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27			



Alfa-Bank

First Half 2007 Results

October 25, 2007

Andrew Baxter, Chief Financial Officer



Alfa-Bank



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Overview

Strategy and Franchise

Financial Highlights

Performance at a glance

Key player on the Russian banking market

- One of the leading private banks in Russia with long operating history
- # 4 in terms of commercial loans and # 5 in terms of shareholder capital and assets in Russia
- Flagship member of the Alfa Group
- Recognized by its highly-experienced international management team
- Universal banking strategy
- Significant scale*
 - Total assets: US \$17.1 bn
 - Total loans: US \$11.8 bn
 - Shareholders' equity: US \$1.7 bn
- Leading market position supported by strong financial ratios in 2007*
 - Return on equity: 15.4%**
 - Capital adequacy ratio: 13.8%
 - Non-performing loans: 1.5%
- Among the highest credit ratings among Russian private banks

* IFRS reviewed by auditors 1H 2007 financial results

** Annualised



Proud of awards and recognition



- Best bank in Russia, 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



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



- Best bank in Russia by quality of retail client services



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



- Best Trade Finance Bank in Russia, 2002, 2003, 2004, 2007
- Best Forex Bank in Russia, 2004, 2005
- Best M&A Advisor, 2003, 2004
- Best Retail Bank, 2004
- Best Overall Bank in Russia, 2003



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



- Elite Quality Recognition Award, 2004, 2005
- Quality Recognition Award, 2002, 2003



- Best Bank in “Best Russian Brands 2006”

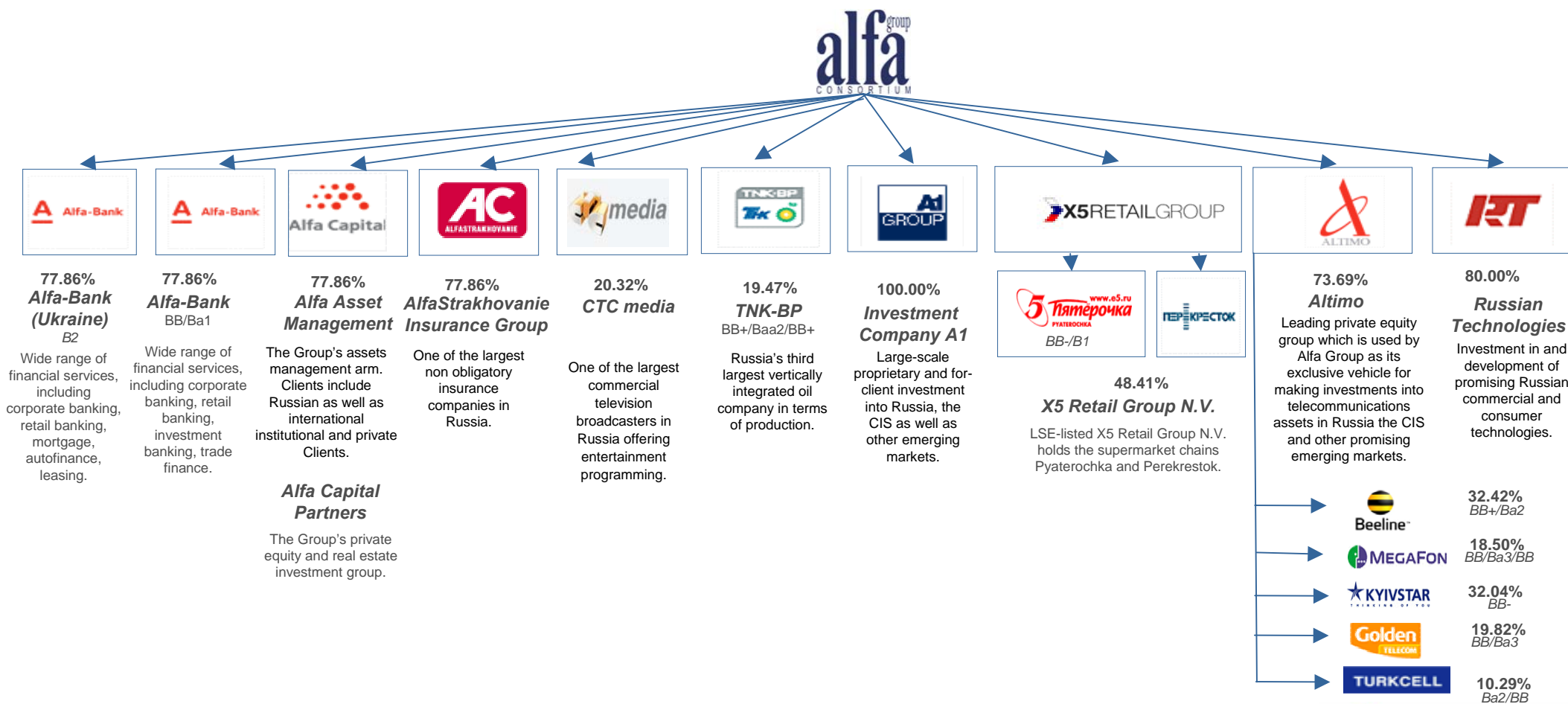


- European Co-Brand Programme Award 2006 for Alfa-Bank - Aeroflot MasterCard Card Russia

