

Presentation of 1H 2012 financial results

September 3, 2012



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Changes in shareholder structure

- On August 9, 2012 PPF sold its 26.5% stake in Nomos.
 - ✓ **19.9%** was acquired by FC Otkritie (key beneficiaries Vadim Belyaev, Boris Mints, VTB Bank, Anatoly Chubais; IFC has 14.3% stake in Otkritie bank).
 - ✓ **3.5%** was acquired by Mr. Mamut (co-owner of Polymetal) and **3.1%** - by Mr. Malis.

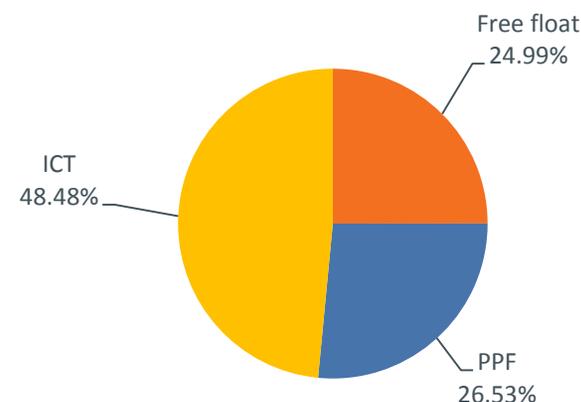
- PPF swapped its 19.9% stake in Nomos Bank for a 2.15% stake in Uralkali.

The swap terms were 0.344 Uralkali GDRs per Nomos GDR.

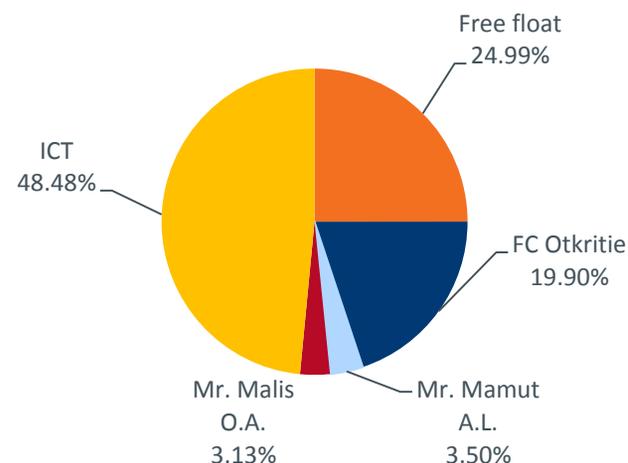
Mr. Mamut and Mr. Malis swapped their 0.72% stake in Uralkali for 6.6% in Nomos.

- Stated rationale for the transaction:
 - ✓ **PPF Group** reallocated its capital for the further development of its key assets in Russia and to fund expansion in the fast-growing Asian markets.
 - ✓ **FC Otkritie** made a strategic portfolio investment with good prospects for upside in value.

NOMOS Shareholders' structure as of June 30, 2012



NOMOS Shareholders' structure as of August, 2012





Acquisition of 44.2% stake in BKM planned for second half 2012

- Nomos-Bank already controls 51.29% of Bank of Khanty-Mansiysk (BKM) and plans to consolidate 100%.
- The government of Khanty-Mansiysk confirmed the terms for privatizing its 44.2% stake in BKM.
 - ✓ The tender is scheduled to take place on September 28, 2012.
 - ✓ The starting price for the tender is RUB 12.775 billion, which corresponds to P/BV of 1 (based on BKM's equity amount as at 30/06/2012)⁽¹⁾
- The potential acquisition will be structured in a way similar to the acquisition of initial BKM stake by ICT Group companies in 2009.
 - ✓ It is intended that the ICT Group Companies will acquire the 44.2% stake in BKM and will transfer it to Nomos Bank at a later date.
 - ✓ It is intended that Nomos Bank will acquire the 44.2% stake from ICT Group at a price, which will correspond to the transaction value plus compensation for the time value of money and transaction costs.

(RUB in billions)	2010	2011	1H 2012 ⁽²⁾	Change, % FY'11-1H'12
Total assets	168.3	223.4	249.3	11.6%
Gross customer loans	107.0	130.0	162.5	25.0%
Customer accounts	101.2	125.0	132.3	5.8%
Equity	21.7	25.4	28.4	12.0%
Net profit	3.0	3.6	2.7	52.8% ⁽⁴⁾
CIR (%)	53.3	53.0	43.9	-9.1pp
RoAE (%) ⁽³⁾	15.2	15.1	20.4	+5.3pp
RoAA (%)	2.0	1.7	2.3	+0.6pp

Today BKM is one of the largest regional universal banks in Russia. It operates in the Tyumen region, a highly developed part of the Ural Federal District, responsible for approximately 57% of the oil production in Russia and 40.1% of the country's overall natural resources output.

(1) Nomos Bank acquired 51.29% stake in BKM for RUB12.1 billion in December 2010 with implied P/BV of 1.3.

(2) BKM Management accounts as of July 1st, 2012, in line with NOMOS consolidated numbers for 6 months 2012, reviewed by auditors.

(3) RoAE to BKM equity holders.

(4) Annualized.

1H2012: good profitability and strong loan portfolio growth which outperformed the market average



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- During 1H2012 NOMOS earned RUB 8.3bn in net profit with annualized ROE at 21.5% compared to 18.2% for 2011.
- The loan portfolio increased 13.7% outperforming the market average (+9.2%) with key growth generated by the retail and small business segments in line with its strategy:
 - ✓ Retail loans grew by 22.3% in 1H2012 to RUB 71.0 billion, outperforming the market average of 18.4% (15.7% excluding Sberbank).
 - ✓ Small business loans grew 22.1% in 1H2012 to RUB 36.5 billion.
 - ✓ Corporate loans grew by 10.0% in 1H2012 to RUB 353.0 billion.
- Net interest income increased by 15.5% yoy (+4.8% qoq) to RUB 15.0 billion. Net interest margin was stable at 5.1% in line with 1Q 2012 and supported by active loan portfolio growth in higher margin segments.
- Net fees and commissions increased 38.5% yoy to RUB 3.6 billion. The growth is primarily coming from settlements and documentary operations in the corporate and retail segments.
- Trading gains were RUB 1.7 billion due to a positive performance from forex and in precious metals combined with a limited negative revaluation on the fixed income portfolio (RUB -0.2 billion in 2Q2012).
- Operating costs increased by a modest 14.6% yoy to RUB 9.6 billion. The CIR was 44.6% in line with guidance.
- Risk cost continued to decline to 0.7% (0.9% as at FY11). Loan portfolio quality remained stable: NPLs share was 2.2% in 1H2012 (2% in FY11 and 2.5% in 1Q2012). The NPL coverage ratio was 170.2% (164% in 1Q2012).
- Customer deposits were stable and represented 60.9% (RUB 374.7 billion) of total liabilities with 10.4% growth in retail segment to RUB 147.2 billion. The successful issuance of subordinated Eurobonds resulted in an increase of subordinated debt share in total funding to 7.2% or RUB 44.2 billion. Interbank placements stood at 20% (RUB 123.2 billion), bonds and PNs issued were 9.6% (RUB 59.3 billion). As of 1H 2012 the Group's LDR was 130.6%.
- The Bank's CT1CAR was 11.9% and total CAR was 15.5%. In July 2012 NOMOS received CBR approval to include USD 500 million subordinated Eurobond issue into the supplementary capital thus improving the N1 ratio to 12.8% as at August 1, 2012.
- Net profit attributable to NOMOS shareholders increased by 38.4% yoy to RUB 7.1 billion.

