Disclaimer

This presentation has been prepared and issued by Alfa-Bank. This publication is intended for professional and institutional customers.

Any information in this presentation is based on data obtained from sources considered to be reliable, but no representations or guarantees are made by Alfa-Bank with regard to the accuracy of the data. The opinions and estimates contained herein constitute our best judgment at this date and time, and are subject to change without notice. This presentation is for information purposes, it is not intended to be and should not be construed as an offer or solicitation to acquire, or dispose of any of the securities or issues mentioned in this presentation.

Alfa-Bank and/or its subsidiaries may use the information in this presentation prior to its publication to its customers. Alfa-Bank or its employees may also own or build positions or trade in any such securities, issues, and derivatives thereon and may also sell them whenever considered appropriate. Alfa-Bank may also provide banking or other advisory services to interested parties.

Alfa-Bank accepts no responsibility or liability whatsoever for any expense, loss or damages arising out of, or in any way connected with, the use of all or any part of this presentation.
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)
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

- 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

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Interest Income (in US $, mln)</th>
<th>Net Interest Margin**</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>111</td>
<td>6.6%</td>
</tr>
<tr>
<td>2002</td>
<td>190</td>
<td>6.9%</td>
</tr>
<tr>
<td>2003</td>
<td>242</td>
<td>5.7%</td>
</tr>
<tr>
<td>2004</td>
<td>312</td>
<td>5.6%</td>
</tr>
<tr>
<td>2005</td>
<td>402</td>
<td>5.4%</td>
</tr>
<tr>
<td>1H 2006***</td>
<td>460</td>
<td>4.8%</td>
</tr>
</tbody>
</table>

- 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
Cost discipline maintained

<table>
<thead>
<tr>
<th>Operating costs (in US$, mln)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating costs, 1H 05</td>
</tr>
<tr>
<td>Adj. operating costs, 1H 06</td>
</tr>
<tr>
<td>Costs related to retail investment projects*</td>
</tr>
<tr>
<td>Operating costs, 1H 06</td>
</tr>
<tr>
<td>1H 2005</td>
</tr>
<tr>
<td>191.6</td>
</tr>
<tr>
<td>Costs related to retail investment projects*</td>
</tr>
<tr>
<td>1H 2006</td>
</tr>
<tr>
<td>230.9</td>
</tr>
</tbody>
</table>

- 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

*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

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>1H 2006</th>
<th>H1 2006 vs. 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost to Income Ratio*</td>
<td>65.3%</td>
<td>60.3%</td>
<td>52.7%</td>
<td>52.4%</td>
<td>Improved</td>
</tr>
<tr>
<td>Return on Equity (annualized)**</td>
<td>21.6%</td>
<td>24.4%</td>
<td>23.1%</td>
<td>24.2%</td>
<td>Improved</td>
</tr>
<tr>
<td>Return on Average Assets (annualized)***</td>
<td>2.1%</td>
<td>2.4%</td>
<td>2.1%</td>
<td>2.1%</td>
<td>Stable</td>
</tr>
</tbody>
</table>

*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
High quality of the loan portfolio...

- 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*
...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
Economic sector risk concentration minimized

- 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
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

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost to Income Ratio</td>
<td>60%</td>
</tr>
<tr>
<td>Return on Equity</td>
<td>20%</td>
</tr>
<tr>
<td>CAR</td>
<td>10-12%</td>
</tr>
<tr>
<td>Market Share</td>
<td></td>
</tr>
<tr>
<td>Corporate loan market share*</td>
<td>≥7.5%</td>
</tr>
<tr>
<td>Retail DDA market share</td>
<td>≥3%</td>
</tr>
</tbody>
</table>