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

Overview

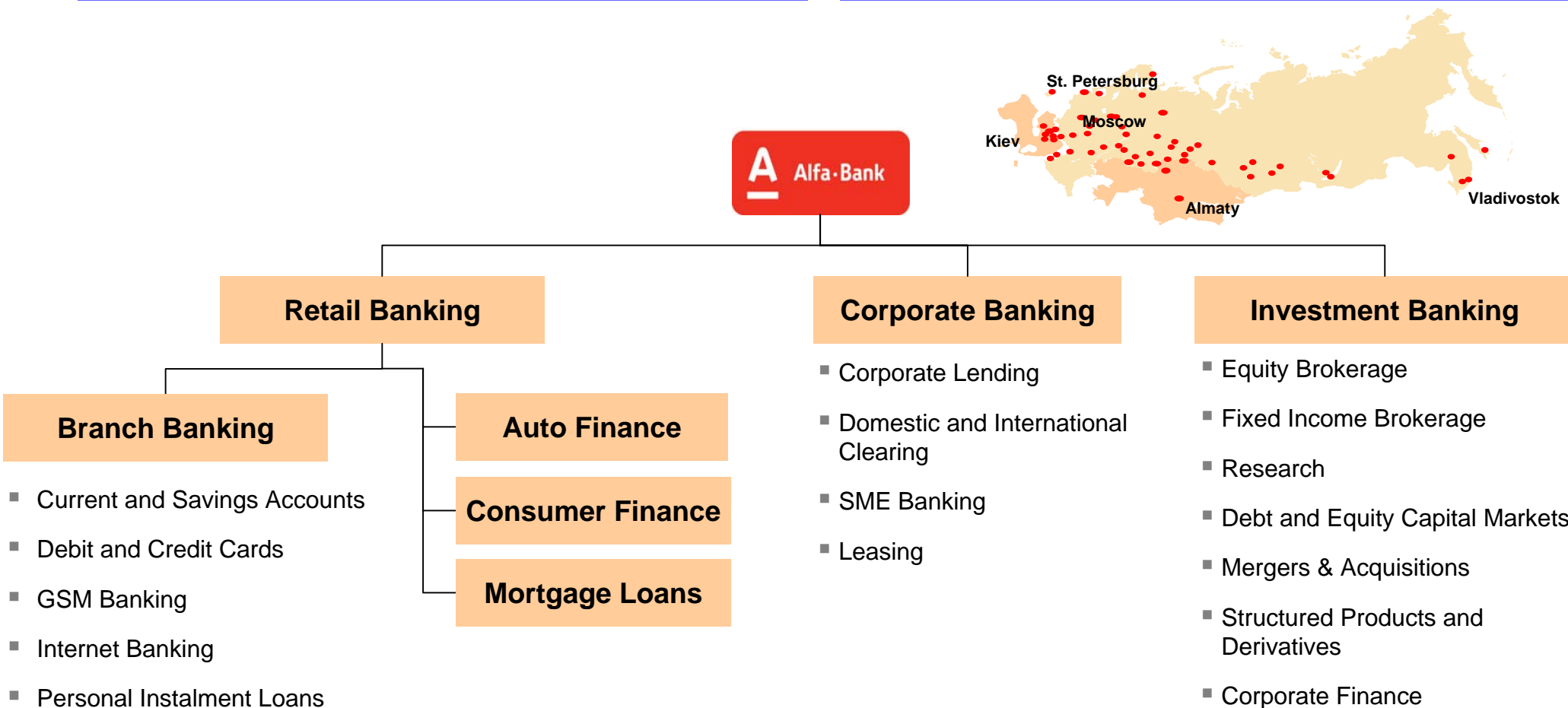
Strategy and Franchise

Financial Highlights

Alfa-Bank's universal business franchise

One of the most recognised brands in Russia —
98% prompted brand awareness*

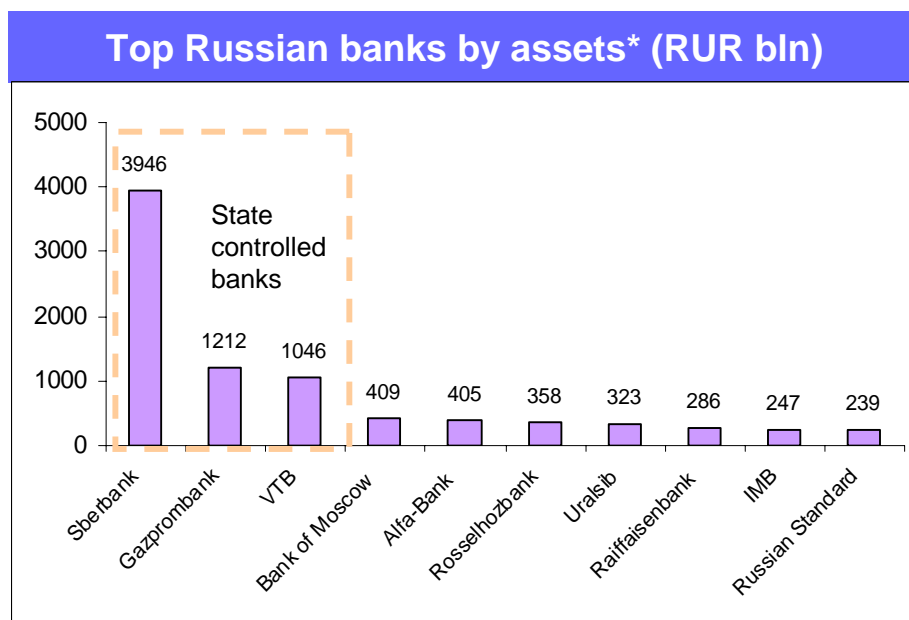
2.6 million retail clients and over
51,000 corporate clients**



* Source: September 2007, Analytics Market Research Corporation, brand tracking research

** Figures as of September 1, 2007

Leading private bank in Russia with clear strategy



Competitive advantages

- Leading brand in Russia
- Wide range and high quality of products
- International know-how/local expertise
- Strong shareholder support and commitment
- Transparency
- Superior technology base