Strong Q2 results in a turbulent environment



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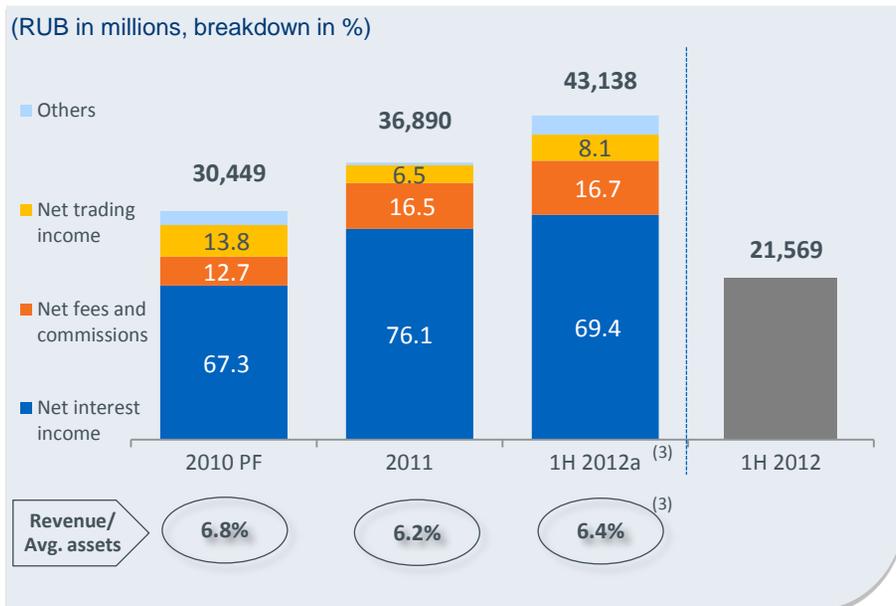
- Annualized ROE of 22.8% driven by strong loan portfolio growth, stable asset quality and increasing net fees and commissions income.
- Substantial growth in retail and small business lending respectively of 14.7% (qoq) and 19.8% (qoq) supported by corporate lending increasing 7.6%, in line with guidance and the strategy of the Group to grow these segments faster than the corporate segment.
- In April 2012 Nomos Group issued USD 500 million of Subordinated Eurobonds for 7 years at 10%.
- Sound operational performance (Q2 vs Q1):
 - ✓ NII grew 4.8% qoq from RUB 7.3 billion to RUB 7.7 billion
 - ✓ F&C increased 14.7% qoq from RUB 1.7 billion to RUB 1.9 billion
 - ✓ OPEX rose 8.9% from RUB 4.6 billion to RUB 5.0 billion in line with the budget and business development of the Group
- Risk provision of RUB 0.7 billion, leading to an overall risk cost decline to 0.5% in 2Q12 (0.8% in 1Q2012). Share of NPLs declined to 2.2% (2.5% in 1Q2012). NPL coverage ratio was stable at 170.2%.
- CT1 CAR declined to 11.9% - still well above the required minimum.

Successful operating performance of the Bank

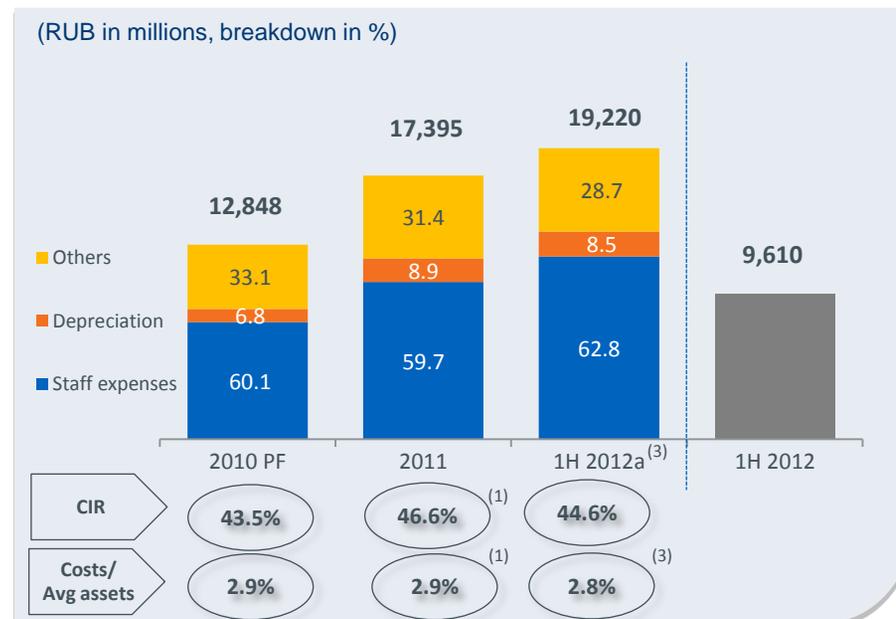


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Revenue composition



Operating expenses



Cost of risk: declining trend



Strong profitability



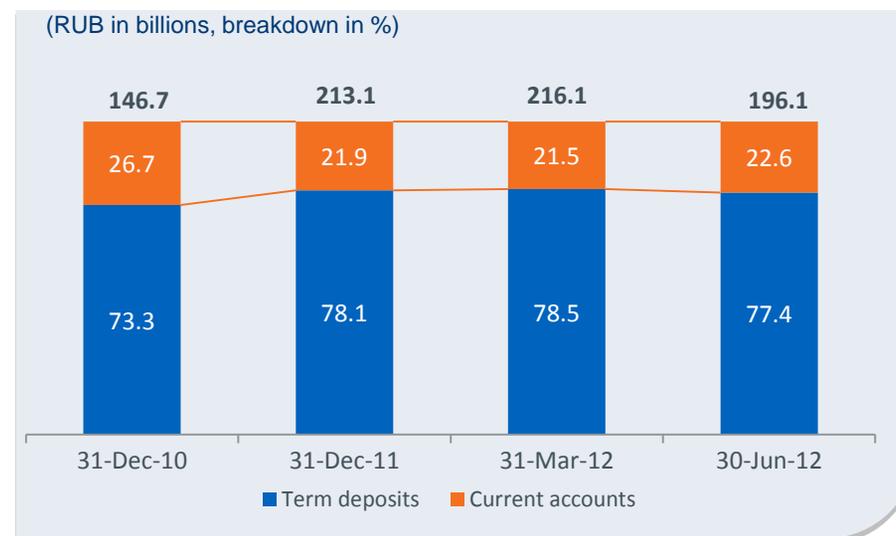
(1) Excluding one-off IPO transaction costs of RUB 215 mln.
 (2) RoAE to Nomos equity holders.

