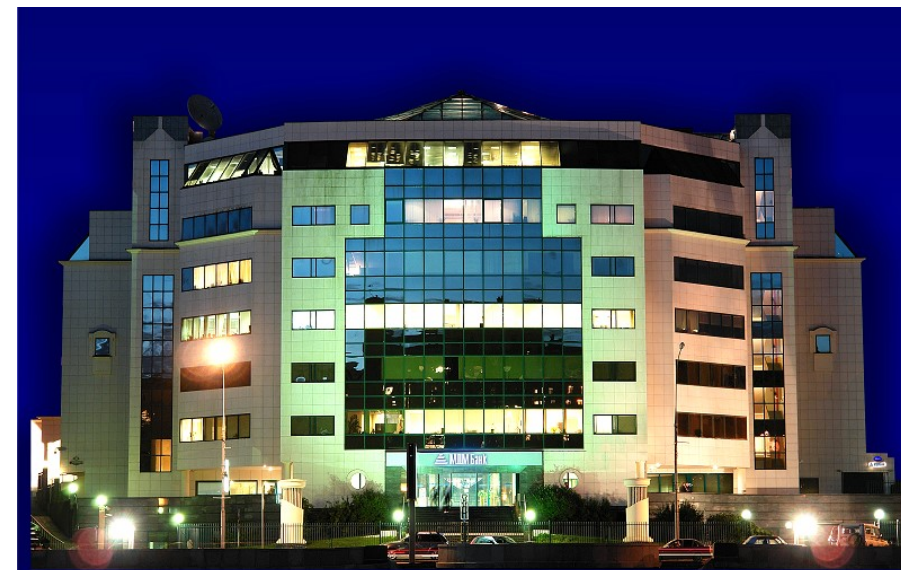


1H 2008 Results Call

26 August 2008

MDM Bank at a Glance

- Established in 1993, MDM Bank is currently one of the largest Russian privately owned financial institutions, with a national network of 181 points of sale in 73 cities as at July 1, 2008 (as of today 186 in 75 cities).
- A Universal Bank: retail, corporate, investment banking, small business banking, private banking and asset management:
 - Over 7,500 corporate clients
 - Over 6,600 small business clients
 - ca. 710,000 retail clients
- A leader in Corporate Governance: MDM is the first and only Russian bank to be awarded a public Corporate Governance Score (CGS) by S&P, which ranks MDM third in Russia behind NYSE-listed corporates Mobile Telesystems and Wimm-Bill-Dann.
- Leading positions in the Russian banking sector – 4th by capital and 4th by assets among private, Russian-owned banks as of Q1 2008 (by Russian Accounting Standards).



MDM Bank Key Highlights

	Moody's	S&P	Fitch
MDM Bank	Ba1 (stable)	BB (stable)	BB (stable)
Russia Sovereign Rating (LT debt/foreign currency)	Baa1 (positive)	BBB+ (positive)	BBB+ (stable)

(USD mln or %)	1H 2008	2007	1H 2007	2006
Assets	15,022	13,097	11,562	9,233
Net Loans	8,532	7,346	7,654	6,338
Equity	1,753	1,585	1,163	1,038
Net Profit	90	216	103	122
RoAE	10.8%	16.6%	18.7%	13.0 %
Tier 1 Ratio	14.4%	14.5%	10.5%	10.9 %
Total Capital Ratio	16.6%	17.2%	12.7%	13.7 %

Notes: Data for MDM Bank according to IFRS.

FX translation rates: End of period for balance sheet data (2006: 26.3311, 2007: 24.5462, 1H 2007: 25.8162, 1H 2008 23.4573); average for the period for income statement data (2006: 27.1852, 2007: 25.5770, 1H 2007: 26.0827, 1H 2008 23.944)

