



10	+12,8	
1,3	-21,8	
17,56	33,9	11,0
59,19	-8,6	25,2
+1,0	+24,4	11,2
-2,2	11,8	6,5



Alfa-Bank

Full Year 2008 Results
21 April 2009

Andrew Baxter, Chief Financial Officer



Alfa·Bank



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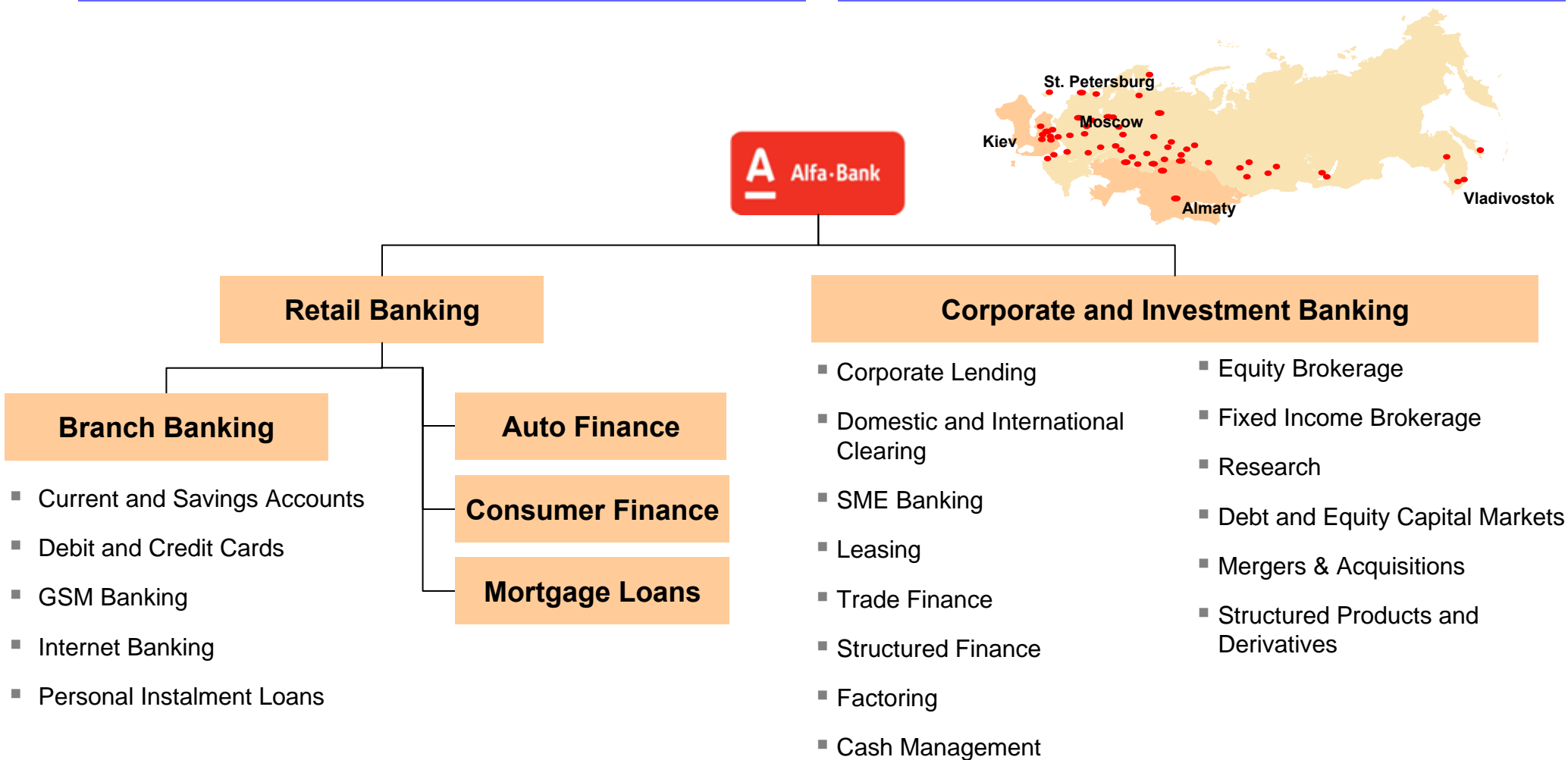
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Alfa-Bank's universal business franchise

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

3.5 million retail clients and
more than 56,000 corporate clients**



* Source: Superbrands International brand research, March 2008

** Figures as of January 1, 2009, including those of Severnaya Kazna

Financial highlights FY 2008

Financial performance

- Operating profit up 19.8% to US\$ 1.21 bn compared to FY 2007
- Cost to income at 36.6% (end-2007: 55.5%)
- Return on equity at 11.5% (end-2007: 16.0%)
- Net income at US\$ 230.1 mln (FY 2007: US\$ 253.5 mln)
- Provisions increased from US\$ 380.7 mln (2.4% of loan portfolio) to US\$ 1 190.2 mln (6.2% of loan portfolio)

Operating performance

- Total assets up 19.4% from US\$ 22.7 bn to US\$ 27.1 bn
- Total gross loans up 22.3% from US\$ 15.7 bn to US\$ 19.2 bn
- Cash and interbank balances up 26.7% from US\$ 4.5 bn to US\$ 5.7 bn
- Customer accounts up 3.3% from US\$ 12.2 bn to US\$ 12.6 bn

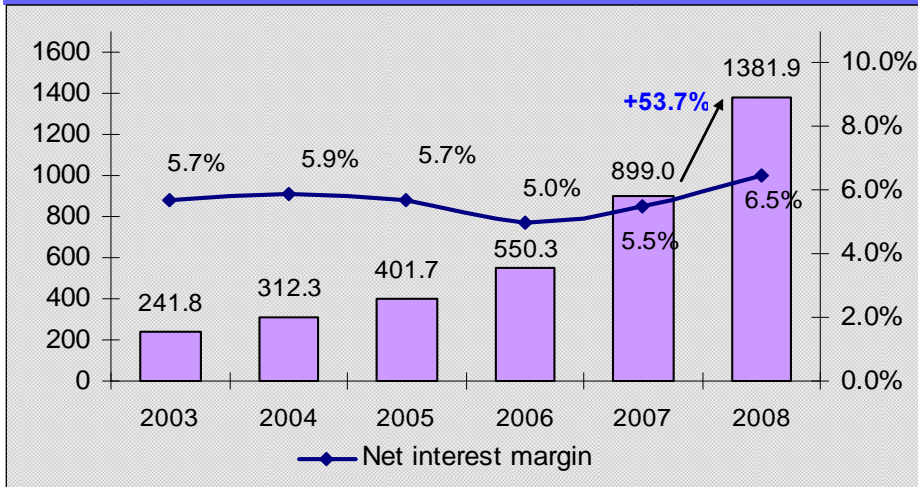
Ratings

- Moody's confirmed credit rating at Ba1 in February 2009
- S&P downgraded credit rating to BB-/Stable in December 2008 due to deteriorating economic conditions in Russia
- S&P BBB- survivability assessment confirmed in February 2009

