



MDM Bank

1Q 2010 IFRS Results Call Presentation

Speakers:

Vadim Sorokin, CFO

John McNaughton, Co-Head, Investment Bank

June 2010

Recent Developments and Key Highlights

Recent developments

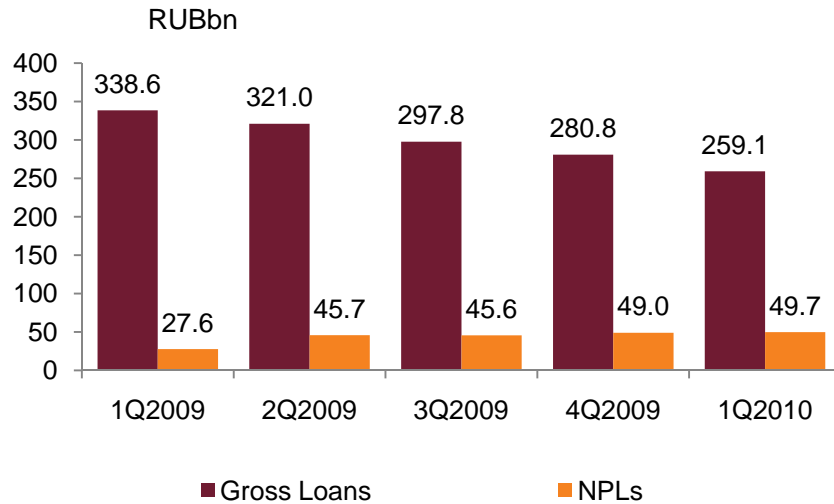
- Positive macroeconomic environment
 - Fitch Ratings upgraded MDM Bank's rating to BB/ Stable in May 2010
 - No reliance on either government or shareholders for capital support during the crisis
 - Best Tier 1 ratio among top Russian banks - 18.8%
-

Key financial highlights

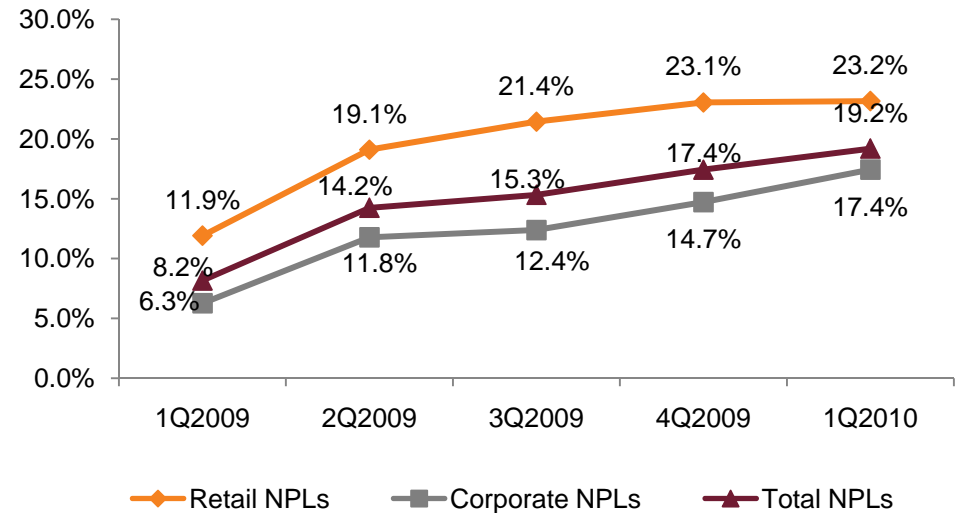
- Stable Net interest margin
- Outstanding growth of retail deposits: 8.9% in 1Q2010
- Loans-to-Deposits ratio improved to 105.3% vs. 121.6% at YE09
- Ample liquidity of over 25% of assets maintained
- Focus on cost-efficiency: administrative expenses declined q-o-q by 18.5%

