

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

Performance summary:

- **Core Revenue generation and profitability in line with targets:** Revenue reached RUB 24.0 billion for 9m 2011, up 3.9% on annualized basis compared to 2010 (pro-forma): revenue structure continues to improve on the back of organic growth in core segments and maintaining a steady level of NIM at a high 5.5%. Operating costs have decreased by 13.7% q-o-q.
- **Sustainable asset growth faster than the market:** up 21.5% to RUB 644.2 billion for the nine months ended 30 September 2011 driven by further expansion of loan portfolio (up 34.0% compared to 31 December 2010) and a stable funding base with dominating share of customer deposits (61% of total liabilities). Deposit growth during the third quarter of 2011 was 9%.
- **Strong capital position:** Tier 1 ratio of 11.1% and CAR of 15.9%
- **Low risk profile in line with guidance:** cost of risk at 0.8% with decreasing NPL ratio to 1.9% and conservative level of NPL coverage at 207.2%
- **Profitability results** were negatively affected by revaluation of securities portfolio, mostly represented by high quality Russian corporate bonds. These losses have been partially recovered as of November 2011.

**Nomos total assets** demonstrated growth of 21.5% in the first 9m 2011 reaching RUB 644.2 billion as at 30 September 2011. The structure of consolidated assets improved with the loan portfolio now representing 70.6% of total assets (31 December 2010: 64.0%).

**Nomos loan portfolio** amounted to RUB 454.7 billion and increased by 34.0% at the end of September 2011 compared to the year end 2010 and 17.2% compared to the end of Q2 2011. The increase represented healthy growth across all segments, with small business and retail progressing at a faster pace: during 9m 2011 small business loans grew by 39.8% to RUB 26.7 billion and retail loans grew by 43.1% to RUB 52.3 billion. The corporate banking segment with its focus on medium-sized companies remains the largest segment of NOMOS, representing 75.1% of the total loan portfolio<sup>i</sup>. Corporate loans showed an increase of 37.3% to RUB 341.3 billion.

**Nomos remains committed to its prudent credit risk management policy** which allows it to achieve a low share of non-performing loans (NPLs: loans overdue more than 90 days). As at 30 September 2011, the NPL ratio decreased to just 1.9% of gross loans, while provisions for loan impairment to total gross loans was at the level of 3.9% compared to 4.4% at 31 December 2010. NOMOS maintains a conservative provision to non-performing loans ratio (NPL coverage ratio) of 207.2%.

**Cost of risk reduced to 0.8% vs 1.3%<sup>ii</sup> in 2010** largely as a result of stable quality of the loan book, with majority of the new provisions booked representing collective, or statistical, provisions on the growing non-impaired loan portfolio.

**Total liabilities** as of 30 September 2011 comprised RUB 574.2 billion and increased by 21.6% compared to the beginning of the year. NOMOS has a balanced and diversified funding structure with customer accounts comprising 61% of total liabilities. Customer accounts of RUB 348.2 billion represent the most stable and diversified source of funding with retail and small business accounts accounting for 44.3%<sup>iii</sup> of the total deposit base. The net loans to deposits ratio was 130.6% as at 30 September 2011 (31 December 2010: 108.3%), as loan growth exceeded customer deposits growth.

As of 30 September 2011, **the Group's total equity amounted to RUB 70.1 billion**, including RUB 12.4 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 11.1% (up from 10.6% at the year-end 2010). The total capital adequacy ratio under the Basel Capital Accord comprised 15.9%.

**Operating income before provisions for impairment** for the 9m 2011 was **RUB 24.0 billion**, an increase of 3.9% on annualized basis compared to 2010 pro-forma result. Third-quarter revenue was RUB 6.1 billion.

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

**Net interest income for the 9m 2011** was RUB 20.2 billion and increased by 31.5% on an annualized basis compared to 2010 pro-forma result. Net interest income remained the core component of revenue comprising 83.8% for 9m 2011 compared to 66.3% for 2010. **Net interest margin** for the nine-month period was 5.4% compared to 5.3%<sup>2</sup> 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 was at a stable 5.5% in Q3 2011 (Q2: 5.5%)

**Net fee and commission income** continued to strengthen in Q3 2011, rising by 12.3% q-o-q to RUB 1.6 billion and rising by 46.3% on annualized basis to RUB 4.2 billion for 9m 2011

**Net trading losses** on securities amounted to RUB 2.9 billion in Q3 2011 and included mostly negative revaluation of fixed income securities portfolio due to financial market volatility. Losses on fixed income security portfolio have already been partially recovered by mid of November 2011.

In 9m 2011, 58.8% of NOMOS' revenue was generated by the corporate business segment and 34.7% collectively by small and retail business<sup>4</sup>.

**Operating expenses** amounted to RUB 4.1 billion in Q3 2011, decreasing by 13.7% in comparison with Q2 2011, and totaled RUB 12.5 billion in 9m 2011. The 29.6% increase in operating expenses in 9m 2011 (on annualized basis) compared to 2010 was mainly driven by increase in number of employees and non-recurring items, including one-off IPO transaction costs of RUB 0.2 billion in Q2 2011. As a result, operating expenses to operating income before provision for impairment (**Cost to income ratio**) was **51.0%** in 9m 2011. Excluding trading losses in Q3 2011, cost to income would comprise 45.5% in 9m 2011.

**In the third quarter NOMOS continued to deliver on profitability and creating shareholder value.** NOMOS' nine-month net profit amounted to RUB 6.9 billion, RUB 5.8 billion of which is attributable to Nomos equity holders. Earnings per share reached RUB 69.99 for 9m2011.

Annualized **return on average equity (RoAE)** to NOMOS equity holders (ex. IPO transaction costs of RUB 0.2 billion in the Q2 2011) was 15.6% for 9m 2011. Excluding trading losses in Q3 2011, RoAE would comprise 20.2%.

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<sup>i</sup> Calculated as the share of total loans to customers for business segments excluding the Treasury and asset and liability management unit and unallocated balances

<sup>ii</sup> Pro-forma if the acquisition of Bank of Khanty-Mansiysk would take place on 1 January 2010.

<sup>iii</sup> Calculated as the share of total customer accounts for business segments excluding the Treasury and asset and liability management unit and unallocated balances.

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<sup>4</sup> Calculated as the share of total revenue for business segments excluding the Treasury and asset and liability management unit and unallocated balances.