



Alfa·Bank

Year End 2011 Results

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Financial highlights 2011

Statement of Income

- Net profit at US\$ 641 mln (2010: US\$ 553 mln)
- Segment profit before tax and bonuses:
 - Corporate and Investment banking – US\$ 632 mln
 - Retail banking – US\$ 264 mln
- Cost to income at 51.6% (2010: 44.3%)
- Return on equity at 19.7% (2010: 19.1%)

Financial Position

- Total assets increased 10.1% from US\$ 28.5 bn at FY 2010 to US\$ 31.4 bn
- Gross loans increased 27.5% from US\$ 18.2 bn at FY 2010 to US\$ 23.2 bn
- Provisioning ratio decreased from 7.6% of loan portfolio at FY 2010 to 5.9%
- Customer accounts up 8.6% from US\$ 16.8 bn at FY 2010 to US\$ 18.3 bn
- Other borrowed funds and subordinated debt increased from US\$ 3.9 bn at FY 2010 to US\$ 5.2 bn
- Total equity up 11.6% from US\$ 3.1 bn at FY 2010 to US\$ 3.4 bn.
- Dividends were paid out in the amount of US\$ 131 mln for the year 2011 and US\$ 150 mln for the year 2010

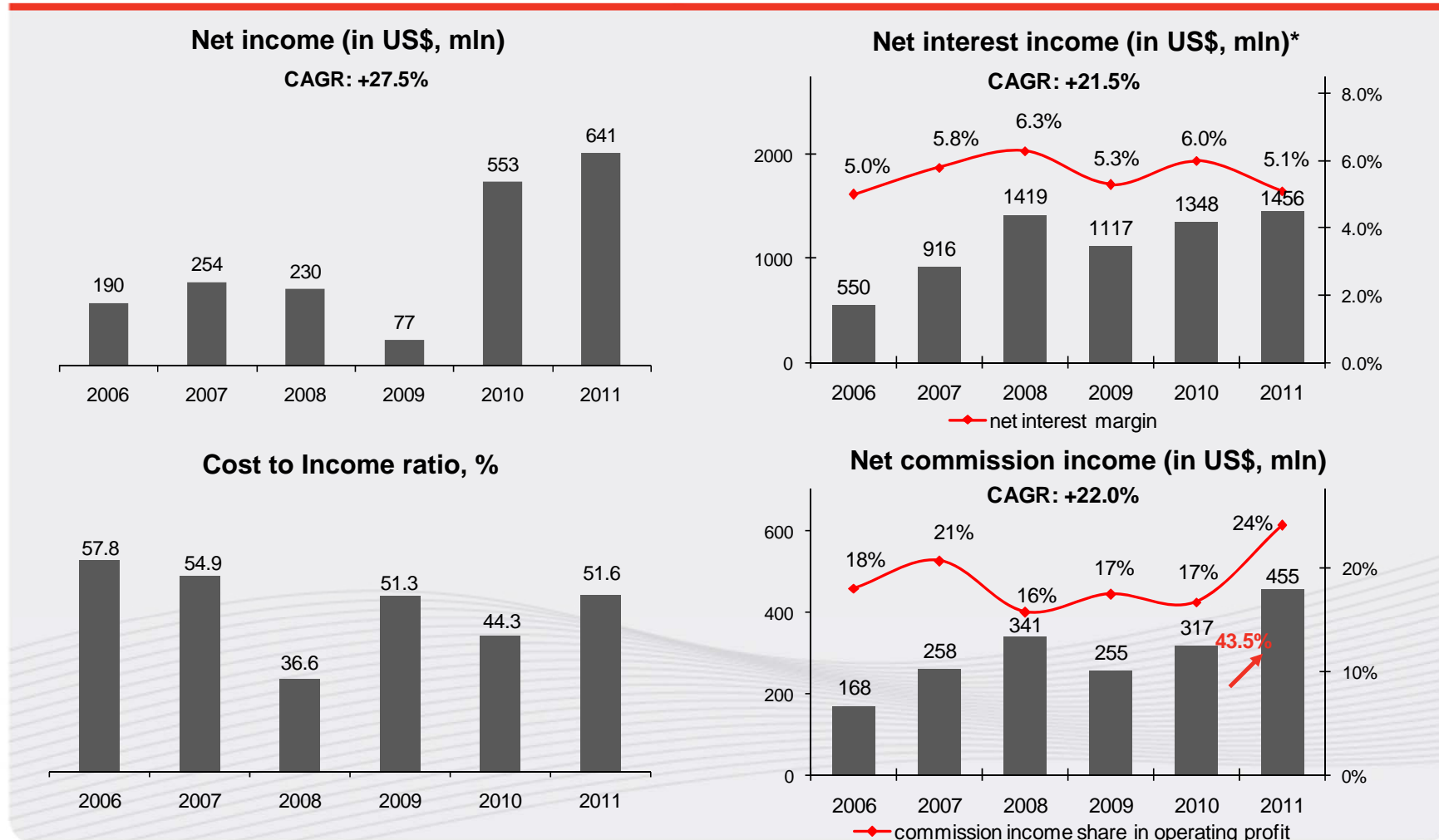
Ratings

- Fitch upgraded credit rating from BB/stable to BB+/stable in July 2011
- S&P upgraded long term credit rating from BB- to BB in December 2011, outlook was set stable
- Moody's confirmed credit rating at Ba1 in March 2012, stable outlook