Asset Quality

90 day+ NPL vs. gross loans



NPLs, % of loan portfolio

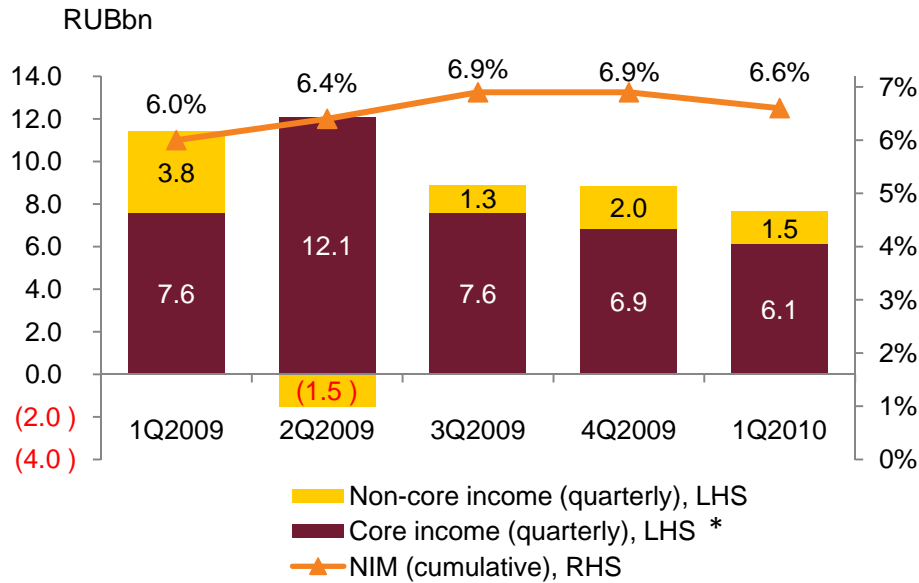


- 90day+ NPLs flat in 1Q2010 in Rouble terms
- High absorption capacity maintained: the Bank can absorb over 30% in loan losses while keeping CAR above 12%
- RUB3.7bn of retail loans over 720 days overdue were written off
- Restructured loans declined from RUB32.8bn to RUB29bn in 1Q2010, making up 11.2% of gross loans in percentage terms

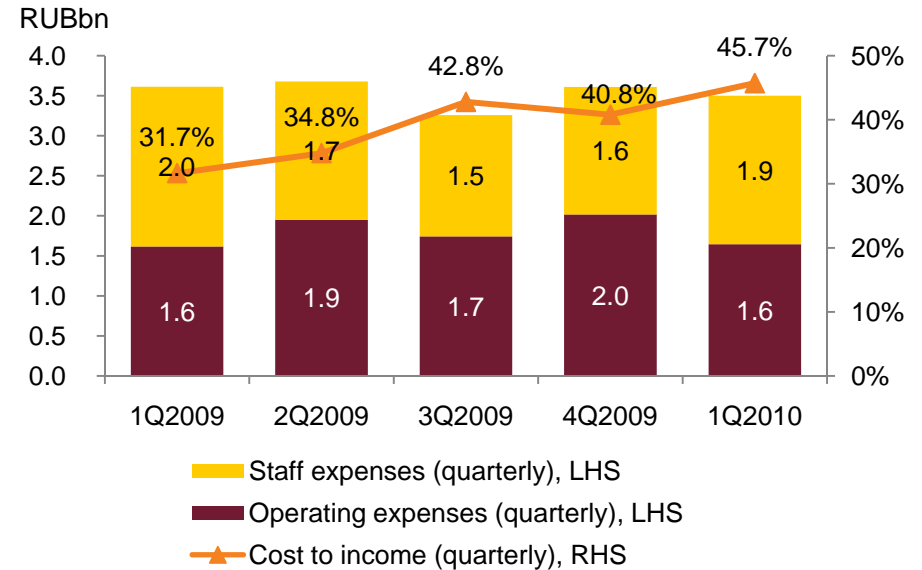
Source: Based on consolidated IFRS financial statements; data prior to 30 June 2009 is aggregated