(3) Annualized.

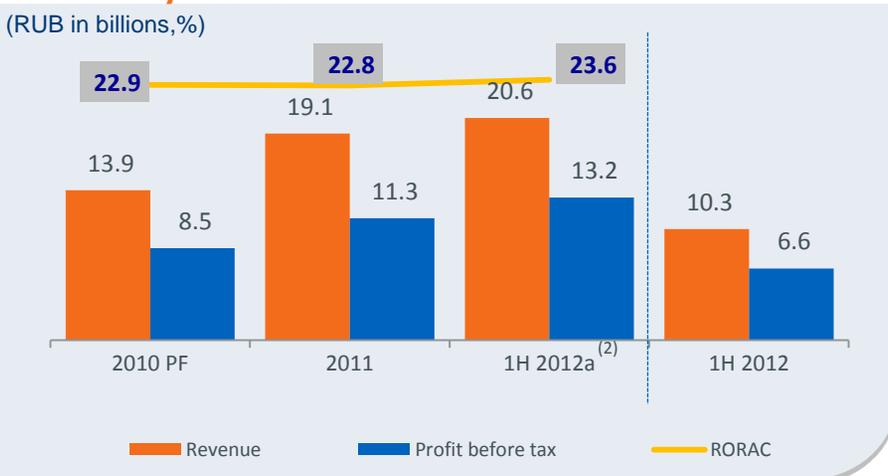
Loan portfolio dynamic



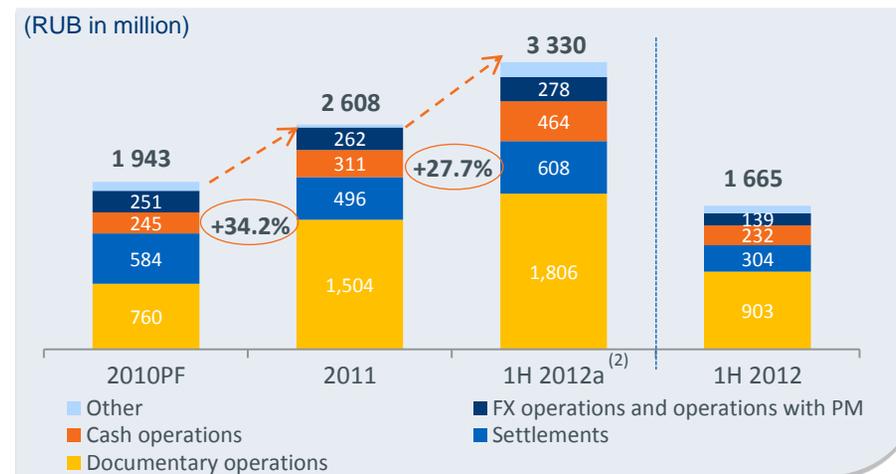
Deposit portfolio dynamic



Profitability results



Net F&C income dynamics



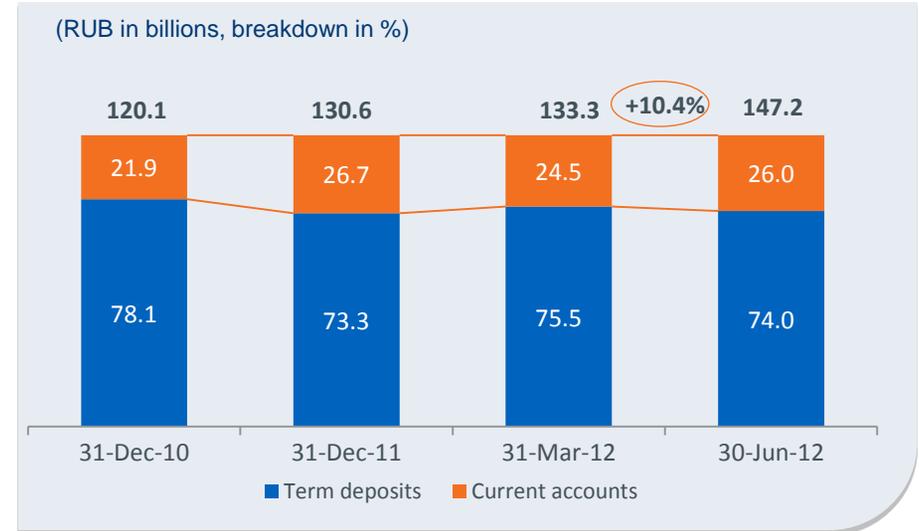
(1) Corporate loan portfolio grew by approximately 2.9% disregarding FX rate fluctuation. Negative effect of USD/RUB and EUR/RUB exchange rate dynamic comprised RUB 9.4 billion. Annualized.

(2)