Source: IFRS audited financial results



Income well above pre-crisis levels



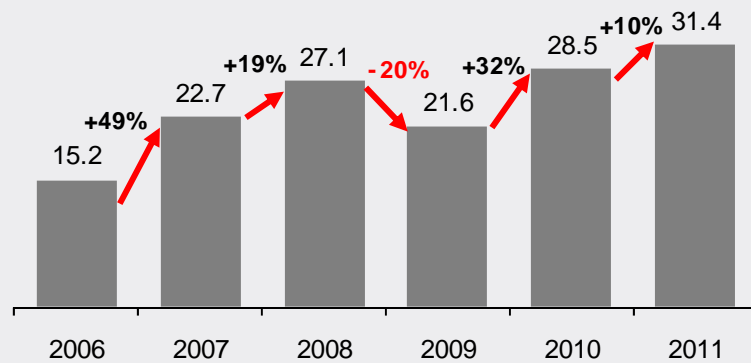
Source: IFRS audited financial results

* Net interest margin is calculated as Net interest income / Average interest earning assets



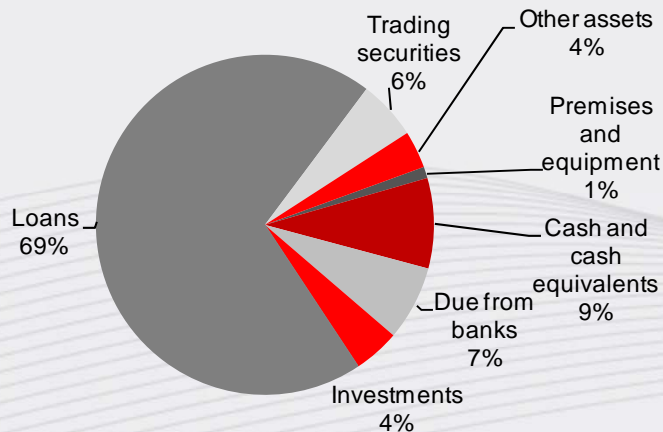
Assets and loan portfolio development

Total assets (in US\$, bn)

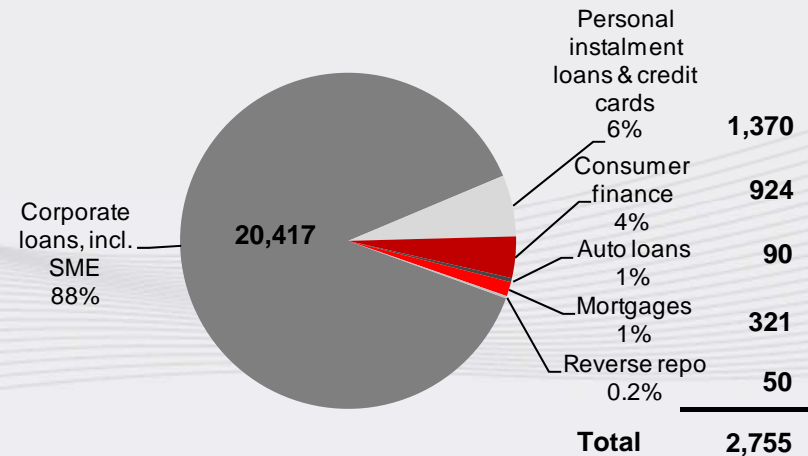


- Top 5 in terms of gross loans, top 6 in terms of total assets and equity – Russia’s largest private bank*
- Total gross loans increased 27.5% in 2011
- Fast loan growth compared to moderate growth of total assets is explained by utilizing excess liquidity on the balance sheet for loan growth

Assets structure 2011



Loan portfolio structure 2011 (in US\$, mln)



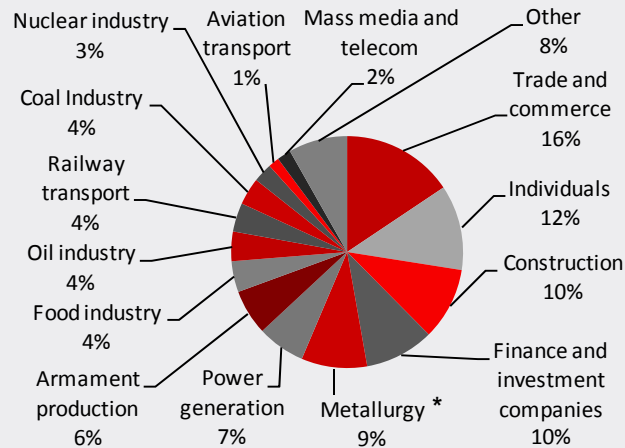
Source: IFRS audited financial results

* Source: rating.rbc.ru, as of January 1, 2012



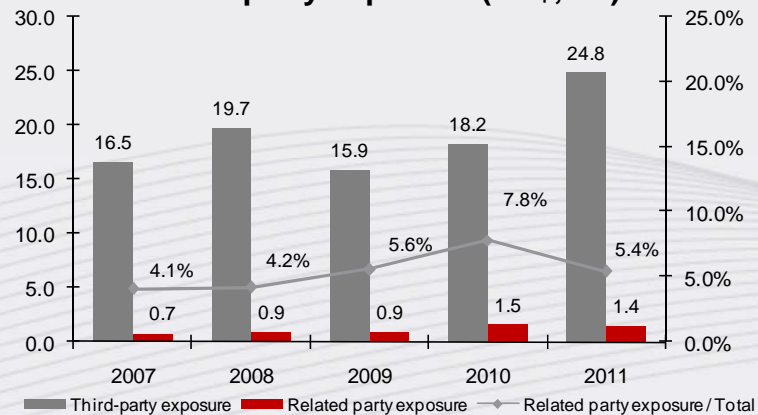
Gradually improving concentration levels

