First Half 2006 Results
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Solid results in the first half of 2006

Operating performance

- Total asset growth of 25.4% to US$ 12.3 bn
- Loan growth of 38.6% to US$ 7.9 bn*
- Deposit growth of 20.1% to US$ 6.5 bn

Financial performance

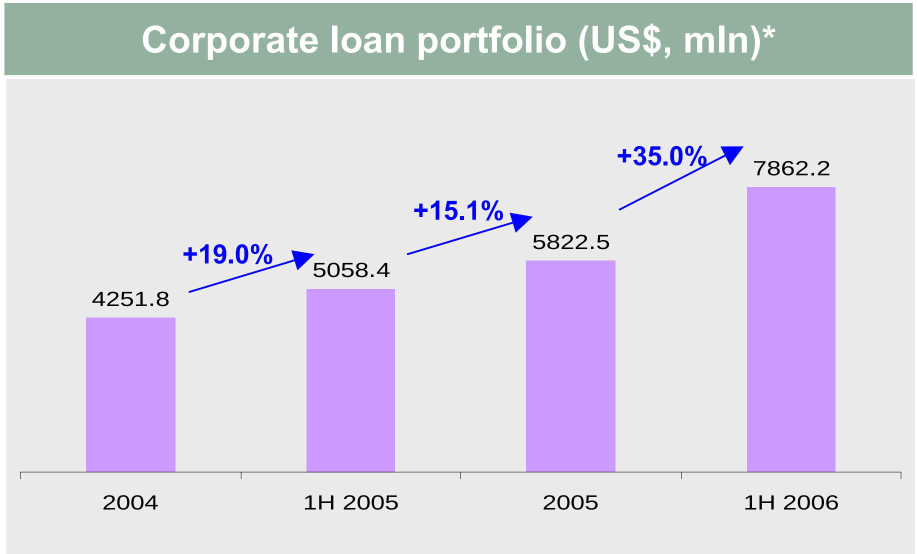
- Net profit increase of 31.5% to US$114.8 mln
- Cost to income at 52.4%, improved from 52.7%
- Return on equity growth to 24.2% from 23.1%
- CAR at 12.1%**

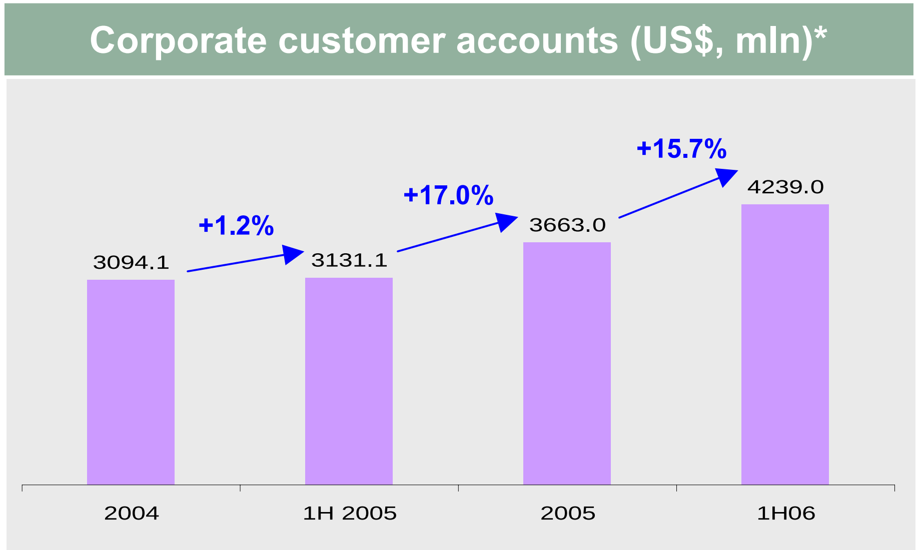
Funding

- Funding base enhanced with over US$ 900 mln raised on international markets
  - US$ 350 mln drawdown under the newly launched DPR Programme in March 06
  - US$ 438 mln syndicated loan deal in May 06
  - US$ 123 mln drawdowns under the ECP Programme