1H 2008 Financial Highlights

- 1H 2008 net profit was RUB 2,152 mln (down by 19.8% from RUB 2,682 mln in 1H 2007), marking a significant recovery after a challenging first quarter: net profit for 2Q 2008 amounted to RUB 1,477 mln, a 16.1% y-o-y increase compared to RUB 1,272 mln in 2Q 2007;
- Total assets increased by 9.6% from 31 December 2007 to RUB 352,384 mln (YE 2007: RUB 321,482 mln), led by 11.2% growth in gross customer loans to RUB 207,428 mln (YE 2007: RUB 186,505 mln);
- Total equity grew by 5.7% to RUB 41,122 mln during the first six months of 2008 (YE 2007: RUB 38,898 mln);
- Cost/Income ratio increased to 51.3% from 45.7% for 1H 2007, but has improved from the 57.5% reported for 1Q 2008;
- Strong deposit growth helped significantly improve the Deposits/Gross Loans ratio (excluding the Latvian Trade Bank) to 56.2% (YE 2007: 51.7%);
- Provision coverage of non-performing loans was 131.7% (142.0% and 122.4% for the Corporate & Investment Banking and Retail books respectively);
- Exposure to the real-estate and construction sectors declined from 25% of gross loans as of YE 2007 to 18% of gross loans on 1 July 2008.

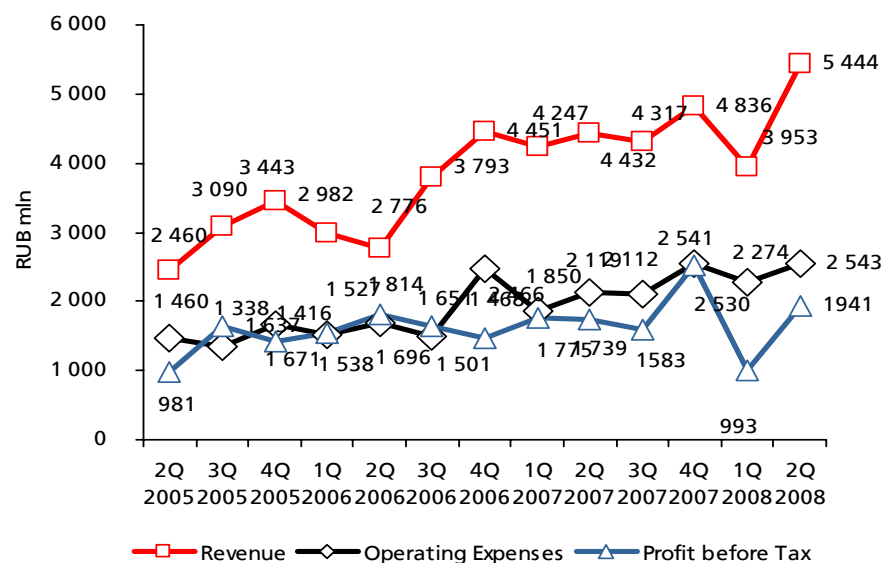
Branch Network

- MDM Bank’s retail strategy is centered around small business lending, retail deposit-taking and payroll services;
- All of these require a broad and effective branch network;
- Over 230 full-service POS to be operating by year end, medium-term target of 500-600 POS;
- In 1H 2008, the Bank opened additional full-service outlets in Moscow, Achinsk, Tyumen, Chita, Volograd, Khabarovsk, Novosibirsk and Yekaterinburg.

