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Alfa-Bank

**First Half 2008 Results
September 23, 2008**

Andrew Baxter, Chief Financial Officer



Alfa·Bank

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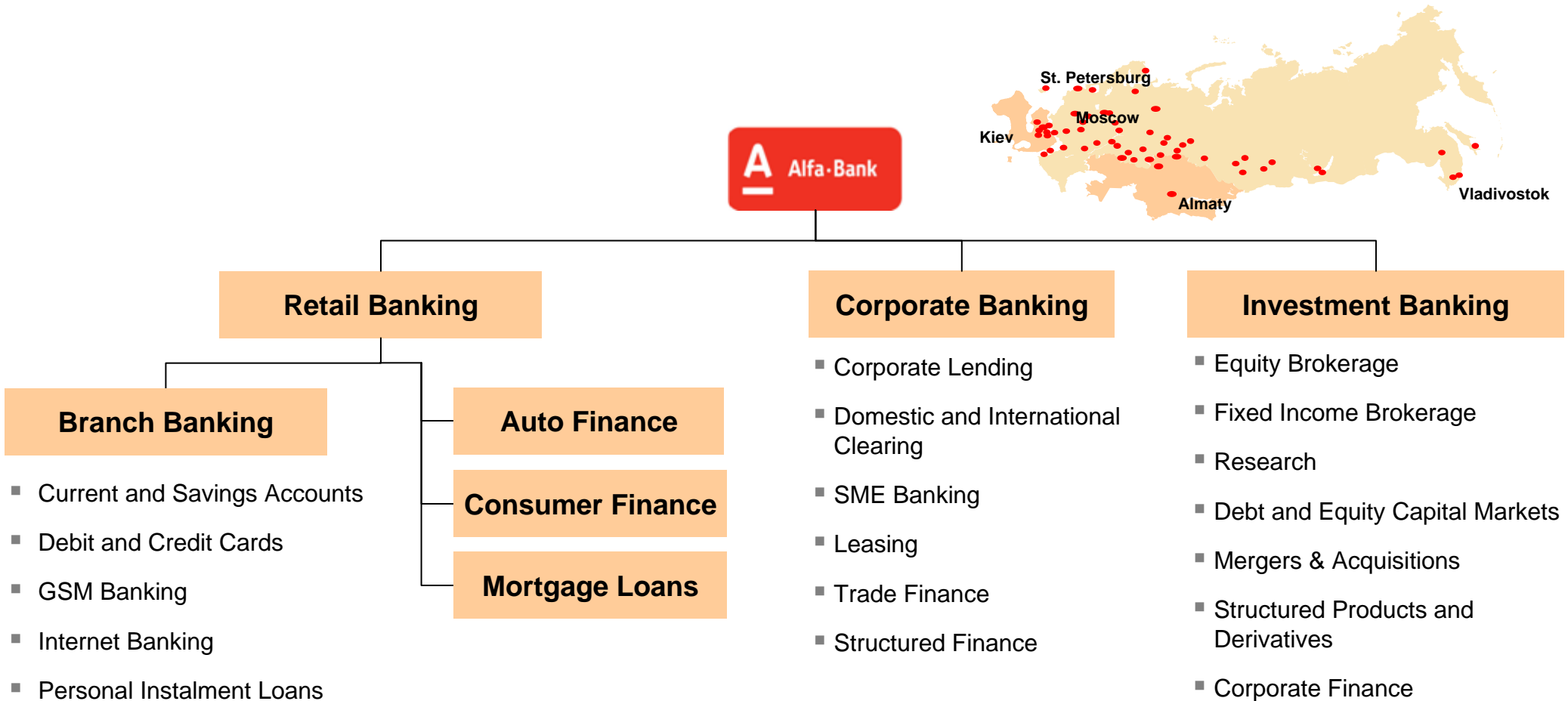
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Alfa-Bank's universal business franchise

One of the most recognised brands in Russia —
National “Super Brand of the Year”*

2.65 million retail clients and
around 51,000 corporate clients**



* Source: Superbrands International brand research, February 2008

** Figures as of August 1, 2008. In July 2008 the methodology of calculating corporate clients was changed to include only active clients, thus their number slightly reduced as compared to previous months

Financial highlights 1H 2008

Financial performance

- Net profit up 129.5% to US\$ 265.3 mln compared to 1H of 2007
- Cost to income at 49.7% (end-2007: 55.5%)
- Return on equity at 23.5% (end-2007: 16.0%)
- CAR at 11.0% (end-2007: 11.8%)

Operating performance

- Total assets up 27.3% from US\$ 22.7 bn to US\$ 28.9 bn
- Total gross loans up 31.2% from US\$ 15.4 bn to US\$ 20.2 bn
- Customer accounts up 36.1% from US\$ 12.2 bn to US\$ 16.6 bn

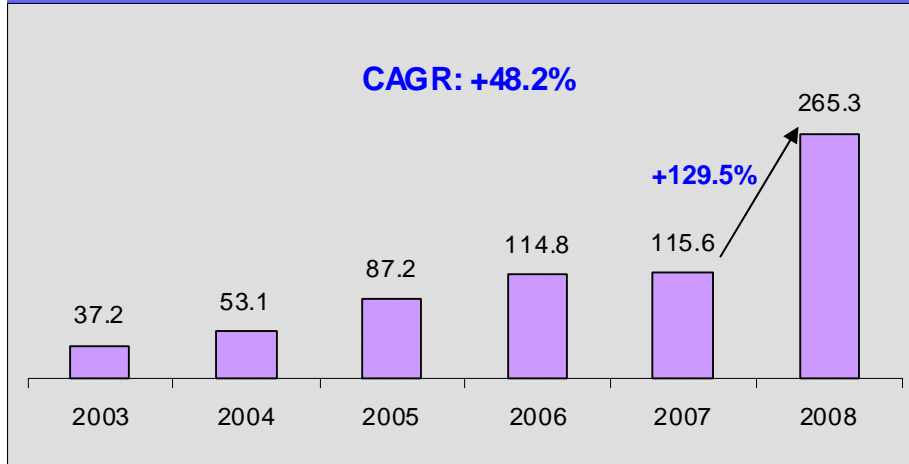
Ratings

- Moody's confirmed credit rating at Ba1/Stable in August 2008
- S&P confirmed credit rating at BB/Stable in December 2007
- S&P BBB- survivability assessment assigned in March 2007