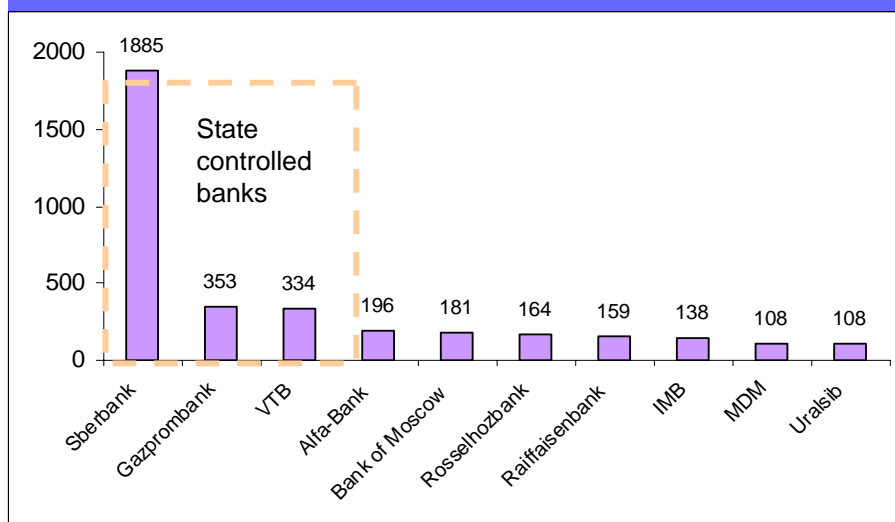
Strategy

- Become the benchmark of modern banking in Russia with a healthy result oriented corporate culture
 - Focus on 3 businesses: corporate banking, retail banking and investment banking
- Grow all 3 businesses into profitable divisions with leading market positions in each area in the mid-term
 - Leverage synergies between businesses to maximize profitability and exploit customer base
 - Growth through internal resources

* Source: www.rating.rbc.ru. Figures as of June 30, 2007

The market leader in corporate lending...

Top Russian banks by commercial loans* (RUR bln)



- Largest private bank by corporate loans*
- Over 51,000 corporate clients, including leading Russian Blue Chip companies such as RAO UES, Gazprom, RusAl and Wimm-Bill-Dann
- Corporate bank's strengths
 - Long standing corporate relationships
 - Country-wide distribution
 - Recognized credit expertise
 - Good local knowledge

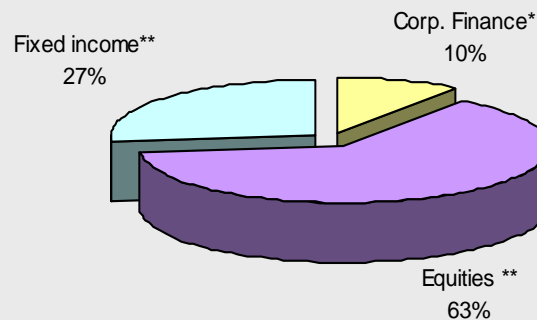
Strategy

- Maintain leadership position in corporate lending
- Technological upgrade of regional business platforms
- Grow into small and medium companies segment
- Increase commission and other income to compensate for anticipated margin decline
- Service client needs through introduction of new products such as structured lending and cash management
 - Cross-sell with investment banking and retail banking businesses

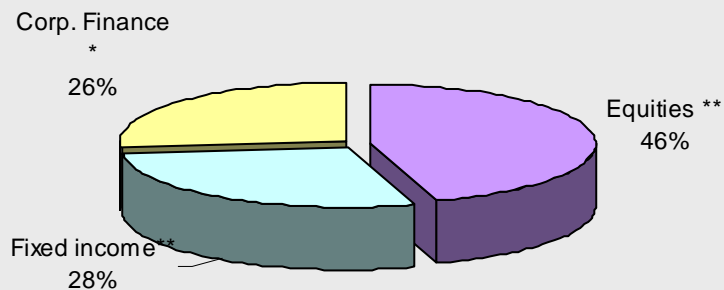
* Source: www.rating.rbc.ru. Figures as of June 30, 2007

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

**Investment banking operating income fact 2006
breakdown**



**Investment banking operating income fact 1h07
breakdown*****



* M&A moved to IB in 2007

** FI and Equities including Derivatives

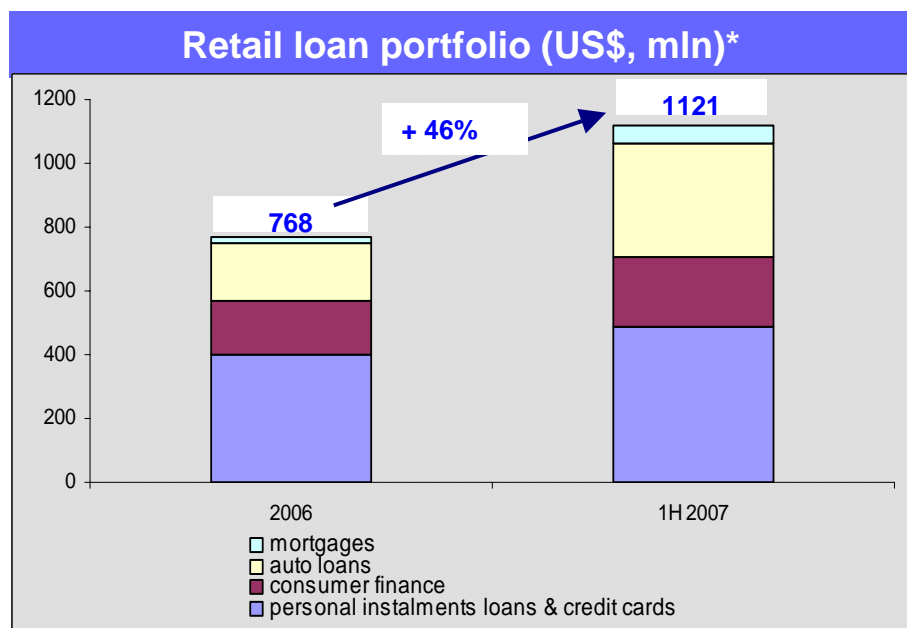
***Alfa banking Group's management accounts as of June 2007

- One of the leaders among Russian and international investment banks operating in Russia
- Top 5 Russian trader in Equity and Fixed income
- Top retail internet broker with "Alfa-Direct"
- Operating in Moscow, Kiev, London, New York and Nicosia
- Internal Restructuring complete
- Balanced business portfolio between product areas
- Significant recruiting effort underway

