



Alfa-Bank

**Full Year 2010 Results
April 11, 2011**

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Chief Financial Officer**



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Financial highlights FY 2010

Statement of Income

- Net profit at US\$ 553 mln (FY 2009: US\$ 77 mln)
- Segment profit before tax and bonuses:
 - Corporate and Investment banking – US\$ 290 mln
 - Retail banking – US\$ 208 mln
- Dividend of US\$ 150 mln for the FY 2010
- Cost to income at 44.3% (end-2009: 51.3%)
- Return on equity at 19.1% (end-2009: 3.2%)

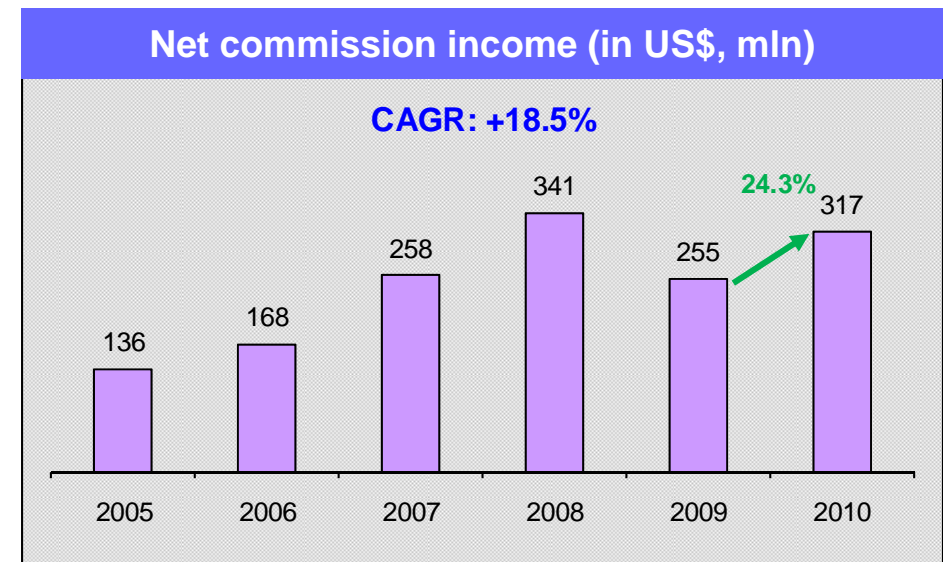
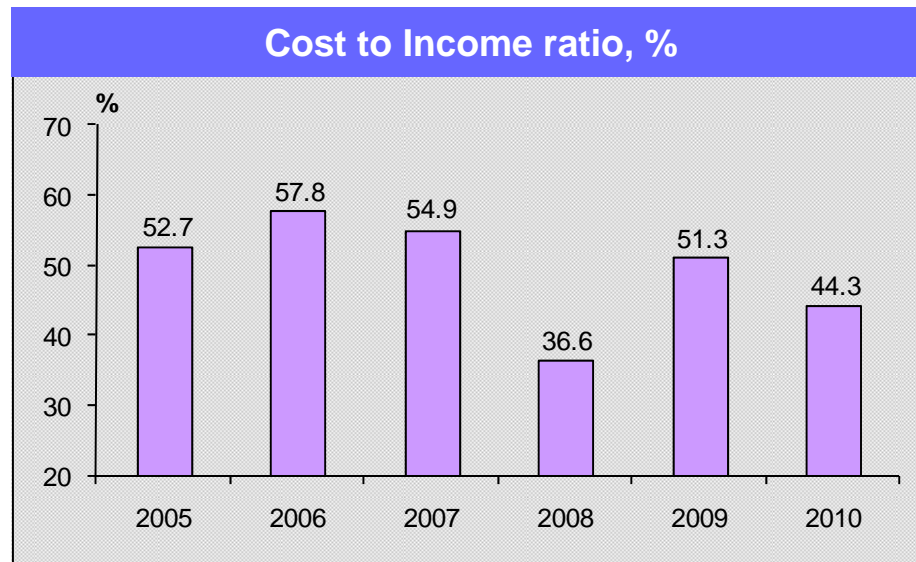
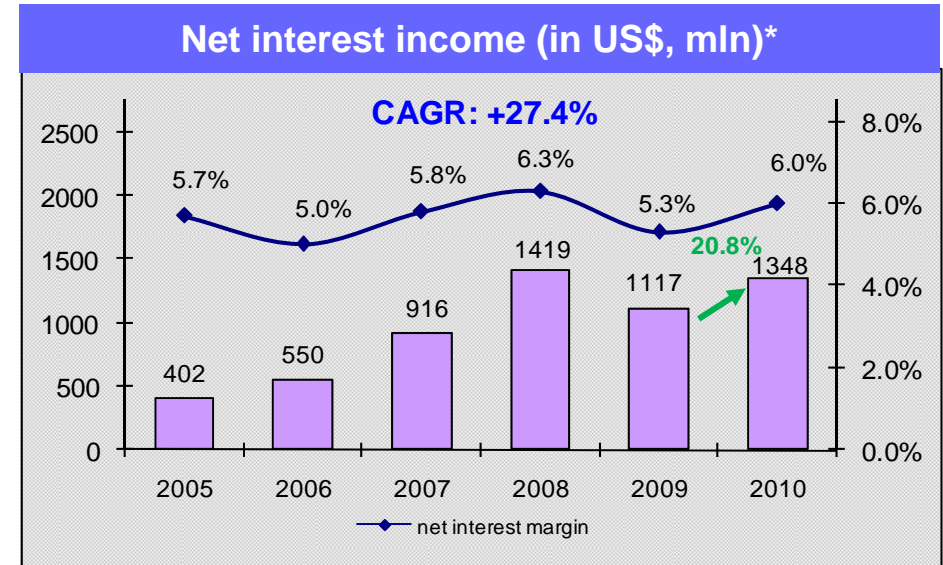
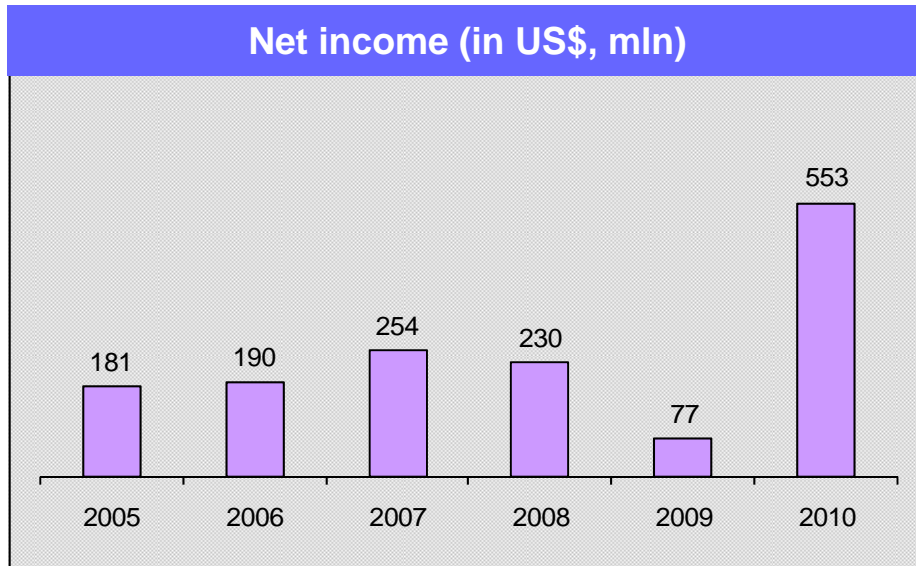
Financial Position