Loans breakdown by economic sectors

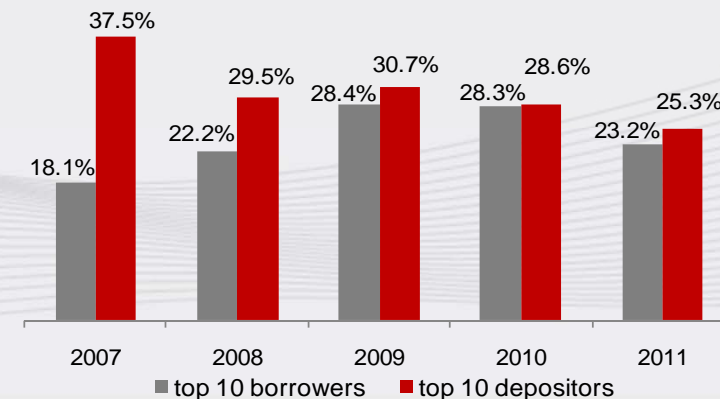


- Relatively stable industry mix, with significant growth of trade and commerce sector (from 11% of gross loans in 2010 to 16% in 2011) and finance sector (from 6% in 2010 to 10% in 2011)
- Loan concentration of top 10 borrowers decreased from 28.3% of total loans at the end of 2010 to 23.2% of total loans at 2011
- Exposure to related-party borrowers decreased from 7.8% of total loans and credit related commitments at the end of 2010 to 5.4% at 2011

Related party exposure (US\$, bn)*



Concentration of top 10 borrowers / depositors (as % of total loans / customer accounts)



Source: IFRS audited financial results

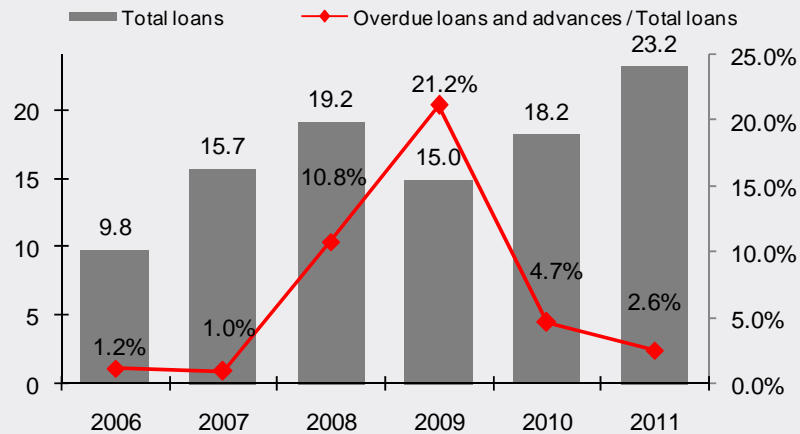
* Including ferrous metallurgy US\$ 1,870 mln (8%) and non-ferrous metallurgy US\$ 253 mln (1%)

** Including credit-related commitments



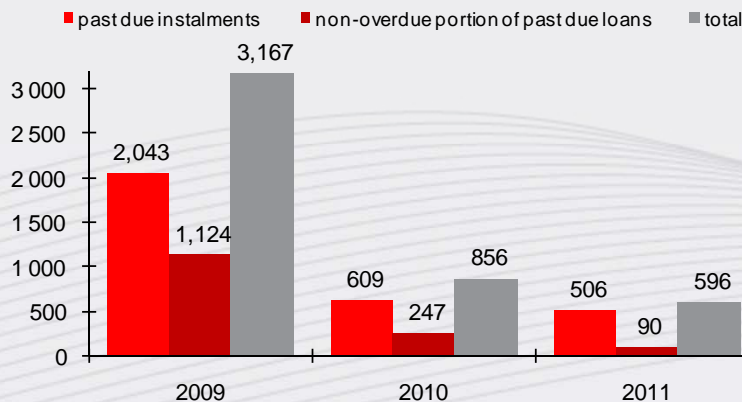
Loan portfolio quality

Overdue loans and advances 1+ days*

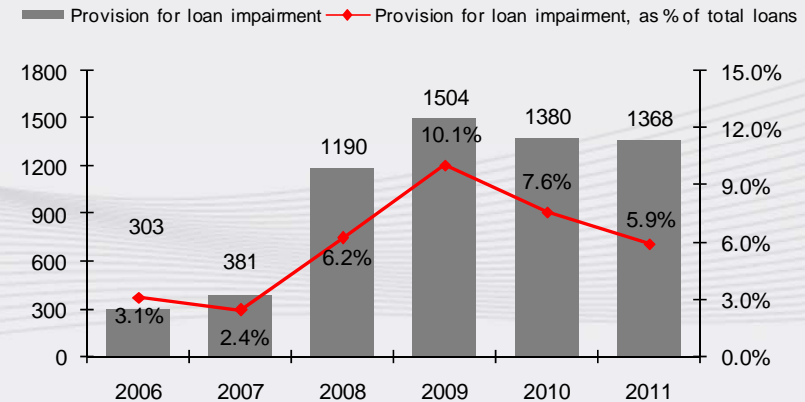


- Overdue loans peaked in 2009 during the world's financial crisis, and fell down below 3% by the end of 2011
- Provisioning rate decreased by 1.7 p.p. in 2011 due to problem loans resolution together with significantly increased portfolio quality
- Share of problem loans** in total loan portfolio decreased from 7.5% in 2010 to 5.0% in 2011
- Provisions coverage of overdue loans improved to 229.5%, compared to 161.2% as at FY 2010
- Corporate loans written off as uncollectible decreased from US\$ 425mln in 2010 to US\$ 71mln in 2011

Overdue loans structure (US\$, mln)



Provision for loan impairment (US\$, mln)