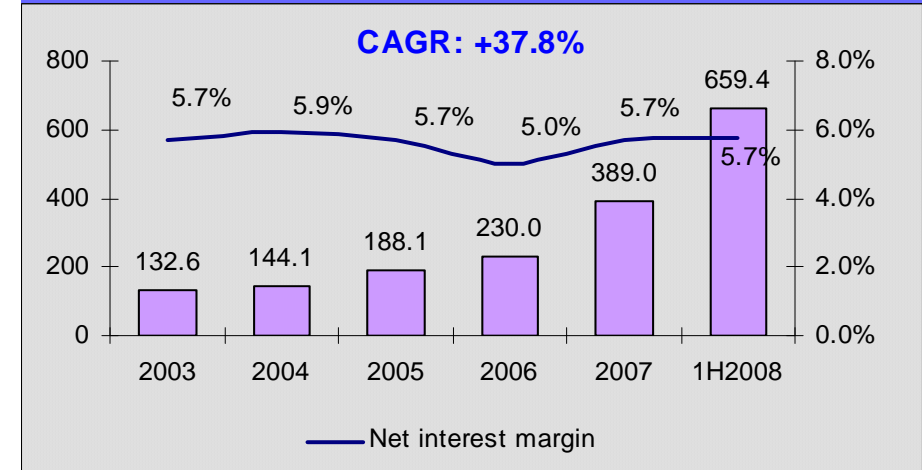
Rated by S&P as one of the most transparent banks in their 2007 research report:
"Transparency and Disclosure by Russian Banks"

Financial results demonstrating remarkable growth

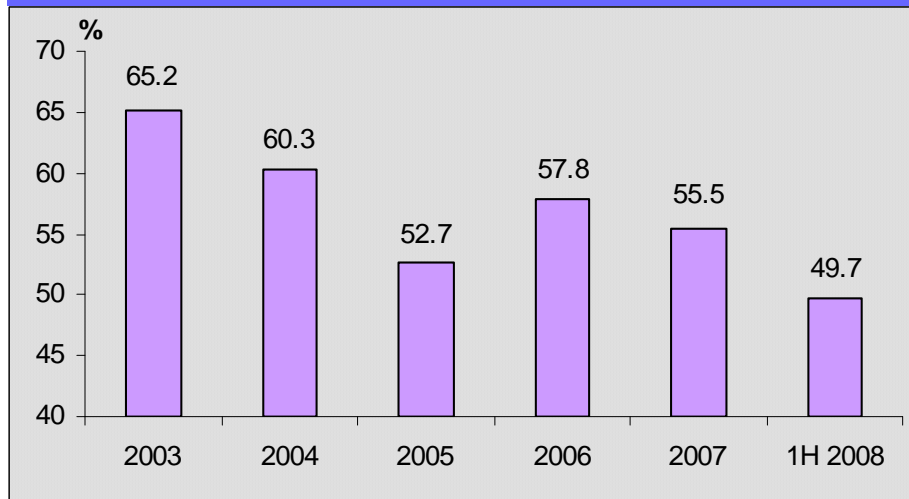
Net profit for 6 months (in US\$, mln)



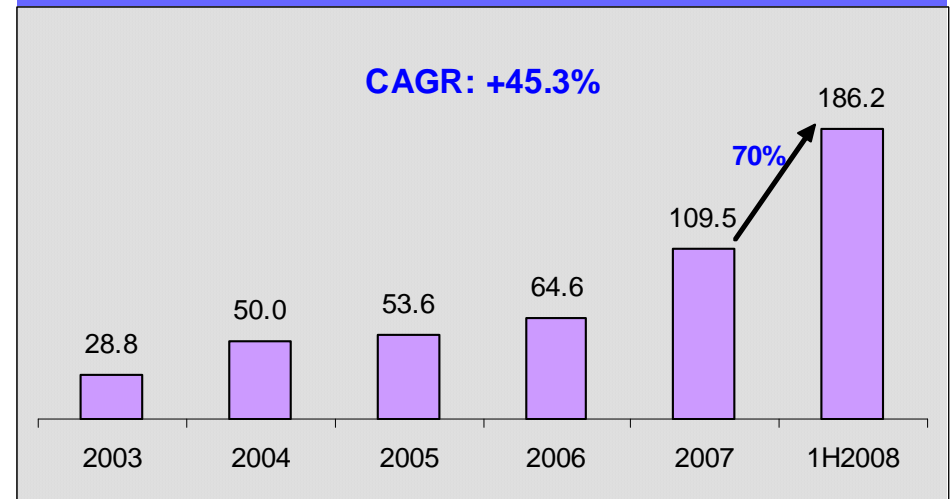
Net interest income for 6 months (in US\$, mln)



