Alfa•Bank
First Half 2014 Results
August 28, 2014

Presented by:
Alexei Tchoukhlov, CFO
Svetlana Demyashkevich, Deputy CFO
Disclaimer

- This document and its contents are confidential and may not be reproduced, redistributed, published or passed on to any other person, directly or indirectly, in whole or in part, for any purpose. If this presentation has been received in error it must be returned immediately to Alfa-Bank (the “Bank”).
- This presentation is not directed to, or intended for distribution to or use by, any person or entity that is a citizen or resident of, or located in, any locality, state, country or other jurisdiction where such distribution or use would be contrary to law or regulation or which would require any registration or licensing within such jurisdiction.
- THIS PRESENTATION IS NOT FOR DISTRIBUTION, DIRECTLY OR INDIRECTLY, INTO THE UNITED STATES. This presentation and the information contained herein are not an offer of securities for sale in the United States. The Bank’s securities may not be offered or sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended (the “Securities Act”). The Bank does not intend to register any portion of the offering of its securities in the United States or to conduct a public offering of any securities in the United States.
- This communication is directed solely at (a) persons who have professional experience in matters relating to investments falling within article 19(1) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”) or (b) high net worth entities falling within article 49(2)(a) to (d) of the Order, and other persons to whom it may be lawfully communicated, falling within article 49(1) of the Order (all such persons together being referred to as “relevant persons”). Any person who is not a relevant person should not act or rely on this document or any of its contents. Any investment activity to which this communication relates will only be available to and will only be engaged with relevant persons. Any person who is not a relevant person should not act or rely on this communication.
- This presentation is not for publication, release or distribution in Australia, Canada or Japan.
- This presentation does not constitute or form part of, and should not be construed as, an offer or invitation to sell securities of the Bank, or the solicitation of an offer to subscribe for or purchase securities of the Bank, and nothing contained herein shall form the basis of or be relied on in connection with any contract or commitment whatsoever. Any decision to purchase any securities of the Bank should be made solely on the basis of the final terms and conditions of the securities and the information to be contained in the prospectus or equivalent disclosure document produced in connection with the offering of such securities. Prospective investors are required to make their own independent investigations and appraisals of the business and financial condition of the Bank and the nature of the securities before taking any investment decision with respect to securities of the Bank. The prospectus (or equivalent disclosure document) may contain information different from the information contained herein.
- The information in this presentation has not been independently verified. No representation or warranty, expressed or implied, is made as to the accuracy, completeness or fairness of the presentation and the information contained herein and no reliance should be placed on such information. None of the Bank, its advisers, connected persons or any other person accepts any liability for any loss howsoever arising, directly or indirectly, from this presentation or its contents.
- This presentation contains forward-looking statements, which include all statements other than statements of historical facts, including, without limitation, any statements preceded by, followed by or including the words “targets”, “believes”, “expects”, “aims”, “intends”, “may”, “anticipates”, “would”, “could” or similar expressions or the negative thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Bank’s control that could cause the Bank’s actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Bank’s present and future business strategies and the environment in which it will operate in the future. These forward-looking statements speak only as at the date of this presentation. The Bank expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in its expectations with regard thereto or any change in events, conditions or circumstances on which any of such statements are based.
- This presentation is not a public offer or advertisement of securities in the Russian Federation and is not an invitation to make offers to purchase any securities in the Russian Federation. The information and opinions in this presentation are subject to change without notice. All information not separately sourced in this presentation is from Bank data.
Financial highlights 1H 2014