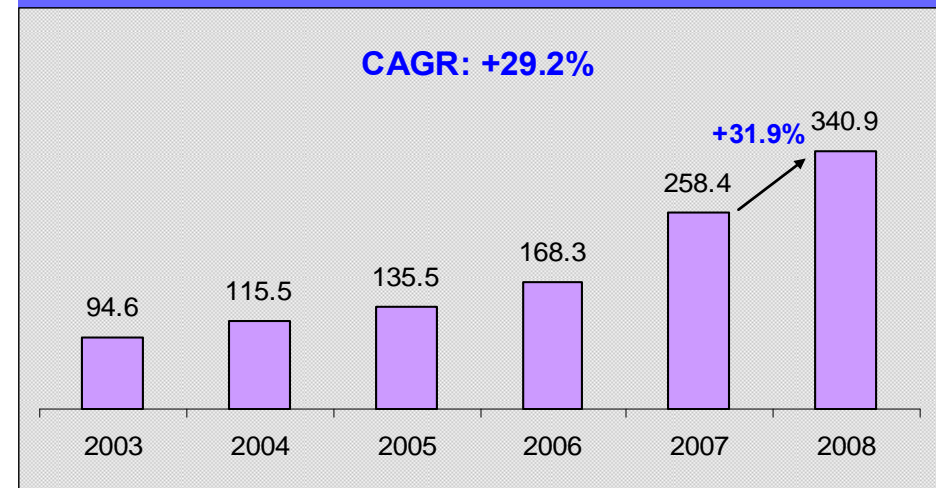
Rated by S&P as one of the most transparent banks in their 2007 research report:
"Transparency and Disclosure by Russian Banks"

Strong growth of operating profit offset by conservative provisioning

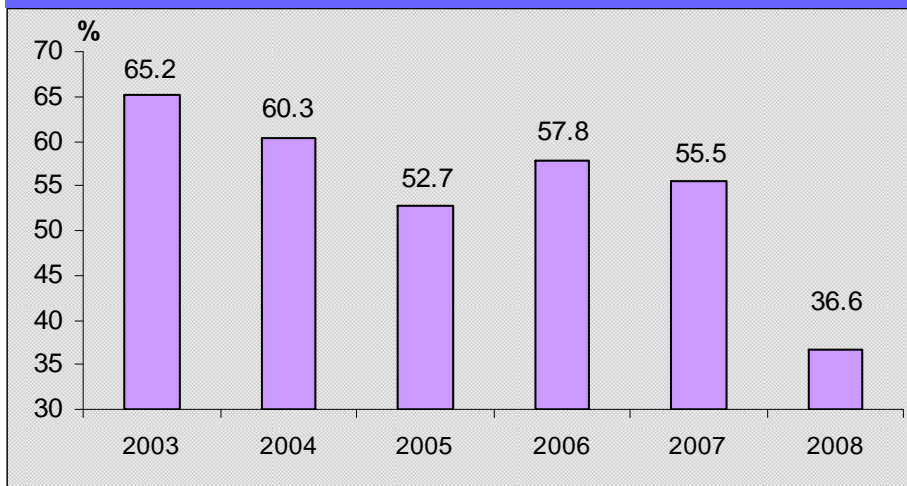
Net interest income (in US\$, mln)



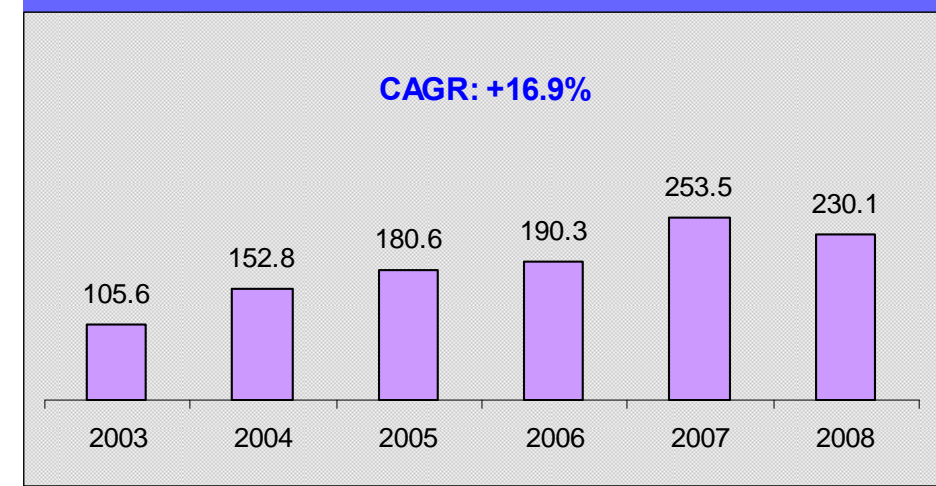
Net commission income (in US\$, mln)