Cost to Income ratio, %

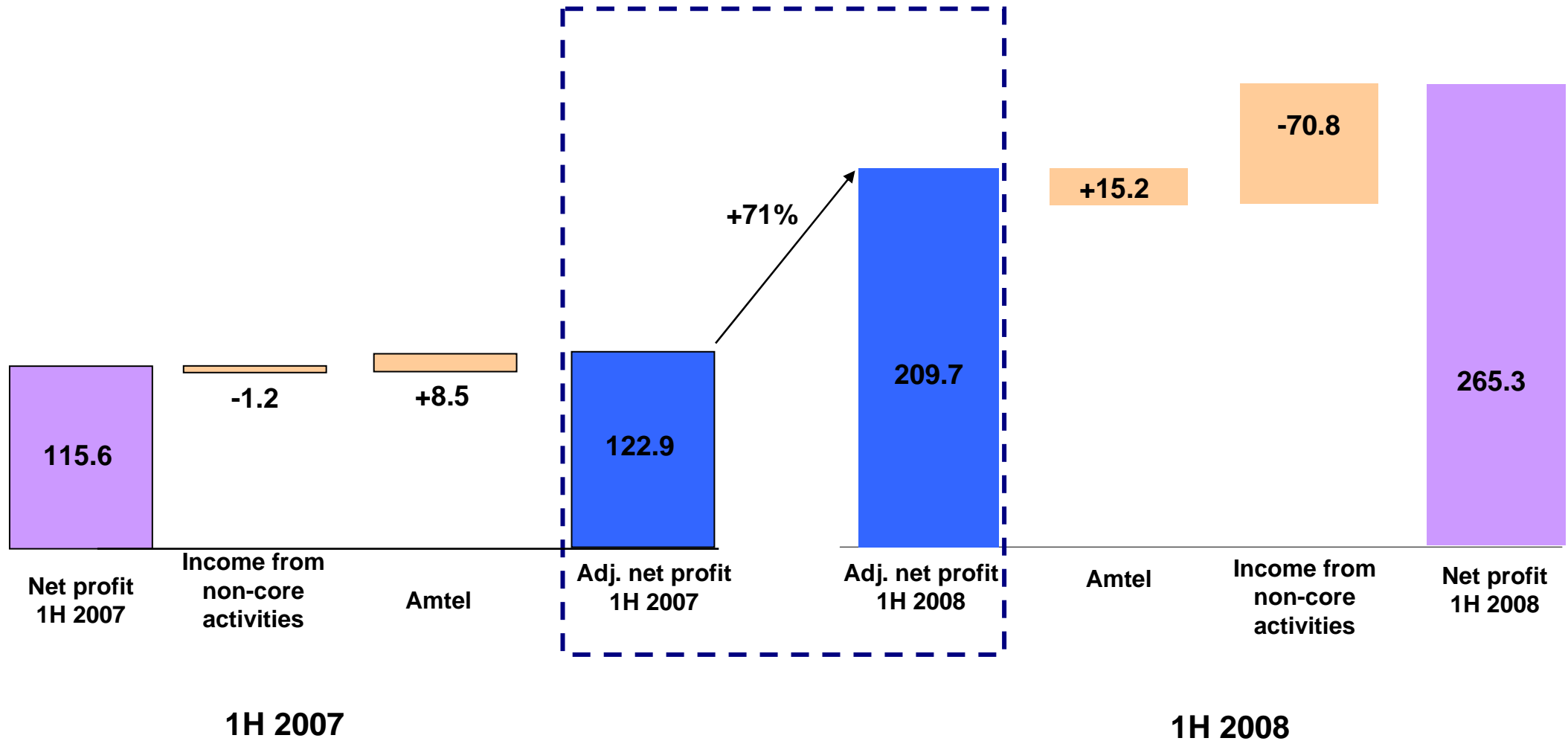


Net commission income for 6 months (in US\$, mln)



Source: IFRS reviewed by auditors financial results

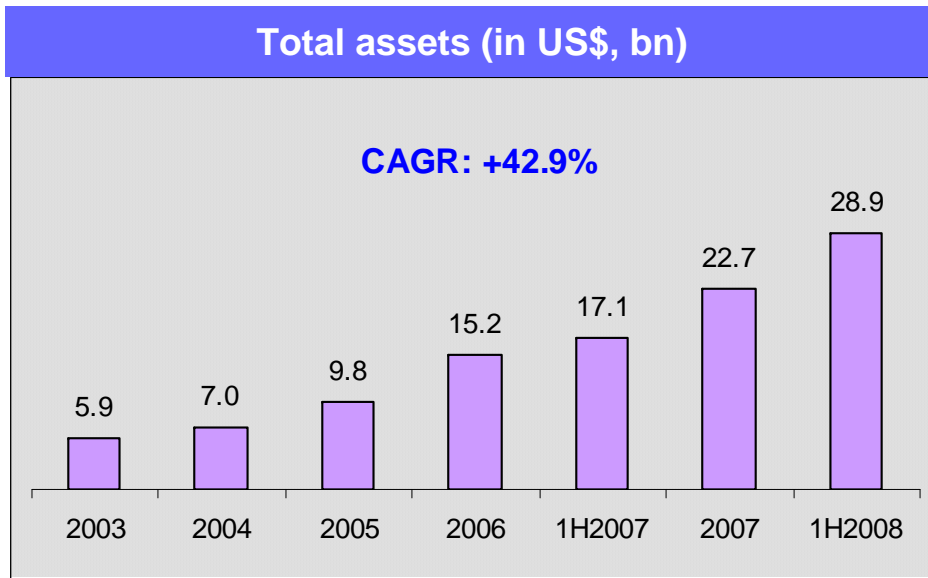
Net income solid performance (\$US, mln)



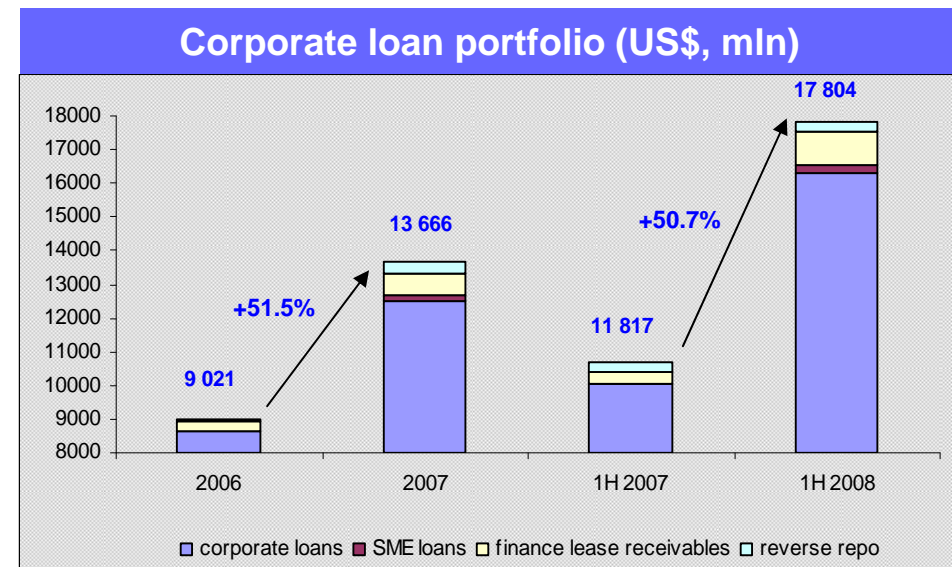
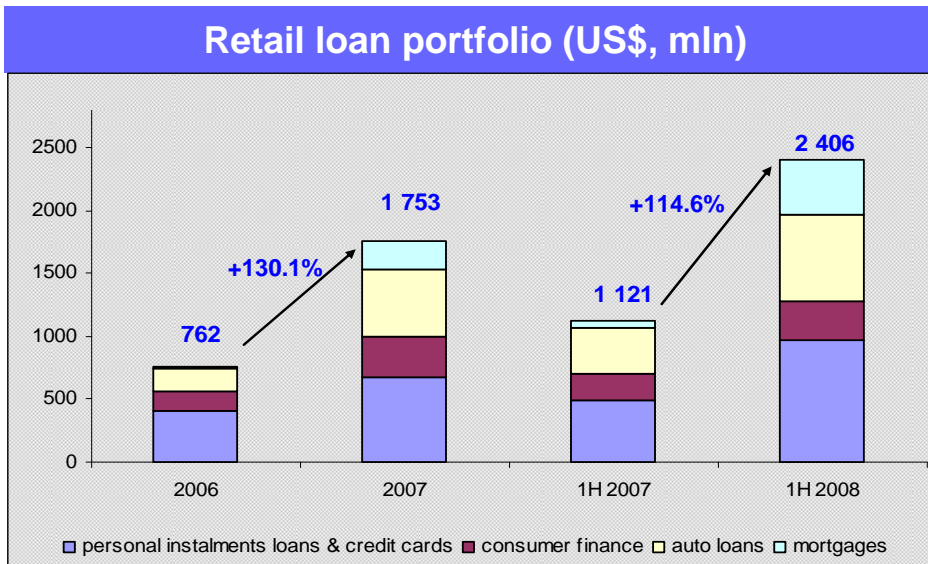
IFRS reviewed by auditors financial results 1H 2008

Income from non-core activities in 1H 2008 includes income on sale of film licences and revaluation of equity interest in VISA Inc. due to its restructuring. Income from non-core activities in 1H 2007 includes share of results in affiliated companies and investment property revaluation.