*Total loans net of provisions, loans gross of provisions equal to US$ 8.2 bn
** Preliminary figure

Corporate banking: ahead of the market





- Corporate loan portfolio before provisions grew significantly faster than the market*** - up by 35.0% to US$ 7.9 bn from US$ 5.8 bn at the end of 2005
- Corporate loan market share increased to 4.5% by the end of June 2006 from 3.9% at the end of 2005**
- Excluding state banks corporate loan market share increased to 8.2% by the end of June 2006 from 7.1% at the end of 2005 **
- Strong loan portfolio growth in corporate banking is driven by demand from top-quality corporate customers
- Customer accounts of corporate clients grew by 15.7% up to US$ 4.2 bn
- Interest rate pressure on the market has affected corporate banking margin

*Source: IFRS report as of June 2006, loan portfolio figures are gross of provisions

**Source: Alfa-Bank's management accounts based on CBR figures (IFRS adjusted)

*** Growth of Alfa-Bank in Russia equaled to 33.2% compared to 18.4% on the market in 1H 2006 (Source: CBR)

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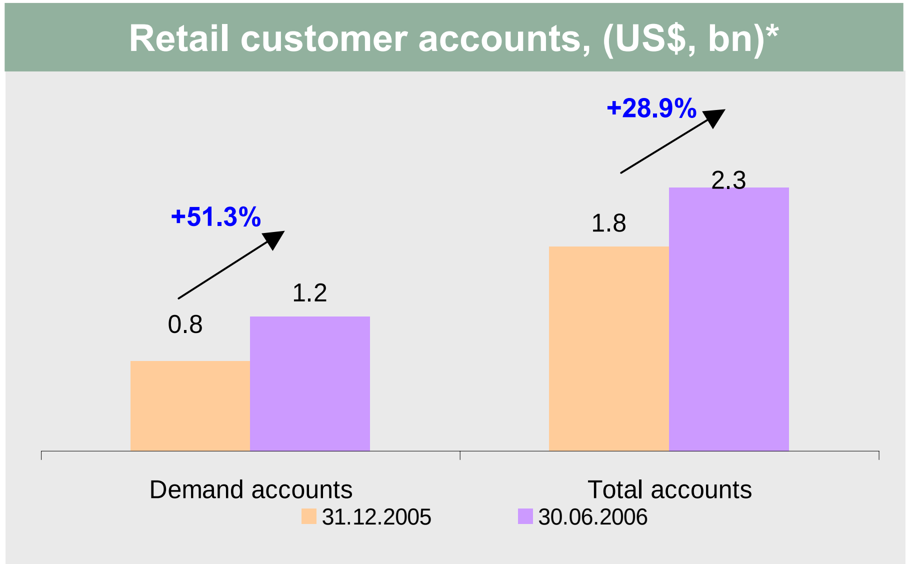
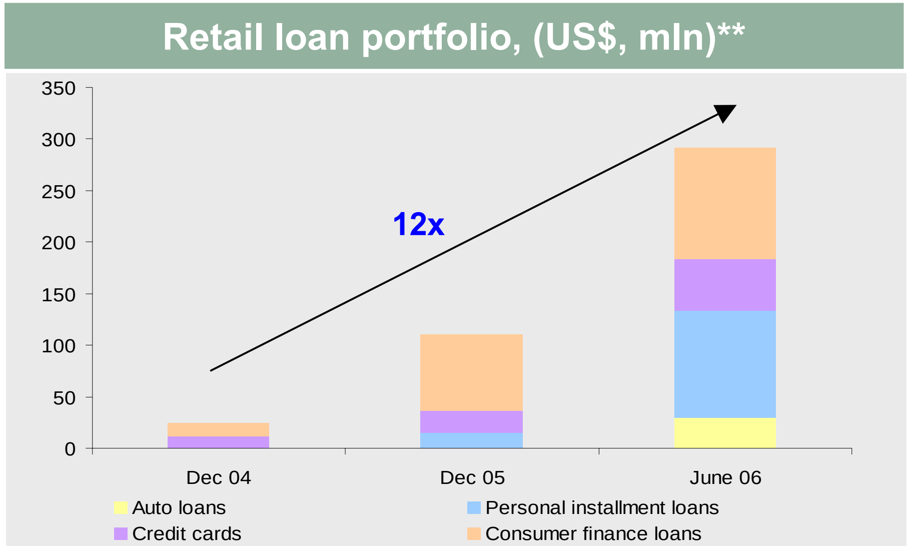
Retail banking: significant growth in the first half of 2006