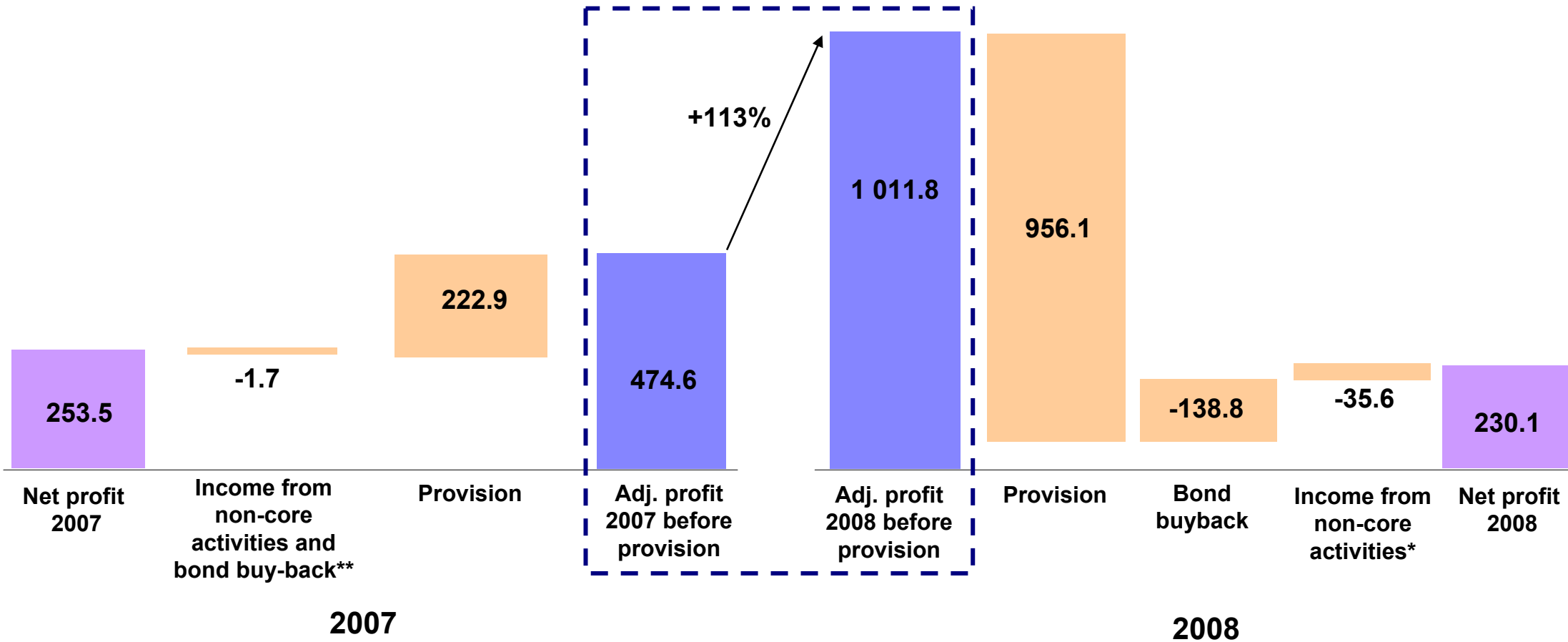
Cost to Income ratio, %



Net profit (in US\$, mln)



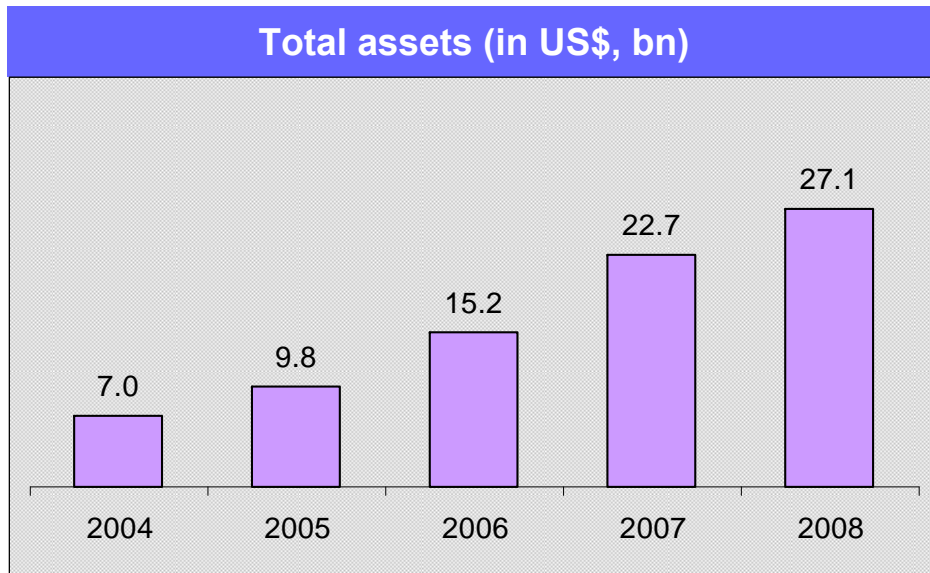
Income before provisions solid performance (\$US, mln)



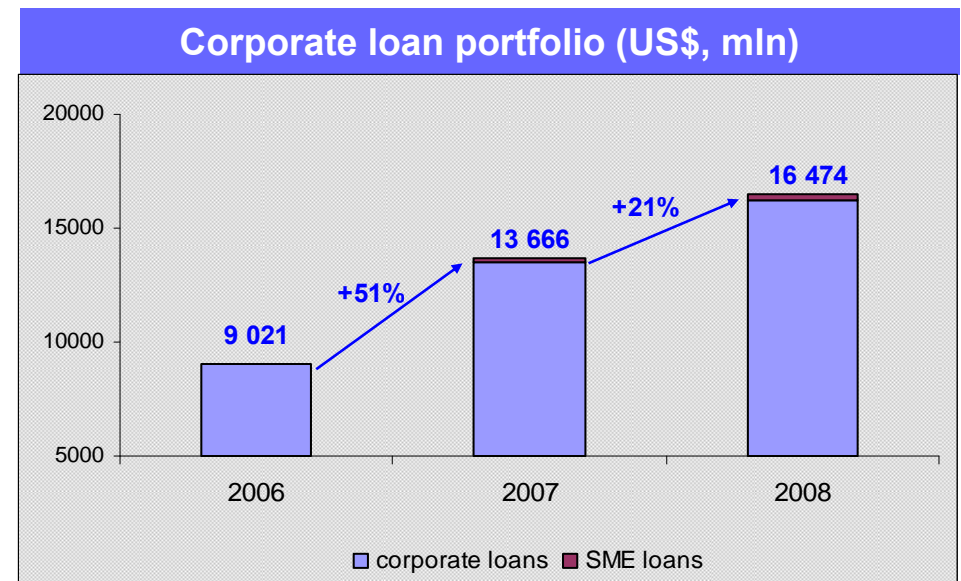
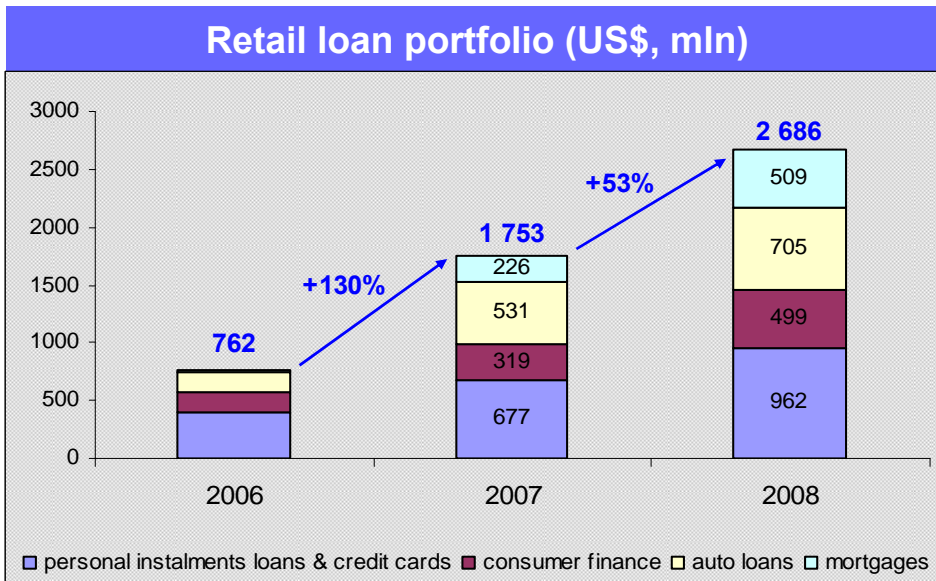
* Income from non-core activities in 2008 mainly includes gains on sale of film licences \$45 mln, income from sale of non-core assets \$13 mln, Amtel write-off \$-49.4 mln, revaluation of investments in RTS \$4 mln and VISA \$23 mln.

** Income from non-core activities in 2007 includes profit from investments in RTS \$29.3 mln, share of Amtel's results and its impairment \$-30.3 mln. Income from bond buy-back was \$2.7 mln.