- Total assets increased 31.6% from US\$ 21.6 bn at FY 2009 to US\$ 28.5 bn
- Gross loans increased 21.5% from US\$ 15.0 bn at FY 2009 to US\$ 18.2 bn
- Provisions decreased from US\$ 1 504 mln (10.1% of loan portfolio) at FY 2009 to US\$ 1 380 mln (7.6% of loan portfolio) at FY 2010
- Cash and cash equivalents up 61.9% from US\$2.0 bn at FY 2009 to US\$3.2 bn
- Trading securities and Repurchase receivables increased from US\$ 1.4 bn at FY 2009 to US\$ 2.3 bn at FY 2010
- Customer accounts up 22.8% from US\$ 13.7 bn at FY 2009 to US\$ 16.8 bn:
- Debt securities issued increased from US\$ 1.6 bn at FY 2009 to US\$ 4.1 bn
- Total equity up 14.1% from US\$ 2.7 bn at FY 2009 to US\$ 3.1 bn

Ratings

- S&P upgraded long term credit rating from B+ to BB-/stable in March 2011
- Moody's upgraded its outlook from negative to stable in November 2010. Credit rating was confirmed at Ba1
- Fitch upgraded credit rating to BB/stable in July 2010

The highest income in Alfa-Bank's history

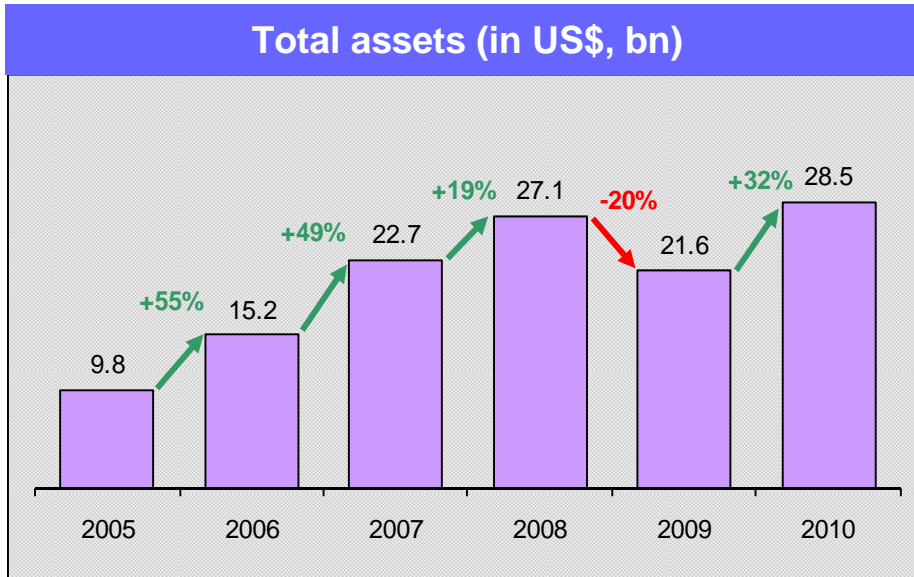


Source: IFRS audited financial results

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

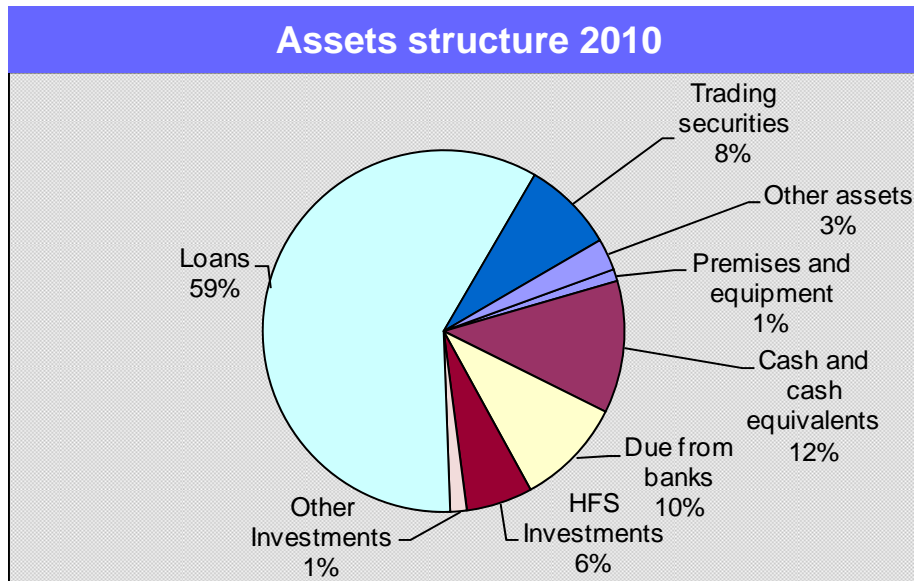
Assets and loan portfolio development

Total assets (in US\$, bn)

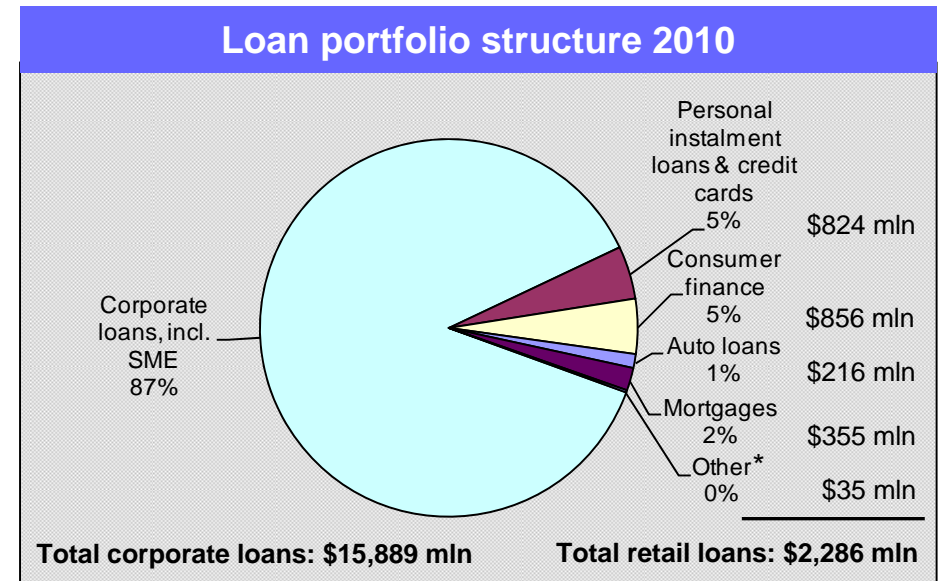


- Top 6 in terms of assets and equity – Russia’s largest private bank
- Increase in total assets and loan portfolio in 2010 was primarily driven by macroeconomic recovery after the global crisis and the ability of Alfa-Bank to attract new customers both in corporate and retail segments
- Total gross loans increased 21.5% in 2010. While Alfa-Bank’s loan portfolio grew 25.3% from US\$ 13.6 bn to US\$ 17.1 bn, this was offset by a 16.9% reduction in ATB’s loan portfolio to US\$ 1.1 bn.