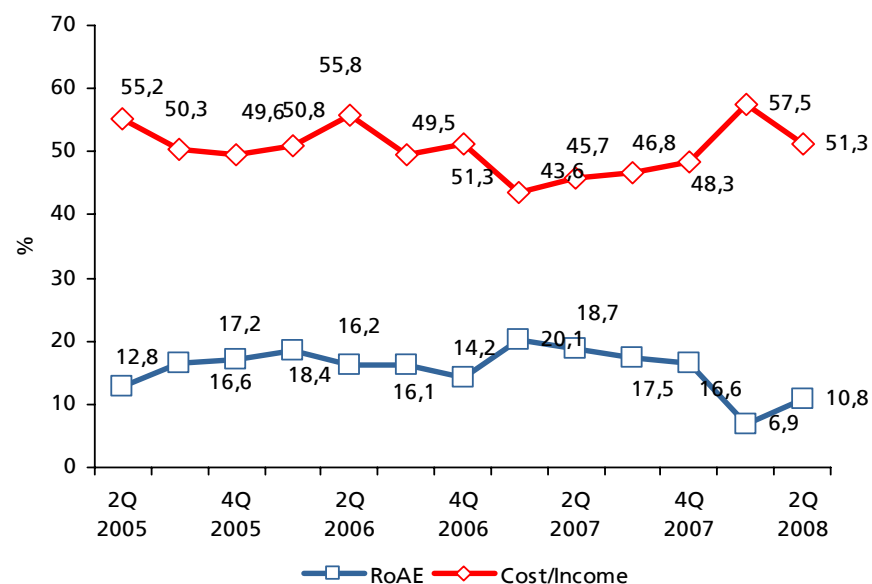


Profitability & Efficiency

Income Statement



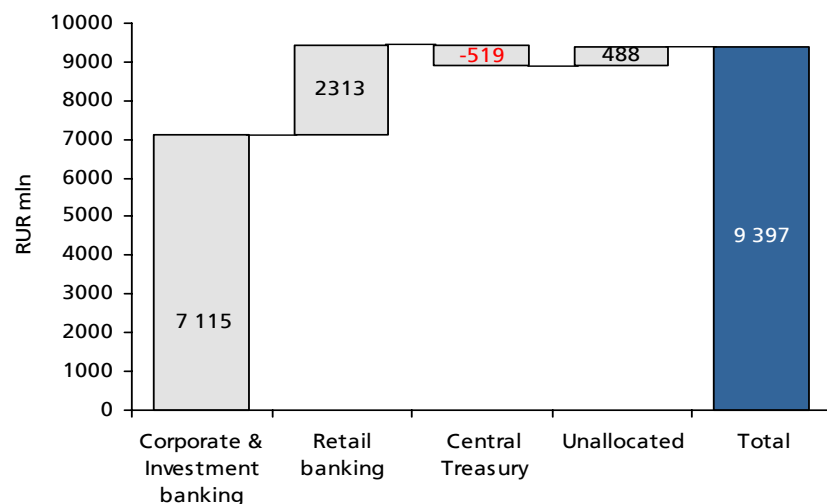
RoAE & Cost / Income



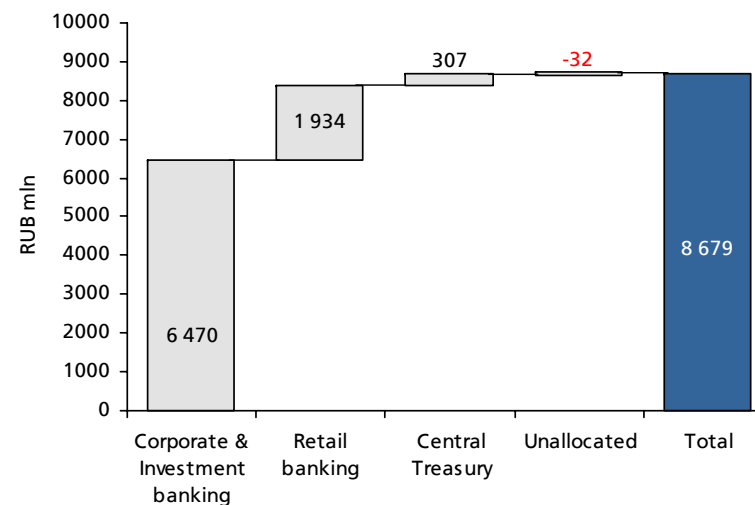
Cost / Income decreased in 2Q 2008, while revenues recovered from a challenging first quarter.

Revenue Structure by Business Lines: 1H 2008 & 1H 2007

1H 2008



1H 2007

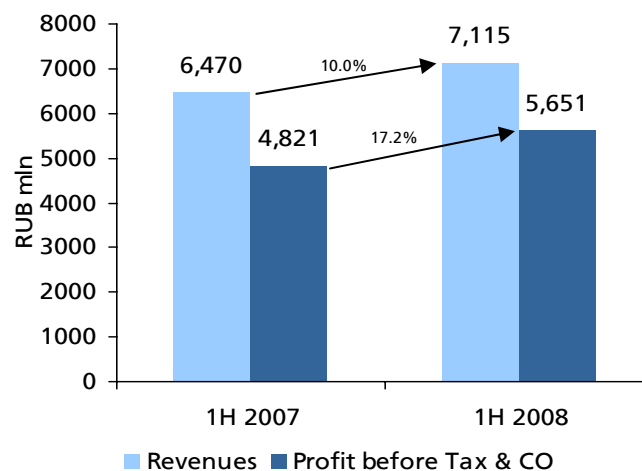


Retail revenues (includes both small business and consumer banking) increased by 19.6% during 1H 2008. CIB revenues increased by 10.0%. The share of retail revenues in 1H 2008 increased to 24.6% from 22.3% in 1H 2007.