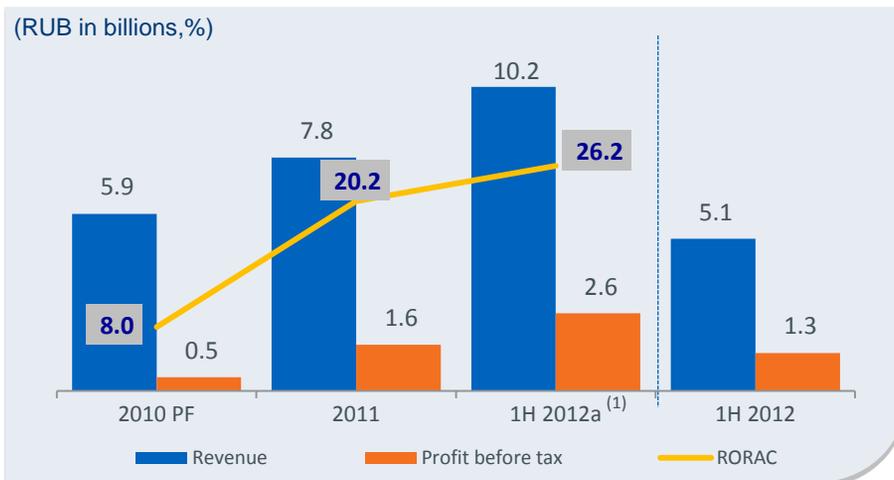
Growing loan portfolio



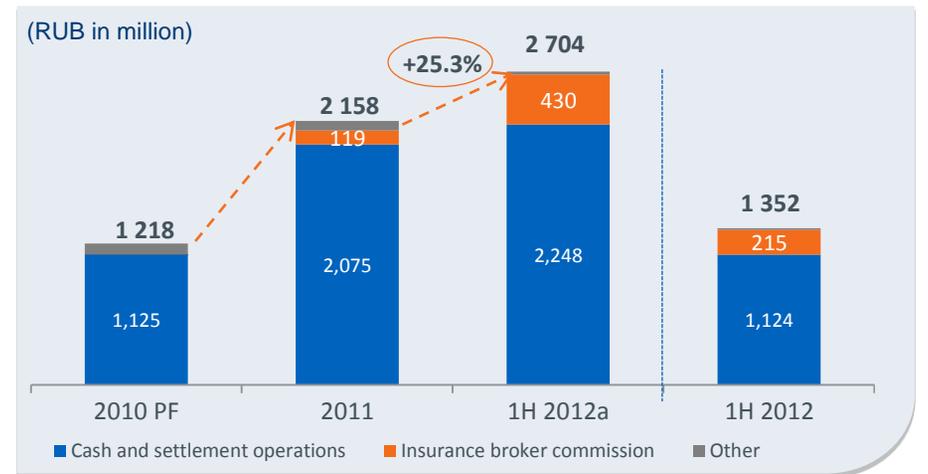
Growing deposit portfolio



Profitability results

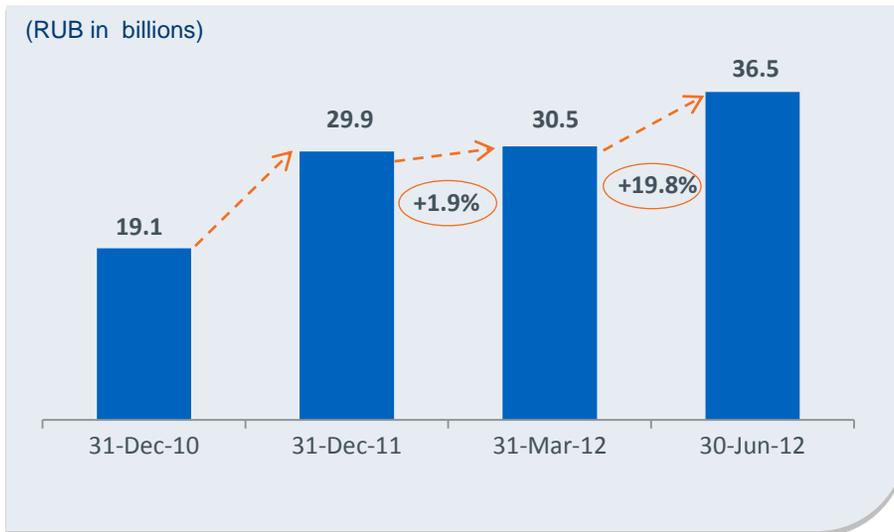


Net F&C income

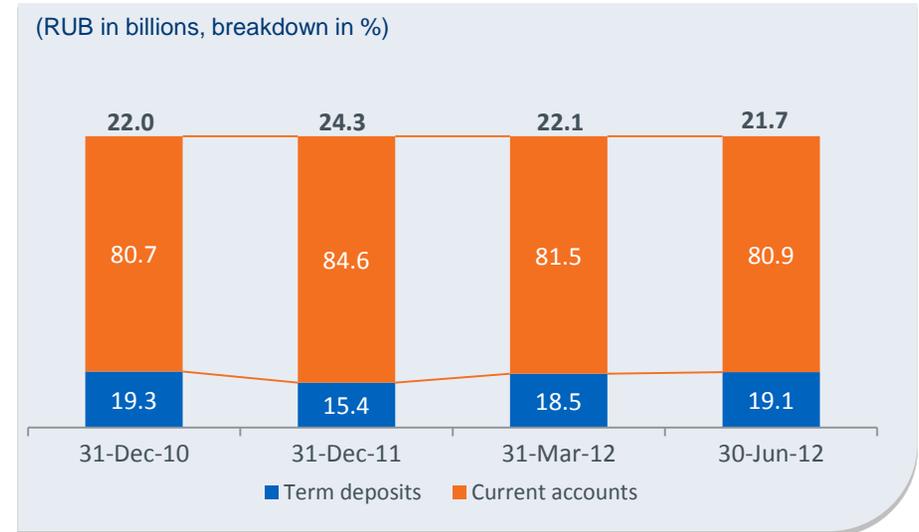


(1) Annualized.