**Financial Position**
- Operating profit before provisioning at US$ 1 534 mln (1H 2013: US$ 1 455 mln)
- Operating segment profit before provisioning:
  - Corporate and Investment banking – US$ 628 mln (1H 2013: US$ 639 mln)
  - Retail banking – US$ 803 mln (1H 2013: US$ 691 mln)
- Risk charge:
  - Corporate and Investment banking – US$ 214 mln (1H 2013: US$ 3 mln)
  - Retail banking – US$ 337 mln (1H 2013: US$ 193 mln)
- Net profit at US$ 237 mln (1H 2013: US$ 479 mln)
- Cost to income at 41.9% (1H 2013: 42.0%)
- Return on equity at 9.6% (1H 2013: 22.1%)
- Total assets increased 2.4% from US$ 48.6 bn at FY 2013 to US$ 49.8 bn
- Gross loans increased 4.8% from US$ 34.0 bn at FY 2013 to US$ 35.6 bn
  - Loans to individuals – US$ 7.0 bn (2013: US$ 6.2 bn)
- Provisions increased by 21.9% to US$ 1.8 bn or 5.0% of loan portfolio
- Total equity up 4.3% from US$ 4.8 bn at FY 2013 to US$ 5.0 bn

**Ratings**
- Fitch affirmed credit rating at BBB- in July 2014, negative outlook
- S&P affirmed credit rating at BB+ in April 2014, negative outlook
- Moody’s confirmed credit rating at Ba1 in June 2014, stable outlook

Source: IFRS audited financial results, 6m 2014 reviewed by auditors IFRS results
Steadily growing income, improving efficiency and stable margins

**Operating profit before provisioning (in US$, mln)**

<table>
<thead>
<tr>
<th>Period</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>1H</td>
<td>997</td>
<td>853</td>
<td>1,016</td>
<td>1,455</td>
<td>1,534</td>
</tr>
</tbody>
</table>

CAGR: +21.4%

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

<table>
<thead>
<tr>
<th>Period</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>1H</td>
<td>660</td>
<td>719</td>
<td>787</td>
<td>1,074</td>
<td>1,190</td>
</tr>
</tbody>
</table>

CAGR: +18.1%

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

<table>
<thead>
<tr>
<th>Period</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>1H</td>
<td>127</td>
<td>211</td>
<td>247</td>
<td>357</td>
<td>395</td>
</tr>
</tbody>
</table>

CAGR: +23.0%

Source: IFRS audited financial results. 6m 2014 reviewed by auditors IFRS results

* Net interest margin is calculated as Net interest income / Average interest earning assets

**Cost to Income ratio, %**

<table>
<thead>
<tr>
<th>Period</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>44.3</td>
<td>51.6</td>
<td>46.3</td>
<td>43.7</td>
<td>41.9</td>
</tr>
</tbody>
</table>

**Commission income share in operating profit**

<table>
<thead>
<tr>
<th>Period</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>1H</td>
<td>12.7%</td>
<td>24.7%</td>
<td>24.3%</td>
<td>24.5%</td>
<td>25.7%</td>
</tr>
</tbody>
</table>
Assets and loan portfolio development

Top 5 in terms of equity, total assets and gross loans – Russia’s largest private bank*

Total gross loans increased by 4.8% in 1H 2014

Total assets increased by 2.4% in 1H 2014

Alfa-Bank maintains relatively stable assets structure with a loan portfolio share of about 68% and gross loans to deposits ratio of 126% (127% as at YE 2013)

The share of foreign currency loans in total gross loan portfolio amounts to 38.4% at 1H 2014 (FY 2013: 37.5%)

The share of foreign currency assets in total assets amounts to 45.5% at 1H 2014 (FY 2013: 43.4%)

Source: IFRS audited financial results, 6m 2014 reviewed by auditors IFRS results

* Source: banki.ru/banks/ratings/ Figures as of July 1, 2014. Bank of Moscow is considered as part of VTB Group, as it was merged in 2011
Concentration levels

Loans breakdown by economic sectors

- Relatively stable and well-diversified industry mix with a growing share of loans to individuals
- Loan concentrations of top 10 customers and related party exposure demonstrated growth due to increased lending of one of Alfa-Group top tier borrowers on market terms
- Total exposure to Ukrainian borrowers amounted to US$ 464 mln (Alfa-Bank: US$ 91 mln; ATB: US$ 373 mln) as at 1H 2014 compared to US$ 544 mln at YE 2013
- The exposure to ABH Ukraine Group amounted to US$ 199 mln (Alfa-Bank: US$ 14 mln; ATB: US$ 185 mln) at 1H 2014 compared to US$ 237 mln at YE 2013