Assets structure 2010



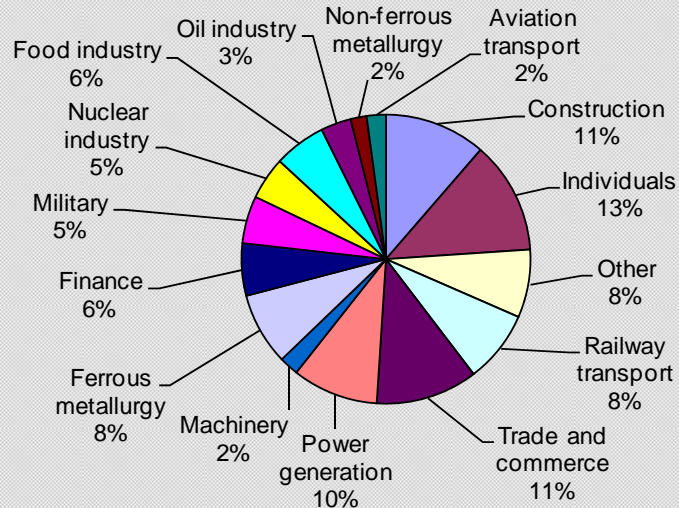
Loan portfolio structure 2010



Source: IFRS audited financial results
 * Reverse sale and repurchase receivables

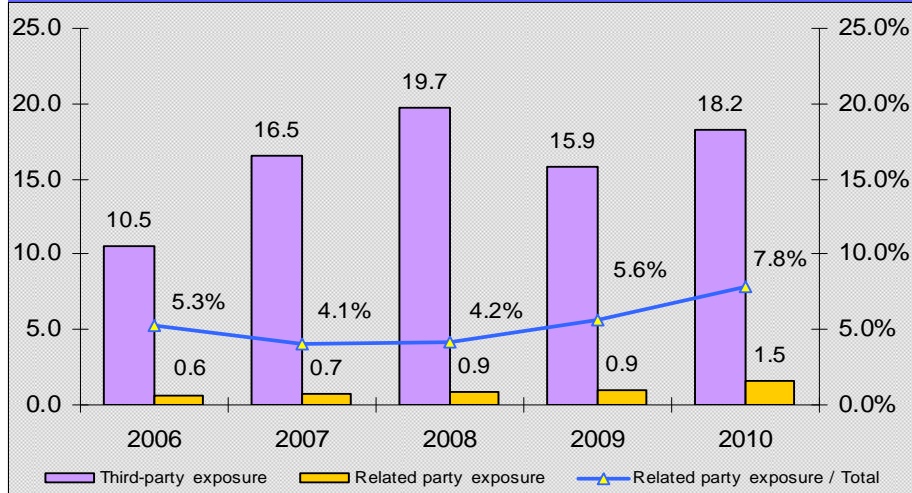
Conservative risk management

Loans breakdown by economic sectors

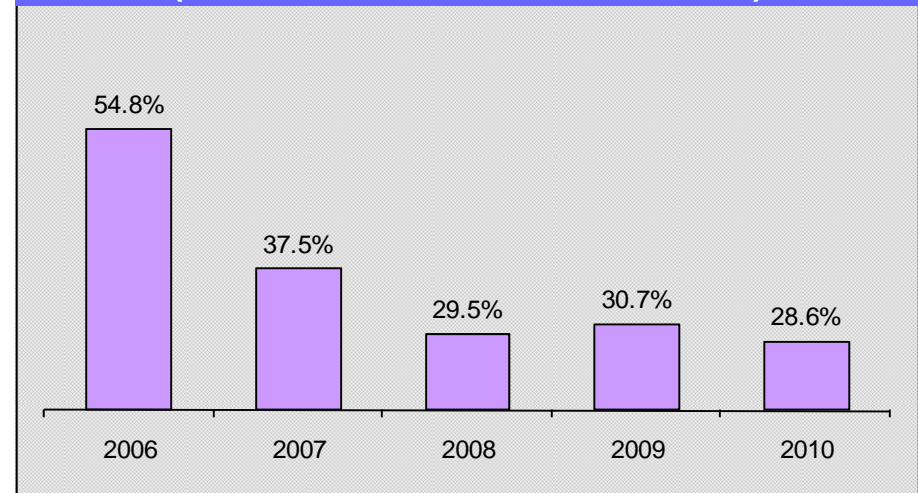


- Individuals, the largest economic sector, represent 13% of the total loan book (end-2009: 14%).
- Share of construction sector decreased from 16% in 2009 to 11% in 2010
- Loan concentration of top 10 borrowers remained stable (28.4% of total loans at the end of 2009 and 28.3% of total loans at the end of 2010)
- Exposure to related-party borrowers increased from 5.6% of total loans and credit related commitments at the end of 2009 to 7.8% at the end of 2010 mostly due to increased exposure to companies controlled by ADA

Related party exposure (US\$, bn)*



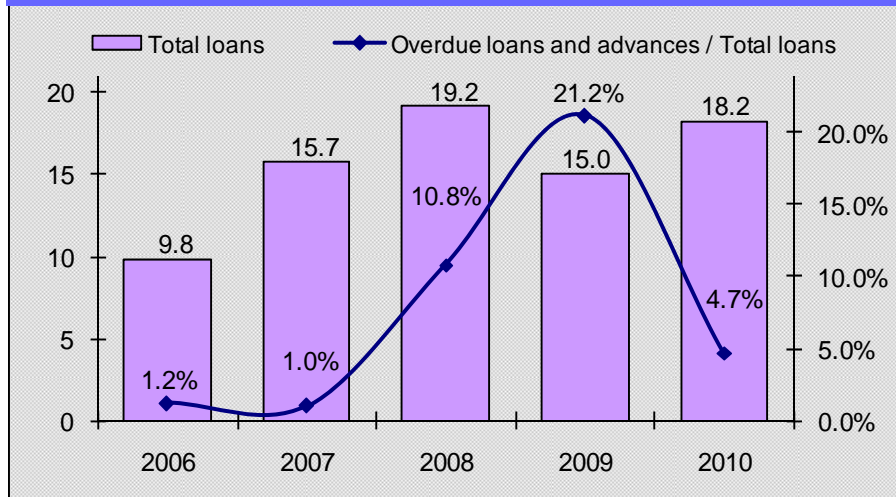
Concentration of top 10 depositors (as % of total customer accounts)



Source: IFRS audited financial results
* Including credit-related commitments

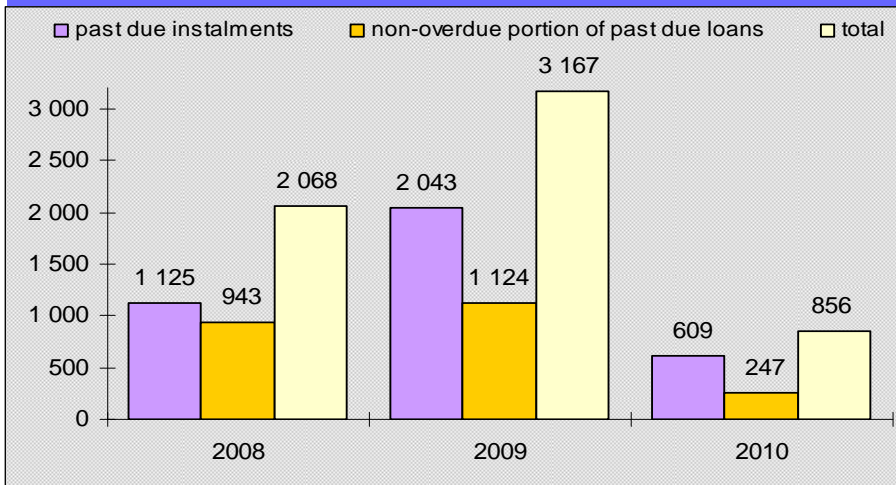
Loan portfolio quality is improving

Overdue loans and advances 1+ days*

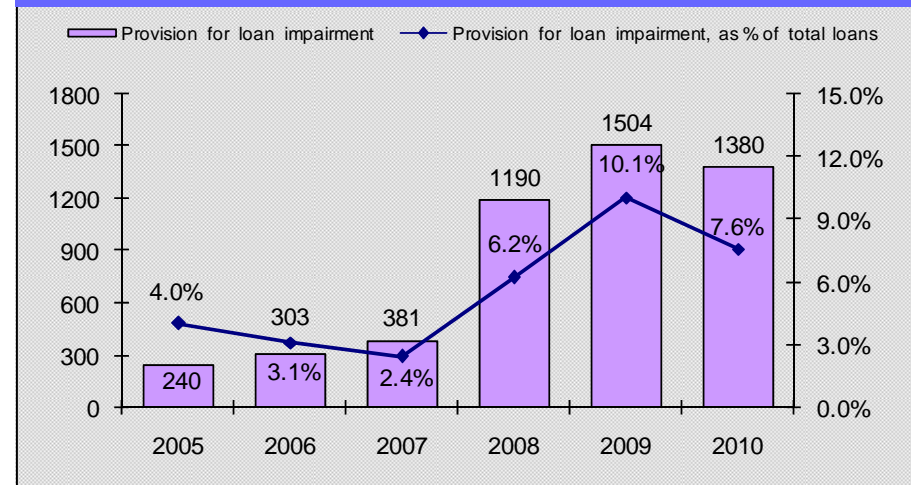


- Overdue loans started to decrease in 4Q 2009, and there has been significant progress made in 2010
- During 2010, share of restructured loans in total loan book decreased from 11.5% as at FY 2009 to 5.7% as at FY 2010
- Provisioning rate decreased by 2.5% mostly due to the growth of loan portfolio and difference between the write-offs in the amount of US\$ 0.5 bn and newly created provisions in the amount of US\$ 0.4 bn
- Provisions coverage of overdue loans improved to 161.2%, compared to 47.5% as at FY 2009