Strategy

- Maintain leadership in Russian Investment Banking
- Increase focus on debt and equity capital markets
- Develop integrated coverage model with corporate bank for cross selling
- Further develop derivative products in equities and fixed income
- Continue cost reduction and increase effectiveness

... with solid positions in retail sector



- 2.6 million retail customers served*
- Full spectrum of retail banking products offered
- Largest Russian privately owned bank by retail demand deposits (4.33% market share as of August 1, 2007)**
- 58 new retail branches and numerous sales points opened across Moscow and Russian regions in 2006; 60 new branches planned to be opened during the year 2007 (48 are already opened)
- Retail loan portfolio of US\$ 1.6 – 1.7 bn by the end of 2007 is expected

Strategy

- Be the fastest growing private bank in the regions (increase regional presence and distribution network)
 - Expand leadership in payroll services
 - Develop customer centric solutions
 - Tune scalable business model
- Continue building up operational and risk infrastructure

* Source: Alfa-Bank management reports September 2007, excl. ATB retail portfolio

** Source: CBR

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Strategy and Franchise

Financial Highlights

Highlights 1H 2007

Operating performance

- Total assets up 12.6% to US\$ 17.1 bn
- Total gross loans up 20.8% to US\$ 11.8 bn
- Customer accounts up 8.0% to US\$ 8.6 bn

Financial performance

- Net profit up 0.7% to US\$ 115.6 mln as compared to 1H of 2006
- Cost to income at 60.5%
- Return on equity at 15.4%*
- CAR at 13.8%

Funding

- US\$ 350 mln received as a capital injection representing an issuance of 350 mln new ordinary shares
- Investment in CTC Media Inc. was transferred to shareholders by means of a dividend of US\$ 92 million

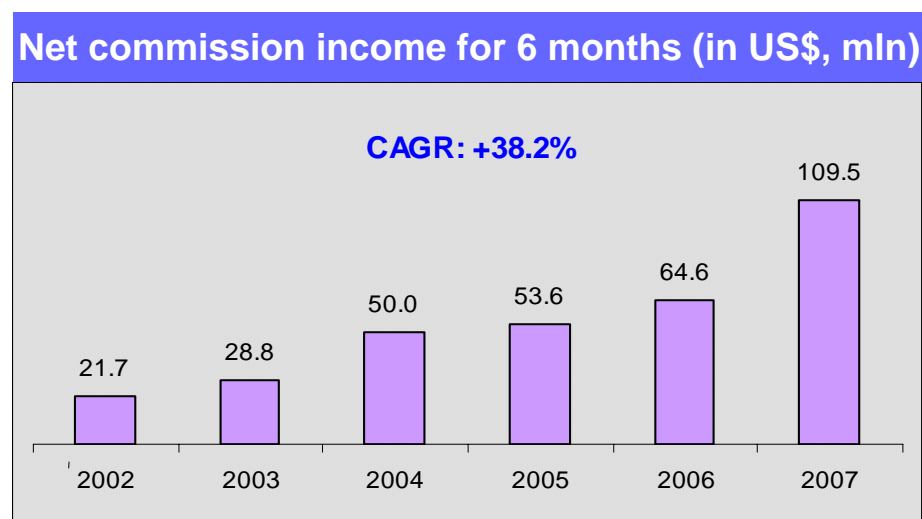
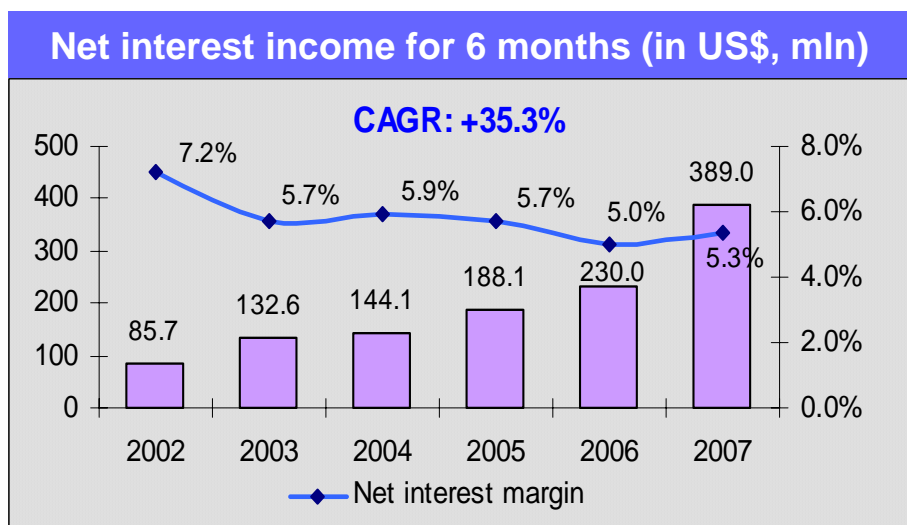
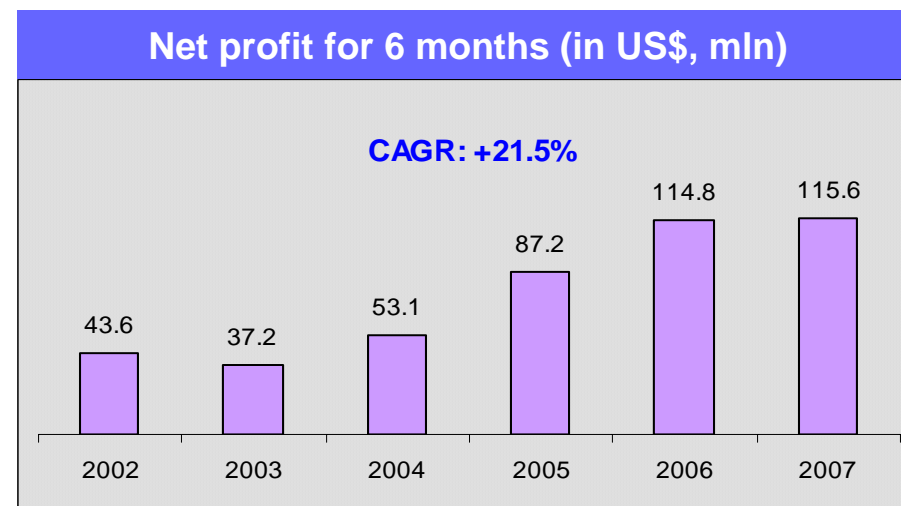
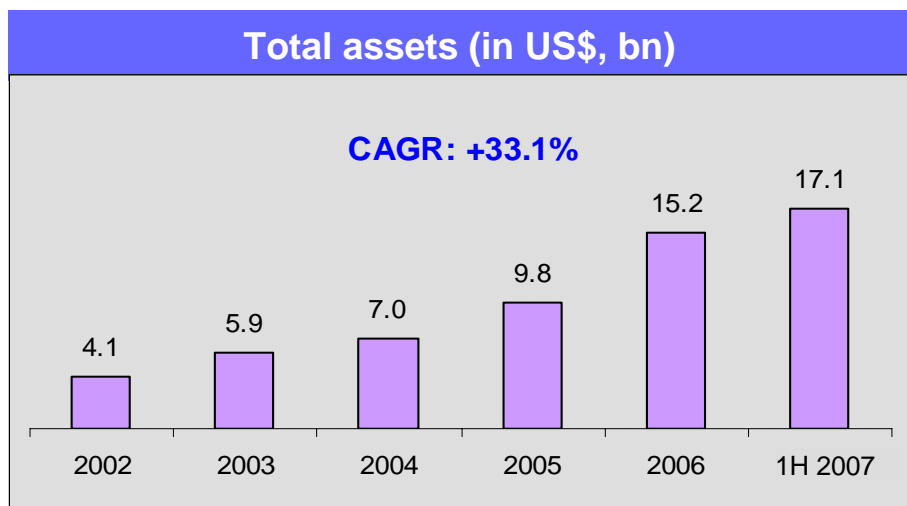
Ratings