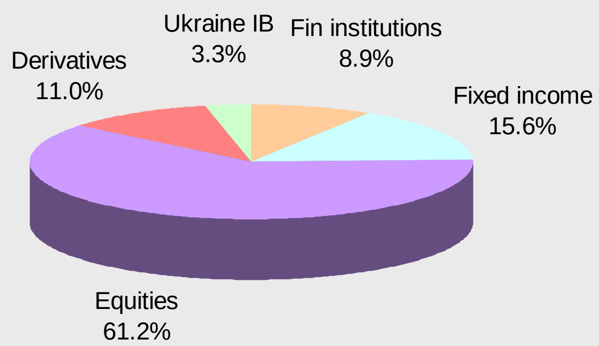
- Number of retail customers grew by 20% to over 1.8 mln by the end of June 2006 from 1.5 mln in 2005
- Retail demand accounts increased by 51.3% to US$ 1.2 bn at the end of June 2006 from US$ 0.8 bn at the end of 2005
- Market share in demand accounts (DDA) grew to 3.1% by the end of June 2006 from 2.9% at the end of 2005 ***
- Retail loan portfolio net of provisions increased by 164.5% to US$ 292.0 mln at the end of June 2006 from US$ 110.4 mln at the end of 2005 **
- Personal installment loans and auto loans are the fastest growing books in the retail loan portfolio

Retail loan portfolio in excess of US$ 1 bn by the end of 2007 is expected

* Source: IFRS audited report, 1H 2006
** Source: Alfa-Bank management reports, incl. “Alfa-Bank Express” branches only, net of provisions
***Source: CBR

Investment banking: strong trading volumes

Investment banking operating profit breakdown*

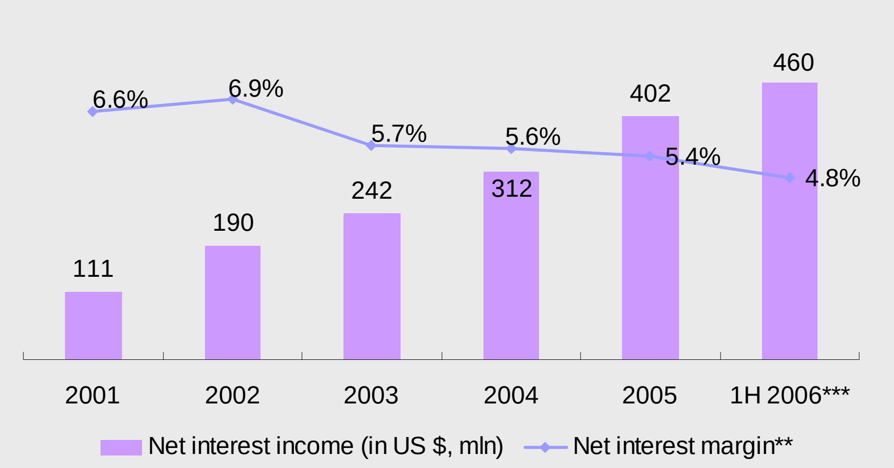


- Operating profit from investment banking operations significantly increased compared to the first half of 2005
- International equity sales volumes in the first half of 2006 more than tripled to over U.S. $7 bn
- Alfa-Direct turnover was more than $20 bn and the number of clients grew by more than 60% in the first half of 2006
- Successful participation in Rosneft IPO as a co-lead manager
- Strong growth of derivate trading volumes supported by increased investor interest in Russian equity derivatives and RUR/US$ forwards
- Strong fixed income deal pipeline for the second half of 2006

* * Source: Alfa Banking Group's management accounts as of June 2006, include 5 IB divisions only,