Assets and loan portfolio development

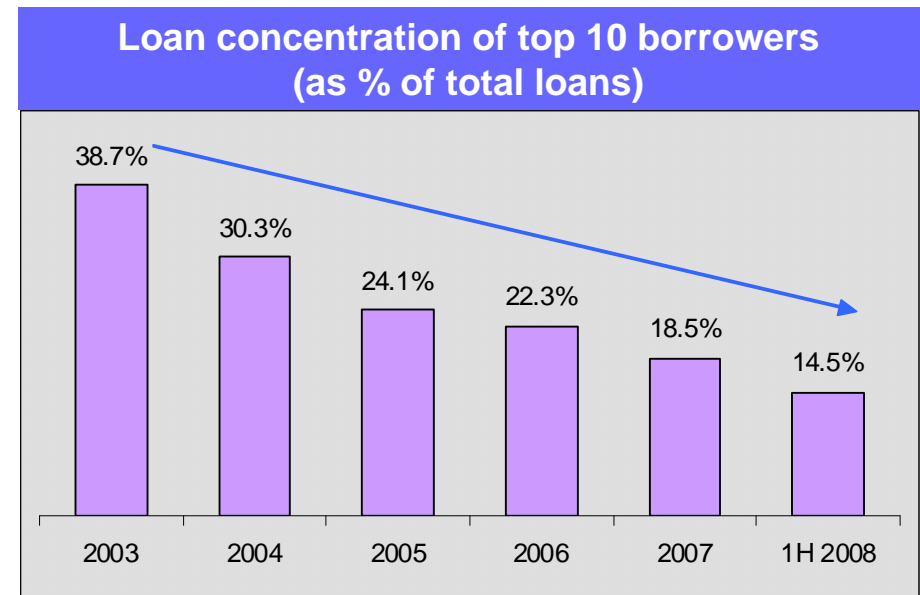
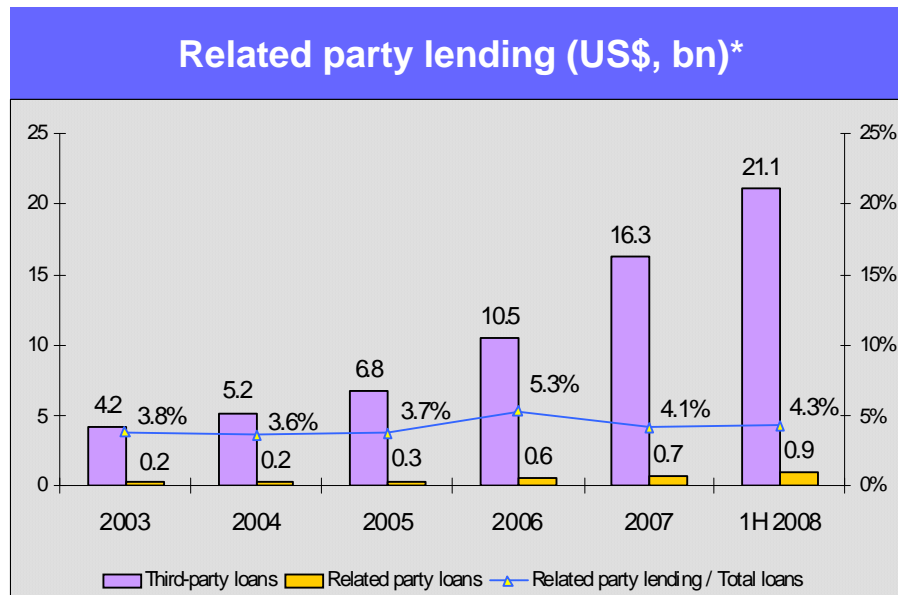


- # 5 in terms of assets and # 4 in terms of loan portfolio in Russia
- Largest private bank by corporate loan portfolio
- Top 10 Russian bank by total retail portfolio
- Assets growth for the period from 30 June 2007 to 30 June 2008 is more than 69%



Superior risk management

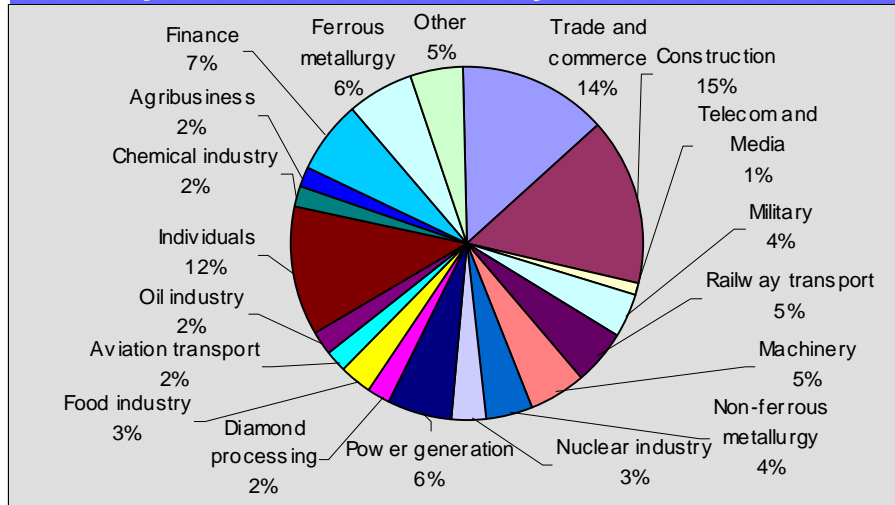
- One of the best Risk Management teams in Russia
- Loan concentration of top 10 borrowers reduced to 14.5% at the end of June 2008 from 18.5% at the end of 2007
- Top 10 depositor concentration reduced to 37.1% at the end of June 2008 from 37.5% at the end of 2007
- Alfa-Bank plans further reduction of loan and deposit concentrations in 2008
- Related party lending kept at low level during the last 5 years



Source: IFRS reviewed by auditors financial results 1H 2008
 * including credit-related commitments