- S&P BBB- survivability assessment assigned in March 2007
- Moody's credit rating raised to Ba1/Stable and BFSR upgraded to D+ in May 2007

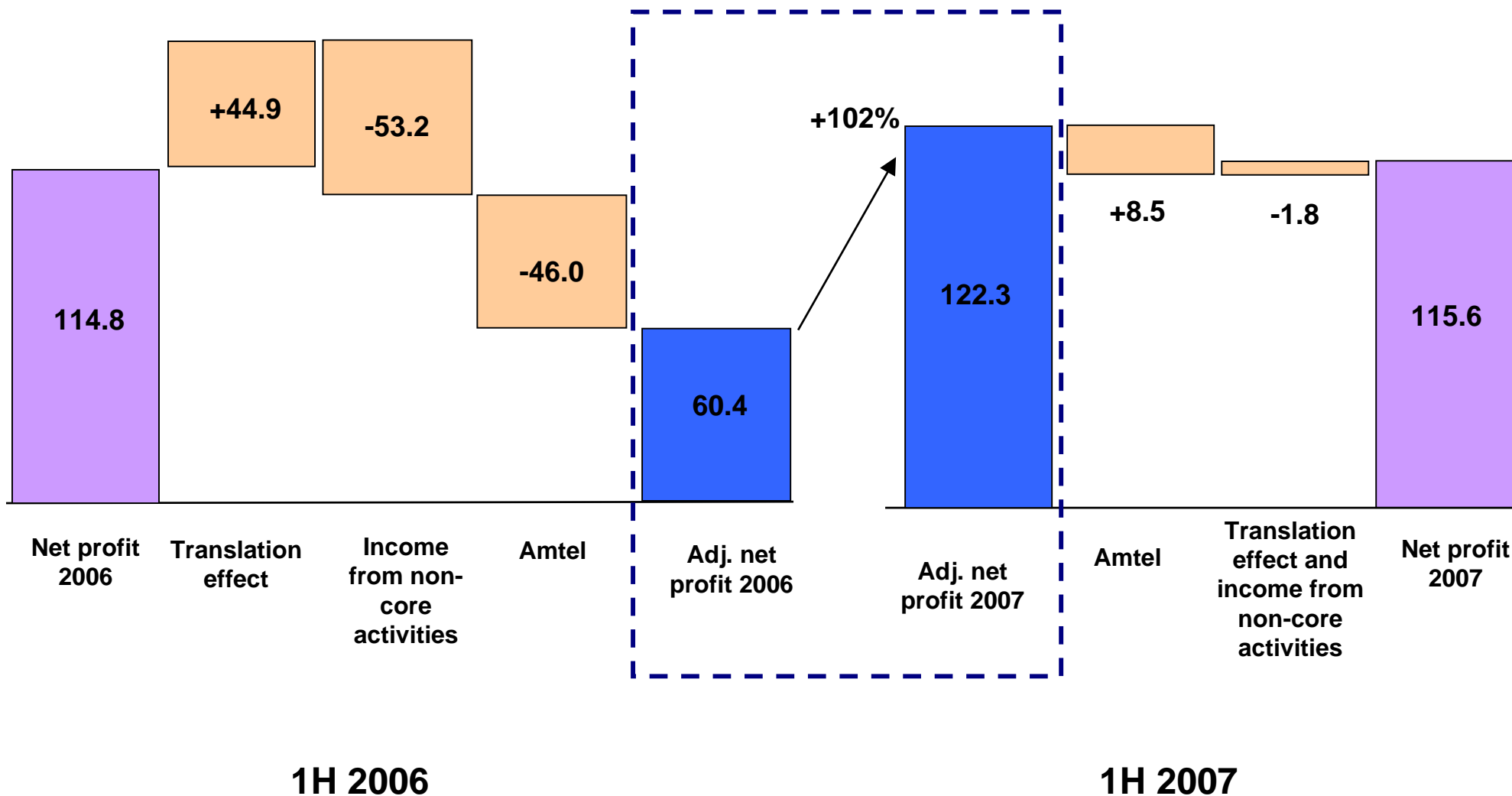
Rated by S&P as one of the most transparent banks in their 2007 research report:
"Transparency and Disclosure by Russian Banks"