Strong Income Generation and Cost Efficiency

Income Trends and NIM

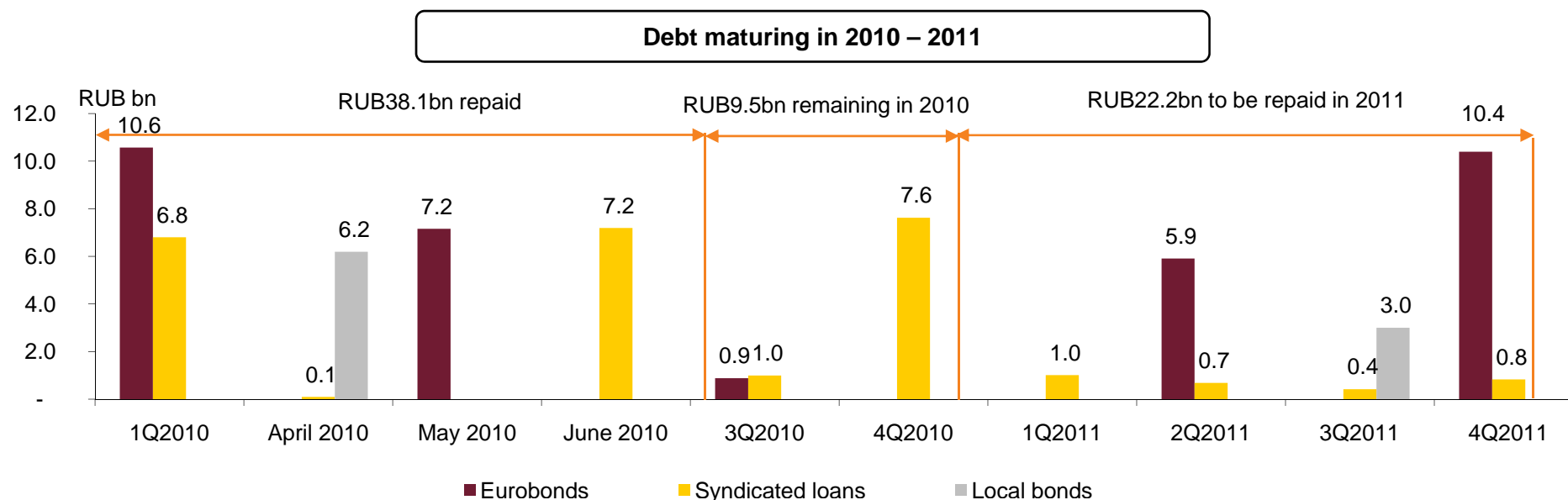


Operating expenses

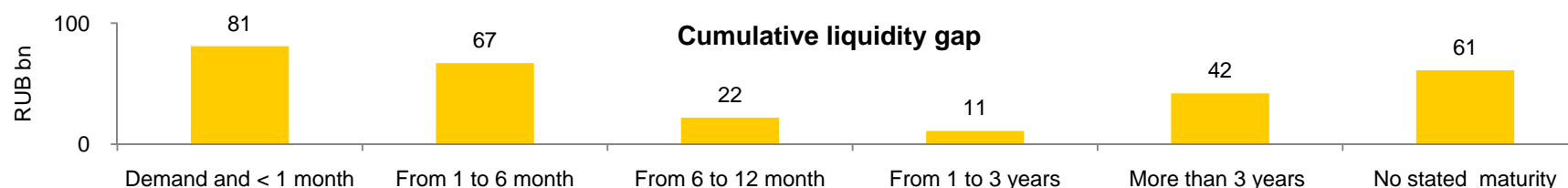


Source: Based on aggregated IFRS Financial Statements ; *Includes Net interest income and Net fee income