Overdue loans structure (US\$, mln)



Provision for loan impairment (US\$, mln)

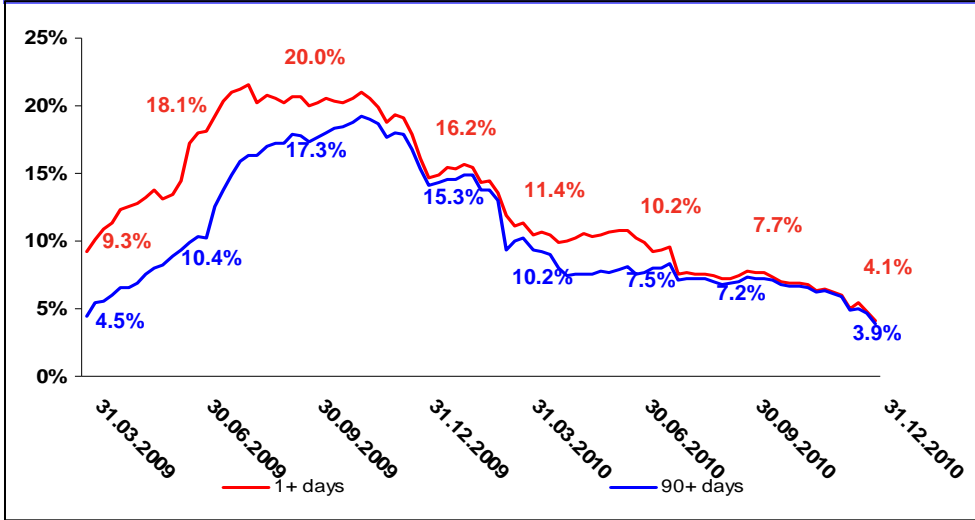


Source: IFRS audited financial results

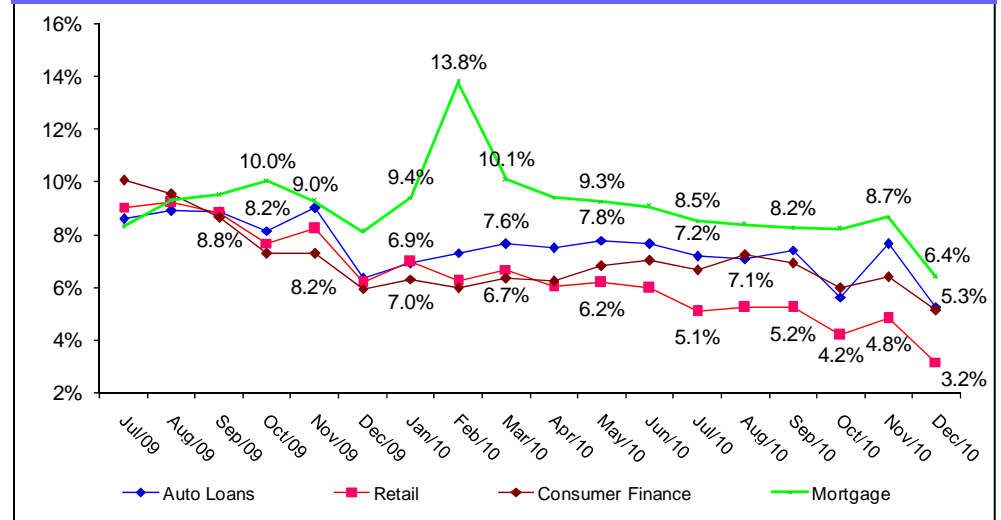
*Overdue loans and advances include both past due instalments and the remaining non-overdue portion of the loan