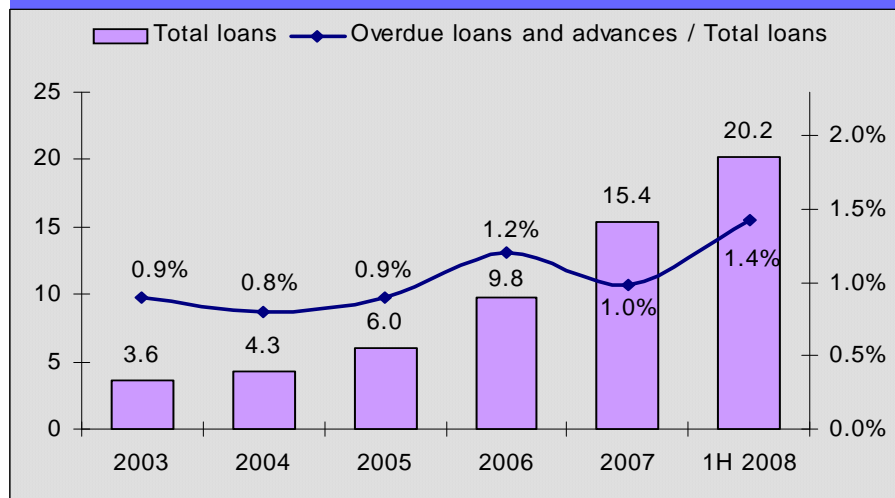
High quality of the loan portfolio

Loan portfolio breakdown by economic sectors

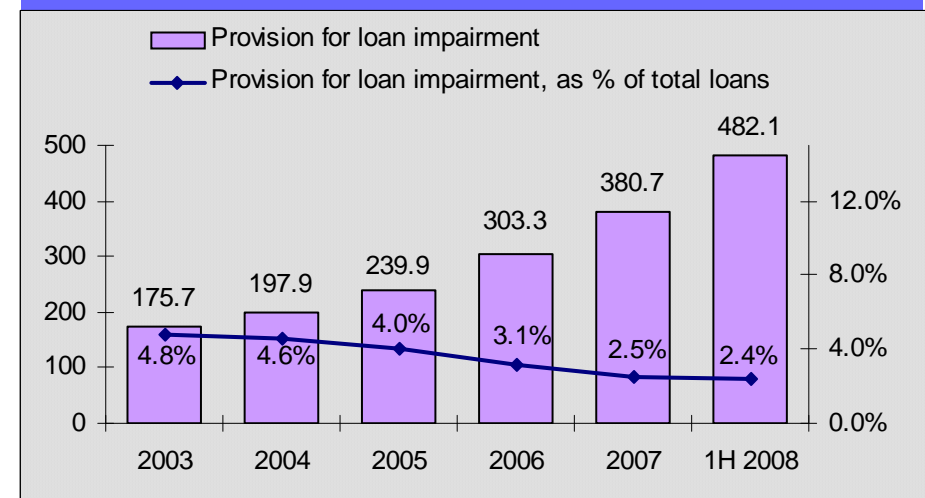


- The largest sector in the loan portfolio, Construction, represents only 15% of the total loan book (end-2007: Trade and Commerce - 18%)
- Overdue loans are kept at a low level due to high quality of the corporate loan portfolio (corporate overdue loans amount to 0.76% of corporate portfolio, despite corporate loan book significant growth of 30.3% during 2008)
- Great progress has been achieved in retail portfolio quality – retail 1+ overdue loans are kept at 6%, 90+ overdue dropped from 2.0% in 2007 to 1.4% in 1H 2008

Overdue loans and advances (US\$, bn)*



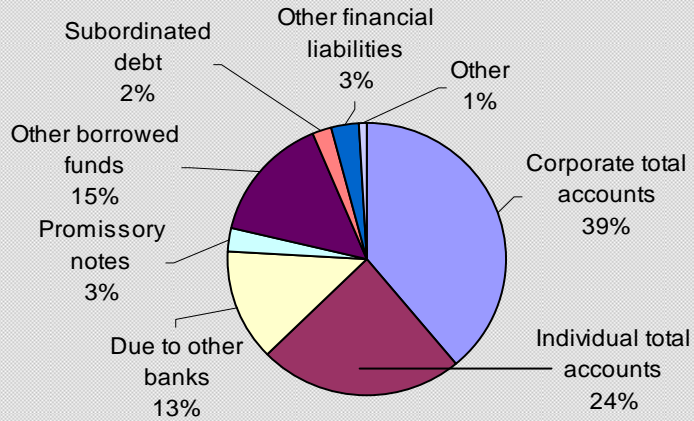
Provision for loan impairment (US\$, mln)



Source: IFRS reviewed by auditors financial results 1H 2008
* Loans +1 day overdue

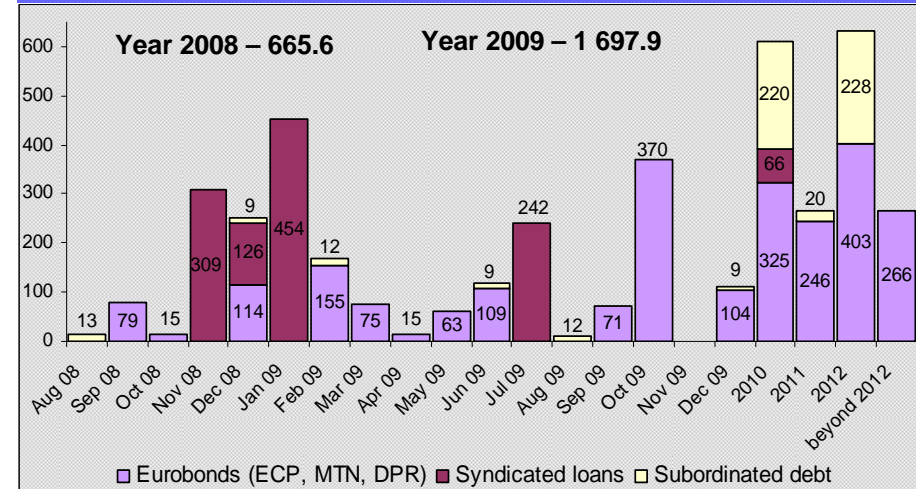
Increased diversification of funding sources