Assets and loan portfolio development

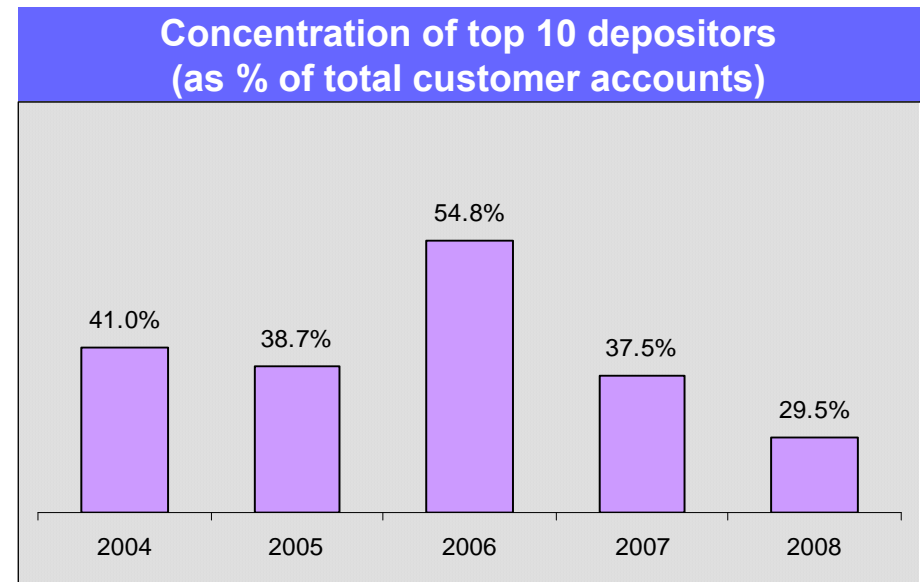
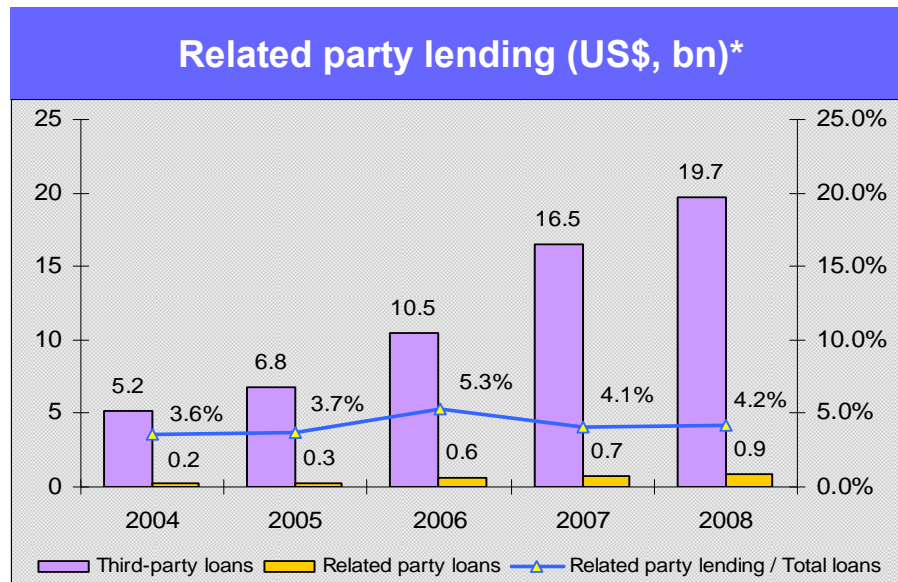


- Top 6 in terms of assets in Russia – largest private bank
- Top 6 Russian bank by corporate loan portfolio and top 7 – by retail portfolio
- Assets growth for the period from 31 December 2007 to 31 December 2008 is 19.4%



Conservative risk management

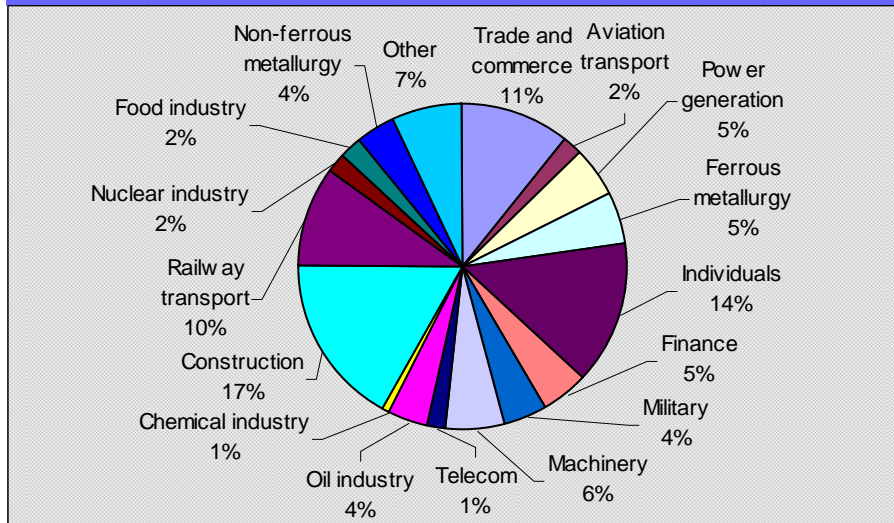
- One of the best Risk Management teams in Russia
- Top 10 depositor concentration reduced from 37.5% at the end of 2007 to 29.5% at the end of 2008
- Loan concentration of top 10 borrowers reduced from 30.3% of total loans at the end of 2004 to 22.2% of total loans at the end of 2008
- Related party lending kept at low level for the last 5 years



