Alfa-Bank

Full Year 2009 Results
April 26, 2010

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Chief Financial Officer
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Financial highlights FY 2009

Financial performance
- Total comprehensive income increased to US$ 216 mln compared to US$ 42 mln as at FY 2008
- Provisions increased from US$ 1 190 mln (6.2% of loan portfolio) at FY 2008 to US$ 1 504 mln (10.1% of loan portfolio) at FY 2009
- Cost to income at 51.3% (end-2008: 36.6%)
- Return on equity at 3.6% (end-2008: 11.5%)

Operating performance
- Total assets decreased 20.0% from US$ 27.1 bn at FY 2008 to US$ 21.6 bn
- Gross loans decreased 22.0% from US$ 19.2 bn at FY 2008 to US$ 15.0 bn
- Funding from the CBR decreased from US$ 5.0 bn at FY 2008 to US$ 0.2 bn
- Cash and interbank balances decreased from 21% at FY 2008 to 20% of total assets
- Customer accounts up 8.8% from US$ 12.6 bn at FY 2008 to US$ 13.7 bn
- Subordinated debt increased from US$ 0.5 bn to at FY 2008 to US$ 1.7 bn
- Total equity up 24.8% from US$ 2.2 bn at FY 2008 to US$ 2.7 bn

Ratings
- Moody’s confirmed credit rating at Ba1 in February 2009
- S&P downgraded the credit rating from BB- to B+ in September 2009 due to deteriorating asset quality in Russian banking sector. Outlook was set stable.

Source: IFRS audited financial results
Decrease of net interest income and net commission income in line with assets reduction

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

![Net interest income graph]

- CAGR: +28.0%
- Net interest margin

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

![Net commission income graph]

- CAGR: +17.2%

**Cost to Income ratio, %**

![Cost to Income ratio graph]

**Total comprehensive income (in US$, mln)**

![Total comprehensive income graph]

Source: IFRS audited financial results

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

- Top 7 in terms of assets and top 5 in terms of equity in Russia – largest private bank

- Decrease in total assets and loan portfolio for the period from 31 December 2008 to 31 December 2009 (-20% and -22% respectively) primarily driven by unfavorable macroeconomic conditions in the first half 2009, which led to reduced availability of funding resources (e.g. capital markets)

- Loan portfolio started to recover in the 4th quarter 2009

Source: IFRS audited financial results
Conservative risk management

- The largest sector in the loan portfolio, Construction, represents 14% of the total loan book (end-2008: 17%). Most of the construction sector financing consists of less risky commercial property (85% of construction portfolio) and infrastructure construction (5%), as compared to housing construction (10%).

- Top 10 depositor concentration slightly increased from 29.5% at the end of 2008 to 30.0% at FY 2009, although is lower than in previous years.

- Loan concentration of top 10 borrowers increased from 22.2% of total loans at the end of 2008 to 28.4% of total loans at the end of 2009 due to increased focus on lending to blue-chip companies.

- Lending to highly rated related-party borrowers increased from 4.2% of total loans at the end of 2008 to 5.6% of total loans at the end of 2009 (including credit-related commitments).

Source: IFRS audited financial results

* including credit-related commitments
Loan portfolio quality

- Overdue loans started to decrease in 4Q 2009. The increase in 1H 2009 was due to general deterioration in borrowers credit quality. Asset quality worsening was attributable to the whole Russian banking industry.

- Most of the overdue loans are currently being negotiated for restructure; as of FY 2009 US$ 1.7 bn (11.5% of the loan book) had been restructured and removed from problem loans, which include:
  - US$ 1.6 bn of Corporate loans;
  - US$ 0.1 bn of Financial lease receivables;

- The non-overdue portion of “Overdue loans and advances” amounted to 36% of the total.

- Due to the current market environment and conservative provisioning policy, the provisioning rate has grown considerably up to 10.1% of the total loan book as at FY 2009.