Loan portfolio dynamic



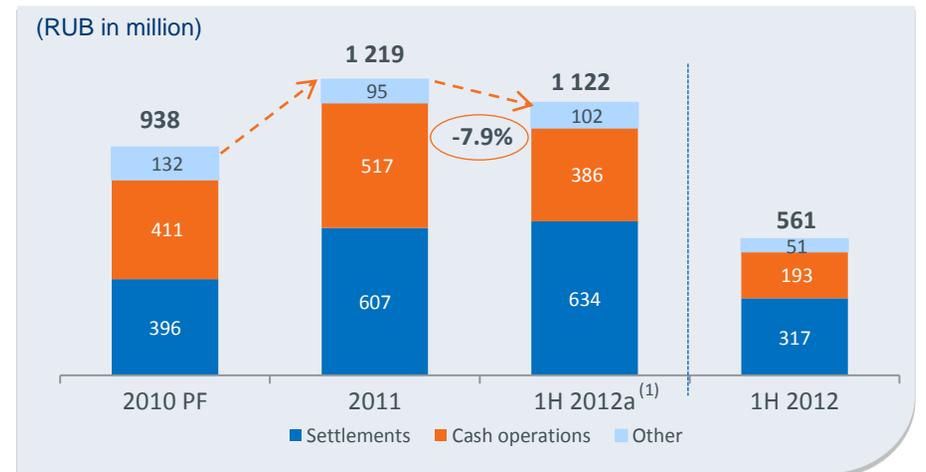
Deposit portfolio structure



Profitability results



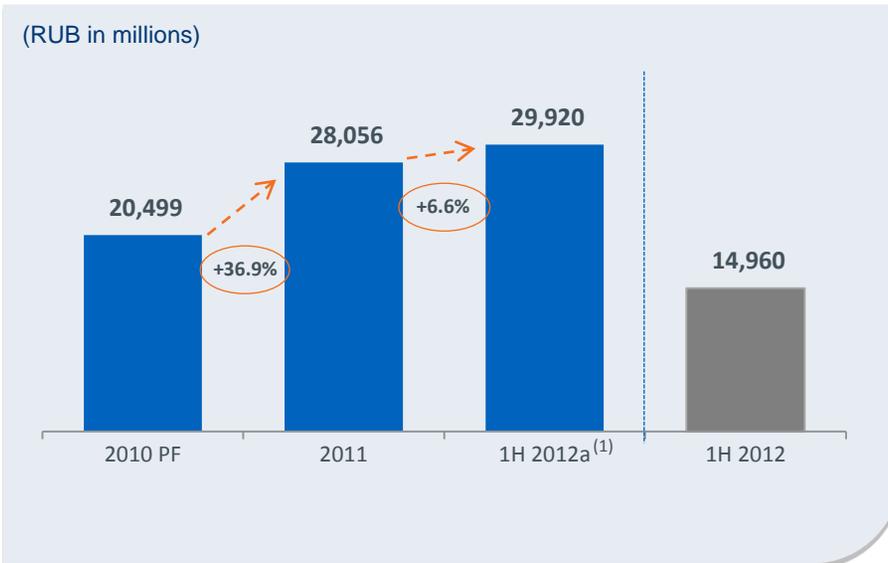
Net F&C income



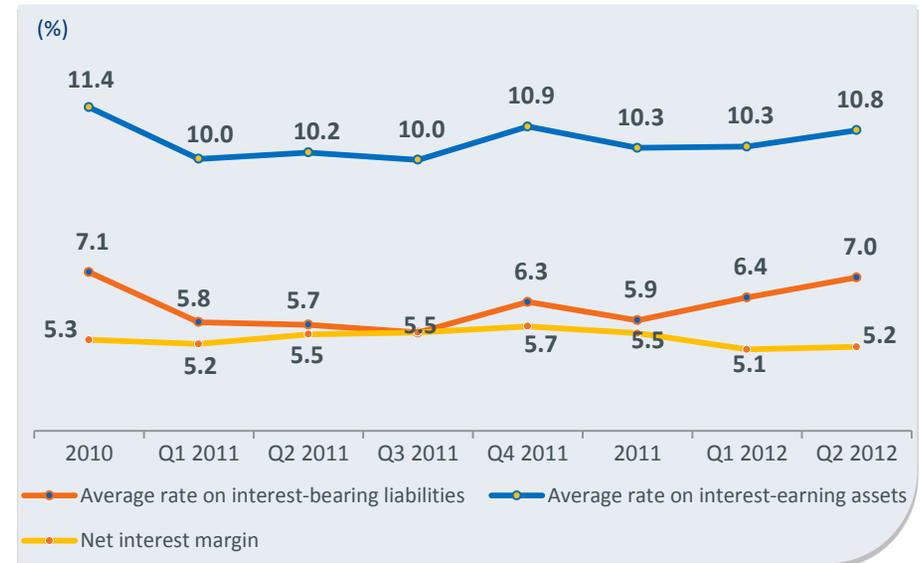
(1) Annualized.

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.

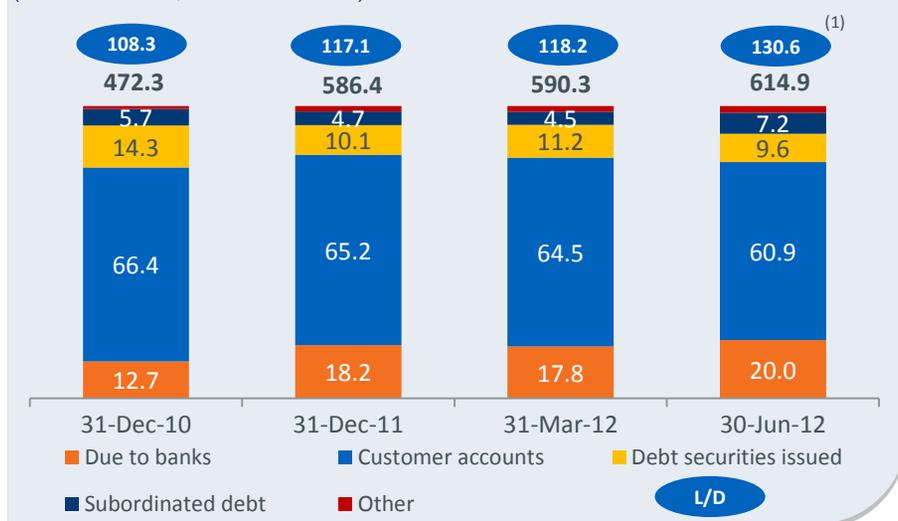
Strong and diversified funding



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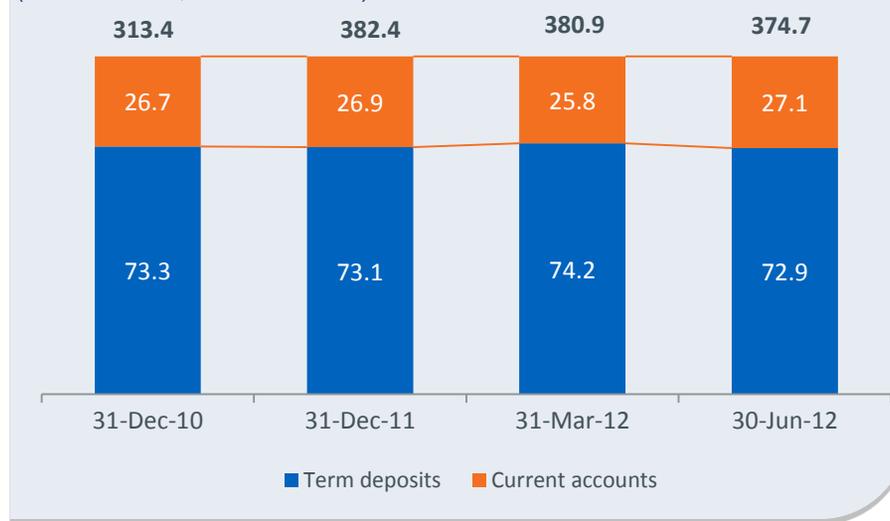
Liabilities composition

(RUB in billions, breakdown in %)



Customer accounts composition

(RUB in billions, breakdown in %)



Bonds and subordinated debt repayments schedule

(RUB in millions as of 30 June 2012)



Subordinated bonds and debt

- Subordinated Eurobonds issued in April 2012 in amount of USD 500m were included in N1 capital in July 2012. N1 ratio accounted to 12.8% as of Aug 1, 2012.
- Rouble Bond issue in August 2012: RUB 5 billion, 3 years, first and second coupon rate 9.15% per annum.

(1) Including promissory notes issued to clients in amount of RUB 15.1 billion.

High quality assets



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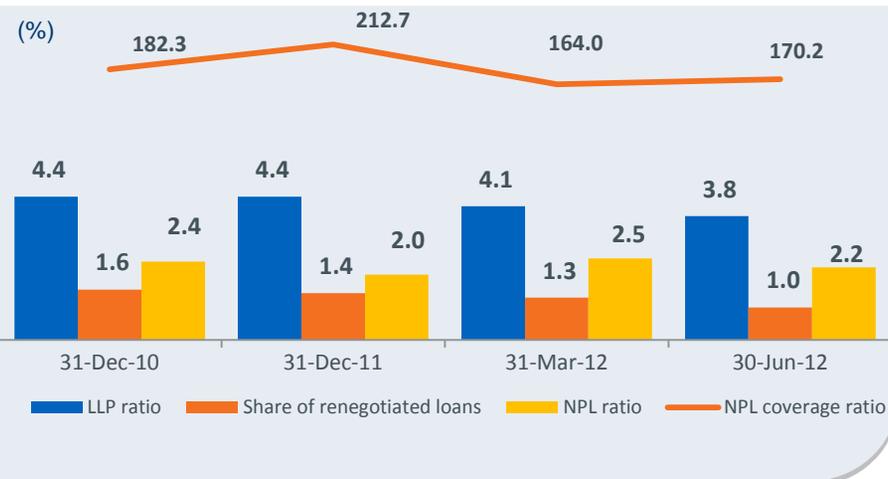
Declining NPLs