* Source: IFRS audited financial results, including credit-related commitments

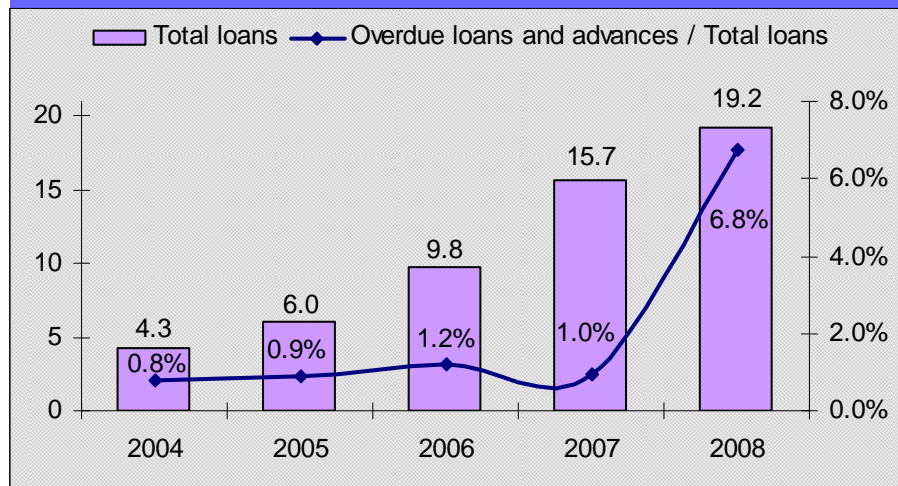
Loan portfolio structure and quality

Loan portfolio breakdown by economic sectors*

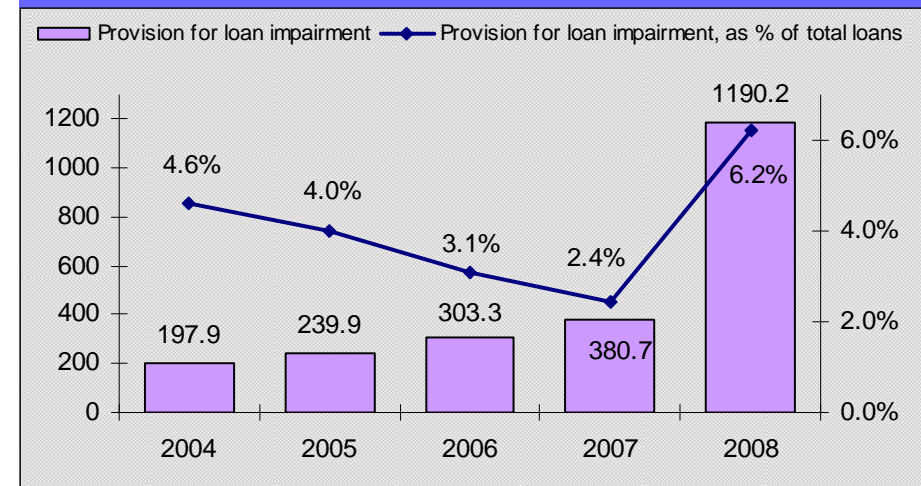


- The largest sector in the loan portfolio, Construction, represents 17% of the total loan book (end-2007: Trade and Commerce, 17%). Most of the construction sector financing consists of less risky commercial property (69% of construction portfolio) and infrastructure construction (12%), as compared to housing construction (19%)
- Overdue loans increased due to the overall negative trend in the economy; corporate 90+ overdue loans comprised 1.0% of the portfolio, 30+ overdue – 2.9% as of December 31, 2008
- Progress achieved in retail portfolio quality – retail 30+ overdue loans decreased from 3.5% in 2007 to 3.2% in 2008, 90+ overdue dropped from 1.8% in 2007 to 1.3% by the end of 2008
- The increasing quality of the loan portfolio has allowed for a gradual decrease of provisioning rate from 4.6% in 2004 to 2.4% in 1H 2008, but due to the current market conditions, the provisioning rate has been raised to 6.2%.

Overdue loans and advances 1+ days



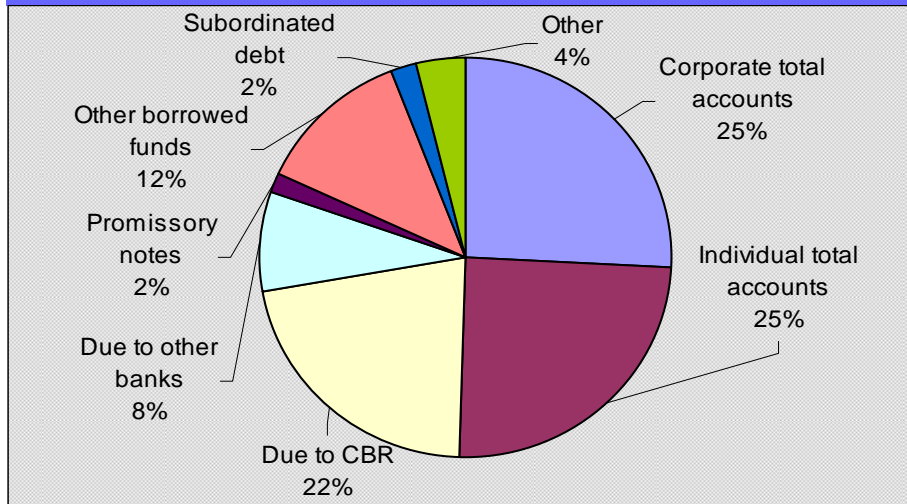
Provision for loan impairment (US\$, mln)



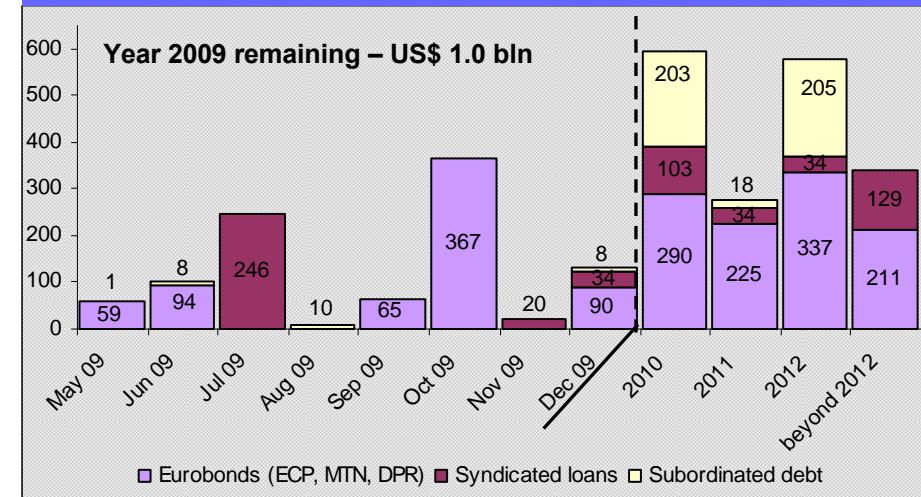
* As of 31.12.2008
Source: IFRS audited financial results