Source: IFRS audited financial results

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

Alfa-Bank
Dynamics of loan portfolio delinquencies*

Corporate delinquencies

Retail lagged delinquency 1+ days*

Retail lagged delinquency 30+ days*

Retail lagged delinquency 90+ days*

Risk management estimates (not IFRS)

*Mortgage delinquency increased due to new write off methodology – overdue less than 540 days loans are included in lagged delinquency
Funding from the CBR has been replaced with funding from corporates and individuals

### Liability structure FY 2009

- Corporate total accounts 36%
- Individual total accounts 37%
- Subordinated debt 9%
- Promissory notes 3%
- Due to other banks 4%
- Due to CBR 1%
- Other borrowed funds 7%
- Other 3%

### Customer accounts, (US$, bn)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total accounts</th>
<th>Current accounts</th>
<th>Term deposits</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>6.44</td>
<td>2.03</td>
<td>4.41</td>
</tr>
<tr>
<td>2009</td>
<td>6.75</td>
<td>2.90</td>
<td>4.93</td>
</tr>
</tbody>
</table>

### Other borrowed funds maturity breakdown (US$, mln)

- **2010:** $509 mln
  - 8 mln
  - 73 mln
  - 49 mln
  - 71 mln
  - 28 mln
  - 181 mln
- **2011:** $345 mln
  - 10 mln
  - 47 mln
  - 56 mln
  - 27 mln
  - 26 mln
  - 334 mln
  - 127 mln
  - 226 mln

### Liquidity management

- IFRS cash as of FY 2009: $2.1 bln or 9.8% of TA
- Cash as of 15.04.2010: $1.5 bln

### Additional CBR collateralized funding sources available as of 15.04.2010

<table>
<thead>
<tr>
<th>Source</th>
<th>Unused limit, USD mln</th>
</tr>
</thead>
<tbody>
<tr>
<td>HFS Portfolio</td>
<td>961</td>
</tr>
<tr>
<td>REPOable Fixed Income portfolio</td>
<td>1 023</td>
</tr>
<tr>
<td>Loan portfolio to CBR REPO</td>
<td>297</td>
</tr>
<tr>
<td>Cross Guarantee agreements</td>
<td>1 815</td>
</tr>
<tr>
<td>Total</td>
<td>4 096</td>
</tr>
</tbody>
</table>

Next month average daily loan redemption: $36.0 mln

Source: IFRS audited financial results
**High capital level maintained**

- Capital adequacy increased substantially from 9.2% in 2008 to 20.0% in 2009
- In January 2009 a subordinated loan from Vnesheconombank was attracted in the amount of approximately $294 mln which increased Tier 2 capital
- Shareholder capital injection of $320 mln completed in June 2009
- In October 2009 Vnesheconombank granted additional subordinated loans to Alfa-Bank of approximately $1 bn in total which further increased Tier 2 capital

### Capital adequacy ratio

<table>
<thead>
<tr>
<th>Year</th>
<th>Tier 1</th>
<th>Tier 2</th>
<th>Total capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>10.4%</td>
<td>10.3%</td>
<td>10.3%</td>
</tr>
<tr>
<td>2005</td>
<td>12.4%</td>
<td>9.8%</td>
<td>11.4%</td>
</tr>
<tr>
<td>2006</td>
<td>11.4%</td>
<td>9.5%</td>
<td>11.8%</td>
</tr>
<tr>
<td>2007</td>
<td>11.8%</td>
<td>9.5%</td>
<td>9.2%</td>
</tr>
<tr>
<td>2008</td>
<td>9.2%</td>
<td>8.2%</td>
<td>6.9%</td>
</tr>
<tr>
<td>2009</td>
<td>20.0%</td>
<td>13.1%</td>
<td>20.0%</td>
</tr>
</tbody>
</table>