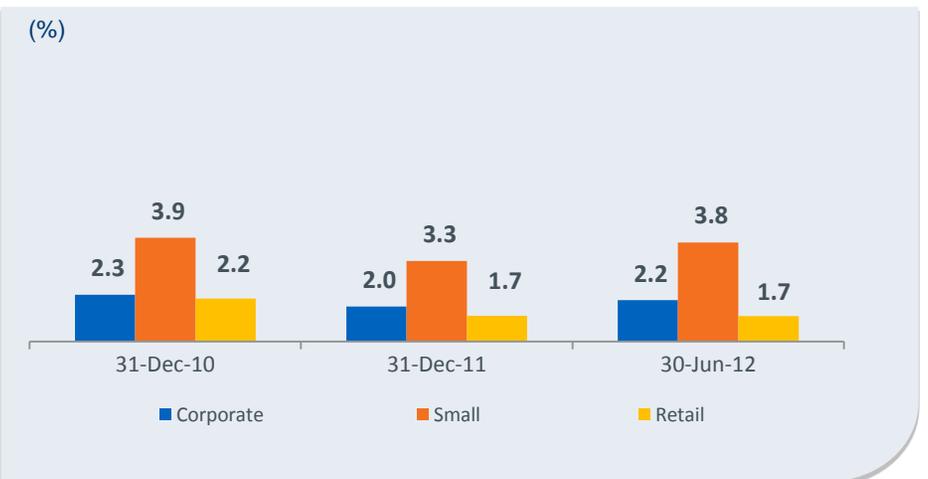
Declining provision- better performance of borrowers



Conservative LLP ratio and NPL coverage



NPLs by segment



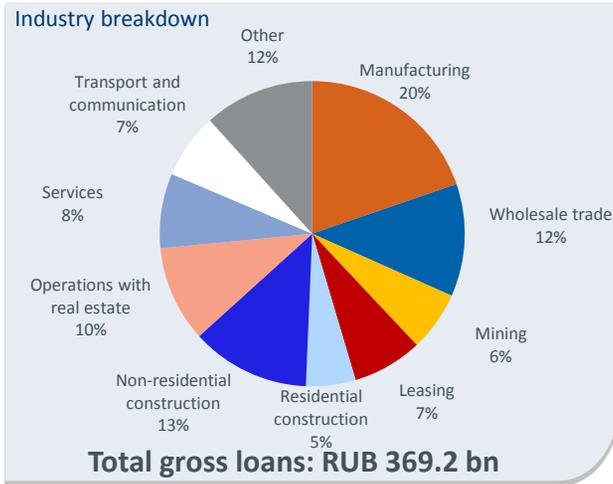
(1) Loans overdue more than 90 days.
(2) Annualized.

A well-diversified portfolio

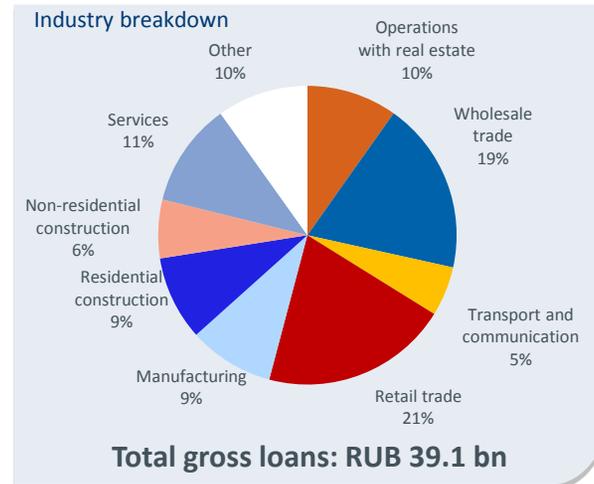


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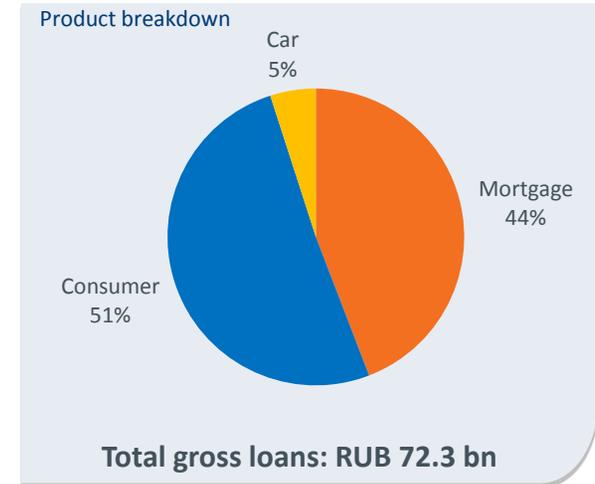
Corporate business