Net interest margin remains healthy

Net interest income and margin development*



- Interest income grew by 22.3% to US$ 230 mln driven by strong corporate loan portfolio growth
- Margin squeeze in the first half of 2006 is within management expectations and arises from:
  - tight interest rate environment on asset side
  - increased lending to top-tier companies
- The net interest margin of 4.8% remains healthy and attractive compared to market peers
- Net interest margin is expected to stabilize as retail portfolio with higher interest margins gains more significant scale

*Source: IFRS audit reports, rounded figures
** Net interest margin calculated as net interest income / average earning assets
*** Annualized figures

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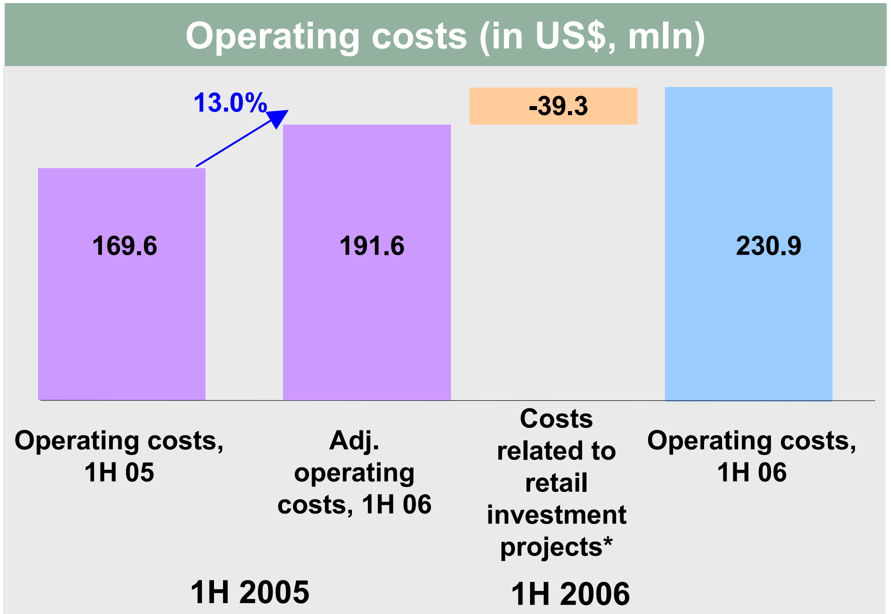
Cost discipline maintained