Dynamics of loan portfolio delinquencies

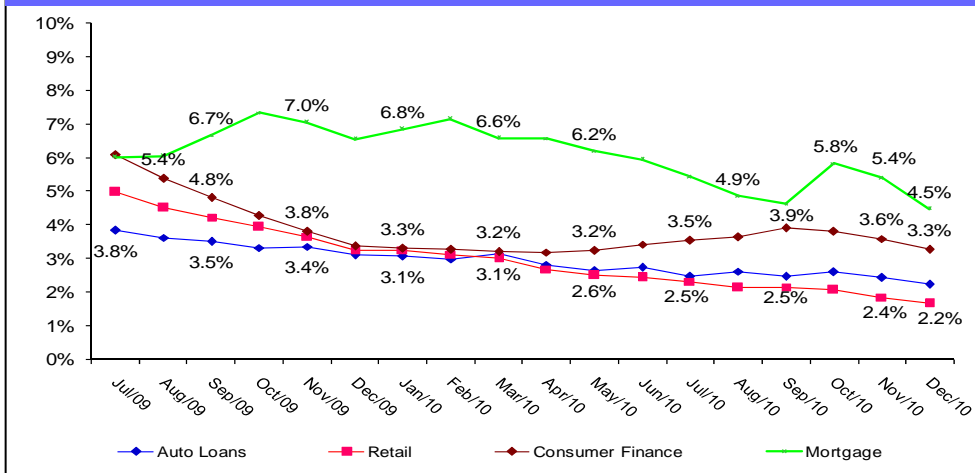
Corporate delinquencies



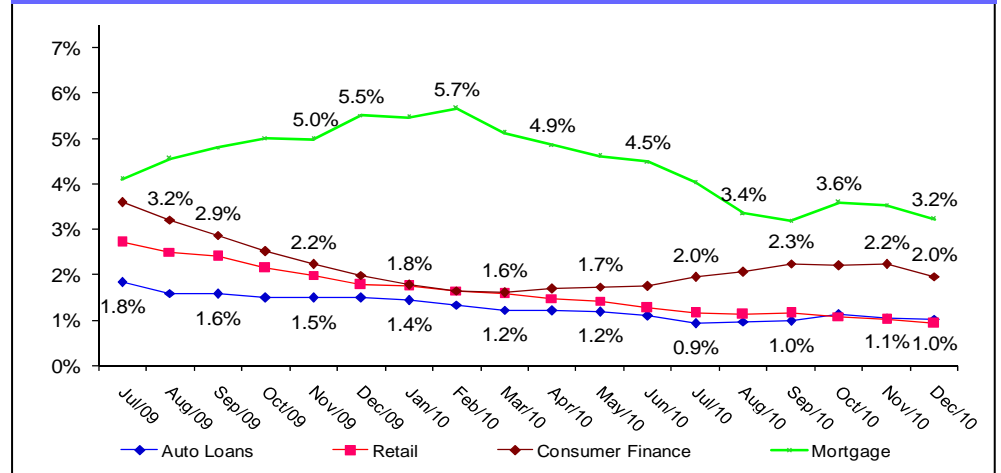
Retail lagged delinquency 1+ days



Retail lagged delinquency 30+ days



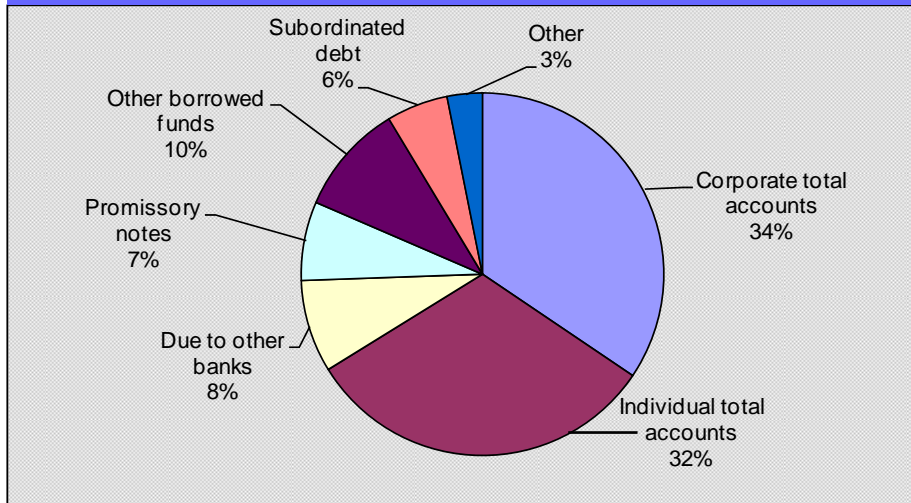
Retail lagged delinquency 90+ days



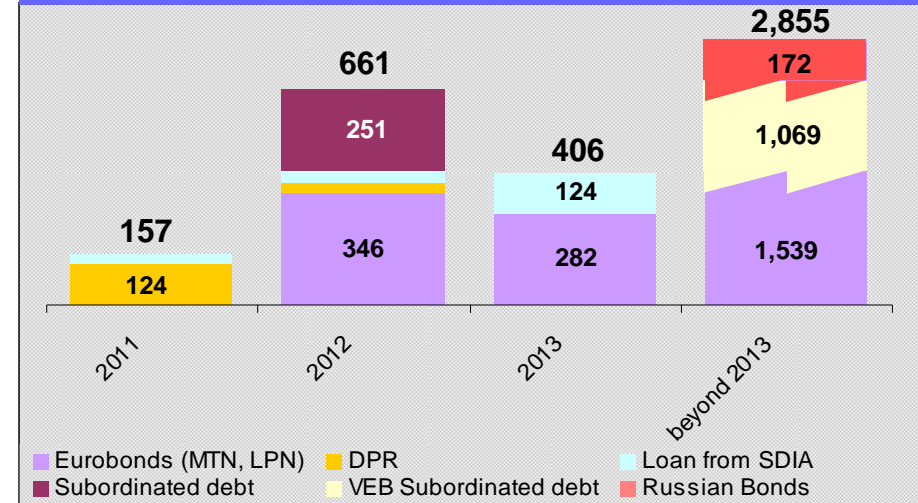
Risk management estimates (not IFRS), Alfa-Bank only

Funding structure is relatively well-balanced between various sources

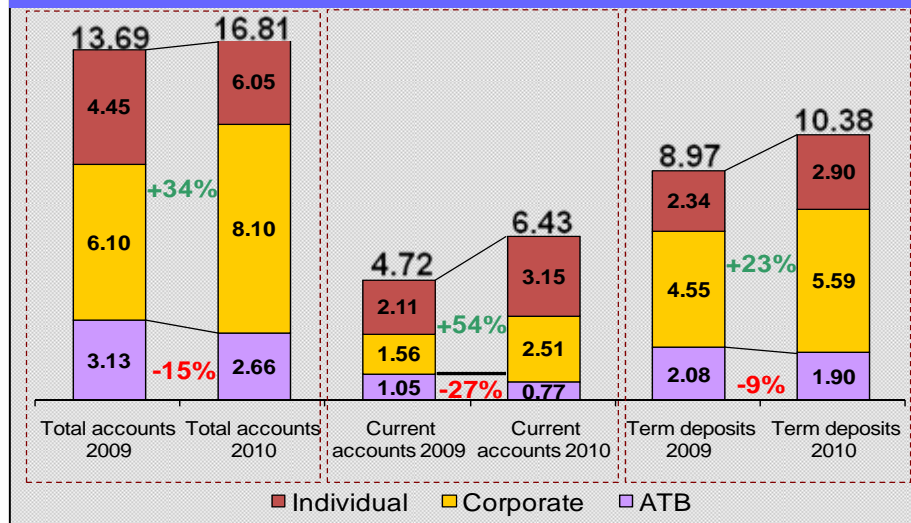
Liability structure 2010



Other borrowed funds maturity breakdown (US\$, mln)*



Customer accounts (US\$, bn)



Liquidity management**

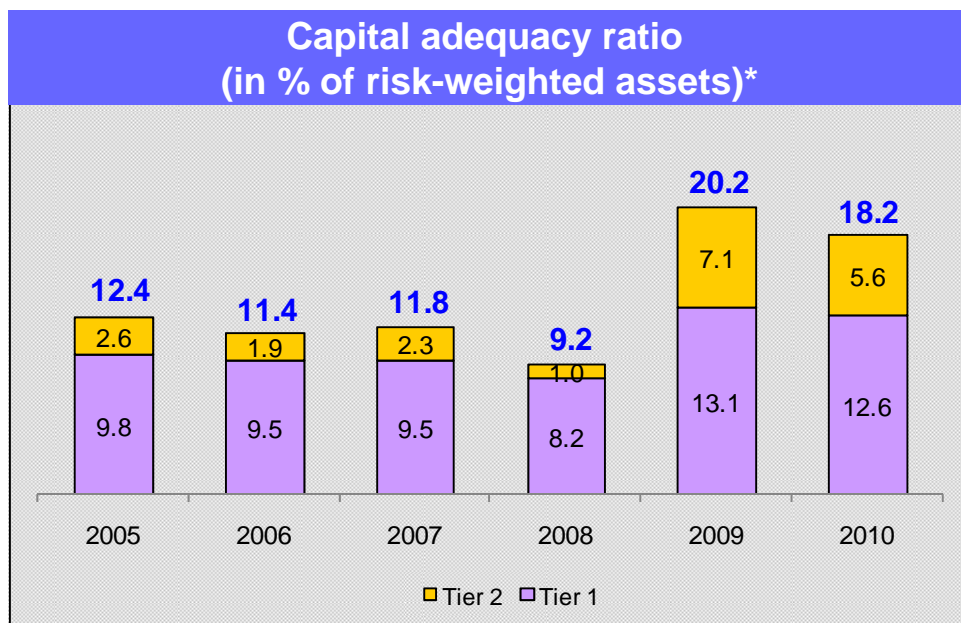
Cash as of 04.04.2011	US\$ 1.430 mln
Additional funding sources available as of 04.04.2011	Unused limit, US\$, mln
HFS portfolio	1 519
REPOable Fixed Income portfolio	1 123
Loan portfolio to CBR REPO	580
Total	3 222
Next month average daily loan redemption	US\$ 37.9 mln

Source: IFRS audited financial results

* Maturity schedule excludes promissory notes; Russian bonds include domestic Rouble-denominated bond issued in February 2011

** Alfa-Bank only (excluding ATB)

High capital level maintained



- Capital adequacy ratio decreased to 18.2% as of YE 2010 from 20.2% as of YE 2009 due to increased gross loan portfolio and dividend of US\$ 150 mln paid in 2010.
- Significant increase of capital adequacy ratio in 2009-2010 was due to the following:
 - In 2009, Vnesheconombank granted two subordinated loans totalling approximately US\$1.3 bn maturing in 2019 and 2020, which increased Tier 2 capital. In August 2010, Vnesheconombank decreased the interest rates on its subordinated loans to 6.5% (on a \$0.3 bn loan) and 7.5% (on a \$1.0 bn loan) respectively
 - Shareholder capital injection of US\$320 mln completed in June 2009