* Annualised

Financials demonstrating sustainable growth



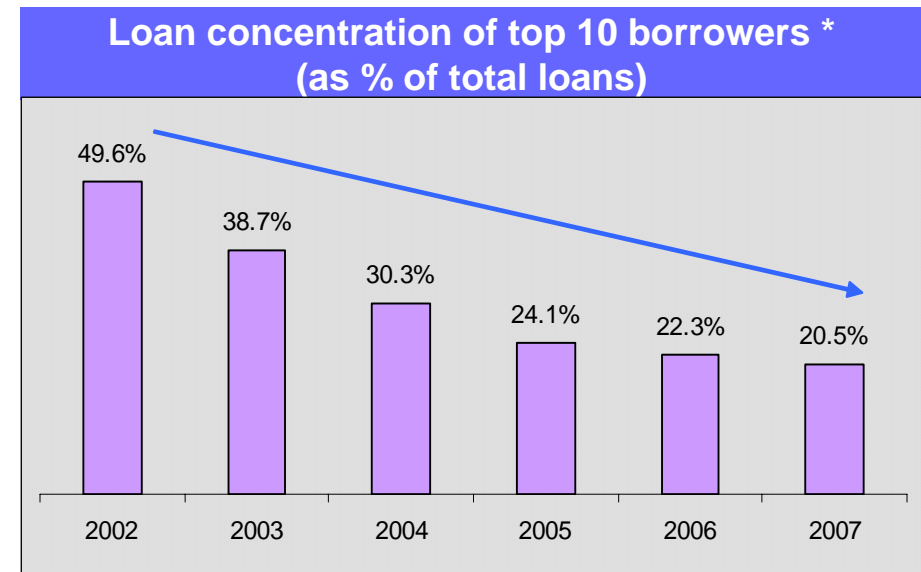
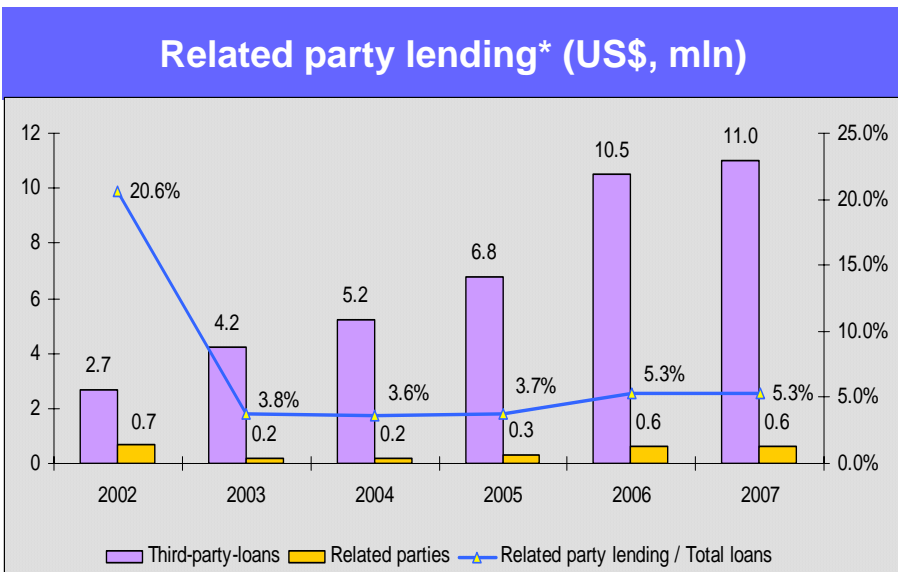
Net income solid performance (\$US, mln)



All figures are based on IFRS audited report 2006. Income from non-core activities in 2006 mainly includes investment property revaluation and income from selling off non-core assets. Income form non-core activities in 2007 includes share of results in affiliated companies and investment property revaluation.

Superior risk management

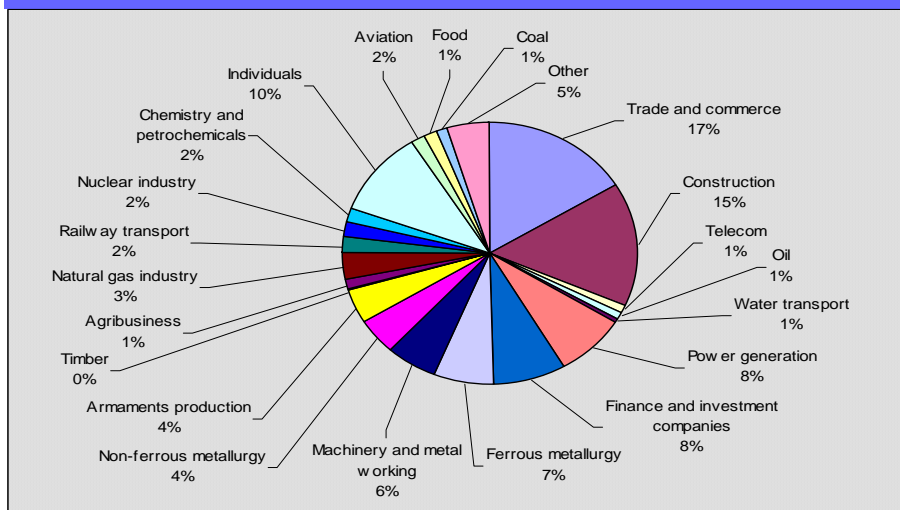
- One of the best Risk Management teams in Russia
- Recognized by Operational Risk Magazine:
 - “Operational Risk Framework Award at an Institution Based in an Emerging Market” for two consecutive years – 2004 and 2005
 - Finalist of 2006 Operational Risk & Compliance Achievement Awards under «Standardized or alternative standardized approach» category among
 - Cheltenham & Gloucester (United Kingdom)
 - DBS (Singapore)
 - Standard Chartered (United Kingdom)
- Loan concentration of top 10 borrowers reduced to 20.5% at the end of first half of 2007 from 22.3% at the end of 2006
- Top 20 loan concentration reduced to 31.6% at the end of first half of 2007 from 33.3% at the end of 2006
- Top 10 loan concentration is expected below 20% by the end of 2007
- Related party lending kept at low level during the last 5 years