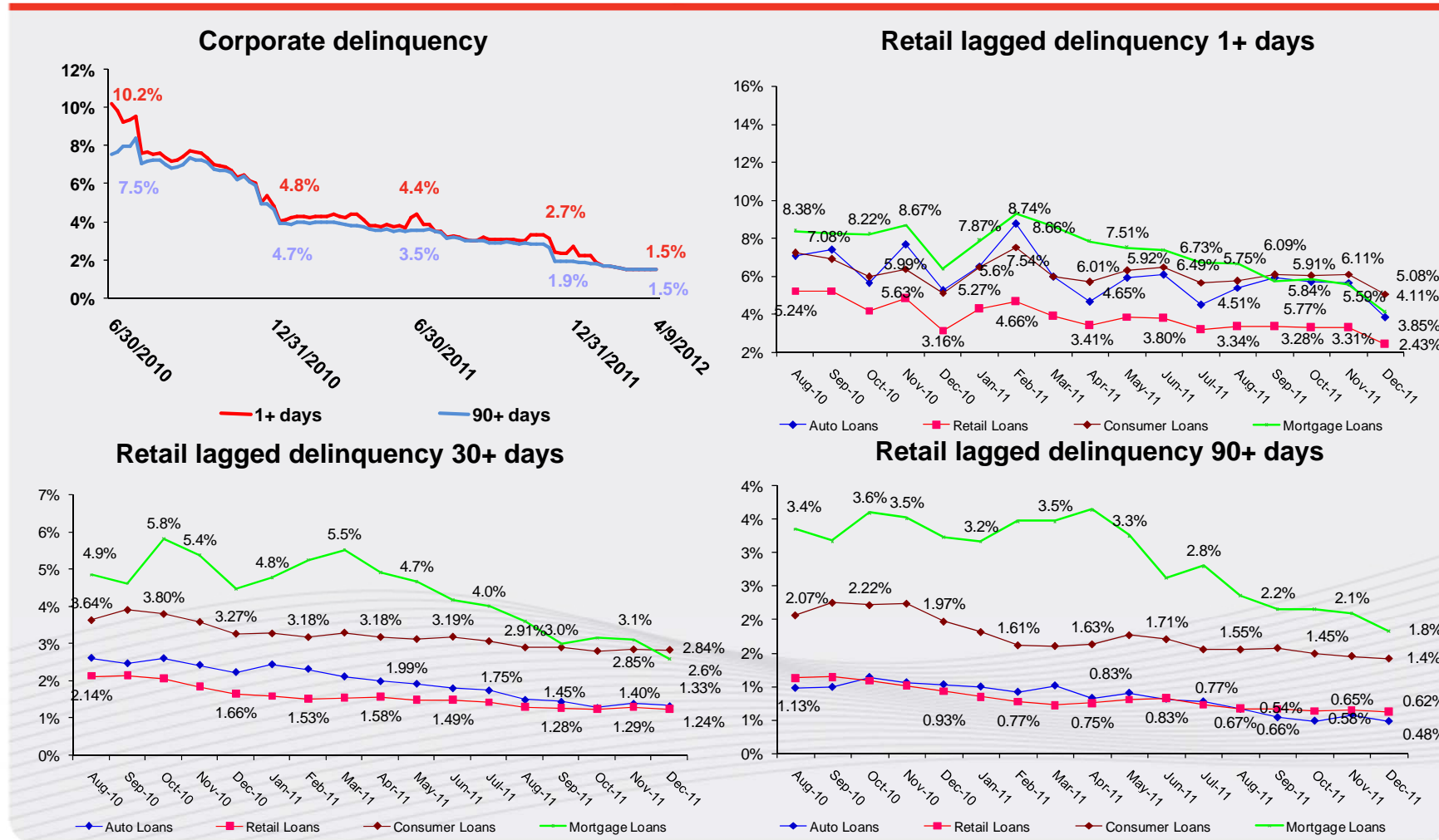
Source: IFRS audited financial results

*Overdue loans and advances include both past due instalments and the remaining non-overdue portion of the loan

** Problem loans include both overdue loans and current but impaired loans, including those that were restructured less than 6 months prior to reporting date