Increased diversification of funding sources

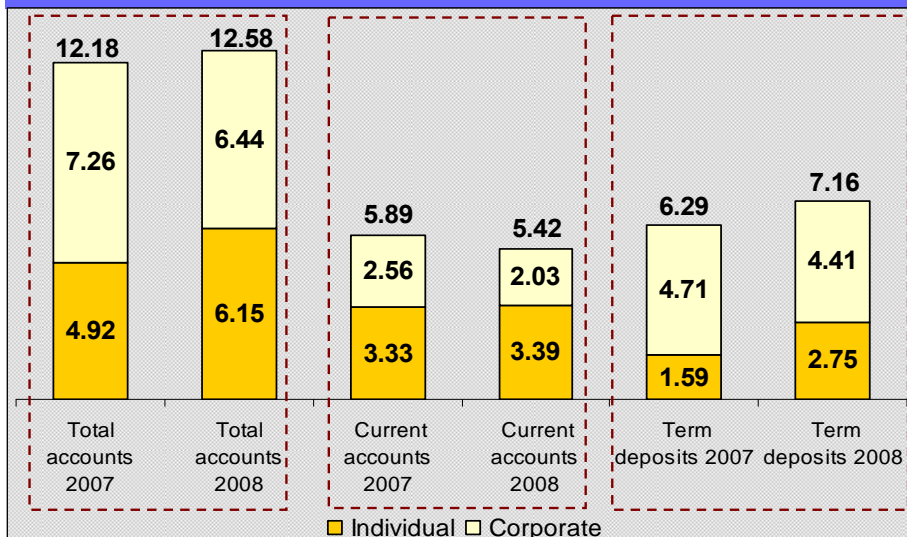
Liability structure



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



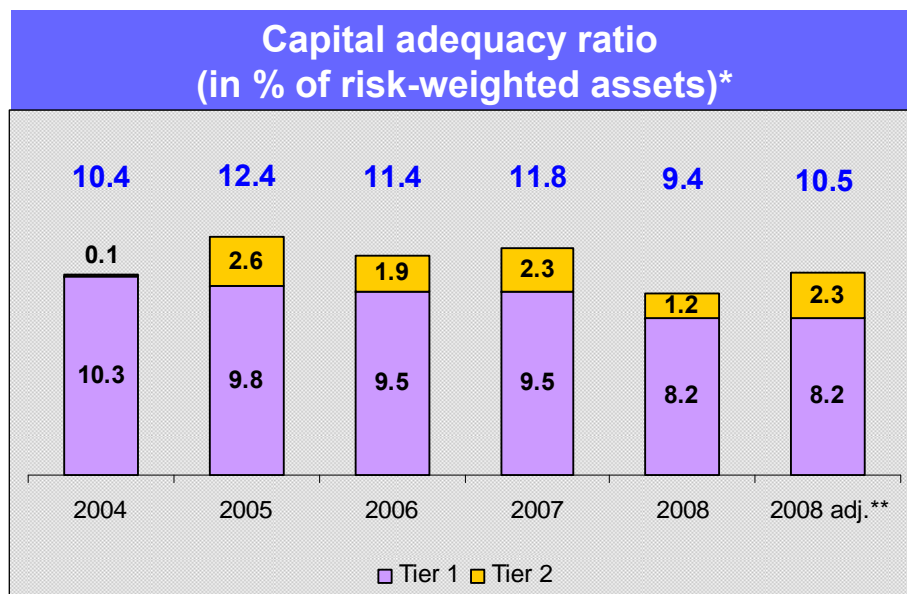
Customer accounts, (US\$, bn)



Liquidity management

IFRS cash as of YE 2008	\$3.86 bln, 14.3% TA
Cash as of 13.04.2009	\$4.7 bln
Additional funding sources available as of 13.04.2009	Unused limit, USD mln
HFS Portfolio	484
CBR and Ministry of Finance auctions	921
Cross Guarantee agreements	641
Total	2 046
Next month average daily corporate loan redemption	\$75.4 mln

Adequate capital level maintained



- Capital injection of \$250 mln was completed in June 2008
- In January 2009 a subordinated loan from Vneshekonombank was attracted in the amount of approximately \$294 mln which increased Tier 2 capital and total capital ratio to **10.5%**

* Preliminary CAR ratios, calculated in accordance with Basel standards

** Incl. subordinated loan from Vneshekonombank

Outlook 2009

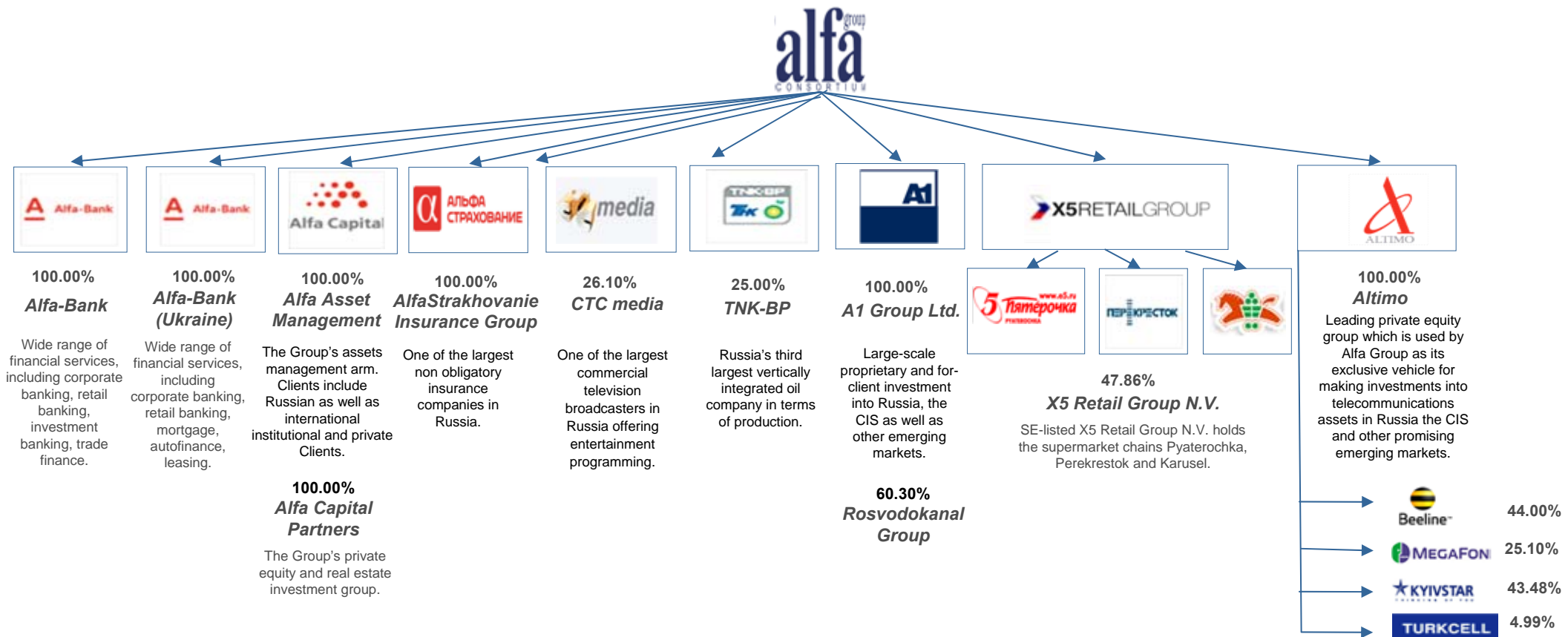
Total Assets	~ US\$ 21-23 bn
Loan Portfolio	Corporate loans: ~ US\$ 12-13 bn Retail loans: ~ US\$ 1.7-2.0 bn
Cost to Income Ratio	~ 41%
Return on Equity	< 10%
CAR	~ 10-12%

Appendix

The role of Alfa-Bank within Alfa Group

- Alfa Group holds approximately \$49.7 bn in assets and \$18.4 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 2007