* Source: IFRS reviewed by auditors figures as of June 30, 2007; related party lending figures include credit-related commitments

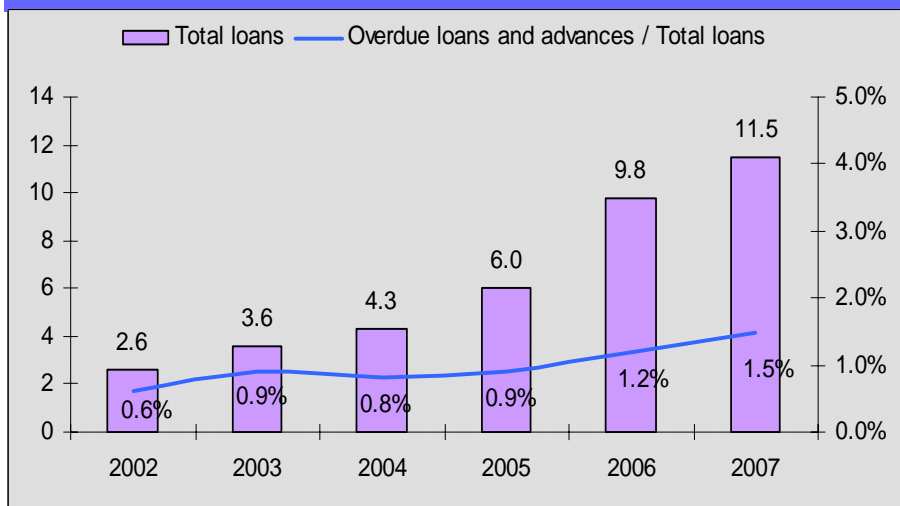
High quality of the loan portfolio

Loan portfolio breakdown by economic sectors

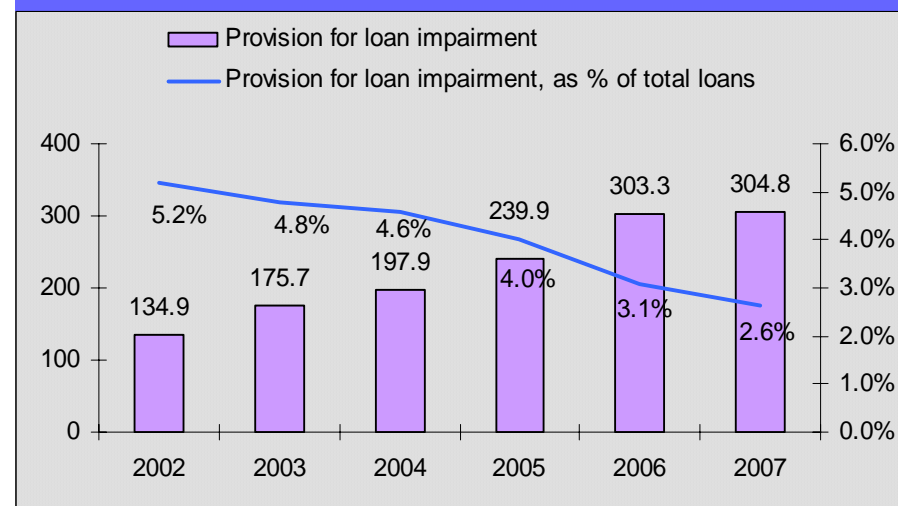


- The largest sector in the loan portfolio, Trade and Commerce, represents only 17% of the total loan book
- Overdue loans are kept at a low level due to high quality of the corporate loan portfolio (corporate overdue loans decreased to 0.32% of total portfolio at the end of the first half of 2007 from 0.36% at the end of 2006)
- Slight increase in overdue loans from 1.2% in 2006 to 1.5% in 2007 is due to growth of the share of retail lending with overdue loan rate at 8.5% which improved significantly from 9.9% at the end of 2006
- Consistent quality of the loan portfolio has allowed for a gradual decrease of provisioning rate

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



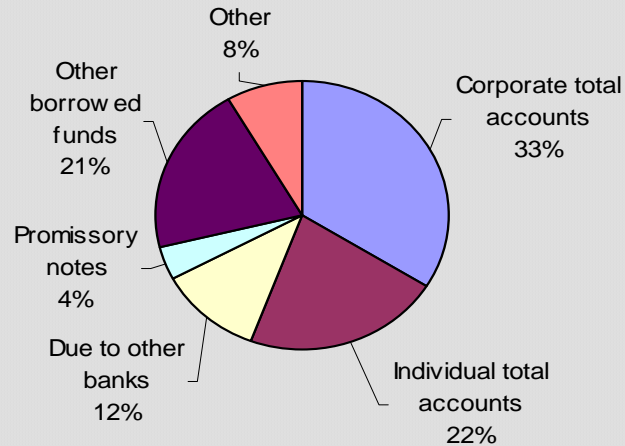
Provision for loan impairment (US\$, mln)