Corporate & Investment Banking (CIB)

- Beginning 4Q 2007, includes Corporate Banking, Investment Banking & Financial Markets, Private Banking, Asset Management and Leasing;
- Accounts for the bulk of the Bank's revenues (75.7%);
- Strong growth in customers (ca. 7,500) and customer deposits, ex-LTB (RUB 160,468 mln);
- Strong growth over six months in assets (27.6%, to RUB 261,386 mln) and liabilities (26.0%, to RUB 219,457 mln);
- Maintained leading position in financial markets (foreign exchange, money markets, bullion, banknote);
- Trading results recovered in 2Q 2008 after loss in first quarter;
- Non-performing loans increased mainly due to one large corporate borrower, however the Bank obtained additional realizable collateral and no further significant provisions were recorded.

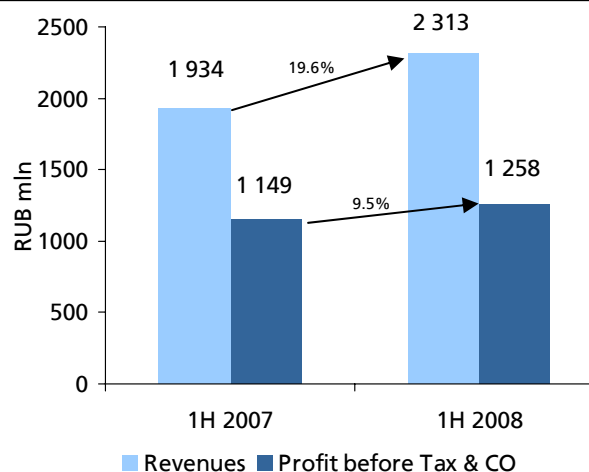
Revenues & Profit before Tax and Central Overheads



Retail Banking

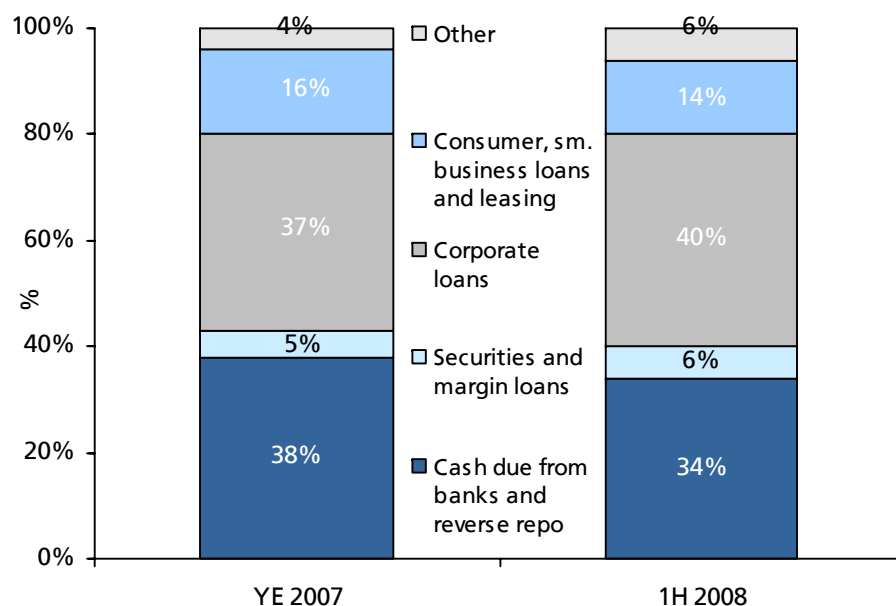
- In 2Q 2008, the Retail and Network Development units were combined to increase efficiency as well as focus on business development and customer service;
- 1H 2008 retail revenues increased 19.6% y-o-y from RUB 1,934 mln to RUB 2,313 mln;
- 17 new full-service points of sale opened. Significant expansion of ATM network – over 252 ATMs installed in Moscow and regions during the period;
- Retail and SME deposit growth from RUB14,669 mln to RUB16,406 mln. A targeted advertising campaign resulted in more than 9,000 new savings accounts being opened;
- Impressive small business loan portfolio growth of 31.4% over year-end level from RUB 8,214 mln to RUB 10,795 mln;
- New operating model is running in a pilot office in St. Petersburg.