** 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



- Brand of the Year / EFFIE 2008 award for “My Alfa” banking card



- Super Brand Award 2008, 2007, 2006

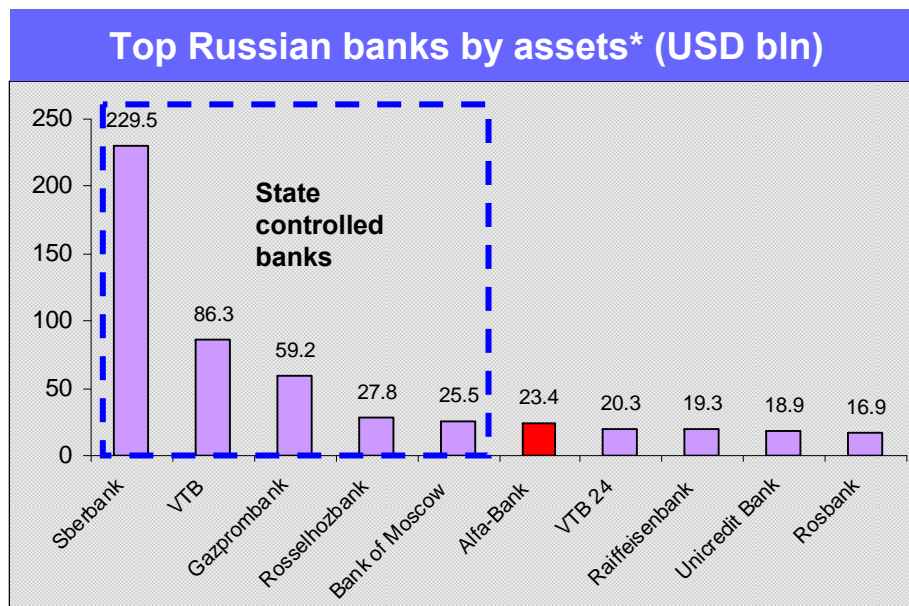


- One of the most transparent banks according to the “Transparency and Disclosure by Russian Banks” 2007 research



- 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

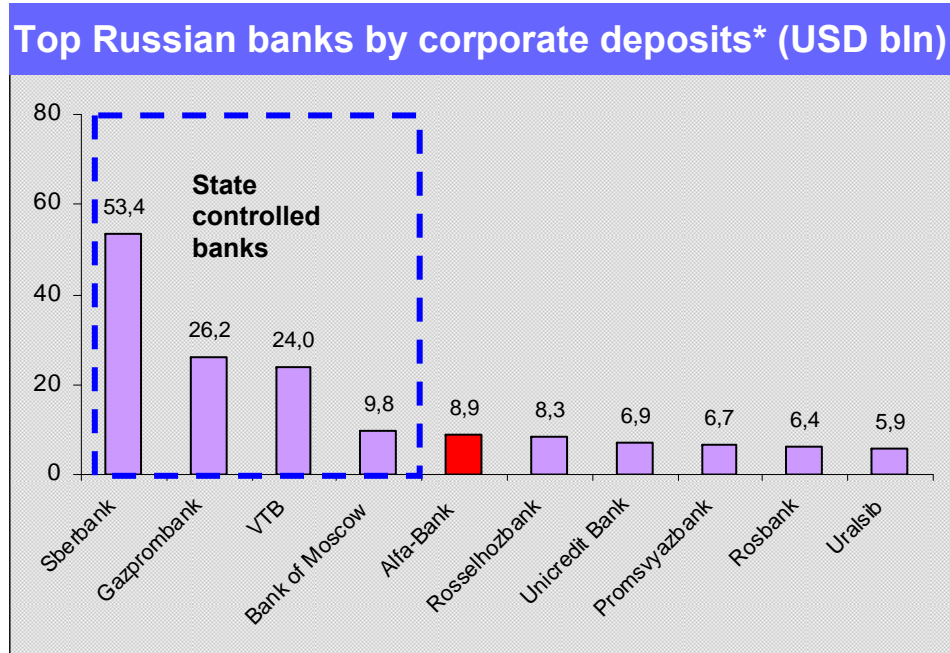
- Leading universal private bank in Russia
- Wide range and high quality of products
- Nationwide distribution
- Highly professional management
- Strong shareholder support and commitment
- Transparency
- Superior technology base
- Conservative risk management

Strategy

- Alfa-Bank is, and will remain, a universal bank, with the following core business lines: corporate and investment banking including SME, retail banking (including branch banking, auto and mortgage lending)
 - Focus on maintaining liquidity
 - Ensure asset quality – increase and diversify collateral base
- The business units will be further integrated in order to promote efficiency and sales
 - Maintain high margins
 - Exploit economies of scale

* Source: rating.rbc.ru. Figures as of January 1, 2009

The market leader in corporate segment...



- Largest private bank by corporate customer accounts
- More than 56,000 corporate clients**, including leading Russian Blue Chip companies such as Russian Railways, RusAI, FSK UES
- Corporate bank's strengths
 - Oriented to long standing corporate relationships
 - Country-wide distribution
 - Excellent reputation, team and credit expertise
 - Good local knowledge
 - Experience in management of distressed assets and debts

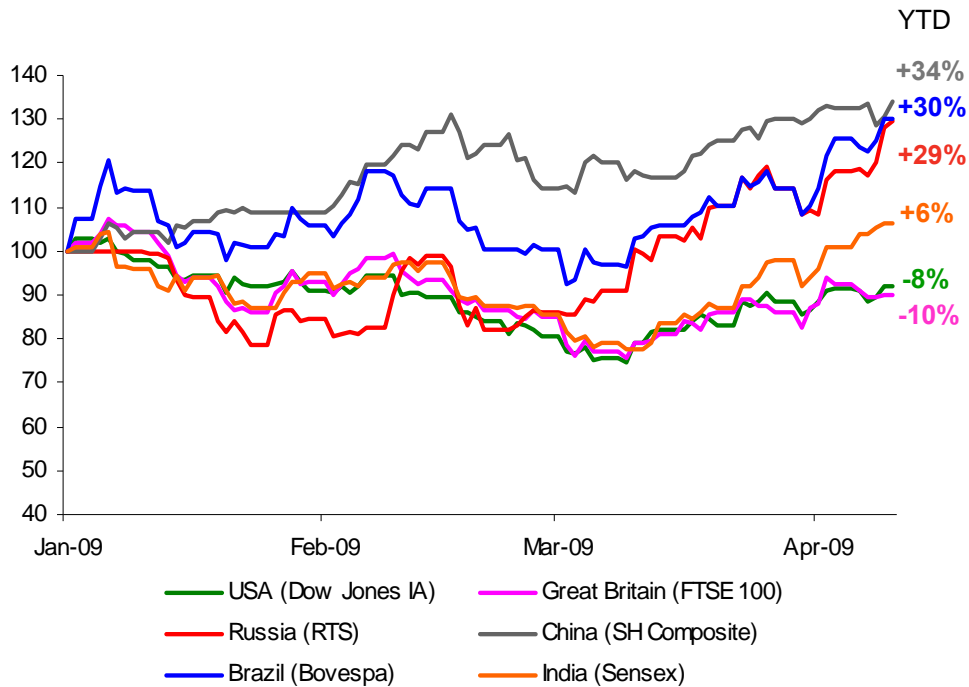
Strategy

- Preserve quality of loan portfolio
 - Promotion of sales of corporate investment products
 - Focus on effective restructuring of problem loans and collections
 - Focus on commissions and other income, maximize client revenue potential
 - Promoting high-margin products such as structured lending, trade finance and leasing
 - Further develop settlement business and increase customer service quality