* Loans +1 day overdue

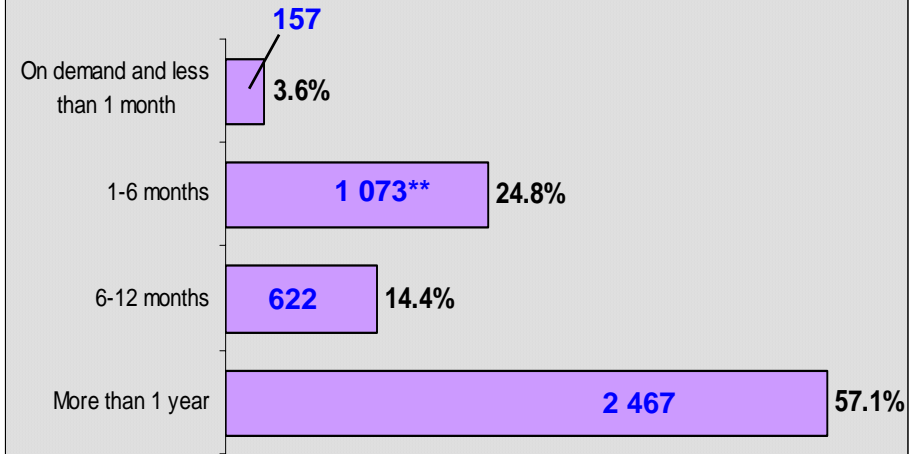
Increased diversification of funding sources

Liability structure



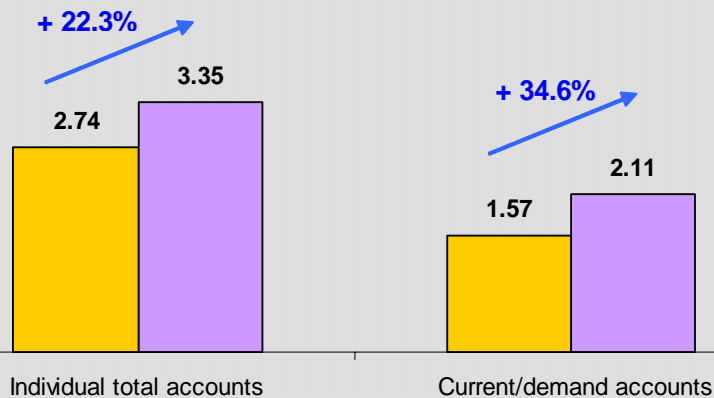
Total liabilities: US\$ 15.4 bn

Borrowed funds maturity breakdown* (US\$, mln)



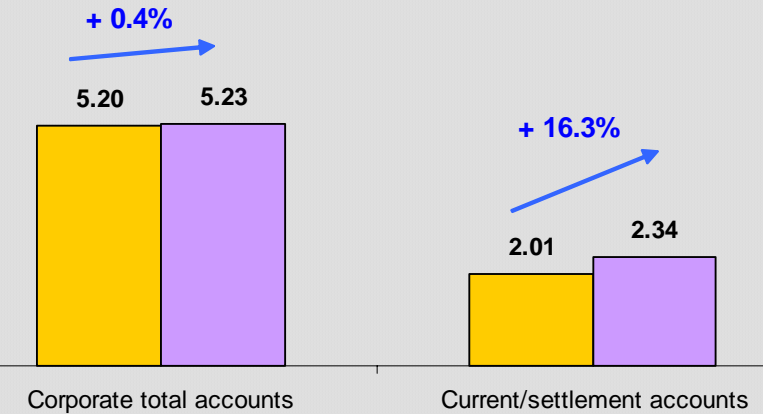
** including 220 US\$ mln syndicated loan which was redeemed in September 2007

Retail customer accounts, (US\$, bn)



■ 2006 ■ 2007

Corporate customer accounts (US\$, bn)

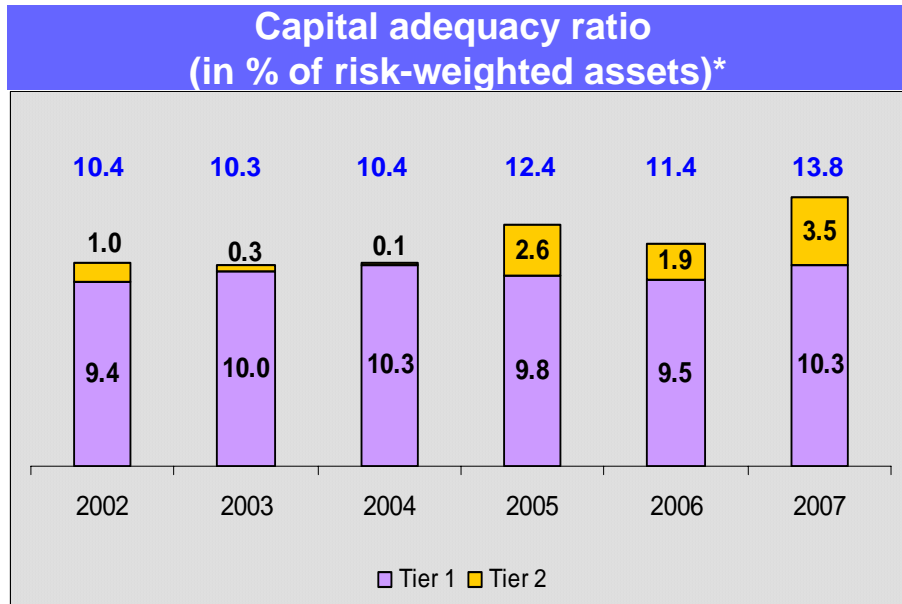


■ 2006 ■ 2007

Source: Audited IFRS figures as of June 30, 2007

* Borrowed funds include promissory notes, other borrowed funds and subordinated debt, but exclude interbank and customer accounts

Adequate capital level maintained



- Total capital ratio is maintained, backed by strict capital discipline in accordance with mid-term guidance of 10-12%
- Subordinated debt issue (LT2) of US\$ 300 mln in February 2007 further improved Tier 2 ratio
- Net share capital increase of \$258 mln completed in 1H 2007, consisting of cash capital injection of \$350 mln, less dividend of non-core CTC shares of \$92 mln

*Preliminary CAR ratios, calculated in accordance with Basel standards, not audited. Figures as of June 30, 2007

Outlook 2007

Total Assets	~ US\$ 20-21 bn
Loan Portfolio	Corporate loans: ~ US\$ 12-13 bn Retail loans: ~ US\$ 1.6 bn – 1.7 bn
Cost to Income Ratio	~ 54-56%
Return on Equity	~ 14-15%
CAR	~ 10-12%

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