CAR summary (US\$, mln)*

	12/31/2010	Diff	12/31/2009
Capital adequacy			
Tier 1	2 930	383	2 547
Tier 2	1 286	-75	1 361
Total capital	4 216	308	3 908
Banking book	20 856	3 389	17 467
Trading book	2 329	421	1 908
Total risk weighted assets	23 185	3 810	19 375
Tier 1 ratio	12.6%	-0.5%	13.1%
Total capital ratio	18.2%	-2.0%	20.2%

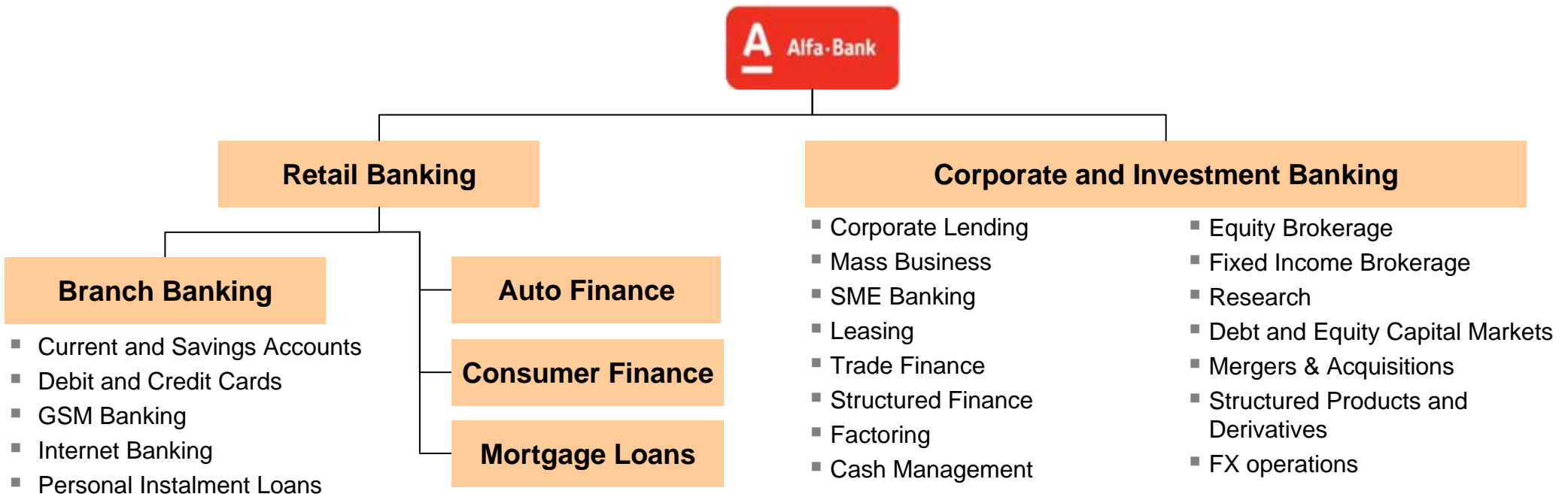
* CAR ratios calculated in accordance with Basel standards (management computation)

Appendix

Alfa-Bank's universal business franchise

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

5.3 million retail clients and 40,000 corporate clients**



Strategy

Alfa-Bank is a universal bank, focused on corporate, retail & investment banking
 Effective management of assets and liabilities in order to further increase profitability
 Steady increase of the loan portfolio with focus on borrowers' quality
 Increase the range of products available to our customers
 The business units will be further integrated in order to promote efficiency and sales
 Introduce CRM systems to improve client service

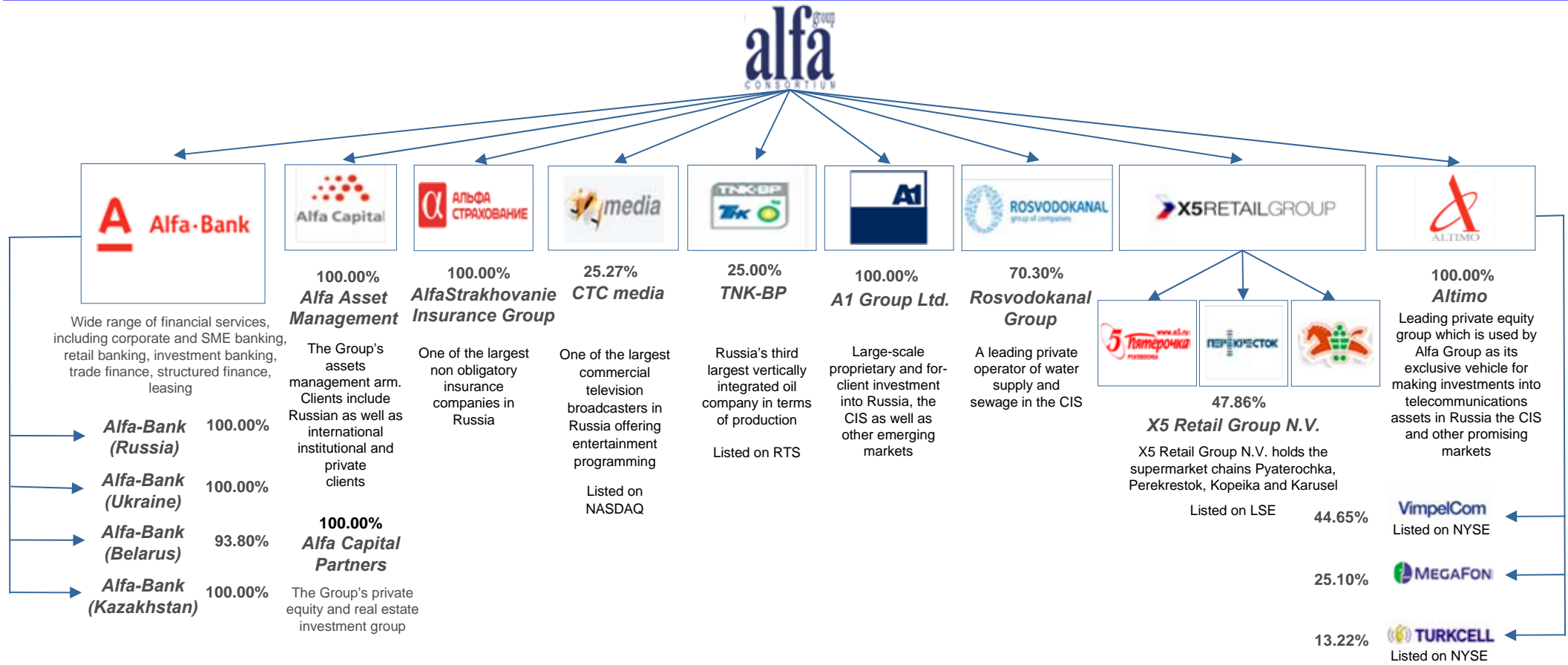
* Source: PWC and Senteo, January 2011

** as of January 2011

Alfa-Bank: the key banking asset of Alfa Group

- Alfa Group holds approximately US\$ 48.4 bn in assets and US\$ 19.3 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 2009

** The stakes in the companies shown include effective minority stakes



Alfa-Bank: well recognised record of excellence



- Best Bank in Russia, 2009, 2008



- Best quality customer service bank in Moscow, 2009



Russian National Association of Securities Market Participants

- Best Service Company for Individual Investors, 2009



- Best bank in the “Customer Experience Index” research by PricewaterhouseCoopers and Senteo, 2010, 2009, 2008



- Best bank in Russia by quality of retail client services



- Best Internet Bank in Russia, 2008
- Best Domestic Bank, 2008
- Best Trade Finance Bank in Russia, 2008
- Best Equity Research Bank, 2008