Liquidity and Repayments



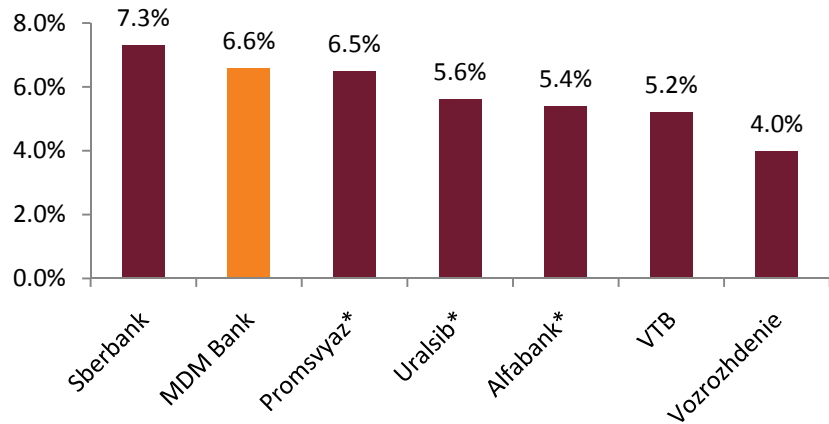
- Remaining wholesale borrowings for 2010 are amply covered by the bank’s liquid assets of RUB73.4bn as of 31 May 2010, on top of unutilized CBR line of approximately RUB63bn
- Despite high investor demand for MDM Bank credit demonstrated during recent non-deal roadshows, the Bank has not needed to raise funds yet given its current large liquidity position in excess of 25% of assets and comfortably covering near-term repayments



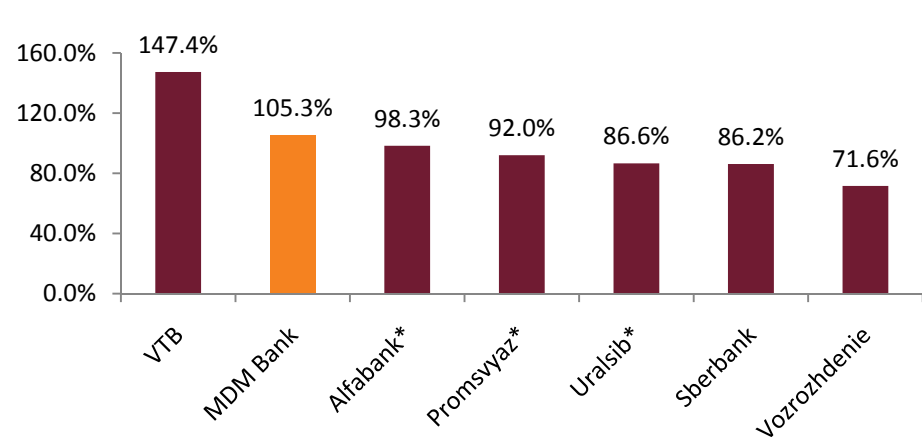
Source: based on IFRS consolidated financial statements and management data

