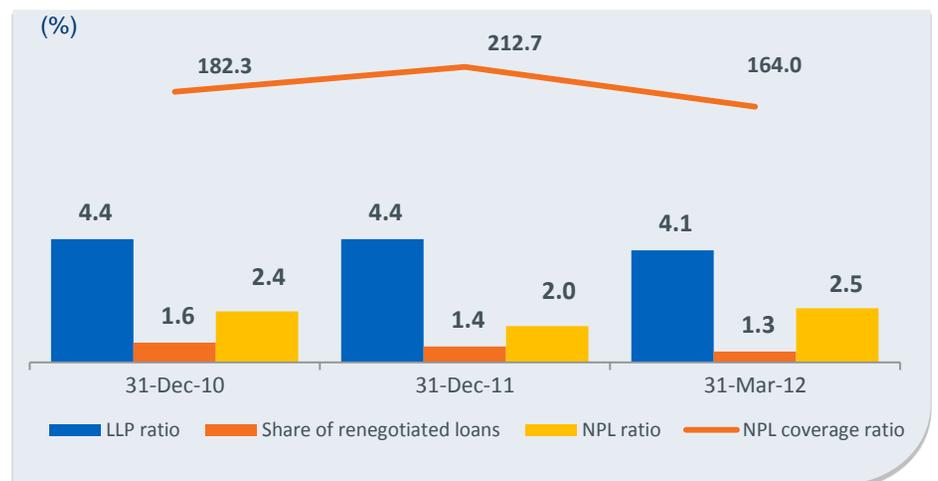
## Migration of 2 loans to NPL in Q1 2012



## Provision expense and cost of risk



## Conservative LLP ratio and NPL coverage



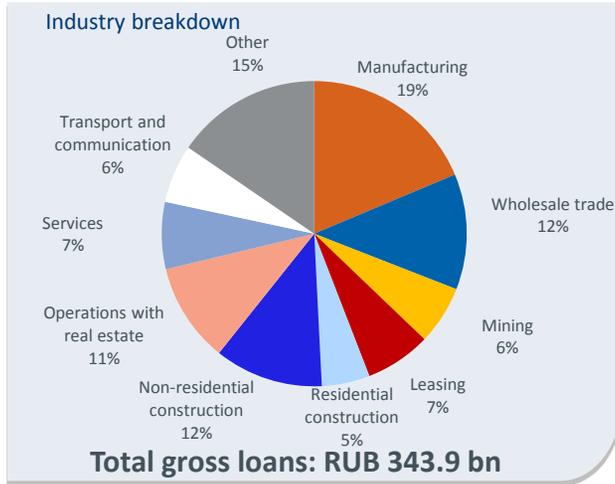
(1) Loans overdue more than 90 days.