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



- Super Brand Award, 2008

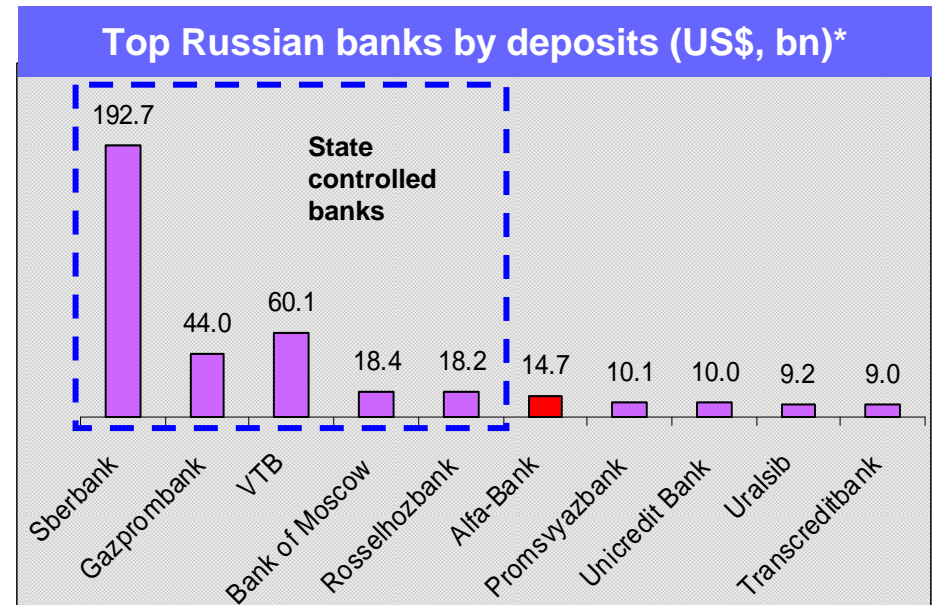
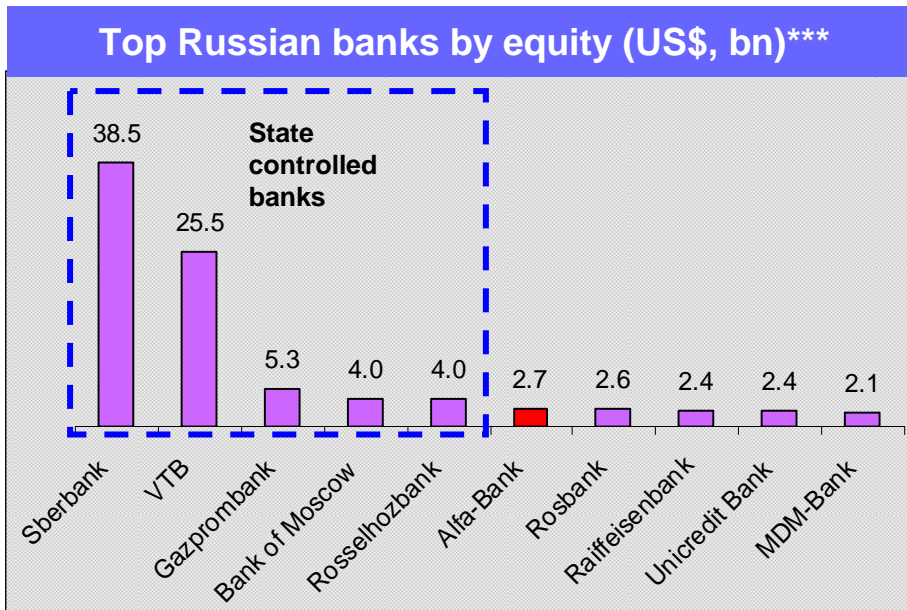
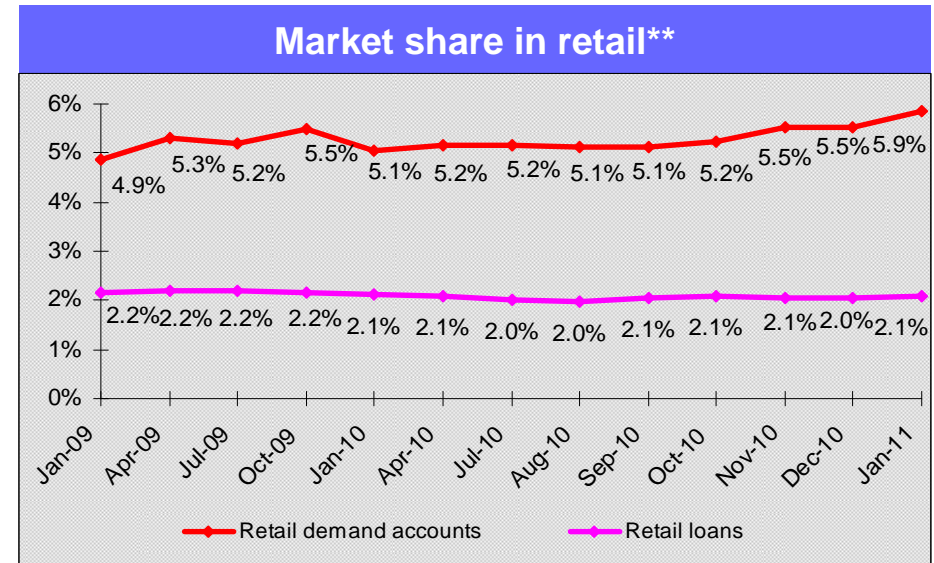
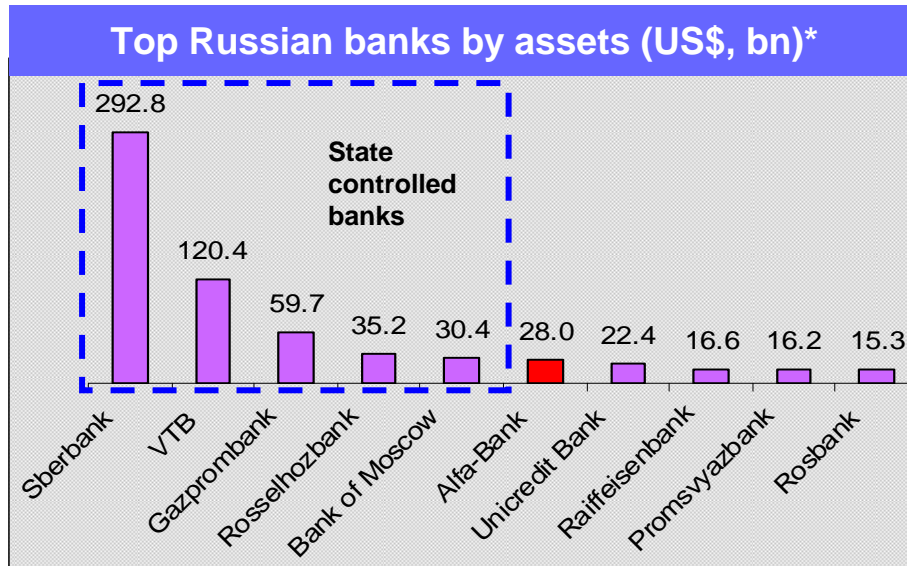