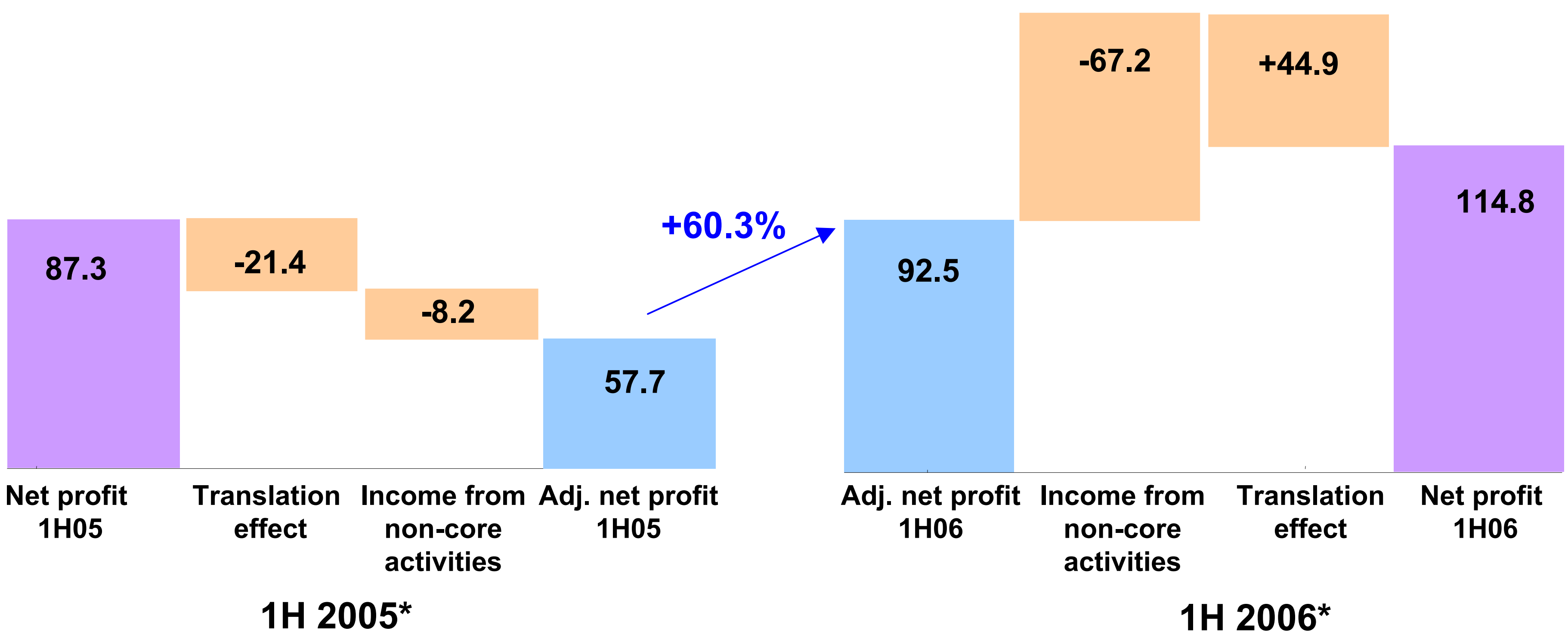


- Growth of operating costs for business "as usual" maintained at moderate level of 13.0% in the first half of 2006 y-o-y
- Operating costs associated with roll-out of retail investment projects amounted to US$ 39.3 mln in the first half of 2006 y-o-y*
- Total investment into retail projects at around US$ 200 mln are planned for 2006-2008*

*Source: Alfa-Bank management accounts. Retail investment projects include consumer finance, auto finance and mortgage blocks as well as investment into retail branches roll-out into regions

Substantial advance in net income

in US$, mln



* All figures are based on IFRS audited report as of June 2006. Income from non-core activities in 1H 2005 mainly includes share of results in CTC and gains on sale of film licences. Income from non-core activities in 1H 2006 mainly includes income from sale of non-core assets and share of results in CTC.

Sustained progress on key financial ratios

	2003	2004	2005	1H 2006	H1 2006 vs. 2005
Cost to Income Ratio*	65.3%	60.3%	52.7%	52.4%	Improved
Return on Equity (annualized)**	21.6%	24.4%	23.1%	24.2%	Improved
Return on Average Assets (annualized)***	2.1%	2.4%	2.1%	2.1%	Stable

*Cost to income ratio = Operating expenses (incl. staff costs) / Operating income – Provisions for loan impairment – Other impairment provisions + Share of results in associated companies
**Return on equity = Net profit / Average equity
***Return on average assets = Net profit / Average assets

