

NOMOS has published its Unaudited Condensed Interim Consolidated Statements accordance with International Financial Reporting Standards (IFRS) as at 30 June 2011 and for the six months ended 30 June 2011

Performance summary:

- **Asset growth faster than the market continued into Q2 2011:** up 7.9% to RUB 572.2 billion for the six months ended 30 June 2011 driven by further expansion of loan portfolio (up 14.3% compared to 31 December 2010) and a stable funding base.
- **Solid profitability has supported growth:** RoAE remains at a high of 20.7%, net profit for 1H 2011 attributable to Nomos equity holders totaled RUB 5.1 billion, and total net profit reached RUB 6.2 billion for the six month period.
- **Revenue reached RUB 17.9 billion for 1H 2011 and RUB 9.8 billion for Q2 2011, up 19.3% q-o-q:** further improvement of revenue structure on the back of organic growth in core segments and steady improvement of interest margins from 5.2% in Q1 2011 to 5.5% in Q2 2011.
- **Improved capital position:** Tier 1 ratio of 12.3% and CAR of 16.3%
- **Low risk profile** continued: cost of risk at 0.8% with decreasing NPL ratio to 2.2% and conservative level of NPL coverage at 185.8%

Nomos **total assets** increased by 7.9% since 31 December 2010 reaching RUB 572.2 billion as at 30 June 2011. The structure of consolidated assets improved with the loan portfolio now representing 67.8% of total assets (31 December 2010: 64.0%).

**Nomos' loan portfolio** amounted to RUB 387.8 billion and increased by 14.3% at the end of June 2011 compared to the year end 2010 and 9.3% compared to the end of Q1 2011. It is driven by healthy growth of customer lending across all segments, with small business and retail progressing at a faster pace: in the first half of 2011 small business loans grew by 21.1% to RUB 23.2 billion and retail loans grew by 26.5% to RUB 46.2 billion. The corporate banking segment with its focus on medium-sized companies remains the largest segment of NOMOS, representing 71.6% of the total loan portfolio. Corporate loans showed an increase of 11.7% to RUB 277.6 billion.

**Nomos remains committed to its prudent credit risk management policy** which allows it to achieve a low proportion of non-performing loans (NPLs: loans overdue more than 90 days). As at 30 June 2011, the NPL ratio decreased to only 2.2% of gross loans, while provision for loan impairment to total gross loans was 4.0% compared to 4.4% at 31 December 2010. NOMOS maintains a conservative provision to non-performing loans ratio (NPL coverage ratio) of 185.8%.

**Cost of risk reduced to 0.8% vs 1.3% in 2010** largely as a result of continuing improvement in quality of the loan book.

**Total liabilities** as of 30 June 2011 comprised RUB 502.5 billion and increased by 6.4% compared to the beginning of the year. NOMOS has a balanced and diversified funding structure with customer accounts comprising 63.3% of total liabilities (31 March 2011: 61.9%). Customer accounts of RUB 318.2 billion represent the most stable and diversified source of funding with retail and small business accounts accounting for 47.6% of the total deposit base. The net loans to deposits ratio was 121.9% as at 30 June 2011 (31 December 2010: 108.3%).

As of 30 June 2011, **the Group's total equity amounted to RUB 69.7 billion**, including RUB 12.5 billion of non-controlling interest. Strong capital generation, receipt of IPO proceeds,

and a slower increase in risk-weighted assets, produced a strengthened Tier 1 ratio of 12.3% (up from 10.6% at the year-end 2010). The total capital adequacy ratio under the Basel Capital Accord comprised 16.3%, up by 0.7 pp on YE 2010.

**Operating income before provisions for impairment** for the Q2 2011 was RUB 9.8 billion, an increase of 19.3% compared to Q1 2011. Six-month revenue reached RUB 17.9 billion.

Net interest income and Fee and commissions continued to be the key drivers of the NOMOS revenue generation.

**Net interest income** was RUB 6.8 billion and increased by 9.8% compared to Q1 2011. Net interest income remained the core component of revenue comprising 72.2% for 1H 2011 compared to 66.3% for 2010. **Net interest margin** for the six-month period was 5.4% compared to 5.3% in 2010 reflecting a continuing improvement on the back of stronger growth in higher yield small business and retail loans, along with a reduction in the cost of funding. Net interest margin improved by 30 bps q-o-q to 5.5% in Q2 2011.

**Net fee and commission income** continued to strengthen in Q2 2011, rising by 28.9% from RUB 1.1 billion to RUB 1.5 billion q-o-q. Net fee and commission income represents an increasing portion of revenue (15.0% for Q2 2011 compared to 13.9% for Q1 2011), with a stronger share of retail and small business.

In 1H 2011, 52.1% of NOMOS' revenue was generated by the corporate business segment and 29.6% collectively by small and retail business<sup>4</sup>.

**Operating expenses** amounted to RUB 4.7 billion in Q2 2011 and 8.4 billion in 1H 2011. The 30.5% increase in operating expenses in 1H 2011 (on annualized basis) compared with year 2010 was mainly driven by increase of number of employees and non-recurring items, including one-off IPO transaction costs of RUB 0.2 billion. As a result, operating expenses to operating income before provision for impairment (**Cost to income ratio**) was **46.5%** in Q2 2011 and **45.5%** in 1H 2011. Nomos **remains committed to achieving its cost to income ratio target of 42—45%** for year 2011.

**In the second quarter NOMOS continued to deliver on profitability and creating shareholder value.** NOMOS' six-month net profit amounted to RUB 6.2 billion, RUB 5.1 billion of which is attributable to Nomos equity holders. Q2 2011 net profit was RUB 2.9 billion, RUB 2.6 billion of which is attributable to Nomos equity holders. Earnings per share reached RUB 58.15 for 1H 2011 and RUB 29.23 for Q2 2011.

Annualized **return on average assets (RoAA)** was 2.3% for 1H 2011 and 2.2% for Q2 2011.

Annualized **return on average equity (RoAE)** to NOMOS equity holders (ex. IPO transaction costs of RUB 0.2 billion) remained at a strong 20.7% for 1H 2011 and 20.5% for Q2 2011.