Revenues & Profit before Tax and Central Overheads

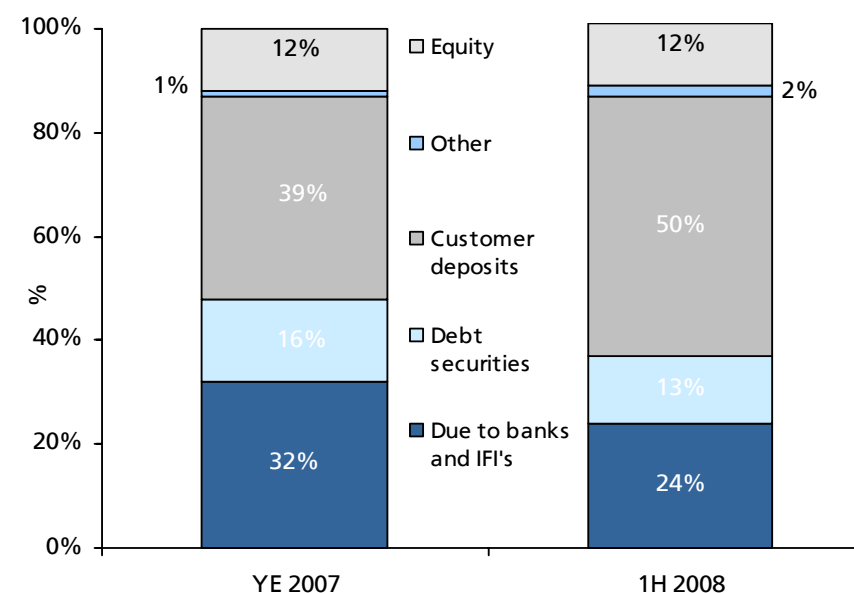


Structure of Assets & Liabilities

Assets



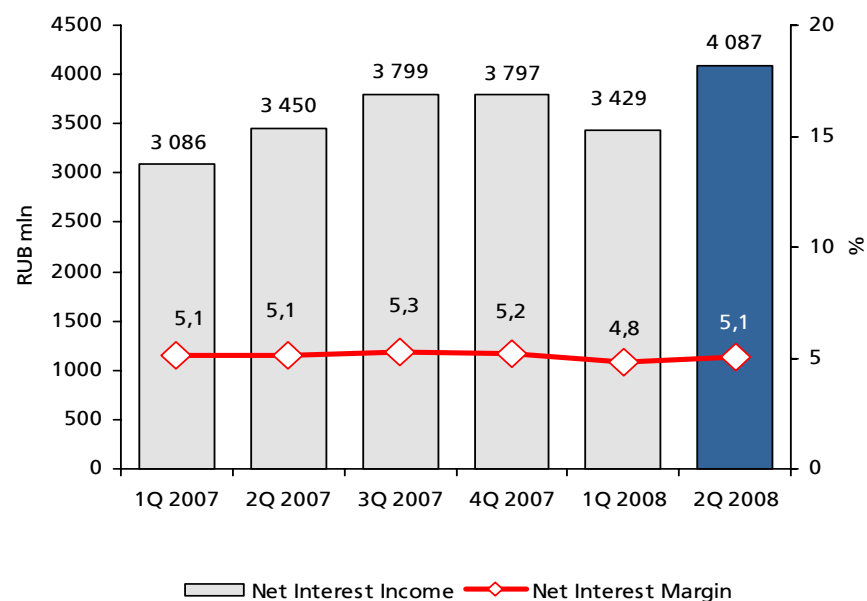
Liabilities



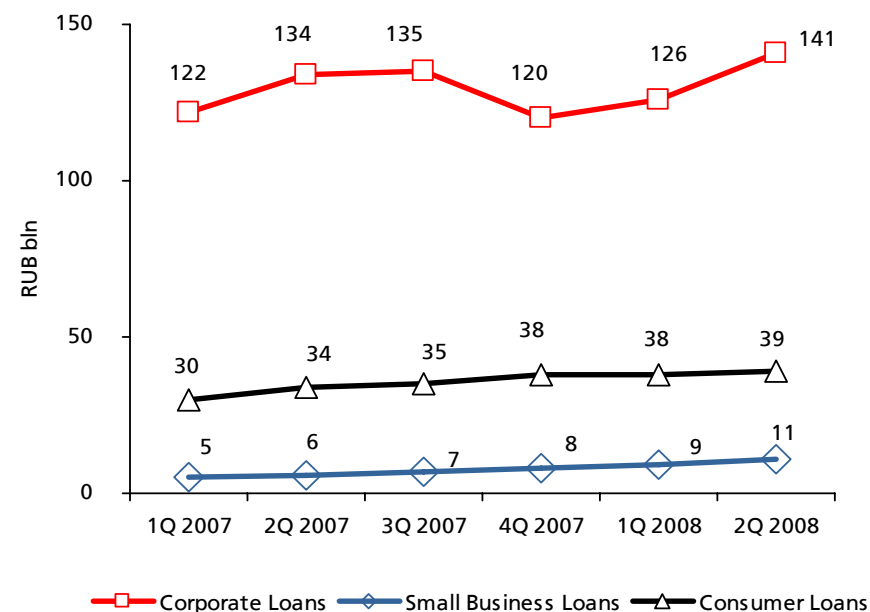
The focus on increasing customer deposits has helped to significantly