# A well-diversified portfolio

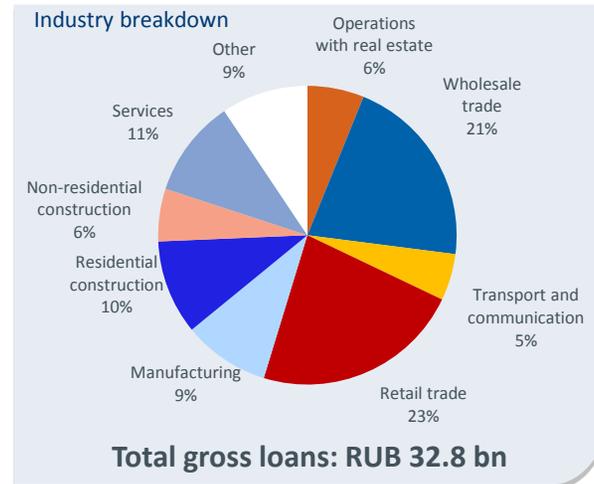


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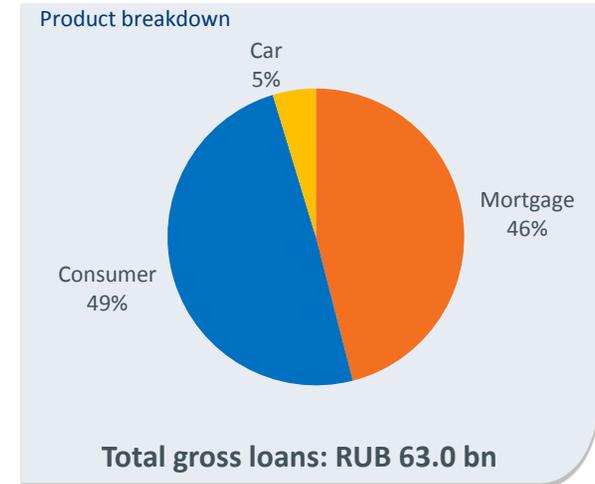
## Corporate business



