Alfa·Bank

Year End 2012 Results

April 4, 2013

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Financial highlights 2012

**Financial Position**
- Total assets increased 46.4% from US$ 31.4 bn at FY 2011 to US$ 45.9 bn
- Gross loans increased 37.3% from US$ 23.2 bn at FY 2011 to US$ 31.8 bn
- Provisioning ratio decreased from 5.9% of loan portfolio at FY 2011 to 4.0%
- Customer accounts up 47.0% from US$ 18.3 bn at FY 2011 to US$ 26.8 bn
- Total equity up 20.9% from US$ 3.4 bn at FY 2011 to US$ 4.2 bn (after dividend of US$ 0.18 bn)

**Ratings**
- Fitch upgraded credit rating from BB+/stable to BBB-/stable in July 2012
- S&P upgraded long term credit rating from BB to BB+ in December 2012, stable outlook
- Moody’s confirmed credit rating at Ba1 in March 2012, stable outlook

**Statement of Income**
- Allocated segment profit before tax and bonuses:
  - Corporate and Investment banking – US$ 834 mln
  - Retail banking – US$ 338 mln
- Cost to income at 46.3% (2011: 51.6%)
- Return on equity at 21.9% (2011: 19.7%)

Source: IFRS audited financial results, FY 2012
Income well above pre-crisis levels

**Net income (in US$, mln)**

- **CAGR: +37.8%**
  - 2008: 230
  - 2009: 77
  - 2010: 553
  - 2011: 641
  - 2012: 829

**Net interest income (in US$, mln)***

- **CAGR: +4.9%**
  - 2008: 1419
  - 2009: 1117
  - 2010: 1348
  - 2011: 1456
  - 2012: 1715

**Net commission income (in US$, mln)**

- **CAGR: +14.2%**
  - 2008: 341
  - 2009: 255
  - 2010: 317
  - 2011: 455
  - 2012: 580

Source: IFRS audited financial results, FY 2012

* Net interest margin is calculated as Net interest income / Average interest earning assets
Assets and loan portfolio development

- Top 5 in terms of total assets and gross loans – Russia's largest private bank*
- Total gross loans increased by 37.3% in 2012
- Total assets grew by 46.4% in 2012 and doubled as compare with YE 2009
- Alfa-Bank maintains relatively stable assets structure with a loan portfolio share of about 67% and gross loans to deposits ratio of 119% (127% as at YE 2011)

Source: IFRS audited financial results, FY 2012
* Source: bankir.ru/rating/, as of January, 2013. Bank of Moscow is considered as part of VTB Group, as it was merged in 2011
Improving concentration levels

- Relatively stable industry mix, with significant growth of trade and commerce sector (from 16% of gross loans in 2011 to 22% in 2012)
- Loan and deposit concentrations of top 10 customers demonstrate a stable decrease starting from 2009
- Exposure to related-party borrowers decreased from 5.4% of total loans and credit related commitments at the end of 2011 to 4.2% at 2012

Source: IFRS audited financial results, FY 2012
* Including ferrous metallurgy US$ 2,327 mln (7%) and non-ferrous metallurgy US$ 788 mln (2%)
** Including credit-related commitments
Loan portfolio quality

**Overdue loans and advances 1+ days***

- Overdue loans peaked in 2009 during the international financial crisis, and fell down to 1.6% by the end of 2012
- Provisioning rate decreasing due to problem loans resolution together with improved portfolio quality
- Share of problem loans** in total loan portfolio decreased from 5.0% in 2011 to 2.3% in 2012
- Provisions coverage of overdue loans is 244% as of FY 2012, 230% as of FY 2011

***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

**Problem loans structure (US$, mln)**

- Share of problem loans decreased from 5.0% in 2011 to 2.3% in 2012

**Provision for loan impairment (US$, mln)**

- Provisions coverage of overdue loans is 244% as of FY 2012, 230% as of FY 2011

Source: IFRS audited financial results, FY 2012
Dynamics of loan portfolio delinquencies

Corporate delinquency

Retail lagged delinquency 1+ days

Retail lagged delinquency 30+ days

Retail lagged delinquency 90+ days

Risk management estimates (not IFRS), Alfa-Bank only
Funding structure is well-balanced

Customer accounts (US$, bn)

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>18.25</td>
<td>26.84</td>
<td>8.08</td>
<td>10.50</td>
<td>10.18</td>
<td>16.34</td>
</tr>
<tr>
<td>8.90</td>
<td>14.65</td>
<td>3.09</td>
<td>3.91</td>
<td>5.82</td>
<td>10.75</td>
</tr>
</tbody>
</table>