increase their share in the liabilities structure, while on the assets side the share of loans to customers increased slightly.

Net Interest Income & Loan Growth

Net Interest Income & Net Interest Margin



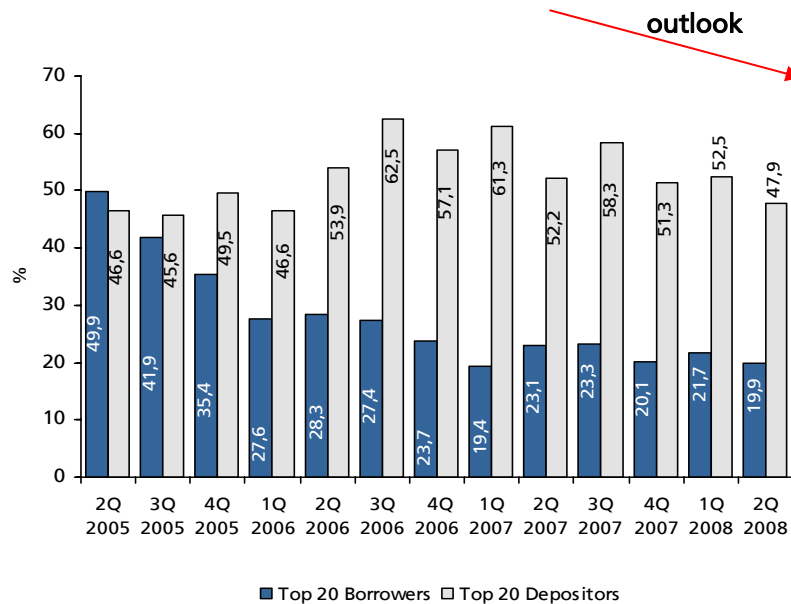
Gross Loans (Small Business, Retail, Corporate)