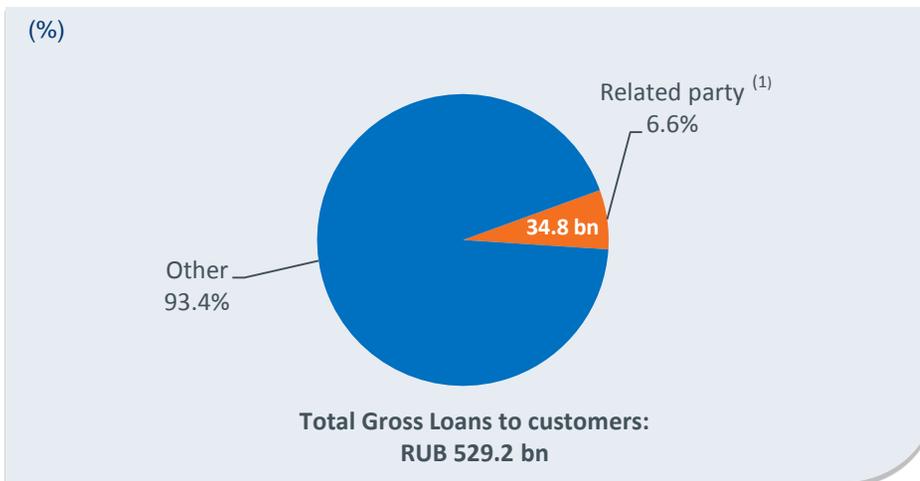
Small business



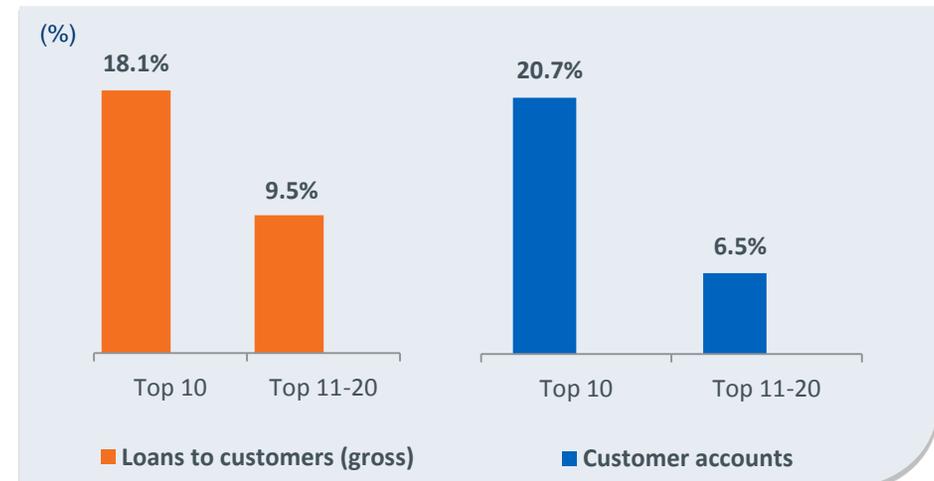
Retail



Exposure to related party loans at 30 June 2012



Loan and deposit concentrations – as at 30 June 2012



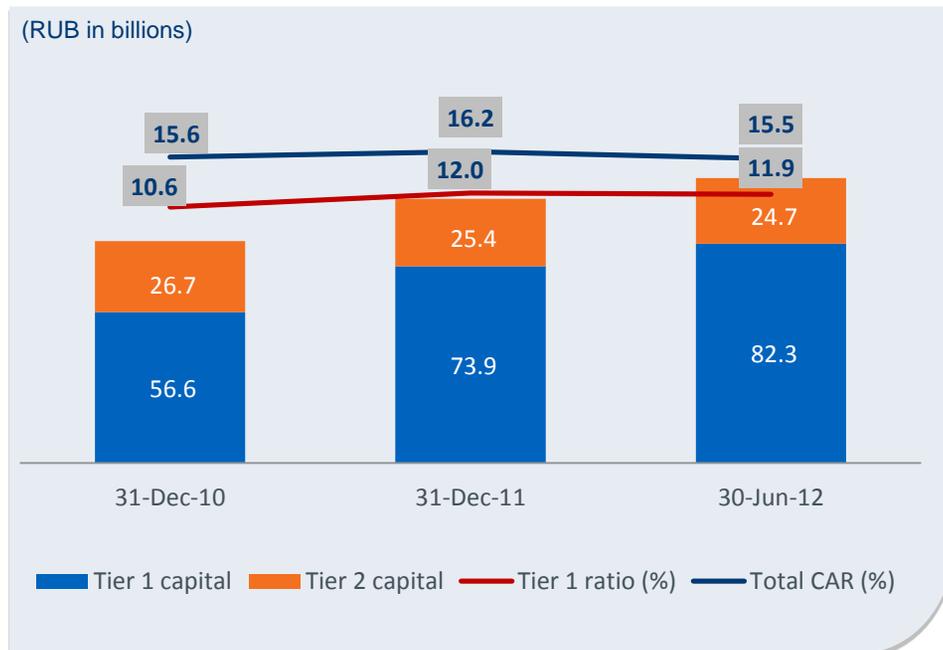
(1) Including FC "Otkritie" and excluding PPF exposure to related parties comprised 8.4% of gross loan portfolio as at June 30, 2012.

11.9% CT1 and 15.5% total CAR allowing further growth



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Capital adequacy



Total RWA



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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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)								
Net loans to customers (30 June 2012)		352,999		36,534		71,049		48,514
Customer accounts (30 June 2012)		196,098		21,730		147,204		3,209
Revenues (1H 2012)		10,282		2,182		5,103		4,253
# of clients		~12,400		~80,100		appr.1,5 mln		>790
	FY 2011	1H 2012	FY 2011	1H 2012	FY 2011	1H 2012	FY 2011	1H 2012
% of loans	71.6	69.3	6.7	7.2	13.0	14.0	8.7	9.5
% of deposits	57.5	53.3	6.5	5.9	35.2	40.0	0.8	0.8
% of revenues	53.7	47.1	11.2	10.0	22.0	23.4	13.1	19.5
RORAC (%) ⁽¹⁾	22.8	23.6	35.5	32.4	20.2	26.2	27.2	47.1

(1) Return on risk-allocated capital.

Key financial ratios



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(RUB in millions)	2010 ⁽¹⁾	2011	Q1 2012	Q2 2012	1H 2012
Balance sheet items					
Total assets	530 217	662 144	670 341	699 278	699 278
Gross customer loans	354 860	468 287	469 518	529 195	529 195
Customer accounts	313 376	382 445	380 926	374 732	374 732
Shareholders' equity	46 883	62 297	65 694	69 556	69 556
Total equity	57 935	75 710	80 039	84 343	84 343
Income statement items					
Net interest income	20 499	28 056	7 306	7 654	14 960
Net fee and commission	3,871	6,089	1 678	1 924	3 602
Total revenue	30 499	36 890	10 706	10 863	21 569
Net profit	10 446	12 134	4 048	4 245	8 293
Profitability & efficiency metrics (%)					
RoAE ⁽²⁾	21.1	18.5 ⁽³⁾	20.1	22.8	21.5
RoAA	2.3	2.1 ⁽³⁾	2.4	2.5	2.4
Net interest margin	5.3	5.5	5.1	5.2	5.1
Cost/income ratio	43.5	46.6 ⁽³⁾	43.0	46.1	44.6
Net fees and commissions/Total revenue	12.7	16.5	15.7	17.7	16.7
Liquidity ratios (%)					
Net loans/Customer deposits	108.3	117.1	118.2	130.6	130.6
Net loans/Total assets	64.0	67.6	67.2	72.8	72.8
Asset quality ratios (%)					
Coverage ratio	182.3	212.7	164.0	170.2	170.2
NPL/Gross loans	2.4	2.0	2.5	2.2	2.2
Cost of risk	1.2	0.9	0.8	0.5	0.7
Provisions/Gross loans	4.4	4.4	4.1	3.8	3.8
Capitalisation ratios (%)					
Tier 1 ratio	10.6	12.0	12.8	11.9	11.9
Total capital ratio	15.6	16.2	16.7	15.5	15.5

(1) Pro-forma for income statement items.

(2) RoAE to NOMOS equity holders.

(3) Excluding one-off IPO transaction costs of RUB 215 mln.

Balance sheet



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RR in billions	NOMOS				% growth			
	YE2010	YE2011	31-Mar-12	30-Jun-12	YE'10- YE'11	YE'11- Q1' 2012	YE'11- 1H'12	Q1'12- 1H'12
Assets								
Cash and balances with central bank	43.3	40.1	28.8	29.6	(7.4)	(28.2)	(26.1)	3.0
Due from banks	41.6	53.7	80.1	54.2	29.1	49.1	0.9	(32.4)
Securities and other financial assets	82.1	88.2	82.4	72.6	7.4	(6.6)	(17.7)	(11.9)
Loans and receivables (gross)	354.9	468.3	469.5	529.2	32.0	0.3	13.0	12.7
Impairments	(15.6)	(20.4)	(19.4)	(20.1)	30.8	(5.0)	(1.6)	3.6
Net customer loans	339.3	447.9	450.1	509.1	32.0	0.5	13.7	13.1
Property and equipment	11.0	11.0	11.0	11.0	0.0	(0.3)	(0.0)	0.2
Other assets	12.9	21.2	18.0	22.8	64.3	(15.3)	7.1	26.5
Total assets	530.2	662.1	670.3	699.3	24.9	1.2	5.6	4.3
Liabilities								
Due to banks	59.8	106.6	105.2	123.2	78.3	(1.3)	15.5	17.1
Customer accounts	313.4	382.4	380.9	374.7	22.0	(0.4)	(2.0)	(1.6)
Bonds and Eurobonds	34.4	40.3	38.2	38.1	17.2	(5.2)	(5.4)	(0.1)
Promissory notes	33.2	18.9	28.0	21.2	(43.1)	48.0	12.2	(24.2)
Other liabilities	4.4	10.8	11.7	13.5	145.5	8.0	25.2	15.9
Subordinated debt	27.1	27.4	26.4	44.2	1.1	(3.6)	61.2	67.4
Total liabilities	472.3	586.4	590.3	614.9	24.2	0.7	4.9	4.2
Total equity	57.9	75.7	80.0	84.3	30.7	5.7	11.4	5.4