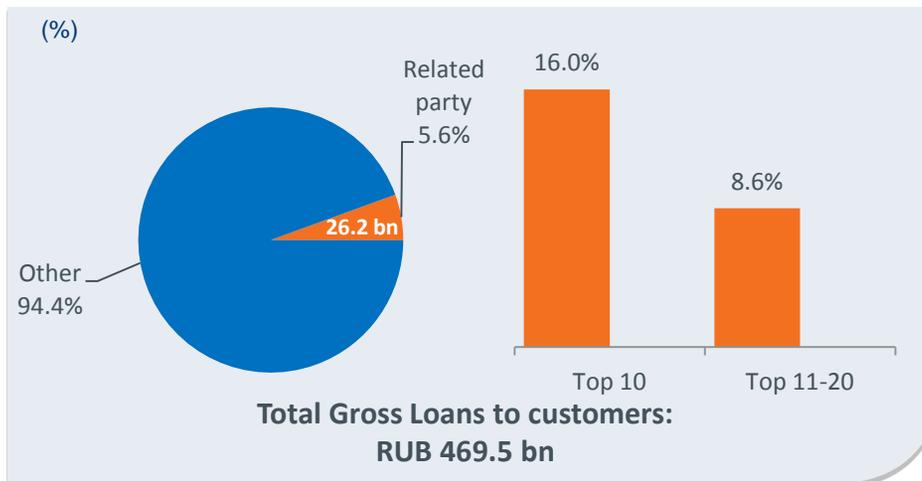
## Small business



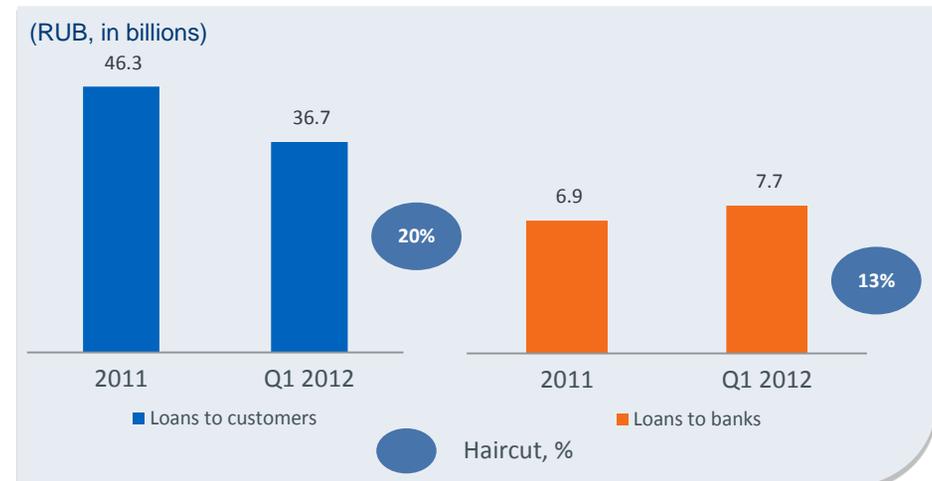
## Retail



## Reduced exposure to related party loans, concentration as at 31 March 2012



## Reverse REPO: reliable clients, high quality instruments

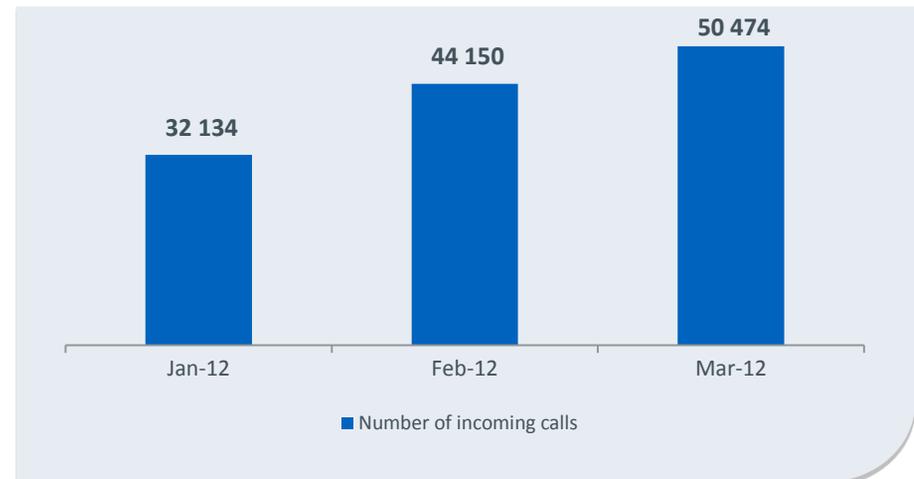


# Focus on operating efficiency

- In order to improve efficiency of the network the Group started to transform regional “filiales” into operating offices. So far 28 “filiales” has been transformed.
- During 2011 and Q1 2012 the Group opened 33 branches and closed 39.
- Joint call center started operations in December 2011.
- 1Q12 Results :
  - Total **number of employees**: 123
  - **3 departments** are located in the call center
  - **Soft collection** – work with problem clients
  - **Telephone verification** - personal data check of retail clients
  - **Client service** – product sales via inbound/outbound calls service, client satisfaction survey
  - Call center operates for **all banking subsidiaries** of the Group
- In 2012 call center will focus on the following key areas:
  - Detailed information to clients on all products
  - Timely notifications to clients
  - VIP clients support
  - Product sales via outbound calls