Peer comparison

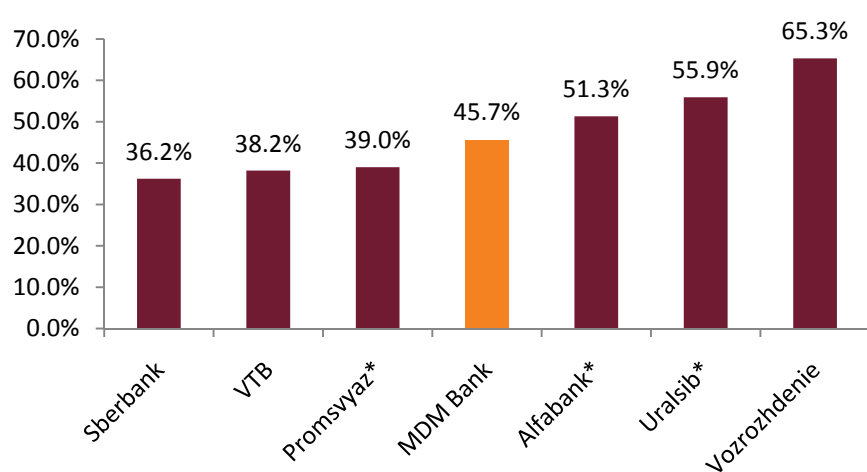
NIM



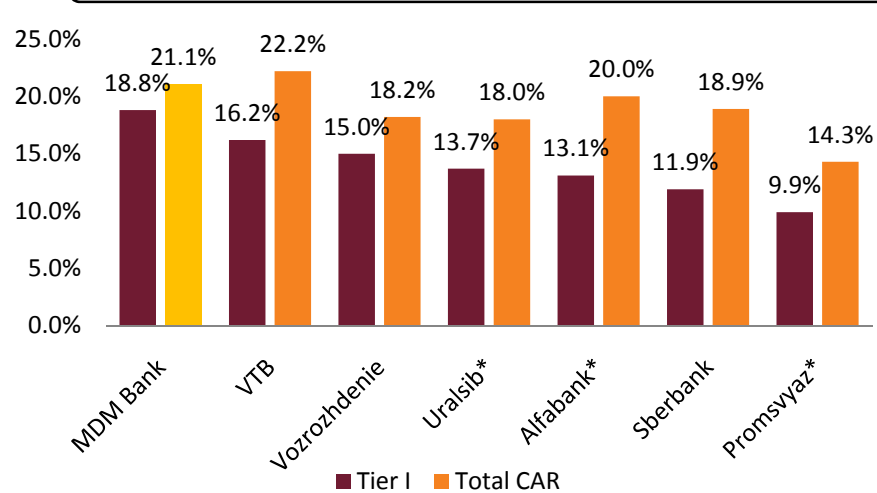
Loan-to-deposits ratio



Cost to Income



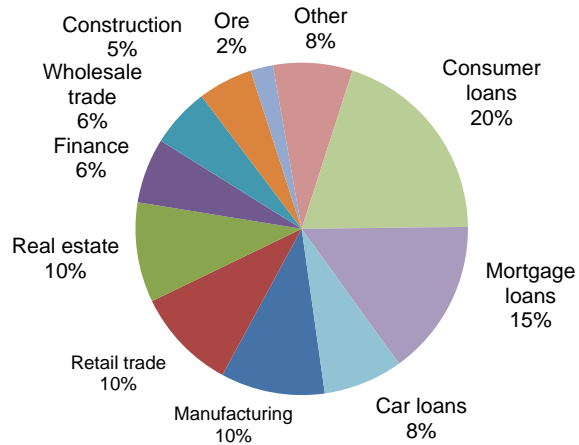
Tier 1 and Total CAR



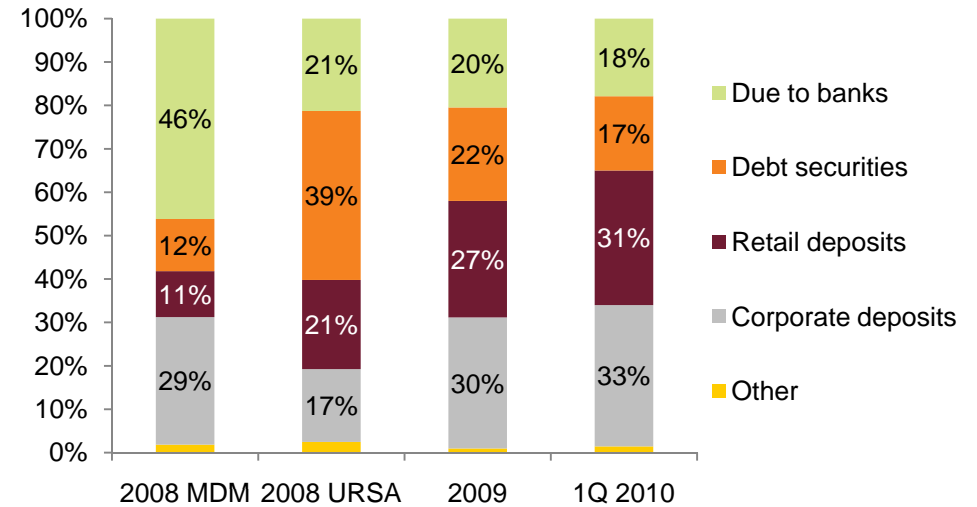
*Data for YE2009 Source: IFRS financial statements and presentations of respective banks