- Individual
- Corporate

Liability structure 2012

Other borrowed funds and subordinated debt: 16%
Promissory notes: 4%
Due to other banks: 13%
State and public organisations: 6%
Individual total accounts: 29%
Corporate total accounts: 29%
Other: 3%

Other borrowed funds maturity breakdown**

(US$, mln)

<table>
<thead>
<tr>
<th>Year End</th>
<th>2012</th>
<th>Results. April 4, 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Liquidity sources, 25.03.2013 *

<table>
<thead>
<tr>
<th>IFRS cash as of 2012</th>
<th>$5.2 bln or 11.4% of TA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional funding sources available as of 25.03.2013</td>
<td>Unused limit, US$ mln</td>
</tr>
<tr>
<td>HFS portfolio</td>
<td>934</td>
</tr>
<tr>
<td>REPOable Fixed Income portfolio</td>
<td>687</td>
</tr>
<tr>
<td>Loan portfolio to CBR REPO</td>
<td>2,064</td>
</tr>
<tr>
<td>CBR Xguarantee</td>
<td>647</td>
</tr>
<tr>
<td>CBR/MINFIN Auctions</td>
<td>2,788</td>
</tr>
<tr>
<td>Total</td>
<td>7,120</td>
</tr>
<tr>
<td>Next month average daily loan redemption</td>
<td>$71.3 mln</td>
</tr>
</tbody>
</table>

Source: IFRS audited financial results, FY 2012
* Treasury accounts
** OBF amounts include securities placed in 1H 2013: RR 5 000 million (equivalent of USD 165 million) bonds, USD 20 million ECP
High capital adequacy level maintained

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

- Capital adequacy ratio decreased to 15.6% as of 2012 from 16.7% as of YE 2011 mostly due to increase of risk-weighted assets in 2012
- Total RWA increased by 38.1%:
  - Banking book grew by 37.5%
  - Trading book grew by 53.7%
- 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
- In September 2012 the Alfa Banking Group placed its subordinated Loan Participation Notes in the amount of US$750 mln due 2019
- In December 2012 the Alfa Banking Group declared dividends of US$182 mln

<table>
<thead>
<tr>
<th>Year</th>
<th>Tier 1</th>
<th>Tier 2</th>
<th>Total</th>
<th>Diff</th>
<th>Tier 1</th>
<th>Tier 2</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>9.2</td>
<td>1.0</td>
<td>8.2</td>
<td></td>
<td>13.1</td>
<td>1.0</td>
<td>14.1</td>
</tr>
<tr>
<td>2009</td>
<td>20.2</td>
<td>7.1</td>
<td>13.1</td>
<td>6.1</td>
<td>12.6</td>
<td>2.1</td>
<td>14.7</td>
</tr>
<tr>
<td>2010</td>
<td>18.2</td>
<td>5.6</td>
<td>12.6</td>
<td>3.0</td>
<td>16.7</td>
<td>4.8</td>
<td>21.5</td>
</tr>
<tr>
<td>2011</td>
<td>15.6</td>
<td>5.4</td>
<td>10.2</td>
<td>-5.4</td>
<td>15.6</td>
<td>5.4</td>
<td>21.0</td>
</tr>
<tr>
<td>2012</td>
<td>15.6</td>
<td>5.4</td>
<td>10.2</td>
<td>-5.4</td>
<td>15.6</td>
<td>5.4</td>
<td>21.0</td>
</tr>
</tbody>
</table>

**CAR summary (US$, mln)**

<table>
<thead>
<tr>
<th>Year End 2012</th>
<th>Capital adequacy</th>
<th>Diff</th>
<th>Year End 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tier 1</td>
<td>Tier 2</td>
<td>Total capital</td>
</tr>
<tr>
<td>31.12.2012</td>
<td>3 995</td>
<td>633</td>
<td>3 362</td>
</tr>
<tr>
<td>31.12.2011</td>
<td>3 362</td>
<td>1 376</td>
<td>4 710</td>
</tr>
</tbody>
</table>

* CAR ratios calculated in accordance with Basel I standards (management computation)
Forecast 2013

- Total Assets: Growth* ~ 15%
- Loan Portfolio: Corporate loans: growth ~ 15 – 20%
  Retail loans: growth ~ 20 – 25%
- Cost to Income Ratio: < 50%
- Return on Equity: > 20%
- CAR: ~ 14 – 16%

* compared to FY 2012
Alfa-Bank: the key banking asset of Alfa Group*

Alfa Group holds approximately US$ 64.8 bn in assets and US$ 24.4 bn in equity**

Banking
- Alfa-Bank (Russia)
- Alfa-Bank (Ukraine)
- Alfa-Bank (Belarus)
- Alfa-Bank (Kazakhstan)

Investment and asset management
- Alfa Asset Management
- Alfa Capital Partners
- A1 Group Ltd.