* Source: rating.rbc.ru. Figures as of January 1, 2009

** Including those of Severnaya Kazna. Source: Alfa-Bank's management report March 2009

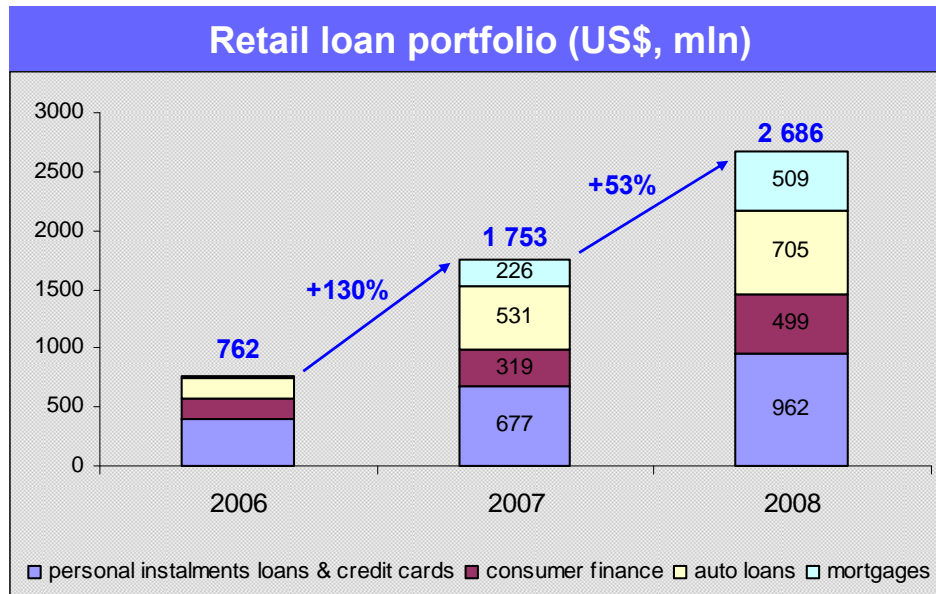
... and one of the top Russian investment banks...



Investment Bank revenues, US\$			
	2007	2008	Δ
Equities	\$123,899,000	-\$26,031,000	-
Fixed Income	\$34,639,000	\$132,150,000	279%
Corporate Finance	\$42,300,000	\$45,022,000	6%
Total	\$200,838,000	\$151,141,000	-25%

- 2008 was a very difficult year in investment banking but Alfa-Bank was able to limit losses and build for the future
- Cost reduction completed in 2008 with 40% savings
- Investment into fixed income in late 2008 should yield excellent results in 2009
- Capital Markets and M&A fees will be significantly reduced in 2009

... with leading positions in retail sector



- 3.5 million retail customers served*
- Full spectrum of retail banking products offered: credit cards, deposits, PILs, auto and mortgage loans
- One of the largest Russian privately owned banks by retail demand deposits (4.7% market share as of January 1, 2009)**
- Top 7 Russian bank by total retail portfolio
- Large distribution network – by the end of February 2009 – 268 retail branches
- Retail business (branch banking and CF) reached breakeven by the end of 2008
- Rated number 1 in consumer satisfaction index in H1 2008***

Strategy

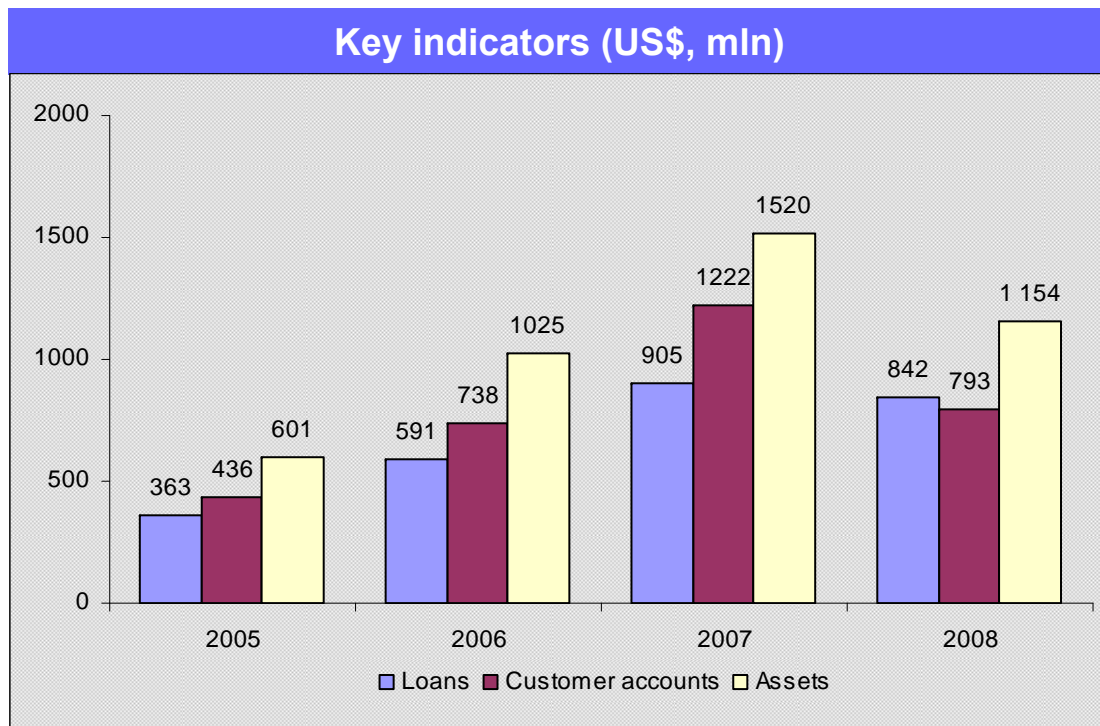
- Make retail business profitable
 - Optimization of branch network, integration of Severnaya Kazna's branches
 - Further develop remote distribution channels
- Cross-selling products of retail business, including to other Alfa Group companies – AlfaStrakhovanie, Alfa Capital, etc.
 - Attract term customer deposits
 - Increase efficiency of collections

* Including those of Severnaya Kazna. Source: Alfa-Bank management reports March 2009

** Source: CBR

*** Source: rating.rbc.ru

Acquisition of “Severnaya Kazna”



- The Bank was established in 1992. As of 1 January 2009 it held the 76th place by assets among Russian banks
- The 2nd largest regional bank by assets and loan portfolio in Chelyabinsk and Sverdlovsk regions, number 1 bank by capital, customer accounts and loan quality
- 40 branches and offices in 8 regions of Russia, more than 90% of premises are fully-owned by the bank
- As at December 2008, 1+ days corporate overdue loans comprised 0.6% of total portfolio, 90+ days retail overdue loans – 1.9%.
- Client base totals 450 thousand retail and 8 thousand corporate customers

**For questions about Alfa-Bank, please contact our
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