Concentration of top 10 borrowers / depositors

(as % of total loans / customer accounts)

Source: IFRS audited financial results, 6m 2014 reviewed by auditors IFRS results
* Including ferrous metallurgy US$ 1,220 mln (4%) and non-ferrous metallurgy US$ 960 mln (3%)
** Including credit-related commitments
Loan portfolio quality

Overdue loans and advances 1+ days (US$, mln)*

Overdue loans increased in 1H 2014 due to expansion of retail lending and a single major problem corporate exposure, which comprised 46% of corporate overdue loans growth and 55% of corporate provisioning growth.

Retail loan provisioning ratio increased to 5.7% from 4.5% at FY 2013, corporate provisions increased to 4.8% compared to 4.2% at FY 2013.

Provisions coverage of 1+ day overdue loans amounted to 122% at 1H 2014 (corporate: 158%, retail: 68%) compared to 205% at FY 2013 (corporate: 342%, retail: 77%)

Cost of risk at 1H 2014 comprised 1.58% (corporate: 0.76%, retail: 5.14%) compared to 0.60% at 1H 2013 (corporate: 0.01%, retail: 3.97%)

Overdue loans structure (US$, mln)

Provision for loan impairment (US$, mln)

Source: IFRS audited financial results, 6m 2014 reviewed by auditors IFRS results

* Overdue loans and advances include both past due instalments and the remaining non-overdue portion of the loan
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, as of July 1, 2014
Funding structure is well-balanced

Customer accounts (US$, bn)

<table>
<thead>
<tr>
<th></th>
<th>Total accounts 2013</th>
<th>Total accounts 1H 2014</th>
<th>Current accounts 2013</th>
<th>Current accounts 1H 2014</th>
<th>Term deposits 2013</th>
<th>Term deposits 1H 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual</td>
<td>12.4</td>
<td>14.7</td>
<td>4.6</td>
<td>5.9</td>
<td>7.8</td>
<td>6.7</td>
</tr>
<tr>
<td>Corporate</td>
<td>26.8</td>
<td>28.3</td>
<td>11.8</td>
<td>12.8</td>
<td>15.0</td>
<td>15.5</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>$4.3 bln or 8.7% of TA</th>
<th>Unused limit, US$ mln</th>
</tr>
</thead>
<tbody>
<tr>
<td>IFRS cash and cash equivalents as of 1H 2014</td>
<td>$4.3 bln or 8.7% of TA</td>
<td>1,248</td>
</tr>
<tr>
<td>Additional funding sources available as of 01.07.2014</td>
<td>Unused limit, US$ mln</td>
<td>826</td>
</tr>
<tr>
<td>HFS portfolio</td>
<td>2,979</td>
<td>2,085</td>
</tr>
<tr>
<td>REPOable Fixed Income portfolio</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Loan portfolio to CBR REPO</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>CBR Xguarantee</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>CBR/MINFIN Auctions</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>7,138</td>
<td>4,879</td>
</tr>
</tbody>
</table>

Next month average daily loan redemption | $44.7 mln

Source: IFRS audited financial results, 6m 2014 reviewed by auditors IFRS results
* Treasury accounts

Liability structure 1H 2014

- The share of foreign currency deposits in total deposit portfolio amounts to 38.9% in 1H 2014 (FY 2013: 38.0%)
- The share of foreign currency liabilities in total liabilities amounts to 42.6% in 1H 2014 (FY 2013: 42.0%)