## Call center statistics



## Guidance 2012

### Growth

**Customer loan growth**

approximately 20% average annual growth / exceed market growth

### Cost efficiency

**Cost/income ratio**

45%

### Profitability

**RoAE**

Approximately 20%

### Capital

**Tier 1 ratio**

Above 10.5%



**THANK YOU!**

# Appendix



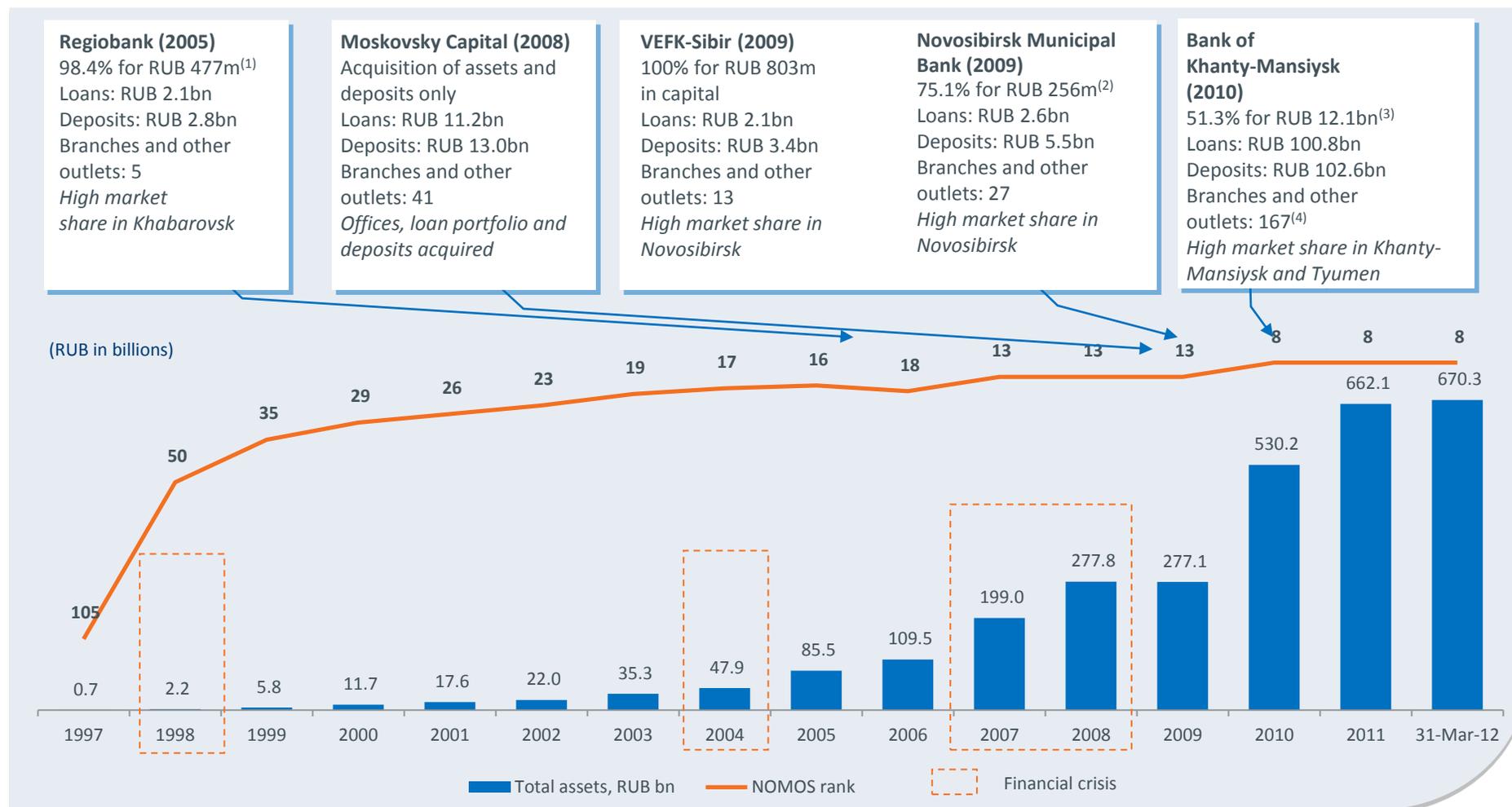
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# Emergence as a long-term consolidator



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Profitable organic growth and successful acquisitions have driven NOMOS from the #105 Russian bank in 1997 to the #8 Russian banking group by total assets as of 31 March 2012



(1) Acquired 68.05% in March 2005 and 30.34% by September 2010.  
 (2) BKM acquired 25.4% in April 2009 and 49.8% for a total of RUB 256m by September 2010.  
 (3) Acquired 19.98% for RUB 4.7bn in November 2010 and 31.31% for RUB 7.4bn in December 2010.

(4) Includes 27 branches and other outlets of Novosibirsk Municipal Bank.

# Strong results are the result of a healthy business mix



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	Corporate banking		Small business banking		Retail banking		Investment banking	
(RUB in millions)								
<b>Net loans to customers (31 March 2012)</b>		327,916		30,502		61,925		29,767
<b>Customer accounts (31 March 2012)</b>		216,093		22,102		133,332		2,333
<b>Revenues (Q1 2012)</b>		4,701		1,237		2,440		2,198
<b># of clients</b>		~11,700		~79,600		appr.1,5 mln		>790
	FY 2011	Q1 2012	FY 2011	Q1 2012	FY 2011	Q1 2012	FY 2011	Q1 2012
% of loans	71.6	72.9	6.7	6.8	13.0	13.7	8.7	6.6
% of deposits	57.5	57.8	6.5	5.9	35.2	35.7	0.8	0.6
% of revenues	53.7	44.4	11.2	11.7	22.0	23.1	13.1	20.8
RORAC (%) <sup>(1)</sup>	22.8	21.7	35.5	34.5	20.2	24.5	27.2	51.7

(1) Return on risk-allocated capital.