Liability structure

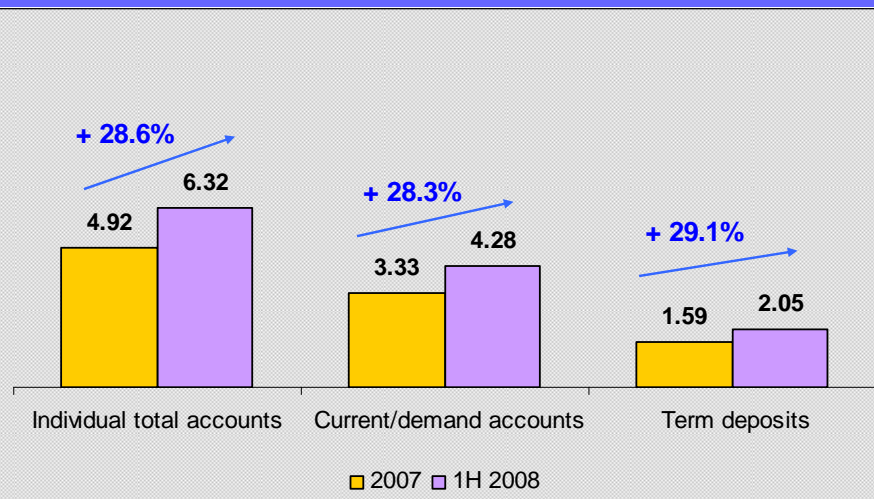


Total liabilities: US\$ 26.5 bn

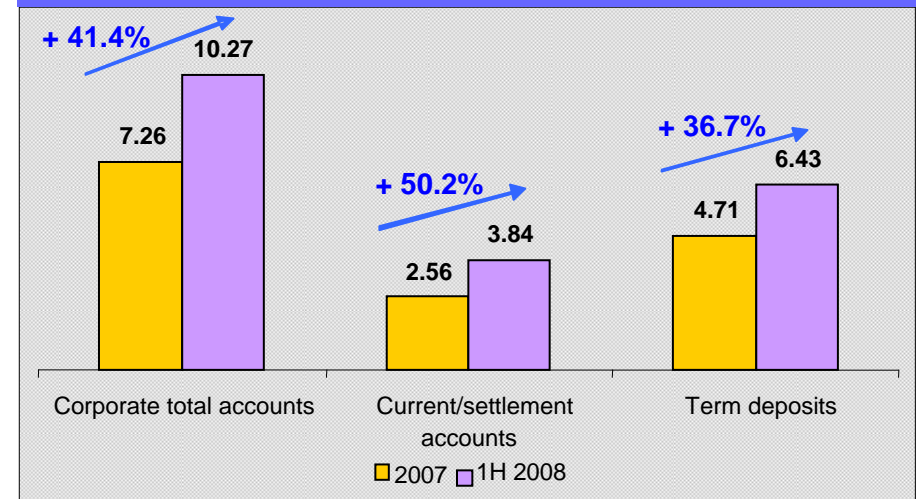
Foreign borrowed funds maturity breakdown (US\$, mln)*



Retail customer accounts, (US\$, bn)



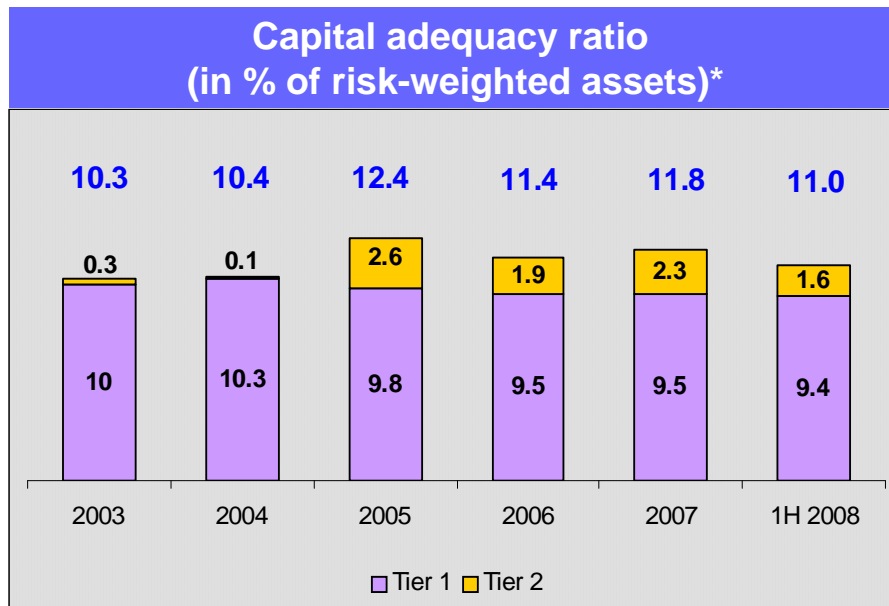
Corporate customer accounts (US\$, bn)



Source: IFRS reviewed by auditors financial results 1H 2008

* Figures as of 1 August 2008

Adequate capital level maintained



- Net share capital increase of \$258 mln completed in 1H 2007
- A further cash capital injection of \$250 mln was completed in June 2008

*Preliminary CAR ratios, calculated in accordance with Basel standards

Outlook 2008

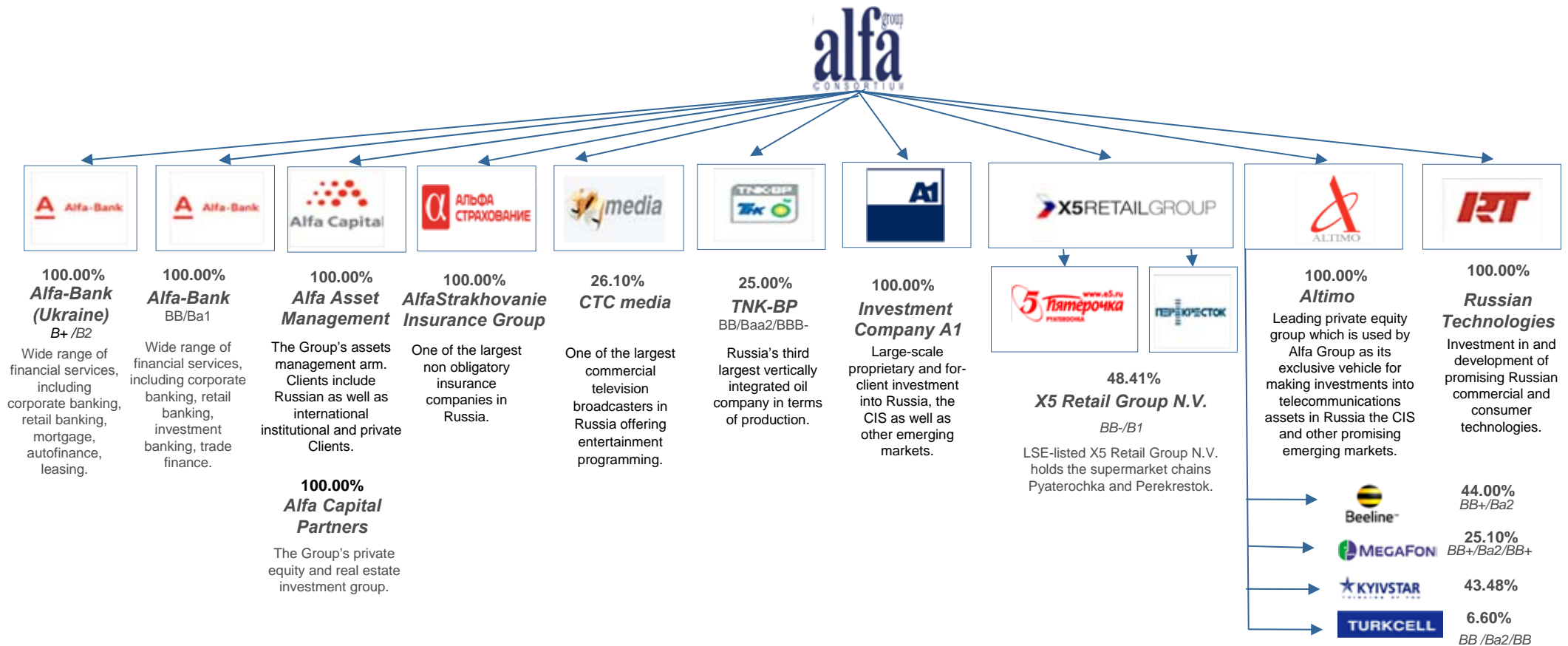
Total Assets	~ US\$ 30-32 bn
Loan Portfolio	Corporate loans: ~ US\$ 19-20 bn Retail loans: ~ US\$ 3-3.5 bn
Cost to Income Ratio	~ 50%
Return on Equity	~ 20%
CAR	~ 10-12%