Other borrowed funds maturity breakdown (US$, mln)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>ECP</td>
<td>365</td>
<td>610</td>
<td>295</td>
<td>2,542</td>
</tr>
<tr>
<td>Eurobonds (MTN, LPN)</td>
<td>351</td>
<td>969</td>
<td>1,074</td>
<td>1,074</td>
</tr>
<tr>
<td>Subordinated debt</td>
<td>961</td>
<td>674</td>
<td>298</td>
<td>298</td>
</tr>
<tr>
<td>VEB Subordinated debt</td>
<td>295</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Ruble Bonds</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

- Corporate total accounts 26%
- State and public organisations 7%
- Individual total accounts 30%
- Due to other banks 13%
- Promissory notes 5%
- Other borrowed funds and subordinated debt 16%
- Other 3%

Other borrowed funds maturity breakdown (US$, mln)

- ECP
- Eurobonds (MTN, LPN)
- Subordinated debt
- VEB Subordinated debt
- Ruble Bonds

First Half 2014 Results. August 28, 2014
High capital adequacy level maintained

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

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>1H 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 1</td>
<td>12.6</td>
<td>11.9</td>
<td>10.2</td>
<td>11.7</td>
<td>11.8</td>
</tr>
<tr>
<td>Tier 2</td>
<td>5.6</td>
<td>4.8</td>
<td>5.4</td>
<td>5.0</td>
<td>4.7</td>
</tr>
</tbody>
</table>

CAR summary (US$, mln)*

<table>
<thead>
<tr>
<th></th>
<th>30.06.2014</th>
<th>Diff</th>
<th>31.12.2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 1</td>
<td>4,938</td>
<td>222</td>
<td>4,716</td>
</tr>
<tr>
<td>Tier 2</td>
<td>1,953</td>
<td>-56</td>
<td>2,009</td>
</tr>
<tr>
<td>Total capital</td>
<td>6,891</td>
<td>166</td>
<td>6,725</td>
</tr>
<tr>
<td>Banking book</td>
<td>40,205</td>
<td>2,224</td>
<td>37,984</td>
</tr>
<tr>
<td>Trading book</td>
<td>1,578</td>
<td>-697</td>
<td>2,275</td>
</tr>
<tr>
<td>Total risk weighted assets</td>
<td>41,783</td>
<td>1,527</td>
<td>40,259</td>
</tr>
<tr>
<td>Tier 1 ratio</td>
<td>11.8%</td>
<td>0.1%</td>
<td>11.7%</td>
</tr>
<tr>
<td>Total capital ratio</td>
<td>16.5%</td>
<td>-0.2%</td>
<td>16.7%</td>
</tr>
</tbody>
</table>

- Capital adequacy ratio decreased to 16.5% at 1H 2014 from 16.7% at YE 2013 mostly due to increase of RWA and slight decrease in Tier 2 capital in 1H 2014
- Total RWA increased by 3.8%:
  - Banking book grew by 5.9%
  - Trading book decreased by 30.6%

Basel III introduction

- On January 1, 2014 the new methodology of capital adequacy calculation came into force
- Revised capital adequacy ratios include N1.1 (core tier 1), N.1.2 (tier 1) and N1.0 (total capital)
- Alfa-Bank’s standalone capital adequacy ratios in accordance with RAS as of 01.07.2014:
  - N1.0 (min 10.0%) – 12.16%
  - N1.1 (min 5.0%) – 7.55%
  - N1.2 (min 5.5 %) – 7.55%

* CAR ratios calculated in accordance with Basel I standards (management computation)
Forecast 2014

- **Total Assets**: Growth ~ 5-10%
- **Loan Portfolio**: Corporate loans: growth ~ 10-12%  
  Retail loans: growth ~ 15-18%
- **Cost to Income Ratio**: < 44%
- **Return on Equity**: ~ 11-13%
- **CAR**: ~ 14-16%