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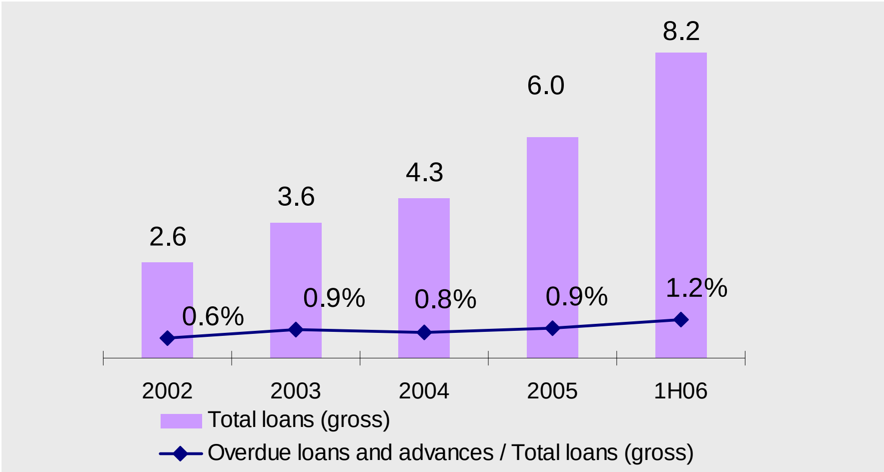
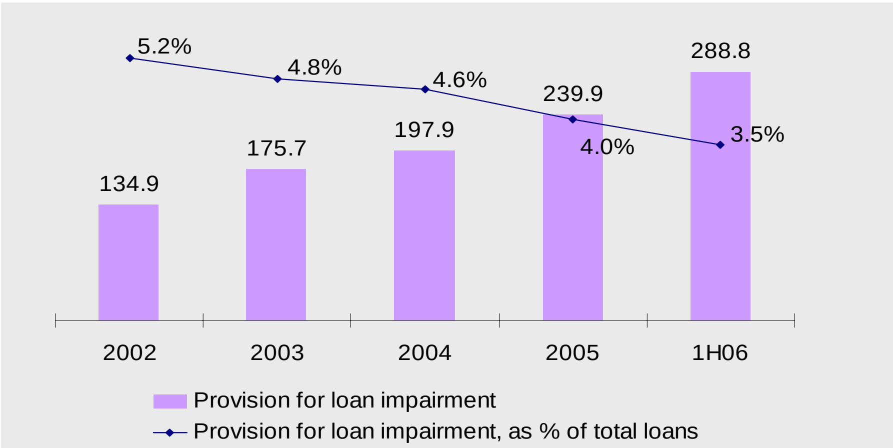
High quality of the loan portfolio…

Overdue loans and advances (US$, bn)*



Provision for loan impairment (US$, mln)*



- Overdue loans are kept at low level due to high quality of the loan portfolio
- Consistent quality of the loan portfolio has allowed for a gradual decrease of provisioning rate from an average 5.2% of the total portfolio in 2002 to 3.5% of the total portfolio at June 2006
- In absolute terms provision for loan impairment is growing due to strong growth of the corporate loan portfolio and conservative approach to provisioning in retail lending

*Source: IFRS audit reports, rounded figures

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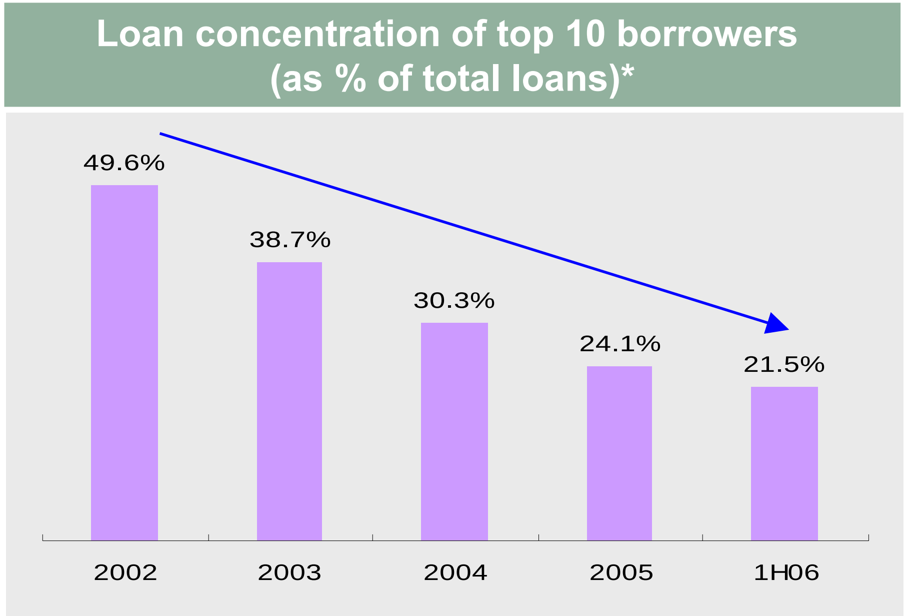
…along with growing diversification…