Each business is legally distinct and run independently from each other, all intra-group transactions are done on market terms

Alfa-Bank - Wide range of financial services, including corporate and SME banking, retail banking, investment banking, trade finance, structured finance, leasing. Alfa-Bank Russia (100.00%), Alfa-Bank Ukraine (100.00%), Alfa-Bank Belarus (98.29%), Alfa-Bank Kazakhstan (100.00%), Alfa Asset Management (100.00%) - The Group’s assets management arm. Clients include Russian as well as international institutional and private clients.

Alfa Capital Partners (100.00%) - The Group’s private equity and real estate investment group.

A1 Group Ltd. (100.00%) - Large-scale proprietary and for-client investment into Russia, the CIS as well as other emerging markets.

OJSC AlfaStrakhovanie (86.47%) - One of the largest non obligatory insurance companies in Russia.

Rosvodokanal Group (100%) - A leading private operator of water supply and sewage in the CIS.

X5 Retail Group N.V. (47.86%) - X5 Retail Group N.V. holds the supermarket chains Pyaterochka, Perekrestok, Karusel, and E5.RU.

Altimo - Leading private equity group which is used by Alfa Group as its exclusive vehicle for making investments into telecommunications assets in Russia, the CIS and other promising markets: Vimpelcom (47.85%) and Turkcell (13.22%).

* The stakes in the companies shown include effective minority stakes

** Source: Alfa Group audited report FY 2011
Alfa-Bank’s universal business franchise

Best bank in Russia – “Customer Experience Index” research by PWC and Senteo*

8.9 million retail clients and 82,000 corporate clients**

Retail Banking
- Branch Banking
  - Current and savings accounts
  - Debit and credit cards
  - Personal installment loans
- Auto Finance
- Consumer Finance
- Mortgage Loans
- Electronic Banking
  - Electronic distribution channels
  - Internet acquiring
  - B2B solutions
  - GSM banking

Corporate and Investment Banking
- Corporate Lending
- SME Banking
- Leasing
- Trade Finance
- Structured Finance
- Factoring
- Cash Management
- Transaction Banking
- Equity Brokerage
- Fixed Income Brokerage
- Research
- Debt and Equity Capital Markets
- Mergers & Acquisitions
- Structured Products and Derivatives
- FX Operations

Mass Corporate Segment Banking

Strategy
To maintain our status as the leading private bank in Russia, while enhancing our stability and profitability. To set the industry standards in key areas such as customer experience, technology, efficiency and teamwork.

Focus on client
- Broad product offering,
  Customised approach to sales and services for target client groups

Team and team work
- Efficient cooperation among and within business units,
- Hiring and retaining best people,
- Tailored motivation systems

Technology, efficiency
- Technological and process efficiency as a competitive advantage

* Source: PWC and Senteo, June 2012
** as of January 1, 2013
Alfa-Bank: well recognised record of excellence

- Best Bank in Russia, 2009
- Best Service Company for Individual Investors, 2009
- Best Service Company for Individual Investors, 2009
- Best private bank in Russia by Global Reputation Index (GRI) research, 2010
- Highest International Approval Rate, Debit Consumer Issuer, 2011
- Best bank in the “Customer Experience Index” research by PricewaterhouseCoopers and Senteo 2011, 2010, 2009
- Best Internet Bank in Russia, 2011, 2010
- Best Russian Bank, providing private banking and wealth management services, 2012
Leading Russian private bank in most market segments

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

<table>
<thead>
<tr>
<th>Bank</th>
<th>Assets (bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sberbank</td>
<td>474.8</td>
</tr>
<tr>
<td>VTB &amp; VTB24</td>
<td>198.2</td>
</tr>
<tr>
<td>Gazprombank</td>
<td>94.1</td>
</tr>
<tr>
<td>Rosselhozbank</td>
<td>55.8</td>
</tr>
<tr>
<td>Bank of Moscow</td>
<td>50.5</td>
</tr>
<tr>
<td>Alfa-Bank</td>
<td>45.4</td>
</tr>
<tr>
<td>Unicredit Bank</td>
<td>29.5</td>
</tr>
<tr>
<td>Promsvyazbank</td>
<td>23.7</td>
</tr>
<tr>
<td>Rosbank</td>
<td>22.9</td>
</tr>
<tr>
<td>Nomos-Bank</td>
<td>21.6</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Bank</th>
<th>Equity (bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sberbank</td>
<td>54.3</td>
</tr>
<tr>
<td>VTB &amp; VTB24</td>
<td>25.4</td>
</tr>
<tr>
<td>Gazprombank</td>
<td>9.5</td>
</tr>
<tr>
<td>Rosselhozbank</td>
<td>6.0</td>
</tr>
<tr>
<td>Bank of Moscow</td>
<td>5.5</td>
</tr>
<tr>
<td>Alfa-Bank</td>
<td>3.7</td>
</tr>
<tr>
<td>Unicredit Bank</td>
<td>3.6</td>
</tr>
<tr>
<td>Promsvyazbank</td>
<td>3.4</td>
</tr>
<tr>
<td>Rosbank</td>
<td>2.9</td>
</tr>
<tr>
<td>Nomos-Bank</td>
<td>2.0</td>
</tr>
</tbody>
</table>