# Key financial ratios



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(RUB in millions)	2010 <sup>(1)</sup>	2011	Q1 2011	Q4 2011	Q1 2012
<b>Balance sheet items</b>					
Total assets	530 217	662 144	569 688	662 144	670 341
Gross customer loans	354 860	468 287	371 002	468 287	469 518
Customer accounts	313 376	382 445	314 645	382 445	380 926
Shareholders' equity	46 883	62 297	49 164	62 297	65 694
Total equity	57 935	75 710	61 290	75 710	80 039
<b>Income statement items</b>					
Net interest income	20 499	28 056	6 171	7 898	7 306
Net fee and commission	3,871	6,089	1 136	1,843	1 678
Total revenue	30 499	36 890	8 182	12 847	10 706
Net profit	10 446	12 134	3 241	5 187	4 048
<b>Profitability &amp; efficiency metrics (%)</b>					
RoAE <sup>(2)</sup>	21.1	18.5 <sup>(3)</sup>	21.2	27.9	20.1
RoAA	2.3	2.1 <sup>(3)</sup>	2.4	3.2	2.4
Net interest margin	5.3	5.5	5.2	5.7	5.1
Cost/income ratio	43.5	46.6 <sup>(3)</sup>	44.5	38.2	43.0
<b>Liquidity ratios (%)</b>					
Net loans/Customer deposits	108.3	117.1	112.8	117.1	118.2
Net loans/Total assets	64.0	67.6	62.3	67.6	67.2
<b>Asset quality ratios (%)</b>					
Coverage ratio	182.3	212.7	181.4	212.7	164.0
NPL/Gross loans	2.4	2.0	2.4	2.0	2.5
Cost of risk	1.2	0.9	0.6	1.2	0.8
Provisions/Gross loans	4.4	4.4	4.3	4.4	4.1
<b>Capitalisation ratios (%)</b>					
Tier 1 ratio	10.6	12.0	11.2	12.0	12.8
Total capital ratio	15.6	16.2	15.9	16.2	16.7

(1) Pro-forma for income statement items.

(2) RoAE to NOMOS equity holders.

(3) Excluding one-off IPO transaction costs of RUB 215 mln., 18.2% with IPO costs.

# Balance sheet



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RR in billions	NOMOS			% growth	
	2010	2011	31-Mar-12	YE'10- YE'11	YE'11- Q1' 2012
<b>Assets</b>					
Cash and balances with central bank	43.3	40.1	28.8	(7.4)	(28.2)
Due from banks	41.6	53.7	80.1	29.1	49.1
Securities and other financial assets	82.1	88.2	82.4	7.4	(6.6)
Loans and receivables (gross)	354.9	468.3	469.5	32.0	0.3
Impairments	(15.6)	(20.4)	(19.4)	30.8	(5.0)
Net customer loans	339.3	447.9	450.1	32.0	0.5
Property and equipment	11.0	11.0	11.0	0.0	(0.3)
Other assets	12.9	21.2	18.0	64.3	(15.3)
<b>Total assets</b>	<b>530.2</b>	<b>662.1</b>	<b>670.3</b>	<b>24.9</b>	<b>1.2</b>
<b>Liabilities</b>					
Due to banks	59.8	106.6	105.2	78.3	(1.3)
Customer accounts	313.4	382.4	380.9	22.0	(0.4)
Bonds and Eurobonds	34.4	40.3	38.2	17.2	(5.2)
Promissory notes	33.2	18.9	28.0	(43.1)	48.0
Other liabilities	4.4	10.8	11.7	145.5	8.0
Subordinated debt	27.1	27.4	26.4	1.1	(3.6)
<b>Total liabilities</b>	<b>472.3</b>	<b>586.4</b>	<b>590.3</b>	<b>24.2</b>	<b>0.7</b>
<b>Total equity</b>	<b>57.9</b>	<b>75.7</b>	<b>80.0</b>	<b>30.7</b>	<b>5.7</b>