Dynamics of loan portfolio delinquencies

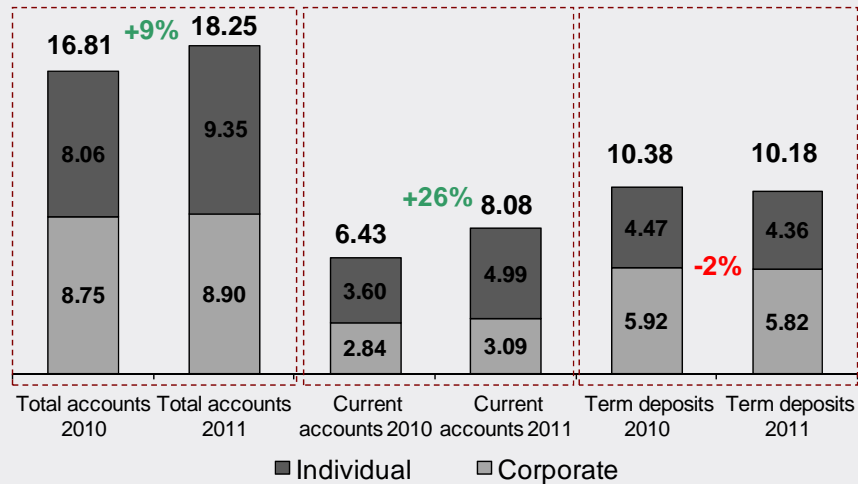


Risk management estimates (not IFRS), Alfa-Bank only

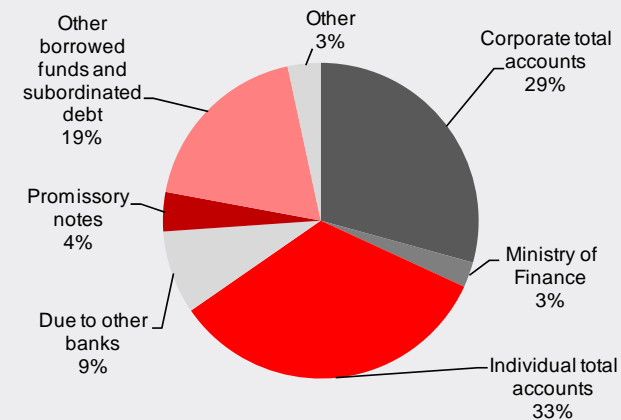


Funding structure is well-balanced

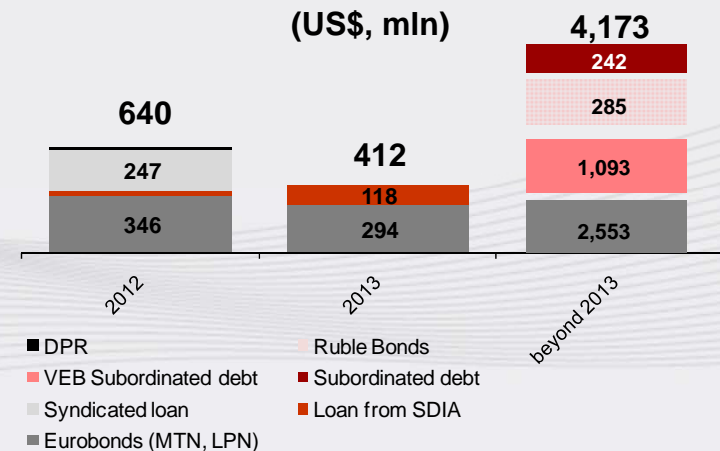
Customer accounts (US\$, bn)



Liability structure 2011



Other borrowed funds maturity breakdown** (US\$, mln)



Liquidity sources, 13.04.2012*	
IFRS cash as of YE 2011	\$2.7 bln or 8.6% of TA
Additional funding sources available as of 12.03.2012	Unused limit, USD mln
HFS portfolio	900
REPOable Fixed Income portfolio	832
Loan portfolio to CBR REPO	1,208
CBR Xguarantee	1,007
CBR/MINFIN Auctions	1,909
Total	5,855
Next month average daily loan redemption	\$58.3 mln

Source: IFRS audited financial results

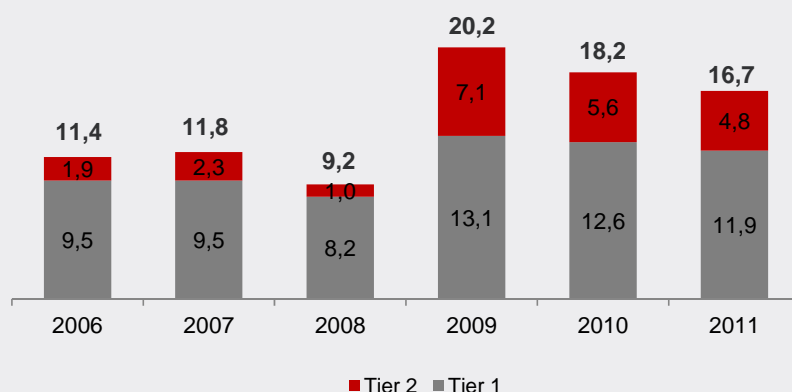
* Treasury accounts

** Including US\$16 million DPR programme outstanding amount, which was redeemed in March 2012



High capital adequacy level maintained

Capital adequacy ratio (in % of risk-weighted assets)*



CAR summary (US\$, mln)*

	31.12.2011	Diff	31.12.2010
Capital adequacy			
Tier 1	3 362	432	2 930
Tier 2	1 348	62	1 286
Total capital	4 710	494	4 216
Banking book	27 065		20 856
Trading book	1 153		2 329
Total risk weighted assets	28 218		23 185
Tier 1 ratio	11.9%	-0.7%	12.6%
Total capital ratio	16.7%	-1.5%	18.2%

- Capital adequacy ratio decreased to 16.7% as of YE 2011 from 18.2% as of YE 2010 mostly due to increase of risk-weighted assets and dividend of US\$131 mln paid in 2011
- Total RWA increased 21.7% due to loan book growth, partially offset by a decrease in trading book
- Tier 1 capital increased 14.7% due to solid growth in retained earnings net of US\$131 million dividends for 2011
- In January 2012 the Alfa Banking Group took the decision not to exercise a call option on its subordinated Loan Participation Notes in the amount of US\$300 mln due 2017

* CAR ratios calculated in accordance with Basel standards (management computation)