As compared to FY 2013
## Operating environment

**Russian banking sector challenges**

### Banking Assets and Lending
- Russian banks’ assets increased by 4.0% and reached US$ 1.8 trln in 1H 2014
- Corporate lending (expressed in US$) increased by 5.3%. Share of overdue loans in corporate portfolio increased from 4.1% at FY 2013 to 4.5%
- Retail portfolio (expressed in US$) increased by 4.0%. Share of overdue loans increased from 4.4% at FY 2013 to 5.3%

### Funding base
- Increased currency denominated deposits especially in corporate segment (+15%).
- Increased cost of interbank funding: 1 day RUR-rate increased from 5.0% in Jan-2013 to 6.0% in Dec-2013 and 7.7% in Jun-2014.
- Limited availability of international funding in the current macroeconomic and political environment

### Government oversight and control
- Basel III introduced in 2014, Basel II to come in 2018
- Specific supervision of systemically important banks by CBR
- Consolidation and ‘clean-up’ of the banking sector
- Tightening consumer lending legislation
- Initiatives on ‘de-offshorisation’ of Russian economy

---

### Loan portfolio of Russian banking system (US$, bn)*

<table>
<thead>
<tr>
<th>Month</th>
<th>Retail Lending</th>
<th>Corporate Lending</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan-14</td>
<td>304</td>
<td></td>
</tr>
<tr>
<td>Feb-14</td>
<td>284</td>
<td></td>
</tr>
<tr>
<td>Mar-14</td>
<td>279</td>
<td></td>
</tr>
<tr>
<td>Apr-14</td>
<td>287</td>
<td></td>
</tr>
<tr>
<td>May-14</td>
<td>291</td>
<td></td>
</tr>
<tr>
<td>Jun-14</td>
<td>303</td>
<td></td>
</tr>
<tr>
<td>Jul-14</td>
<td>316</td>
<td></td>
</tr>
</tbody>
</table>

**Russian Economy slowdown**
- Oil-driven economy sensitive to oil and gas prices
- In 1H 2014 GDP grew by 1.1%
- Uncertainty caused by Ukrainian crisis and Russian sovereign rating downgrade by international rating agencies
- Sanctions imposed by the EU and US against Russian state-owned companies and banks slow down growth and aggravate macroeconomic risks.

---

*Source: CBR Report August, 2014*
Alfa-Bank: the key banking asset of Alfa Group Consortium*

<table>
<thead>
<tr>
<th>Business Unit</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alfa-Bank (Russia)</td>
<td>One of the largest private commercial and investment banking groups in Russia and the CIS.</td>
</tr>
<tr>
<td>Alfa-Bank (Ukraine)</td>
<td></td>
</tr>
<tr>
<td>Alfa-Bank (Belarus)</td>
<td></td>
</tr>
<tr>
<td>Alfa-Bank (Kazakhstan)</td>
<td></td>
</tr>
<tr>
<td>Alfa Asset Management Holdings</td>
<td>Manages investment portfolios for a wide range of clients.</td>
</tr>
<tr>
<td>Alfa Capital Partners</td>
<td>Private equity and infrastructure investment advisory company.</td>
</tr>
<tr>
<td>A1 Group Ltd.</td>
<td>A leading investment company focusing on special situations and growth strategies in Russia and the CIS.</td>
</tr>
<tr>
<td>AlfaStrakhovanie Group</td>
<td>One of the largest insurance companies in Russia with a diversified portfolio of insurance products.</td>
</tr>
<tr>
<td>Rosvodokanal Group</td>
<td>Regional leader in water-supply and water disposal operating in Russia.</td>
</tr>
<tr>
<td>X5 Retail Group N.V.</td>
<td>One of the largest food retail operators in Russia in terms of sales. Owns supermarket chains Pyaterochka, Perekrestok, Kopeyka, Karusel and E5.RU.</td>
</tr>
</tbody>
</table>

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

Alfa-Bank Russia (100.00%), Alfa-Bank Ukraine (100.00%), Alfa-Bank Belarus (98.96%), Alfa-Bank Kazakhstan (100.00%) - One of the largest private commercial and investment banking groups in Russia and the CIS.