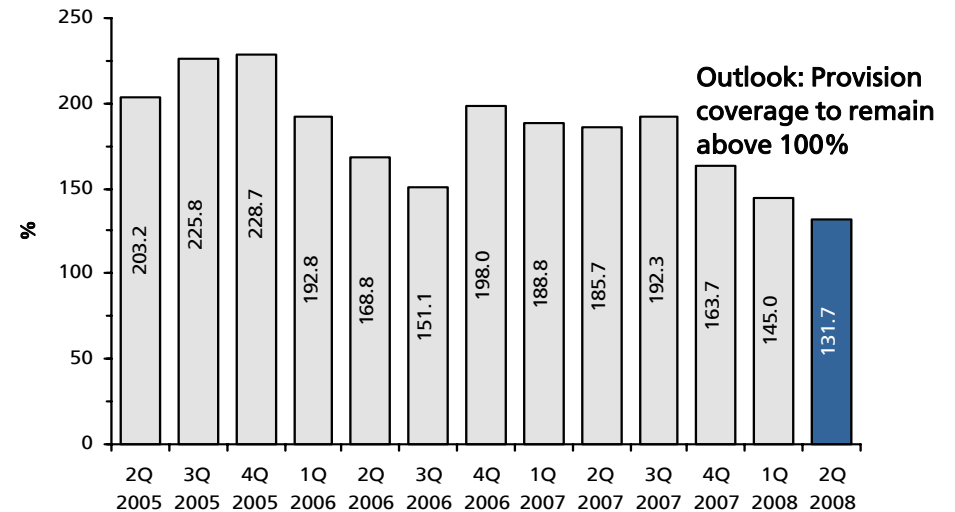
The net interest margin increased in Q2 2008 on strong growth in new lending at higher rates. The margin is expected to be near 5.0% for the year.

Concentration & NPL Coverage

Top 20 Borrowers / Depositors



Coverage of NPLs by Provision

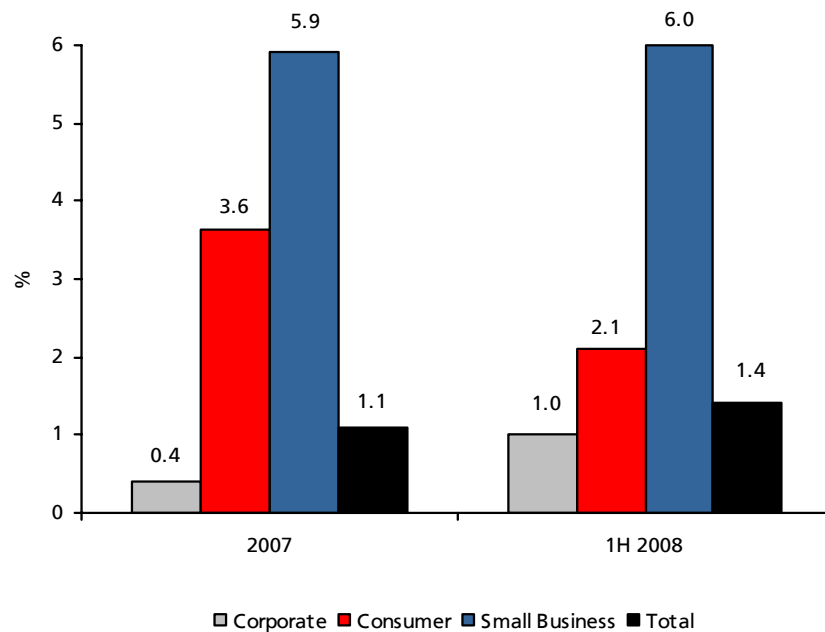


Note: as a % of gross loans / customers accounts, including off-balance sheet items and excluding claims under reverse repurchase agreements fully secured by traded securities and margin loans