# Income statement



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RR in millions	NOMOS				Growth, %	
	2011	Q1 2011	Q4 2011	Q1 2012	Y-o-Y Q1'12-Q1'11	Q-o-Q Q1'12-Q4'11
Interest income	52 358	11 798	15 049	14 799	25.4	(1.7)
Interest expenses	(24 302)	(5 627)	(7 151)	(7 493)	33.2	4.8
<b>Net interest income</b>	<b>28 056</b>	<b>6 171</b>	<b>7 898</b>	<b>7 306</b>	<b>18.4</b>	<b>(7.5)</b>
Net fee and commissions	6 089	1 136	1 843	1 678	47.7	(9.0)
Net trading income	2 413	881	3 105	1 395	58.4	(55.1)
Net gains from trading securities	(966)	432	1 335	914	111.7	(31.5)
Net gain on FX operations and operations with PM	3 029	474	1 332	483	1.9	(63.7)
Net gain on AFS investments	343	(25)	438	(2)	(92.1)	(100.5)
Net gain on HTM investments	7	-	-	-	nd	nd
Net gain/(loss) on disposal of loans	181	61	69	84	37.6	22.1
Other net non-interest income	151	(68)	(68)	243	nd	nd
<b>Net non-interest income</b>	<b>8 834</b>	<b>2 010</b>	<b>4 949</b>	<b>3 400</b>	<b>69.1</b>	<b>(31.3)</b>
<b>Revenue</b>	<b>36 890</b>	<b>8 182</b>	<b>12 847</b>	<b>10 706</b>	<b>30.9</b>	<b>(16.7)</b>
Operating expenses	(17 395)	(3 637)	(4 909)	(4 600)	26.5	(6.3)
Impairment of buildings and constructions	45	-	45	-	nd	nd
<b>Pre provision profit</b>	<b>19 541</b>	<b>4 544</b>	<b>7 984</b>	<b>6 106</b>	<b>34.4</b>	<b>(23.5)</b>
Provision for impairment losses	(4 007)	(444)	(1 289)	(941)	112.0	(27.0)
<b>Profit before tax</b>	<b>15 533</b>	<b>4 100</b>	<b>6 695</b>	<b>5 165</b>	<b>26.0</b>	<b>(22.9)</b>
Income tax expense	(3 399)	(860)	(1 508)	(1 117)	29.9	(26.0)
<b>Net profit</b>	<b>12 134</b>	<b>3 241</b>	<b>5 187</b>	<b>4 048</b>	<b>24.9</b>	<b>(22.0)</b>
attributable to shareholders	10 003	2 551	4 186	3 218	26.2	(23.1)

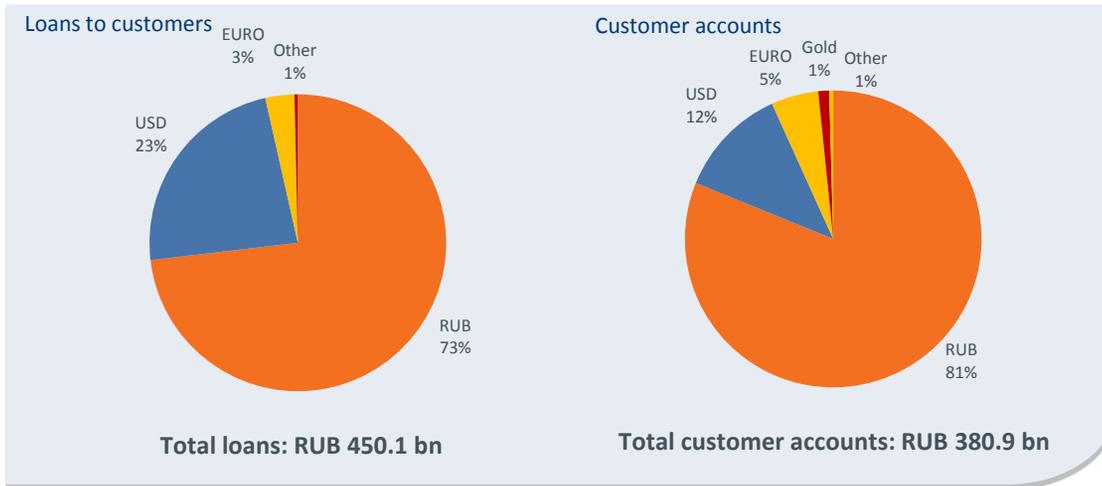
(1) Annualized.