Well-Diversified Balance Sheet

Loan Portfolio break-down by sector (1Q2010)

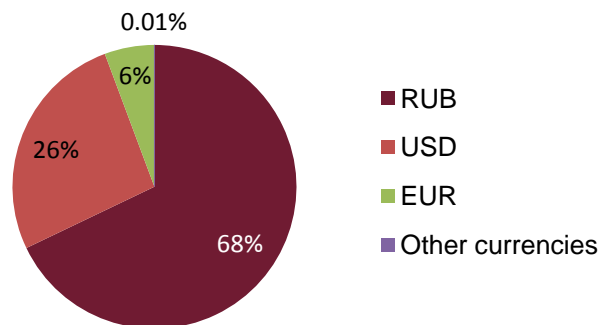


Funding Structure (2008-1Q2010)

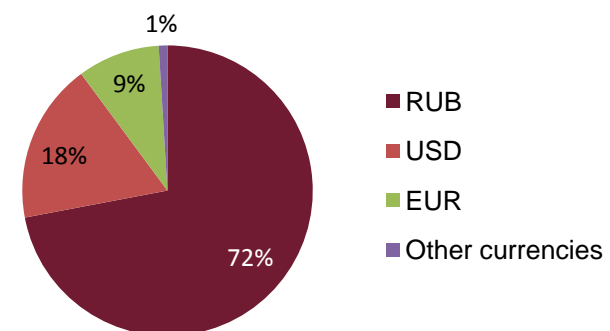


Matched FX exposures (1Q2010)

Loan portfolio (net)



Customer accounts



Source: based on IFRS consolidated financial statements

Outlook for 2010

RUB bn, %	2009	2010E
Net loans	237	238
NPLs/Gross loans	17.4%	19%
Comprehensive income	0.4	3.6
Net Loans-to-Deposits	122%	110%
Cost-to-income ratio	40.2%	under 50%
NIM	6.9%	circa 7%
ROE	0.6%	circa 6%

Conclusions

- Greenshoots visible in 2Q10: no increase in NPLs
- MDM Bank is the only large Russian bank to weather the crisis without government or shareholder support, while retaining best-in-class liquidity and capital adequacy
- With high liquidity and capital cushion, extensive branch network, and the combined expertise of ex-MDM Bank's corporate and URSA Bank's retail business, MDM is well positioned to capture potential growth opportunities as the economic recovery gains traction

MDM Bank Today

- MDM Bank is the 2nd largest privately-owned Russian bank by equity, offering a complete suite of banking services:
 - retail, corporate, investment banking, small business banking, private banking and asset management
- 7th largest bank by retail loans and 8th largest bank by retail deposits
- 10th largest bank by corporate loans and 13th by corporate deposits;
- Nation-wide coverage with presence in 160 cities through 332 points-of-sale and ca. 2,000 ATMs

Key IFRS Financials	1Q 2010, RUB mn
Assets, total	383,843
Equity	61,926
Loan Portfolio, net	215,374
Deposits	204,610
Comprehensive Income	350
Tier I CAR	18.8%

- Over 27,500 corporate clients
- Over 37,500 SME clients
- Nearly 3 mn retail clients
- Over 10,100 employees

Ratings	Moody's	S&P	Fitch
MDM Bank	Ba2 (Negative)	B+ (Stable)	BB (Stable)
Russia Sovereign	Baa1 (Stable)	BBB (Stable)	BBB (Stable)

Upgraded in May 2010



2009 Energy Efficiency Award



2010 Best EM Bank in CEE



Bank of the Year 2009 Russia



2009 Best FI Merger



2009 Best syndicated loan

Thank You !

Questions & Inquiries:

ir@mdmbank.com

+7.495.221.30.75

www.mdmbank.com

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