Appendix

The role of Alfa-Bank within Alfa Group

- Alfa Group holds approximately \$32.2 bn in assets and \$9.4 bn in equity*
- Each business is legally distinct and run independently from each other, all intra-group transactions are done on market terms

Alfa Group's Holdings**



* Source: Alfa Group audited report FY 2006

** The stakes in the companies shown include effective minority stakes

Proud of awards and recognition



- Best Bank in Russia, 2008, 2007
- Best Local Bank Trading Rouble, 2006
- Best M&A House in Russia and Best M&A Deal of the Year, 2004
- Best Forex Bank in Russia, 2006



- Best bank in the “Customer Impressions of Retail Banking in Russia” research by KPMG and Senteo, 2007



- Best bank in the “Customer Impressions of Retail Banking in Russia” research by PricewaterhouseCoopers and Senteo, 2008



- Best bank in Russia by quality of retail client services
- Creative Idea of the Year 2007 — Cosmopolitan — Visa Cards



- Best Internet Bank in Russia 2008
- Best Domestic Bank 2008
- Best Trade Finance Bank in Russia, 2008, 2007, 2004, 2003, 2002
- Best Equity Research Bank 2008
- Best Forex Bank in Russia, 2005, 2004
- Best M&A Advisor, 2004, 2003



- Operational Risk Achievement Award for “Operational Risk Framework at an Institution Based in an Emerging Market”, 2005, 2004



- Best Trade Finance Bank in Russia and CIS, 2004
- Best Correspondent Bank in Russia and CIS, 2004



- Super Brand Award 2008, 2007, 2006

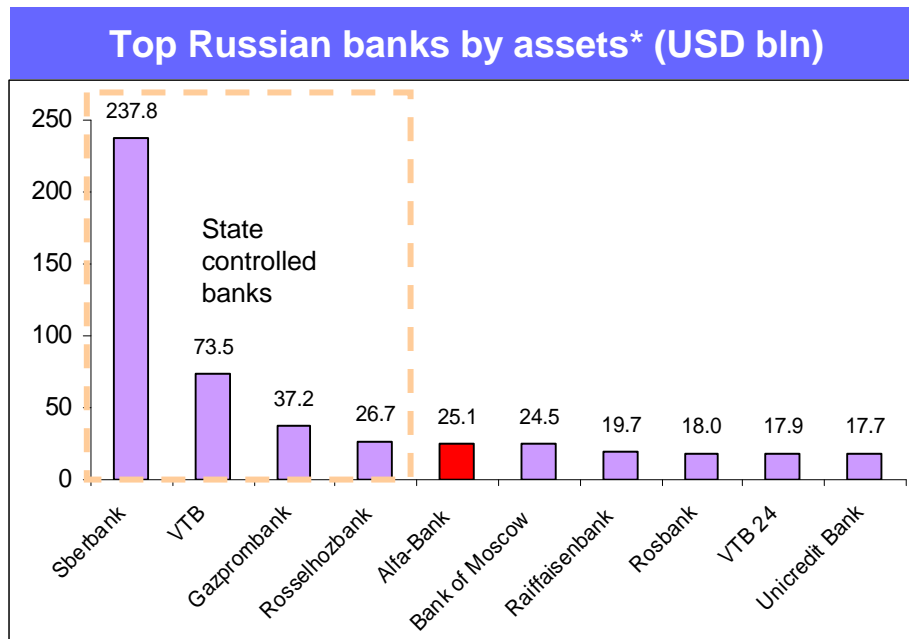


- One of the most transparent banks according to the “Transparency and Disclosure by Russian Banks” research



- European Co-Brand Programme Award 2006 for Alfa-Bank - Aeroflot MasterCard Card Russia

Leading private bank in Russia with a healthy result oriented corporate culture



Competitive advantages

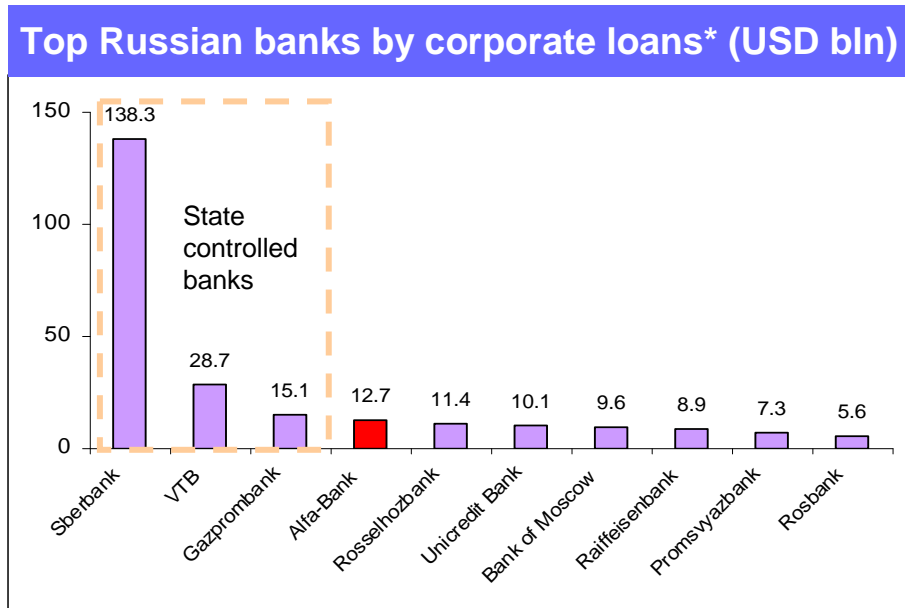
- Leading universal private bank in Russia
- Wide range and high quality of products
- Nationwide distribution
- Highly professional management
- Strong shareholder support and commitment
- Transparency
- Superior technology base
- Conservative risk management

Strategy

- Alfa-Bank is, and will remain, a universal bank, with 3 core business lines: corporate banking including SME, investment banking, retail banking (including branch banking, auto and mortgage lending)
 - The business units will be further integrated in order to promote efficiency and sales
 - Alfa-Bank is primarily focused on a rapid organic growth strategy
 - The focus on growth is geographic expansion
 - Further strengthening the brand
 - Exploiting economies of scale

•Source: rating.rbc.ru. Figures as of July 1, 2008

The market leader in corporate lending...