### CAR summary, USD ‘000*

<table>
<thead>
<tr>
<th></th>
<th>12/31/2009</th>
<th>Diff</th>
<th>12/31/2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital adequacy</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tier 1</td>
<td>2 545 396</td>
<td>467 079</td>
<td>2 078 317</td>
</tr>
<tr>
<td>Tier 2</td>
<td>1 337 793</td>
<td>1 085 816</td>
<td>251 977</td>
</tr>
<tr>
<td>Total capital</td>
<td>3 883 188</td>
<td>1 552 895</td>
<td>2 330 293</td>
</tr>
<tr>
<td>Banking book</td>
<td>17 467 039</td>
<td>-4 449 405</td>
<td>21 916 443</td>
</tr>
<tr>
<td>Trading book</td>
<td>1 907 537</td>
<td>-1 509 340</td>
<td>3 416 877</td>
</tr>
<tr>
<td>Total risk weighted assets</td>
<td>19 374 576</td>
<td>-5 958 745</td>
<td>25 333 320</td>
</tr>
<tr>
<td>Tier 1 ratio</td>
<td>13.1%</td>
<td>4.9%</td>
<td>8.2%</td>
</tr>
<tr>
<td>Total capital ratio</td>
<td>20.0%</td>
<td>10.8%</td>
<td>9.2%</td>
</tr>
</tbody>
</table>
## Forecast 2010

<table>
<thead>
<tr>
<th>Category</th>
<th>Forecast 2010</th>
<th>FY 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Assets</td>
<td>~ US$ 23 – 24 bn</td>
<td>21.6 bn</td>
</tr>
<tr>
<td>Loan Portfolio</td>
<td>Corporate loans: ~ US$ 14.0 – 14.5 bn</td>
<td>12.8 bn</td>
</tr>
<tr>
<td></td>
<td>Retail loans: ~ US$ 2.0 – 2.2 bn</td>
<td>2.1 bn</td>
</tr>
<tr>
<td>Cost to Income Ratio</td>
<td>&lt; 50%</td>
<td>51.3%</td>
</tr>
<tr>
<td>Return on Equity</td>
<td>15 – 20%</td>
<td>3.6%</td>
</tr>
<tr>
<td>CAR</td>
<td>~ 18 – 20%</td>
<td>20.0%</td>
</tr>
</tbody>
</table>
Appendix
**Income from non-core activities in 2009 is primarily gains from sale of acquired distressed receivables $44 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 and the financial result from investments in VISA $23 mln.**

Other comprehensive income includes income directly recorded in equity. For details see profit and loss statement in the audited financial statements.

Source: IFRS audited financial results 2008, 2009
Alfa-Bank’s universal business franchise

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

4.1 million retail clients and 40,300 corporate clients**

Retail Banking

- Branch Banking
  - Current and Savings Accounts
  - Debit and Credit Cards
  - GSM Banking
  - Internet Banking
  - Personal Instalment Loans

- Auto Finance

- Consumer Finance

- Mortgage Loans

Corporate and Investment Banking

- Corporate Lending
- Domestic and International Clearing
- SME Banking
- Leasing
- Trade Finance
- Structured Finance
- Factoring
- Cash Management
- Equity Brokerage
- Fixed Income Brokerage
- Research
- Debt and Equity Capital Markets
- Mergers & Acquisitions
- Structured Products and Derivatives
- FX operations

Strategy

- Alfa-Bank is, and will remain, a universal bank, focused on corporate, retail & investment banking
- Assets and liabilities effective management with further increase of profitability
- Steady increase of the loan portfolio with focus on borrowers’ quality
- The business units will be further integrated in order to promote efficiency and sales
- Capital markets borrowing
- Exploit economies of scale
- Maintaining liquidity

* Source: Customer Experience Index by PWC, January 2010
** Figures as of April 1, 2010 (the decrease was due to closing of inactive accounts in Bank Severnaya Kazna)
Alfa-Bank: the key banking asset of Alfa Group

- Alfa Group holds approximately $52 bn in assets and $15.7 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 2008
** The stakes in the companies shown include effective minority stakes
Alfa-Bank: well recognised record of excellence

- Best Local Bank Trading Rouble, 2006
- Best Forex Bank in Russia, 2006
- Brand of the Year / EFFIE 2008 award for “My Alfa” banking card
- One of the most transparent banks according to the “Transparency and Disclosure by Russian Banks” 2007 research
- Best Internet Bank in Russia 2008
- Best Domestic Bank 2008
- Best Trade Finance Bank in Russia, 2008, 2007
- Best Equity Research Bank 2008
- Russian Private Bank of the Year 2009