Forecast 2012



Total Assets

Growth ~ 15-20%

Loan Portfolio

Corporate loans: growth ~ 12 – 15%
Retail loans: growth ~ 15 – 20%

Cost to Income Ratio

~ 50%

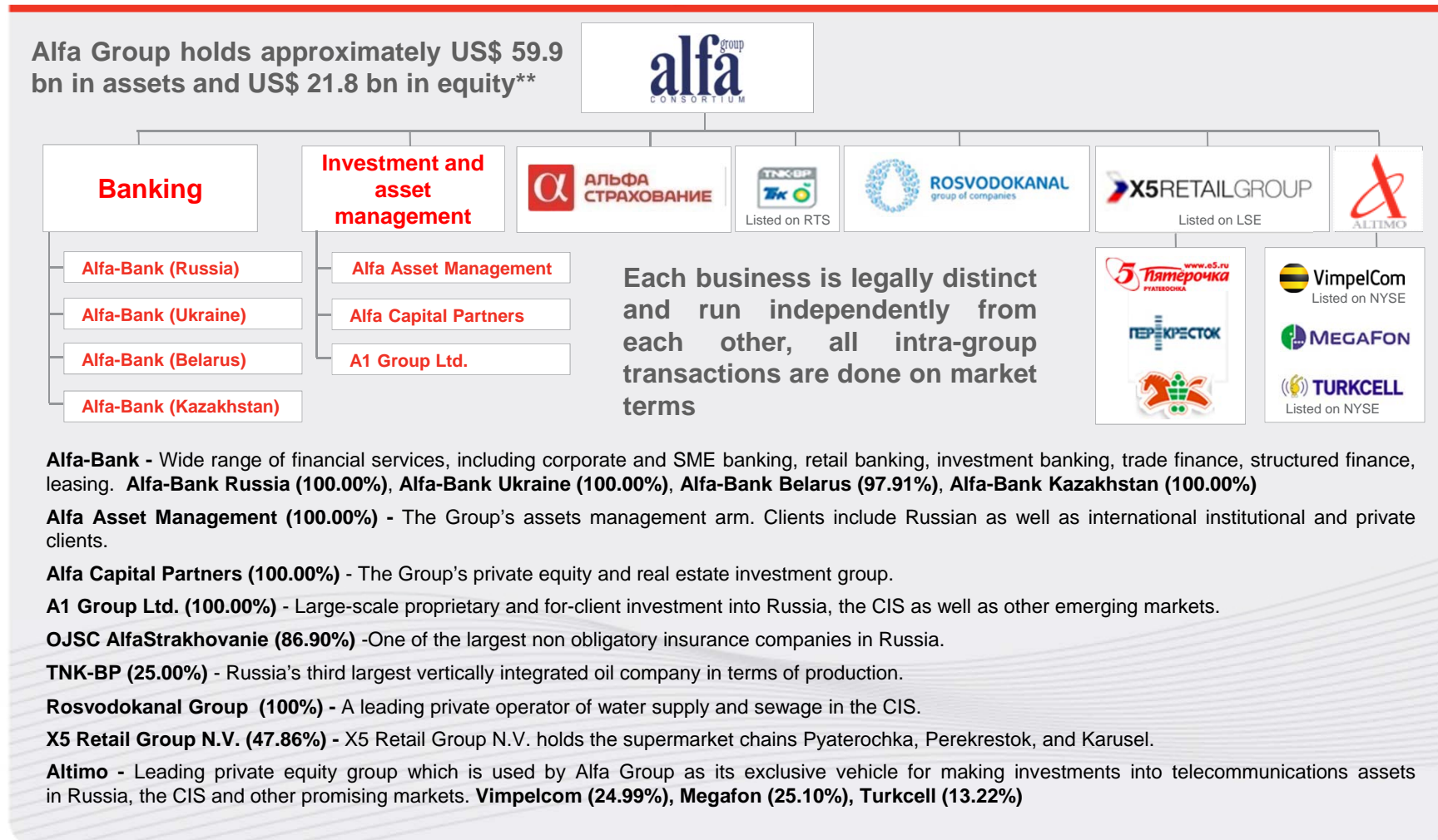
Return on Equity

~ 16 – 18%

CAR

~ 14 – 16%

Alfa-Bank: the key banking asset of Alfa Group*



* The stakes in the companies shown include effective minority stakes

** Source: Alfa Group audited report FY 2010



Alfa-Bank's universal business franchise



* Source: PWC and Senteo, January 2011

** as of January 1, 2012

Alfa-Bank: well recognised record of excellence



- Best Bank in Russia, 2009



- Best quality customer service bank in Moscow, 2009



- Best Service Company for Individual Investors, 2009
- Best analytics, 2010



- Best bank in the “Customer Experience Index” research by PricewaterhouseCoopers and Senteo, 2010, 2009



- Best bank in Russia, Best Creative Idea of the Year 2011, 2010, 2009



- Best Internet Bank in Russia, 2010



- Best private bank in Russia by Global Reputation Index (GRI) research, 2010

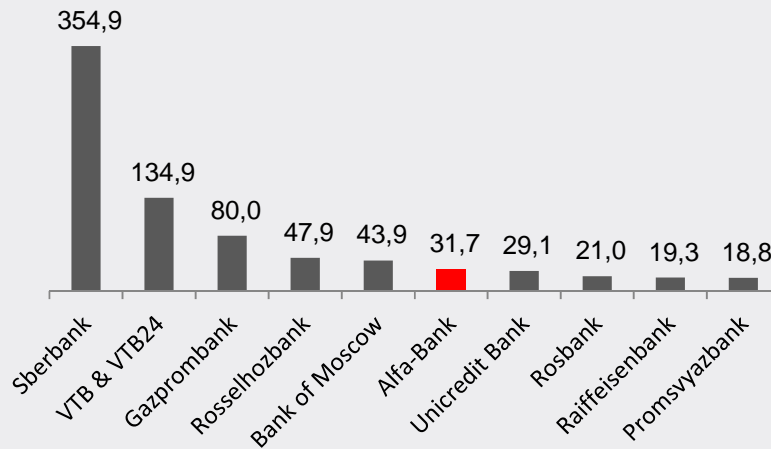


- Russian Private Bank of the Year, 2009

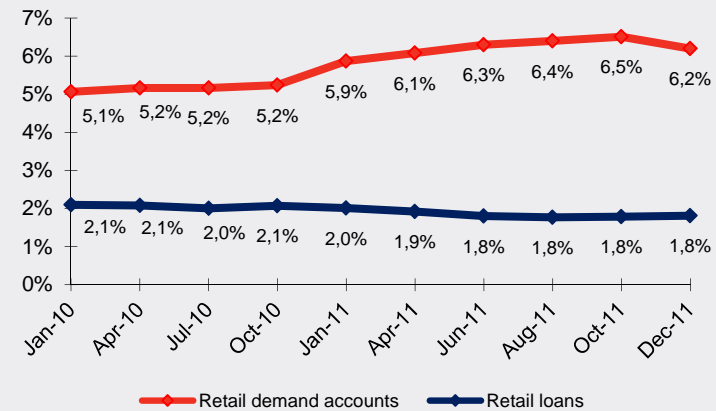
Leading Russian private bank in most market segments