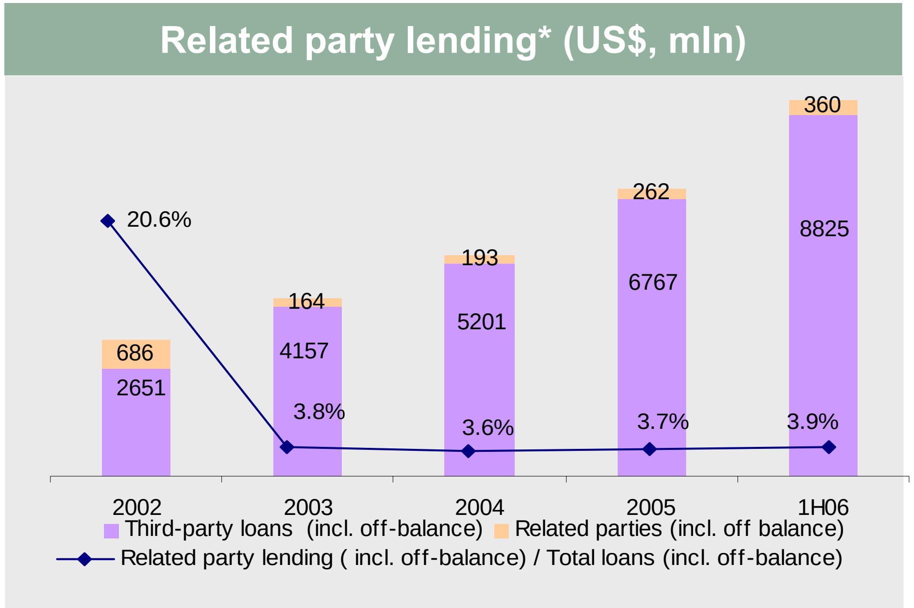
- Loan concentration of top 10 borrowers reduced to 21.5% of total loans at the end of June 2006 from 24.1% of total loans at the end of 2005

- Top 20 loans concentration reduced to 33.6% of total loans at the end of June 2006 from 37.1% of total loans at the end of 2005

- Management is committed to further reduce top 10 loan concentration to <20% in the medium term

*Source: IFRS audited report as of June 2006

…and continuously low level of related party lending



- Related party has been below 4% of total lending during the last 4 years
- All related party lending transactions are performed at "arms length" and priced at market rates
- Internal rule is to keep related party lending below 40% of capital (which currently translates to 5% of total loans)

*Source: IFRS audited report as of June 2006

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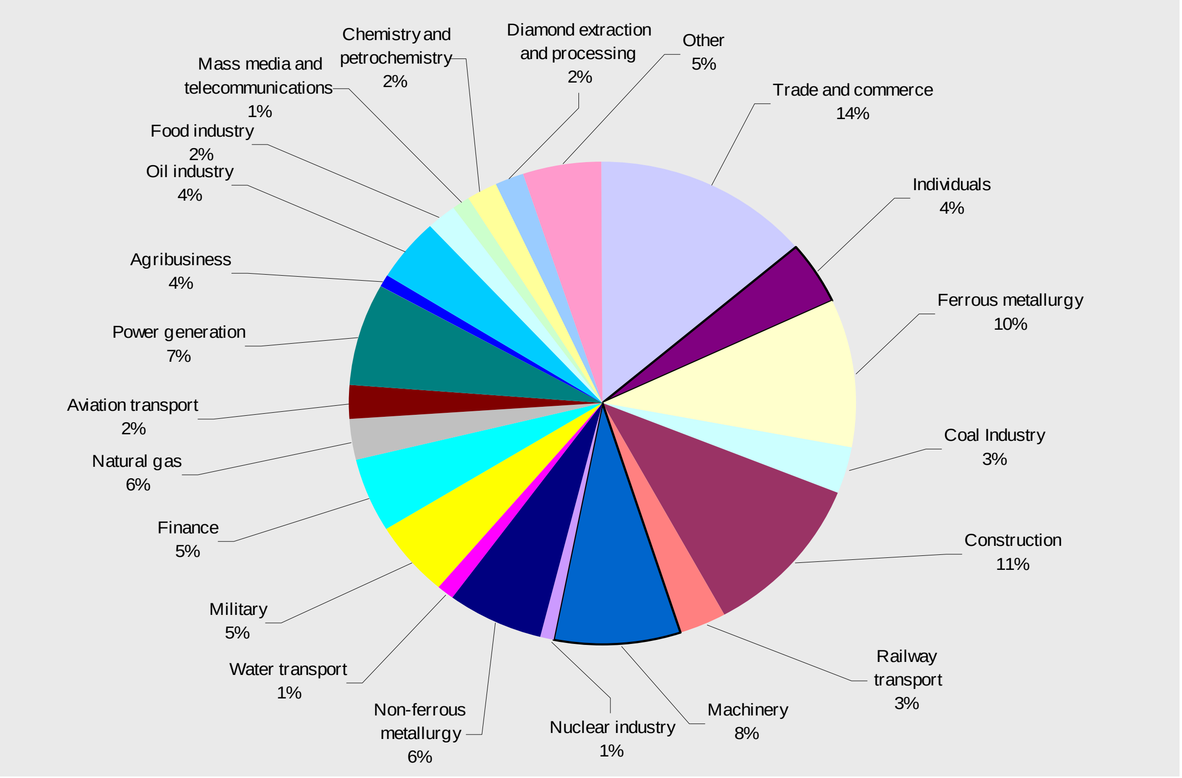
Economic sector risk concentration minimized