- Best bank in the “Customer Impressions of Retail Banking in Russia” research by KPMG and Senteo, 2007
- Best bank in the “Customer Experience Index” research by PricewaterhouseCoopers and Senteo, 2009, 2008
- Best bank in Russia by quality of retail client services
- Creative Idea of the Year 2007 — Cosmopolitan — Visa Cards
Leading Russian private bank in most market segments

**Top Russian banks by assets** (USD bln)

- **State controlled banks**
  - Sberbank: 246.9
  - VTB: 84.1
  - Gazprombank: 55.3
  - Rosselkhozbank: 31.6
  - Bank of Moscow: 26.8
  - VTB 24: 23.6
  - Alfa-Bank: 21.4
  - Unicredit Bank: 17.0
  - Raiffeisenbank: 16.5
  - Promsvybank: 16.1

**Top Russian banks by deposits** (USD bln)

- **State controlled banks**
  - Sberbank: 158.8
  - Gazprombank: 38.5
  - VTB: 33.1
  - Bank of Moscow: 14.2
  - Rosselkhozbank: 13.7
  - Alfa-Bank: 13.0
  - Rosbank: 10.9
  - Promsvybank: 10.1
  - Unicredit Bank: 9.9
  - Promsbybank: 8.3

**Top Russian banks by equity** (USD bln)

- **State controlled banks**
  - Sberbank: 26.1
  - VTB: 11.8
  - Gazprombank: 5.1
  - Rosselkhozbank: 4.8
  - Bank of Moscow: 2.9
  - VTB 24: 2.7
  - Alfa-Bank: 2.4
  - Unicredit Bank: 2.2
  - Raiffeisenbank: 1.9
  - Promsbybank: 1.8

**Market share in retail**

- **Retail demand accounts**
  - Jan-08: 4.4%
  - Apr-08: 4.5%
  - Jul-08: 4.7%
  - Oct-08: 4.6%
  - Jan-09: 4.9%
  - Apr-09: 5.3%
  - Jul-09: 5.2%
  - Oct-09: 5.5%
  - Jan-10: 5.1%
  - Feb-10: 5.4%

- **Retail loans**
  - Jan-08: 1.5%
  - Apr-08: 1.7%
  - Jul-08: 1.7%
  - Oct-08: 1.8%
  - Jan-09: 2.2%
  - Apr-09: 2.2%
  - Jul-09: 2.2%
  - Oct-09: 2.2%
  - Jan-10: 2.1%
  - Feb-10: 2.1%

* Source: rating.rbc.ru. Figures as of January 1, 2010
** Source: CBR, Alfa-Bank’s management report March 2010
*** Source: rating.rbc.ru. Figures as of July 1, 2009
Leading private bank in corporate segment...

- Largest private bank by corporate customer accounts
- Services 40,300 corporate clients**, including leading Russian Blue Chip companies such as Russian Railways, Rosneft, Alrosa, TNK-BP, Rosatom, United Aircraft Corporation
- 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, enabling the bank to actively manage the corporate loan portfolio

Corporate loan portfolio (US$, mln)*

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount (mln)</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>9,021</td>
<td>+51%</td>
</tr>
<tr>
<td>2007</td>
<td>13,666</td>
<td>+21%</td>
</tr>
<tr>
<td>2008</td>
<td>16,474</td>
<td>-21%</td>
</tr>
<tr>
<td>1H 2009</td>
<td>13,054</td>
<td>-2%</td>
</tr>
<tr>
<td>FY 2009</td>
<td>12,849</td>
<td></td>
</tr>
</tbody>
</table>

* Source: Alfa-Bank management IFRS report January 2010
** Source: Alfa-Bank’s management report April 2010 (the decrease was due to closing of inactive accounts in Bank Severnaya Kazna)

Strategy

- Loan portfolio recovery and regaining market share
- Promotion of sales of corporate investment products
  - Finalization of problem assets restructuring
- Focus on commissions and other income, maximize client revenue potential
- Promoting high-margin products such as structured lending and trade finance
- Further develop settlement business and increase customer service quality
2009 SUMMARY
- 2009 investment banking revenues set a new record, concentration in fixed income
- Costs reduced by approximately 1/3
- Capital markets and M&A fees were significantly reduced in 2009
- Complete build out of international distribution for equities and fixed income