**Market share in retail**

- Retail demand accounts
- Retail loans

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

<table>
<thead>
<tr>
<th>Bank</th>
<th>Loans (bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sberbank</td>
<td>317.1</td>
</tr>
<tr>
<td>VTB &amp; VTB24</td>
<td>94.5</td>
</tr>
<tr>
<td>Gazprombank</td>
<td>58.2</td>
</tr>
<tr>
<td>Rosselhozbank</td>
<td>33.1</td>
</tr>
<tr>
<td>Bank of Moscow</td>
<td>30.1</td>
</tr>
<tr>
<td>Alfa-Bank</td>
<td>15.7</td>
</tr>
<tr>
<td>Unicredit Bank</td>
<td>15.7</td>
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<td>Bank of Moscow</td>
<td>15.7</td>
</tr>
<tr>
<td>Promsvyazbank</td>
<td>15.7</td>
</tr>
<tr>
<td>Nomos-Bank</td>
<td>15.7</td>
</tr>
<tr>
<td>Raiffeisenbank</td>
<td>12.6</td>
</tr>
</tbody>
</table>

* Source: bankir.ru/rating/ Figures as of January, 2013
** Source: CBR, Alfa-Bank’s management report February, 2013

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

Year End 2012 Results. April 4, 2013
Leading private bank in the corporate segment...

- Largest private bank in terms of corporate customer loans and accounts
- Services 82,000 corporate clients, including leading Russian Blue Chip companies: MOESK, Russian Railways, Inter RAO UES, Novotrans, NLMK, 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, FY 2012
... with rapidly growing transaction business...

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)
* Results of corporate transaction business only (excluding commissions from corporate lending)
... with an important Investment Banking franchise...

- Operating profit in 2012 is higher than the 2011 level in spite of decreased trading volumes and turmoil in the markets
- Alfa-Bank is increasing focus on structured products, derivatives and client financing which stimulates client business in other CIB products, in addition to generating its own revenue:
  - FI operating profit is US$ 121 mln which is twice higher than in 2011
  - Structured products portfolio increased 5 times to US$ 691 mln in 2012
- FOREX products brought US$ 67 mln of operating profit which is 23% more than in 2011
- Retail-focused Alfa Forex product launched in 2011 met the budget and brought US$ 11.2 mln of operating profit
- Staff reduction in equity sales due to decreased trading volumes, Ukraine IB division closed down

Source: Alfa-Bank management report July 2012
* Figures based on management accounts (including Equities, Fixed Income, Corporate Finance, FOREX)
... and with solid positions in retail sector

- 8.9 million retail customers served by the end of 2012
- Banking products offered: PILs, consumer, credit cards, deposits, internet and mobile phone banking
- Second largest Russian bank by retail demand deposits, behind Sberbank (6.9% market share as of February 2013)*
- Large distribution network – over 350 retail branches by the end of 2012
- Segment profit before tax for FY2012 stood at US$ 338 mln
- Rated number 1 in customer experience index in 2008-2011 by PricewaterhouseCoopers
- Strong VIP banking offering “A-Club”

Source: IFRS audited financial results, FY 2012
* Source: CBR, Alfa-Bank management reports, as of March 2013
Key management appointments 2012

- Alexey Marey - CEO of Alfa-Bank, previously Deputy CEO
- Robert Karreman - Chief Risk Officer
- Michael Lawrence - Head of Treasury
- John Traynor - Head of Transaction Banking
- Vladislav Belykh - Head of Security Service
- Martin Piletsky - Head of Information Technologies
- Shlomit Gruman-Navot - Head of HR
In June 2012 Alfa-Bank sold a 19.6% stake in Alfa Capital Holdings (Cyprus) Limited to ABH Financial Limited, in July and September 2012 another two stakes of 15.1% each, Alfa-Bank currently directly owns 19.9% of Alfa Capital Holdings (Cyprus) Limited and ABH Financial Ltd owns 80.1% of Alfa Capital Holdings (Cyprus) Limited.

**The Debt Issuing Arm consists of special purpose vehicles that are used to raise funds internationally. These entities do not have assets apart from the contractual rights associated with their respective debt obligations.**
Thank you for your attention!

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

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