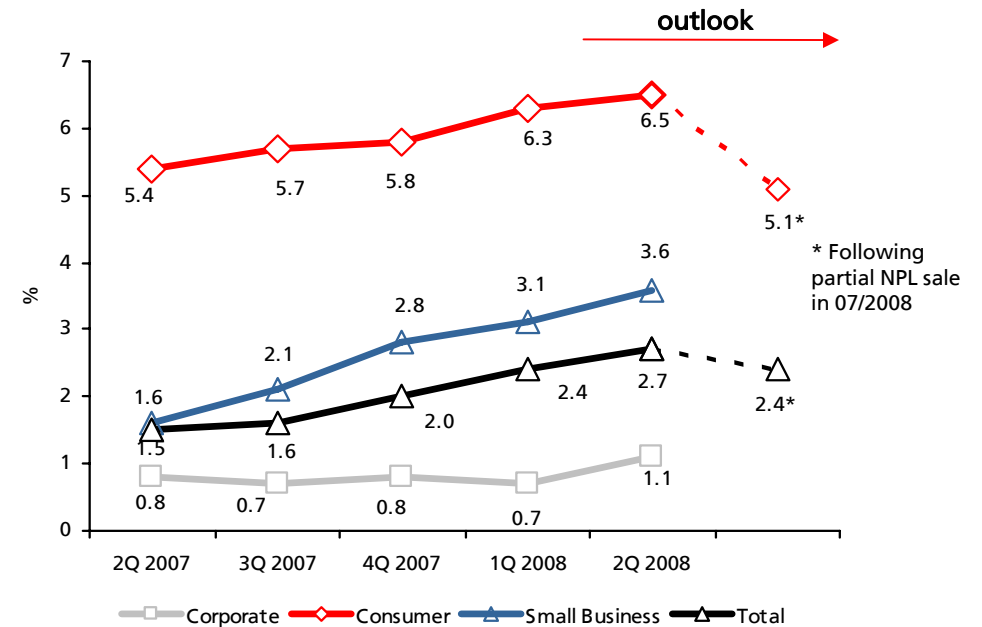
Total exposure to Top 20 borrowers further decreased to 19.9% of the total portfolio (including off-balance sheet items and excluding reverse repurchase agreements and margin loans). Depositor concentration also continued a downward trend, reaching the lowest levels since 1Q 2006. Provision coverage dropped to 131.7% and is expected to stay around the current level throughout 2008.

Asset Quality Trends

Cost of Risk (annualized)*



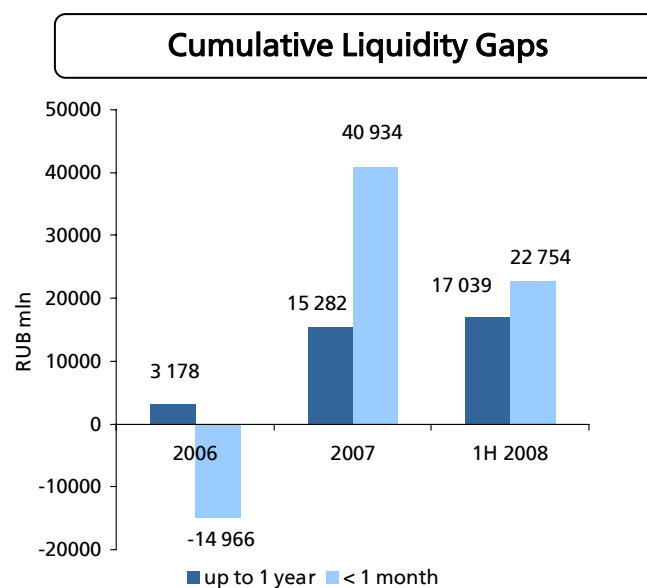
NPLs as % of Retail, Corporate & Total Loans



Cost of risk, or the provisioning expense over average risk exposure, remained close to the YE 2007 level (a change from 1.1% to 1.4%), and improved significantly on consumer loans as a result of tightened underwriting criteria. NPLs on the consumer book are stabilizing, while an uptick on the level of corporate NPLs is primarily due to an exposure to one client, against which the bank has obtained additional realizable collateral.

Liquidity Update

- Strong excess liquidity maintained throughout 1H 2008;
- Beginning in March, liquidity was gradually fed back into corporate lending business;
- Syndicated, bilateral and trade finance markets remain open for business in the same amounts as in 1H 2007, but at a slightly higher cost;
- USD 535 mln A/B loan (including USD500 mln syndication and USD35 mln IFC financing of MDM-Energy program) was obtained in July;
- The cumulative liquidity gap remains very strongly positive as at the end of 1H 2008.



Outlook

- Asset growth: ca.25% in 2008, vs. 32% in 2007;
- Net interest margin: stable at around 5.0%;
- Abnormally high liquidity will be maintained throughout the year;
- Asset quality: improvements in retail driven by internal efforts (products, processes and controls); some deterioration in corporate is expected as the economy slows and international markets remain difficult;
- 2007 will be difficult to beat in 2008 given the state of capital markets and higher provisioning costs.

Questions & Answers

Thank You !

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