Income statement



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RR in millions	NOMOS					Growth, %	
	1H 2011	2011	Q1 2012	Q2 2012	1H 2012	Y-o-Y 1H'12-1H'11	Q-o-Q Q2'12-Q1'12
Interest income	24 301	52 358	14 799	15 969	30 768	26.6	7.9
Interest expenses	(11 352)	(24 302)	(7 493)	(8 315)	(15 808)	39.3	11.0
Net interest income	12 949	28 056	7 306	7 654	14 960	15.5	4.8
Net fee and commissions	2 601	6 089	1 678	1 924	3 602	38.5	14.7
Net trading income	2 162	2 413	1 395	353	1 748	(19.1)	(74.7)
Net gains from trading securities	438	(966)	914	(220)	694	58.4	(124.1)
Net gain on FX operations, operations with PM and other derivatives	1 598	3 029	483	589	1 072	(32.9)	21.9
Net gain on AFS investments	126	343	(2)	(16)	(18)	nd	nd
Net gain on HTM investments	-	7	-	-	-	nd	nd
Net gain/(loss) on disposal of loans	120	181	84	676	760	533.3	704.8
Other net non-interest income	109	151	243	256	499	357.8	5.3
Net non-interest income	4 992	8 834	3 400	3 209	6 609	32.4	(5.6)
Revenue	17 941	36 890	10 706	10 863	21 569	20.2	1.5
Operating expenses	(8 386)	(17 395)	(4 600)	(5 010)	(9 610)	14.6	8.9
Impairment of buildings and constructions	-	45	-	-	-	nd	nd
Pre provision profit	9 555	19 541	6 106	5 853	11 959	25.2	(4.1)
Provision for impairment losses	(1 729)	(4 007)	(941)	(461)	(1 402)	(18.9)	(51.0)
Profit before tax	7 826	15 533	5 165	5 392	10 557	34.9	4.4
Income tax expense	(1 647)	(3 399)	(1 117)	(1 147)	(2 264)	37.5	2.7
Net profit	6 179	12 134	4 048	4 245	8 293	34.2	4.9
attributable to shareholders	5 104	10 003	3 218	3 848	7 066	38.4	19.6

High quality interbank funding



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Due to banks portfolio structure and duration ⁽¹⁾

RUB in millions	30-Jun-2012	Duration, days	Effective rate, %
International and trade financing	40 950	373	2.9
Interbank loans	24 734	39	5.6
REPO	22 320	5	5.2
Loro accounts	12 515	0.5	0.9
Deposits in PM	10 164	174	0.8
Syndicated loans	8 620	122	2.8
Long-term financing	3 517	1 217	6.3
Brokerage accounts	340	1	-
Total	123 159	190	3.5

CBR funding and Min Fin deposits structure and duration

RUB in millions	30-Jun-2012	Duration, days	Effective rate, %
Due to the CBR	20 628	3	5.3
Min Fin Deposits	9 000	107	7.4
Total	29 628	35	6.0

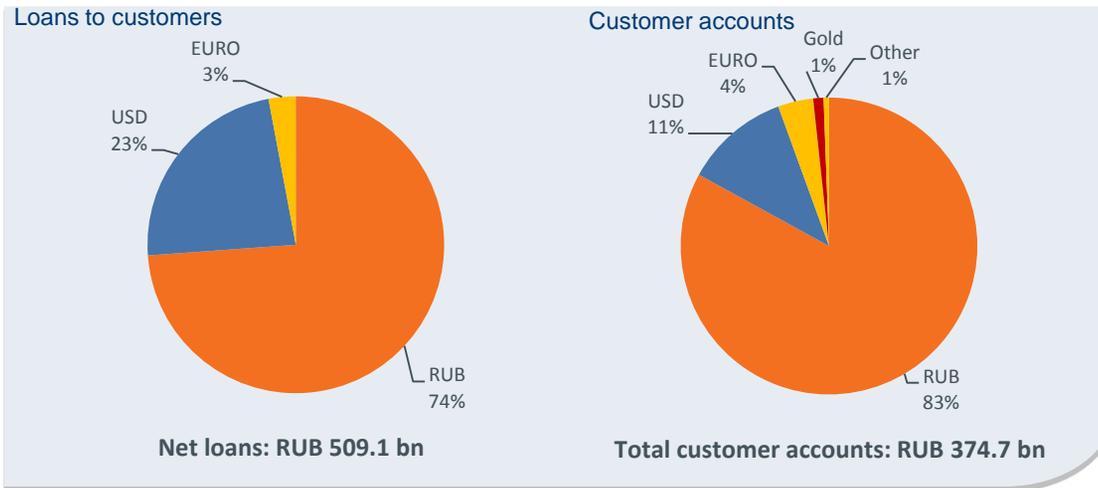
(1) Including due to the Central Bank of the Russian Federation

Risk management as of 30/06/2012

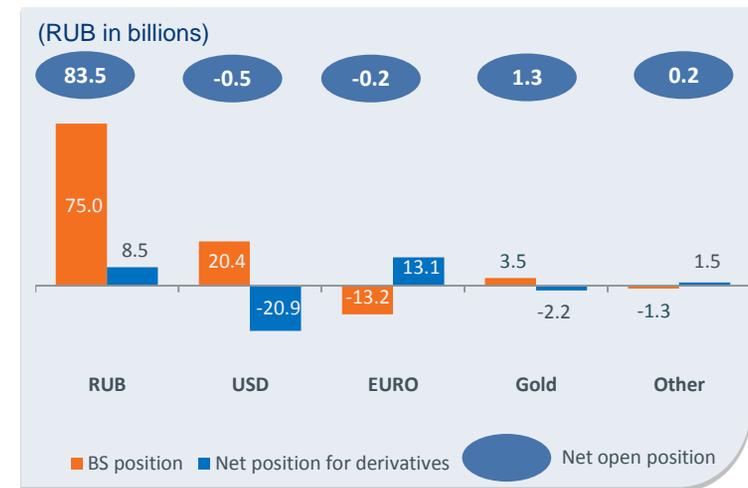


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Foreign currency risk



Open currency position



Term structure of assets and liabilities



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

Contact information



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