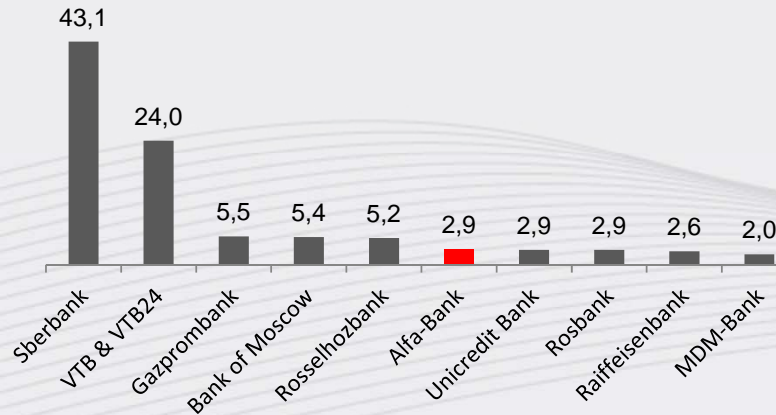
Top Russian banks by assets (US\$, bn)*



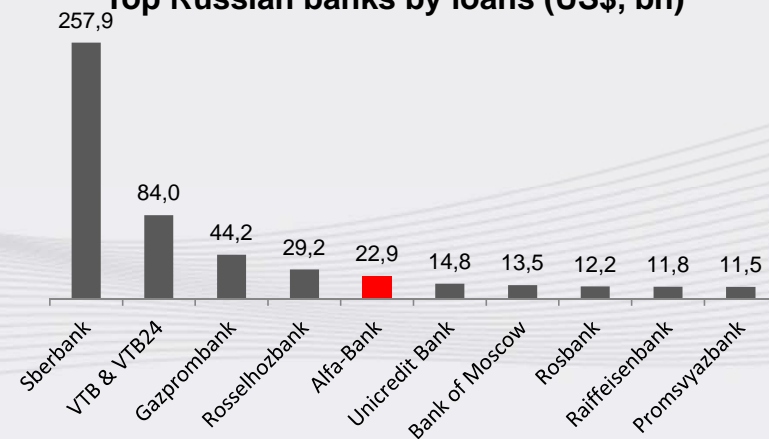
Market share in retail**



Top Russian banks by equity (US\$, bn)***



Top Russian banks by loans (US\$, bn)***



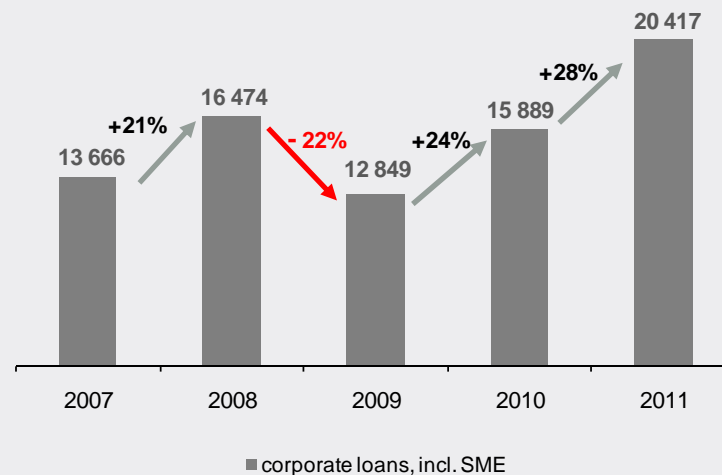
* Source: rating.rbc.ru. Figures as of January 1, 2012

** Source: CBR, Alfa-Bank's management report January 2012

*** Source: bankir.ru/rating/ Figures as of January, 2012

Figures are based on non-consolidated RAS financial statements (Alfa-Bank only)

Leading private bank in the corporate segment...



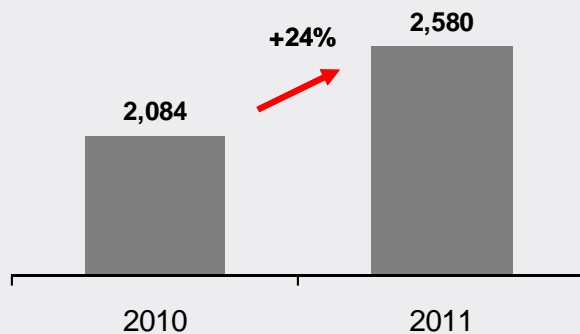
- Largest private bank in terms of corporate customer loans and accounts
- Services 55,800 corporate clients, including leading Russian Blue Chip companies: MOESK, NLMK, Russian Railways, Rosatom, SUEK, X5 Retail Group
- Alfa-Bank's strengths:
 - Excellent industry expertise
 - Strong team of client managers
 - Strong transactional platform
 - Deep distressed assets and debt management expertise
 - Fast response to customers' needs
 - Broad range of products (a universal bank)

Source: IFRS audited financial results

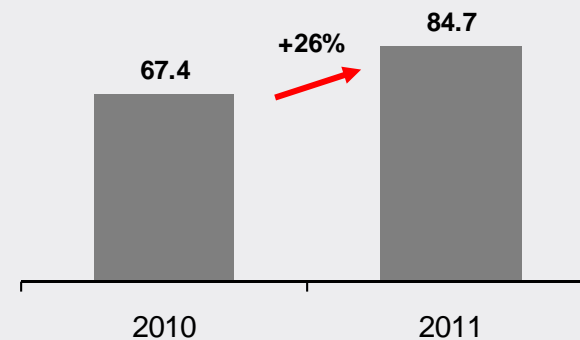


... with rapidly growing transaction business...