Alfa Asset Management Holdings Ltd. (100.00%) - Manages investment portfolios for a wide range of clients.

Alfa Capital Partners (100.00%) - Private equity and infrastructure investment advisory company.

A1 Group Ltd. (100.00%) - A leading investment company focusing on special situations and growth strategies in Russia and the CIS.

AlfaStrakhovanie Group (85.49%) - One of the largest insurance companies in Russia with a diversified portfolio of insurance products.

Rosvodokanal Group (100%) - Regional leader in water-supply and water disposal operating in Russia.

X5 Retail Group N.V. (47.86%) - One of the largest food retail operators in Russia in terms of sales. Owns supermarket chains Pyaterochka, Perekrestok, Kopeyka, Karusel and E5.RU.

In December 2013, Alfa Group sold its stake in Altimo, which manages investments into Vimpelcom and Turkcell, to a newly created LetterOne Holdings S.A. controlled by the beneficiaries of Alfa Group.

* The stakes in the companies shown include effective minority stakes
** Source: Alfa Group Consortium audited report FY 2013
We do more than others to make the world of finance simpler and more convenient

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

10.8 million retail clients and 128,100 corporate clients**

** as of July 1, 2014

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

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

### Strategy

<table>
<thead>
<tr>
<th>Operating model</th>
<th>Corporate and investment Banking</th>
<th>Retail Banking</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Implement segment-oriented management model in all business segments (client focus)</td>
<td>- Development of mid-size corporate business (customers with annual revenue $10-100 mln.)</td>
<td>- Implementation of Segmentation strategy, with focus on Mass-affluent and Affluent segments;</td>
</tr>
<tr>
<td>- Maintain leading position in technological solutions for customers and employees</td>
<td>- Development of transaction business in target customer segments</td>
<td>- Distribution network supporting customer segmentation approach</td>
</tr>
<tr>
<td>- Improve the efficiency of Bank’s operating model</td>
<td>- Development of industry expertise</td>
<td>- Customer experience quality improvement, leading to greater client loyalty and depth of client relationship (product penetration rate)</td>
</tr>
<tr>
<td>- Increase personnel stability, productivity and level of core competencies, including client-focus competencies</td>
<td>- Focus on clients’ experience</td>
<td>- Developing direct channels (internet and mobile)</td>
</tr>
<tr>
<td>- Sales of products using IB solutions</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Source: PWC and Senteo, June 2012

** as of July 1, 2014
Alfa-Bank: well recognised record of excellence

- Best Internet Bank in Russia, 2013, 2011

- Best bank in Russia, Best Creative Idea of the Year 2013, 2012, 2011
- Best bank in the “Customer Experience Index” research by PricewaterhouseCoopers and Senteo, 2012, 2011

- Best Russian Bank, providing private banking and wealth management services, 2013, 2012
- Best Private Bank in Russia, according to Private Banking and Wealth Management Survey-2014 research

- Best Mobile Banking, 2014
- Best Tablet Banking, 2013
- Second in Business Internet Banking Rank 2014
- One of the leaders in the field of mobile banking applications in the Russian market
Leading Russian private bank in most market segments

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

- State banks
  - Sberbank: 527.5
  - VTB & VTB24: 259.9
  - Gazprombank: 112.7
  - Bank of Moscow: 61.1
  - Rosselkhozbank: 55.6
  - Alfa-Bank: 47.5
  - Bank FC Otkrytie: 29.8
  - United Credit Bank: 28.0
  - Promsvyazbank: 27.6
  - Rosbank: 23.6

**Market share in retail**

- Retail demand accounts: 7.0% - 7.1%
- Retail loans (excl. mortgage loans): 2.4% - 3.0%

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

- State banks
  - Sberbank: 61.6
  - VTB & VTB24: 25.2
  - Gazprombank: 11.2
  - Bank of Moscow: 7.2
  - Rosselkhozbank: 6.3
  - Alfa-Bank: 4.3
  - Bank FC Otkrytie: 3.9
  - United Credit Bank: 3.4
  - Promsvyazbank: 2.6
  - Rosbank: 2.8