Breakdown of loan portfolio by economic sectors, (as % of total loans)*



- No industry in the loan portfolio exceeds 15% of the total loan portfolio
- Fast growing retail business increasingly contributes to diversification of the total loan portfolio: retail loan share grew to 4.4% of total loans by the end of 1H/06 compared to 2.4% at the end of 2005

*Source: IFRS audited report as of June 2006

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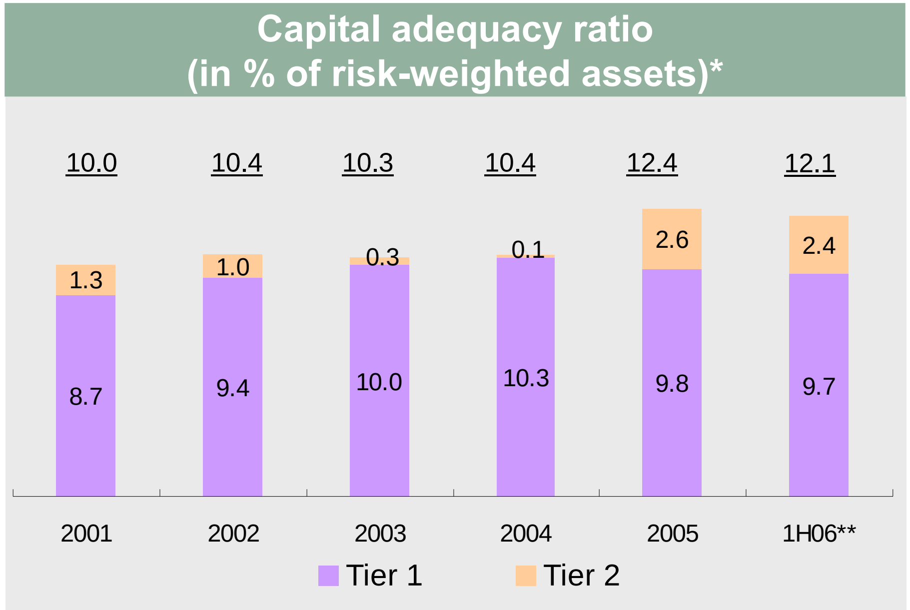
Capital on an adequate level



- Adequate capital ratio at 12.1 % in the first half of 2006 is maintained, notwithstanding strong asset growth
- Shareholder injection of approximately US$ 200 millions by the end of 2006 is in process

*CAR ratios are calculated in accordance with Basel standards, not audited
** Preliminary figures

Targets 2006

Cost to Income Ratio	60%
Return on Equity	20%
CAR	10-12%
Market Share	Corporate loan market share*: ≥7.5% Retail DDA market share: ≥3%

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