# Risk management as of 1Q 2012

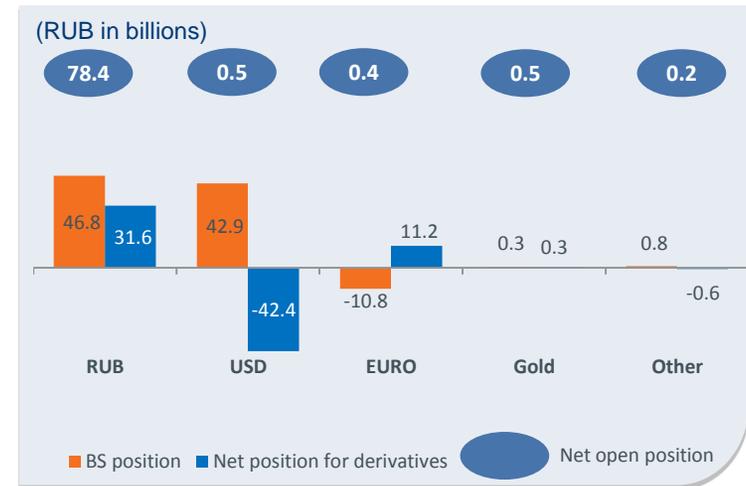


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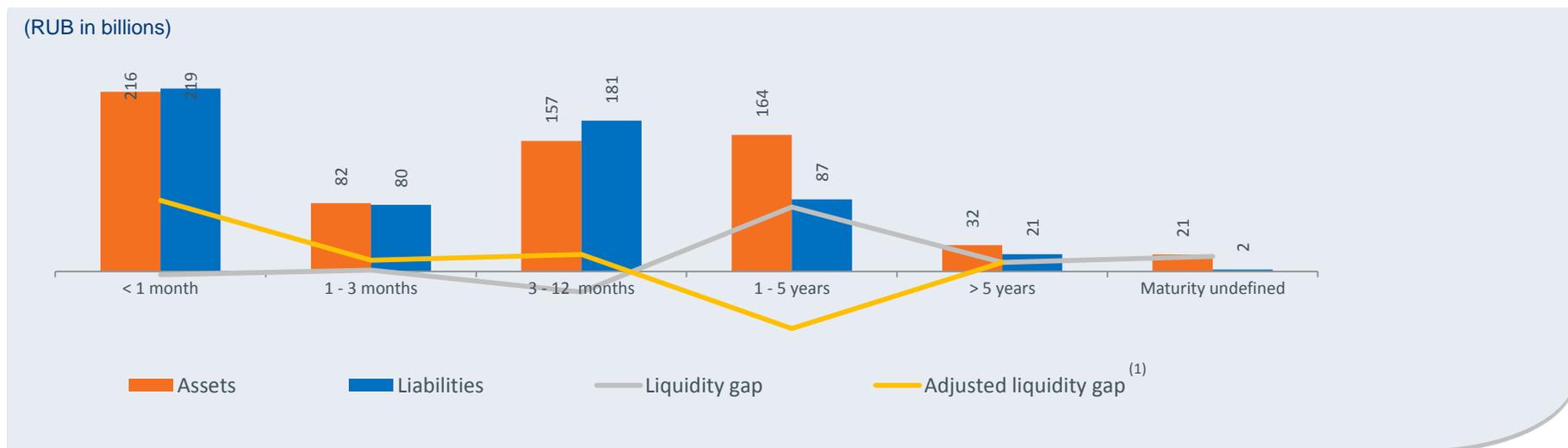
## Foreign currency risk



## Open currency position



## Term structure of assets and liabilities



(1) Adjusted liquidity gap to stable source of funding.

# Contact information

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