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

- State banks
  - Sberbank: 365.5
  - VTB & VTB24: 130.0
  - Gazprombank: 71.0
  - Bank of Moscow: 38.4
  - Rosselkhozbank: 33.7
  - Alfa-Bank: 28.7
  - Bank FC Otkrytie: 17.6
  - Promsvyazbank: 16.7
  - Rossbank: 15.3
  - Ralfiserbank: 14.0

---

* Source: banki.ru/banks/ratings/ Figures as of July 1, 2014
** Source: CBR, Alfa-Bank’s management report, as of July 1, 2014

Figures are based on non-consolidated RAS financial statements (Alfa-Bank only)
Leading private bank in the corporate segment...

- Largest private bank in terms of corporate customer loans and accounts
- 128,100 corporate clients serviced by July 1, 2014
- Alfa-Bank’s main competitive advantages:
  - flexible and individual approach to address customer’s needs;
  - wide range of products and services depending on the client type;
  - focus on technological developments and high quality service;
  - professional approach to risk-management

Source: IFRS audited financial results, 6m 2014 reviewed by auditors IFRS results
First Half 2014 Results. August 28, 2014

... with rapidly growing transaction business...

Gross fee and commission income (US$, mln)*

<table>
<thead>
<tr>
<th></th>
<th>1H 2012</th>
<th>1H 2013</th>
<th>1H 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>617</td>
<td>769</td>
<td>1,023</td>
</tr>
</tbody>
</table>

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 Business 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, promissory notes);
  - Payroll projects;
  - Trade financing (LCs, guaranties, bilateral TF loans, long-term facilities with ECA coverage);
  - Financing of supply chains including factoring.

... with an important Investment Banking franchise...

- Operating profit increased by 12% in 1H 2014 and amounted to US$ 109 mln
- Alfa-Bank increasingly focuses on structured products, derivatives and client financing which offer greater margin and returns and enhance client business in other CIB segments
- In 1H14, FI and structured products operating profit amounted to US$ 21 mln and US$ 11 mln, respectively, while derivatives contributed US$ 12 mln
- FOREX products including retail contributed US$ 40 mln to IB operating profit. In 2014 the operating profit is expected to be US$ 81 mln despite toughened competition
... and with solid positions in retail segment

- 10.8 million retail customers served by July 1, 2014
- Banking products offered: PILs, consumer, credit cards, deposits, internet and mobile phone banking
- Third largest Russian bank by retail demand deposits, behind Sberbank and VTB (6.9% market share as of July 1, 2014)*
- Large distribution network – 419 retail branches by the end of June 2014
- Segment profit before tax and provisioning for 1H 2014 boosted to US$ 803 mln (1H 2013: US$ 691 mln)
- Rated number 1 in customer experience index in 2008-2012 by PricewaterhouseCoopers

Source: IFRS audited financial results, 6m 2014 reviewed by auditors IFRS results
* Source: CBR, Alfa-Bank management reports, as of July 1, 2014
Appendix: Organizational Structure of Alfa Banking Group

Percentage of ownership is 100% unless otherwise provided

* 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
Appendix: Ownership Structure of Alfa Banking Group*

- Mikhail Fridman: 36.47%
- German Khan: 23.27%
- Alexey Kuzmichev: 18.12%
- Petr Aven: 13.76%
- Andrey Kosogov: 4.08%
- Alexander Knaster: 4.30%
- Andrey Kosogov: 4.08%

* Ownership through ABH Holdings S.A.
Thank you for your attention!

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

Alfa-Bank, Investor Relations
7, Mashi Poryvaevoy street
Moscow, 107078, Russia
tel.: +7 (495) 795 37 11
eemail: ir@alfabank.ru
Visit us at: www.alfabank.com/investor