- Largest private bank by corporate loan portfolio*
- Around 51,000 corporate clients, including leading Russian Blue Chip companies such as RAO UES, Russian Railways, RusAl
- Corporate bank's strengths
 - Oriented to long standing corporate relationships
 - Country-wide distribution
 - Excellent reputation, team and credit expertise
 - Good local knowledge

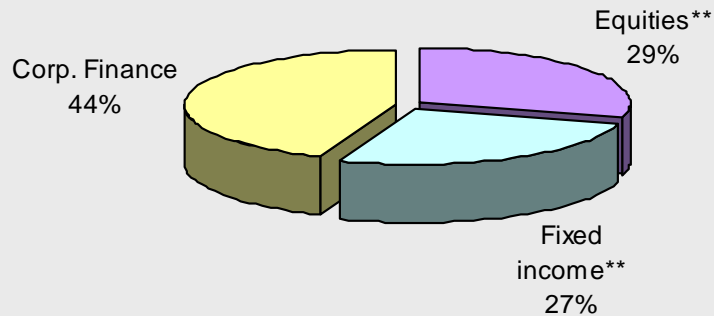
Strategy

- Maintain leadership position in corporate lending
- Exploit synergies with investment banking and retail banking businesses, increase profit from cross-sells
 - Further develop small and medium companies segment
 - Income diversification with settlement services
 - Promoting high-margin products such as structured lending, trade finance and leasing
- Clear segmentation between large, medium and small companies, different strategies and product line for each group

* Source: rating.rbc.ru. Figures as of July 1, 2008

... and one of the top Russian investment banks...

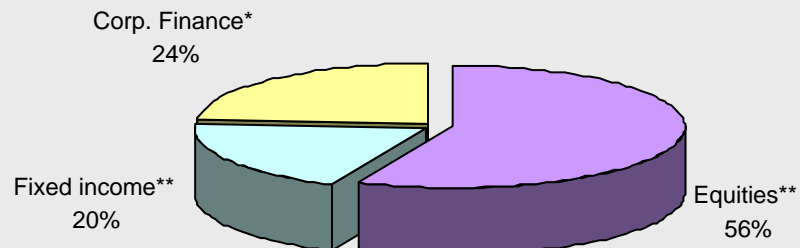
Investment banking operating income 1H 2008 breakdown



- New management team in all core areas, restructuring complete, limited new hiring going forward
- Revenue up over 35% from 2007 YTD
- Building out distribution of both equity and fixed income products
- Commission income over 60%, proprietary trading less than 15% of income
- Cost management

Strategy

Investment banking operating income 2007 breakdown

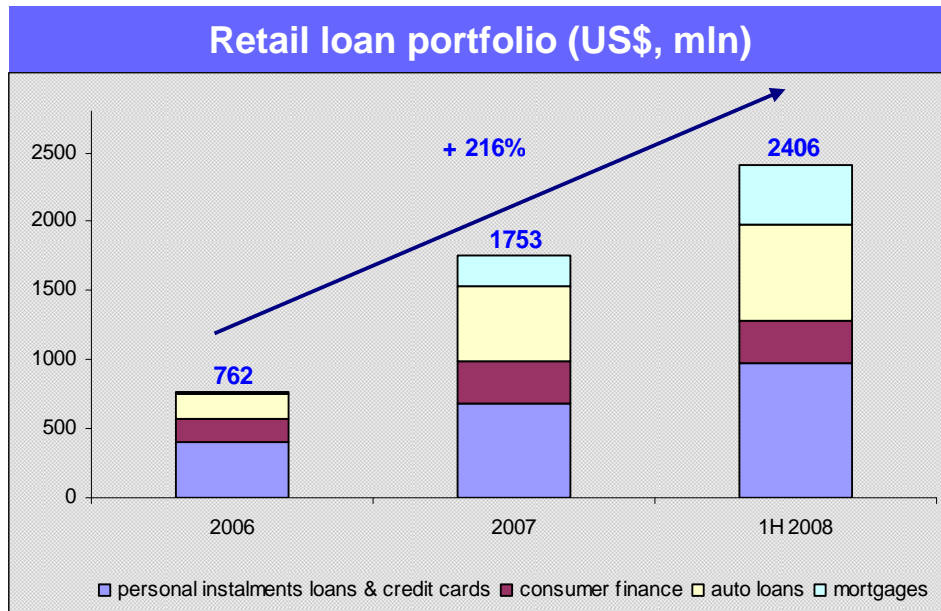


- Continue to integrate coverage of corporate clients with Corporate Bank
- Continue to develop derivatives and structured products
- Upgrade of infrastructure and operations to “best in class”
- Grow domestic business with focus on Alfa Direct and regional expansion utilizing Alfa Bank network

* M&A moved to IB in 2007

** FI and Equities including Derivatives

... with rapidly growing positions in retail sector



- 2.65 million retail customers served*
- Full spectrum of retail banking products offered: credit cards, deposits, PILs, auto and mortgage lending
- One of the largest Russian privately owned banks by retail demand deposits (4.7% market share as of July 1, 2008)**
- Top 8 Russian bank by total retail portfolio*
- Large distribution network – by the end of July 2008 – 249 retail branches
- Retail loan portfolio of US\$ 3-3.5 bn by the end of 2008 is expected
- Rated number 1 in consumer satisfaction index in H1 2008***

Strategy

- Profitable growth (increase margin, continue infrastructure optimization and cost reduction)
 - Further develop remote distribution channels
- Expand leadership in payroll services and current accounts – 5% market share is expected by the end of 2008
- Cross-selling products of retail business, including to other Alfa Group companies – AlfaStrakhovanie, Alfa Capital, etc.
 - Pricing corrections – Risk Based Pricing, Regional Pricing

* Source: Alfa-Bank management reports August 2008

** Source: CBR

*** Source: rating.rbc.ru

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