

MDM Bank Back in Black

By [The Moscow Times](#)

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Privately owned MDM Bank posted a third-quarter net profit of 476 million rubles (\$15.42 million) on Friday, after a loss a year ago, thanks to cuts in bad loan provisions amid a broader sector recovery.

MDM Bank incurred a net loss of 528 million rubles in third quarter 2009, when the sector was hardly hit by a severe economic crisis and bad loan provisions eroded profits.

The bank, ranked among the country's top-30 lenders in terms of assets, posted a net profit of 1.54 billion rubles for the first nine months of 2010 compared with a net loss of 6.14 billion rubles in the same year-ago period.

MDM Bank said its loan impairment losses declined to 5.5 billion rubles in the period from 16.7 billion rubles a year ago.

“We decreased the share of impaired loans to 15.8 percent at end-September 2010 from 17.6 percent at end-June 2010 as well as cautiously increased our customer loans by 4.6 percent in

the third quarter, annualized,” Sergei Timofeyev, chief executive officer of MDM Bank, said in a statement.

Banks are recovering from the two-year crisis thanks to growing lending and decreasing bad loan provision. Sberbank expects to significantly reduce its bad loan provisions in 2011, which could push up its profit next year.

MDM Bank expects to achieve “solid results in 2011,” the bank said in the statement.

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