2010 OUTLOOK AND GOALS
- One team – corporate and investment bank
- Better value proposition for clients:
  - service
  - products
- Increased profitability: focus on costs, integrate FX team
- Become undisputed best universal bank in Russia

Relative market performance 2009

<table>
<thead>
<tr>
<th>Jan-09</th>
<th>Mar-09</th>
<th>May-09</th>
<th>Jul-09</th>
<th>Sep-09</th>
<th>Nov-09</th>
</tr>
</thead>
<tbody>
<tr>
<td>Russia (RTS)</td>
<td>China (SH Composite)</td>
<td>Brazil (Bovespa)</td>
<td>India (Sensex)</td>
<td>US (Dow Jones IA)</td>
<td>UK (FTSE 100)</td>
</tr>
<tr>
<td>(RTS)</td>
<td>(SH Composite)</td>
<td>(Bovespa)</td>
<td>(Sensex)</td>
<td>(Dow Jones IA)</td>
<td>(FTSE 100)</td>
</tr>
<tr>
<td>0</td>
<td>50</td>
<td>100</td>
<td>150</td>
<td>200</td>
<td>250</td>
</tr>
</tbody>
</table>

Investment Bank revenues

<table>
<thead>
<tr>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>1Q2010*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equities</td>
<td>$123,899,000</td>
<td>-$26,031,000</td>
<td>$52,727,310</td>
</tr>
<tr>
<td>Fixed Income</td>
<td>$34,639,000</td>
<td>$132,150,000</td>
<td>$246,910,000</td>
</tr>
<tr>
<td>Corporate Finance</td>
<td>$42,300,000</td>
<td>$45,022,000</td>
<td>$4,901,000</td>
</tr>
<tr>
<td>Forex**</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>$200,838,000</td>
<td>$151,141,000</td>
<td>$304,538,310</td>
</tr>
</tbody>
</table>

* Source: Alfa-Bank’s management report
** Part of Treasury Group in 2007-2009

... and one of the top Russian investment banks...
... with solid positions in retail sector

- 4.1 million retail customers served*
- Full spectrum of retail banking products offered: credit cards, deposits, PILs, consumer, auto, mortgage loans, internet and mobile phone banking
- One of the largest Russian privately owned banks by retail demand deposits (5.4% market share as of February 1, 2010)**
- Top 10 Russian bank by total retail portfolio***
- Large distribution network – 245 retail branches as of January 2010
- Core retail businesses – branch banking and consumer finance were profitable in 2009
- Rated number 1 in customer experience index in 2009 by PricewaterhouseCoopers
- Strong private banking offering “A-Club”

** Retail loan portfolio (US$, mln)

<table>
<thead>
<tr>
<th>Year</th>
<th>PIL &amp; credit cards</th>
<th>consumer finance</th>
<th>auto loans</th>
<th>mortgages</th>
<th>reverse repo</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>762</td>
<td>14</td>
<td>182</td>
<td>403</td>
<td>0</td>
</tr>
<tr>
<td>2007</td>
<td>1,753</td>
<td>531</td>
<td>319</td>
<td>677</td>
<td>0</td>
</tr>
<tr>
<td>2008</td>
<td>2,686</td>
<td>12</td>
<td>509</td>
<td>962</td>
<td>0</td>
</tr>
<tr>
<td>1H 2009</td>
<td>2,247</td>
<td>20</td>
<td>437</td>
<td>541</td>
<td>28</td>
</tr>
<tr>
<td>FY 2009</td>
<td>2,104</td>
<td>-6%</td>
<td>428</td>
<td>426</td>
<td>0</td>
</tr>
</tbody>
</table>

* Make entire retail business profitable
  - Increase of the net fee and commission income share in the Retail Business total income
  - Aggressive consumer finance development by means of sales increase
  - Concentration on VIP customers
  - Development of synergy with Corporate-Investment Business in terms of cross sales and possible usage of conjoint branches
  - Strengthening of Alfa-Bank’s leadership in internet banking in terms of individual customers’ transactions and internet acquiring

** Restart of PIL and CC lending

* Source: Alfa-Bank management reports April 2010
** Source: CBR, Alfa-Bank management reports
*** Source: rating.rbc.ru
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