- Best private bank in Russia by Global Reputation Index (GRI) research, 2010



- Russian Private Bank of the Year 2009

Leading Russian private bank in most market segments



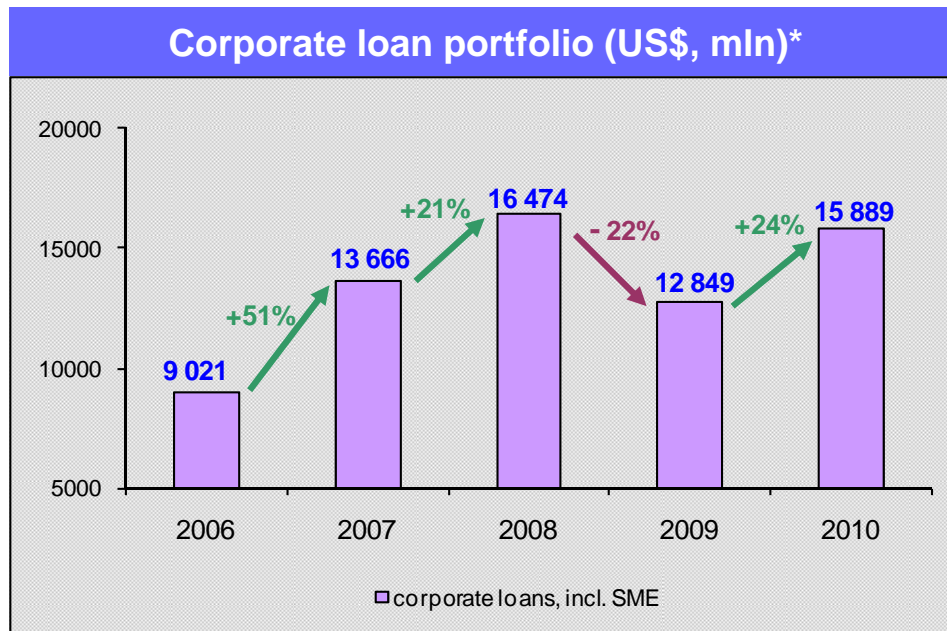
* Source: rating.rbc.ru. Figures as of January 1, 2011

** Source: CBR, Alfa-Bank's management report January 2011

*** Source: bankir.ru/rating/ Figures as of March 1, 2011

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

Leading private bank in corporate segment...



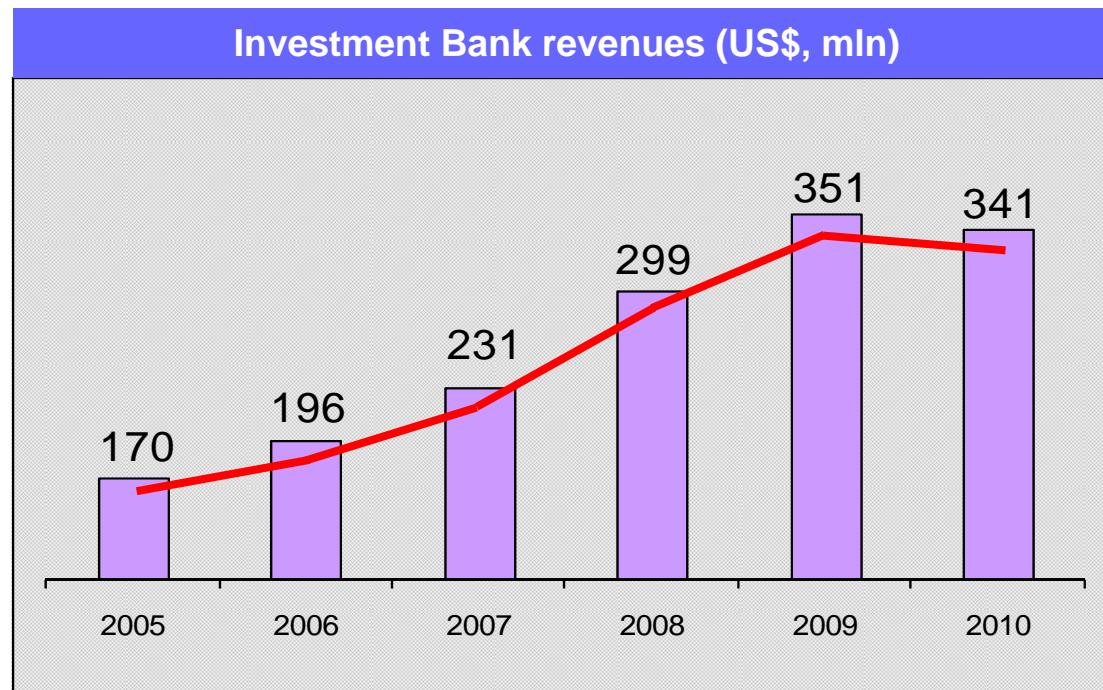
- Largest private bank in terms of corporate customer accounts
- Services 40,000 corporate clients, including leading Russian Blue Chip companies: Russian Railways, Rosneft, Alrosa, TNK-BP, Rosatom, S7 airlines, X5 Retail Group
- Corporate bank's strengths:
 - Long standing client relations
 - Country-wide distribution
 - Excellent reputation, team and credit expertise
 - Intimate knowledge of local markets
 - Deep distressed assets and debts management expertise

Strategy

- Continue to hold position as top private leader
 - Expand further into SME segment
- Work with Investment bank to cross sell products
 - Focus on "share of client wallet"
- Increase "transaction banking" product line and push together with credit/market related offerings

* Source: IFRS audited financial results

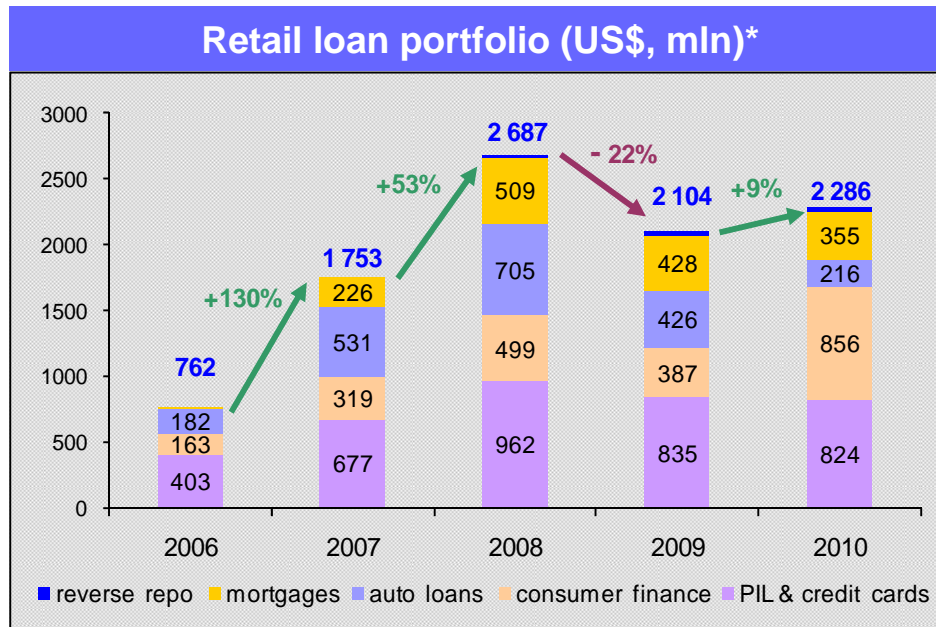
Alfa Investment Banking Financial Results: 2005-2010



Figures based on Management Accounts (including Equities, Fixed Income, Corporate Finance, FOREX)

- Overall performance on par with 2009 despite softer markets in 2010
- Continued strong performance in Fixed Income across all aspects of business
- Upgrade of research staff in Equities and build out of derivative and option product mix
- Continued weakness in corporate finance performance but strong pipeline built for 2011
 - FOREX continues to deliver solid results in low risk strategy

... with solid positions in retail sector



- 5.3 million retail customers served by the end of 2010
- Full spectrum of retail banking products offered: credit cards, deposits, PILs, consumer, auto, mortgage loans, internet and mobile phone banking
- Number three largest Russian bank by retail demand deposits, behind Sberbank and VTB (5.9% market share as of January 2011)**
- Large distribution network – 264 retail branches as of March 2011
- Retail business was profitable in 2010, segment profit before tax stood at US\$ 208 mln
- Rated number 1 in customer experience index in 2010 by PricewaterhouseCoopers
- Strong private banking offering “A-Club”

Strategy

- 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
 - Focus on being a client-oriented business, introduce CRM systems
- 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

* Source: IFRS audited financial results

** Source: CBR, Alfa-Bank management reports

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