Settlement accounts (USD, mln)*



Commission income (USD, mln)**



Strategy

- The Goal: diversification of Bank's revenues, higher share of non-interest income, growing the base of loyal customers over the long term;
- Investments into IT platform development – CRM systems, Alfa Client Online, supply chain financing systems;
- Strengthening of sales model with the creation of product sales team in HQ and regions;
- Target products:
 - Settlement services (collection, conversion, cash management, currency control, corporate cards);
 - Treasury operations (deposits, minimum balance, bills);
 - Payroll projects;
 - Trade financing (L/C, guarantees, export-import financing with the participation of export credit agencies);
 - Financing of supply chains including factoring.

Source: Alfa-Bank management accounts (excluding ATB)

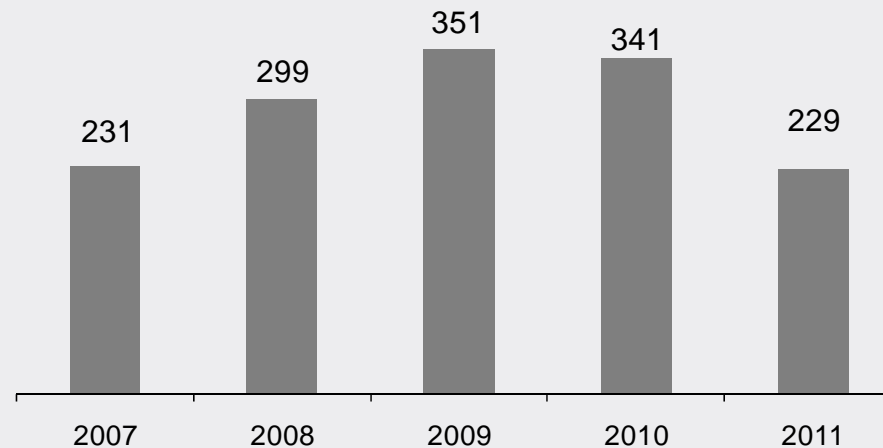
* Average annual figures

** Results of corporate transaction business only (excluding commissions from corporate lending)

... with an important Investment Banking franchise...



Investment Bank operating profit (US\$, mln)*



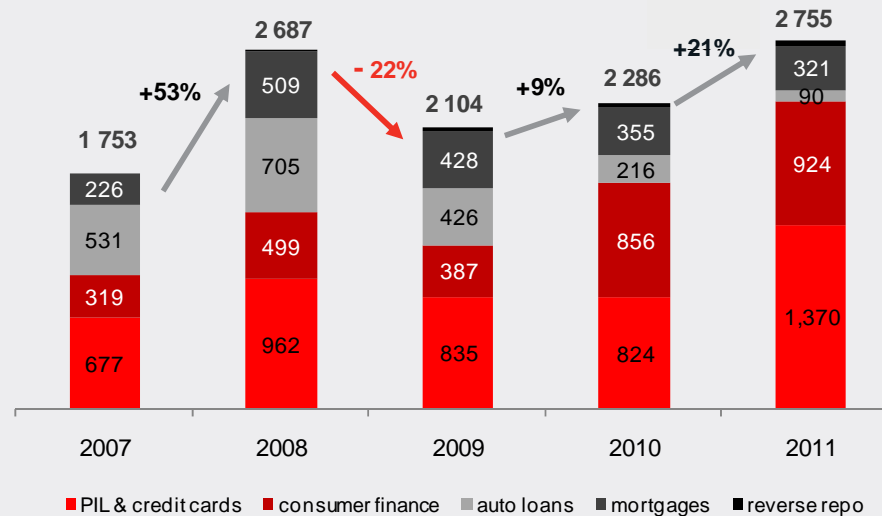
- Alfa-Bank's stake in RTS and MICEX brought another US\$45 mln of profit. Total is US\$97 mln, US\$35 mln in cash
- Further investments in FOREX and Alfa Direct align with significant growth of income
- Operating profit decreased in 2011 as against 2010:
 - FI actual income is less than planned by \$110 million due to turmoil in debt and currency markets in 2011
 - High one-off income in 2009-2010 from distressed debt related opportunistic trading
- Multiple active mandates with good revenue potential in Corporate Finance

Source: Alfa-Bank management report December 2011

* Figures based on management accounts (including Equities, Fixed Income, Corporate Finance, FOREX)



... and with solid positions in retail sector



- 6.3 million retail customers served by the end of 2011
- Full spectrum of retail banking products offered: credit cards, deposits, PILs, consumer, auto, mortgage loans, internet and mobile phone banking
- Number three largest Russian bank by retail demand deposits, behind Sberbank and VTB (6.2% market share as of December 2011)*
- Large distribution network – 280 retail branches as of February 2012
- Segment profit before tax for FY 2011 stood at US\$ 264 mln
- Rated number 1 in customer experience index in 2010 by PricewaterhouseCoopers
- Strong VIP banking offering “A-Club”

Source: IFRS audited financial results

* Source: CBR, Alfa-Bank management reports



Thank you for your attention!

For questions about Alfa-Bank, please contact our Investor Relations:

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