Full-Year 2006 Results
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<table>
<thead>
<tr>
<th>Highlights 2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operational performance</td>
</tr>
<tr>
<td>Financial performance</td>
</tr>
<tr>
<td>Outlook 2007</td>
</tr>
</tbody>
</table>
2006 Highlights
Strong results

Operating performance
- Total assets up 54.6% to US$ 15.2 bn
- Total gross loans up 64.0% to US$ 9.8 bn
- Customer accounts up 45.7% to US$ 7.9 bn

Financial performance
- Net profit up 5.4% to US$190.3 mln
- Cost to income at 57.8%
- Return on equity at 17.6%
- CAR at 11.4%*

Funding
- Funding base enhanced with over US$ 2.6 bn raised on international markets
- Capital injection of US$ 184 mln completed

Ratings
- S&P: upgrade to BB/Stable in December 2006
- Moody’s: financial strength rating upgrade to D in June 2006
- Follow-up: S&P BBB- survivability assessment assigned in March 2007

Rated by S&P as one of the most transparent banks in their 2006 research report:
“Transparency and Disclosure by Russian Banks”

* Preliminary figure.
## Strategic priorities

**Focus on 3 main businesses**

<table>
<thead>
<tr>
<th>Year</th>
<th>Corporate banking</th>
<th>Retail banking</th>
<th>Investment banking</th>
</tr>
</thead>
</table>
| 2006 | • Maintaining market share  
• Increase commission and other income to compensate for anticipated margin decline  
• Servicing client needs through introduction of new products such as structured lending and cash management | • Expansion of distribution into regions  
• Building up operational and risk infrastructure  
• Rapid growth in all retail businesses | • Extending client base  
• Cross-sell of capital market products with corporate clients  
• Increasing recurring revenues |
| 2007 | • Maintaining leadership position in corporate lending  
• Technological upgrade of regional business platforms  
• Growth into small and medium companies segment | • Developing customer centric solutions  
• Tuning of scalable business model  
• Profitable growth | • Internal re-organization with the aim to increase client focus  
• Development of corporate finance team  
• Cross sell with other businesses  
• Development of ruble fixed income business  
• Building out derivatives business |

- Leveraging synergies between businesses
- Growth through internal resources
- Keeping costs in line with a growing business
- Continued development of operational and risk infrastructure
Highlights 2006
Operational performance
Financial performance
Outlook 2007
Corporate loan portfolio (US$, bn)*

- 2004: $4.3 bn, +36.9%
- 2005: $5.8 bn
- 2006: $9.0 bn, +54.1%

- Corporate loan portfolio before provisions increased by 54.1% to US$ 9.0 bn from US$ 5.8 bn at the end of 2005

- Customer accounts of corporate clients grew by 42.1% up to US$ 5.2 bn by the end of 2006 from US$ 3.7 bn at the end of 2005

- Improved position from #6 to #5 bank in terms of corporate customer accounts and maintained #5 position in terms of corporate loans in 2006**

- High quality of the corporate loan portfolio with overdue loans at a low of 0.39% of total portfolio at the end of 2006

- Interest rate pressure on the market has affected corporate banking margin

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* Loan portfolio figures are gross of provisions
**Source: CBR figures.
Retail banking
Gaining scale

- Number of retail customers grew by 60.0% to 2.4 mln by the end of 2006 from 1.5 mln in 2005
- 58 new retail branches and numerous sales points opened in 2006
- Gross retail loan portfolio increased 5.6x to US$ 809.3 mln by the end 2006 from US$ 144.9 mln at the end of 2005 *
- Retail current accounts doubled to US$ 1.6 bn by the end of 2006 from US$ 0.8 bn at the end of 2005
- Market share in current accounts (DDA) grew to 4.0% by the end of 2006 from 2.9% at the end of 2005 ***
- 2% market share gained in auto finance one year after this business was launched***

Retail loan portfolio of US$ 1.8 bn by the end of 2007 is expected

** Source: Alfa-Bank management reports.
***Source: CBR.
Investment banking
Strong trading volumes

- International equity sales volumes in 2006 increased more than 80% to over U.S. $11.6 bn

- Alfa-Direct turnover increased 3.5x to US$ 37 bn and the number of clients grew by more than 70% in 2006

- Focus on client business rather than proprietary trading

- Successful participation in 4 IPOs as co-lead manager, including that of Rosneft

- Participation in 29 ruble bond and Eurobond issues as co-lead manager and underwriter with total volume of over US$ 3 bn

- Strong growth of derivatives trading volumes supported by increased investor interest in Russian equity derivatives and RUR/US$ forwards

- New Head of Investment Banking division hired in 2007

* Incl. trading on MICEX and RTS.
Key financial ratios
Improved on adjusted basis

Including translation effect

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return on Average Equity</td>
<td>23.1%</td>
<td>17.6%</td>
</tr>
<tr>
<td>Cost to income</td>
<td>52.7</td>
<td>57.8</td>
</tr>
<tr>
<td>Return on Average Assets</td>
<td>2.1%</td>
<td>1.5%</td>
</tr>
</tbody>
</table>

Excluding translation effect

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return on Equity</td>
<td>18.6%</td>
<td>24.7%</td>
</tr>
<tr>
<td>Cost to income</td>
<td>55.4</td>
<td>53.4</td>
</tr>
<tr>
<td>Return on Average Assets</td>
<td>1.7%</td>
<td>2.1%</td>
</tr>
</tbody>
</table>

Foreign currency translation effect in net profit arises from the capital hedge.
Return on equity = Net profit / Average equity.
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 average assets = Net profit / Average assets.
**Net income**

**Solid performance**

- **2005**
  - Net profit: 180.6
  - Translation effect: -34.9
  - Income from non-core activities: -35.7
  - Adj. net profit: 131.9

- **2006**
  - Net profit: 190.3
  - Translation effect: +76.8
  - Income from non-core activities: +76.8
  - Adj. net profit: 236.9

*All figures are based on IFRS audited report 2006. Income from non-core activities in 2005 mainly includes share of results in CTC and gains on sale of film licences. Income from non-core activities in 2006 mainly includes income from sale of non-core assets, gains on sale of file licences, investment property revaluation and share of results in CTC.*
Net interest and commission income
Sustainable growth

- Net interest income grew by 37.0% to US$ 550.3 mln in 2006 from US$401.7 mln in 2005 driven by strong corporate and retail loan portfolio growth.

- Net fee and commission income increased by 24.2% to US$ 168.3 bn in 2006 from US$ 135.5 mln in 2005.

- Although net interest margin declined to 5.0% in 2006, it remains healthy and attractive compared to market peers.

- Margin squeeze in 2006 is within management expectations and arises from:
  - tight interest rate environment on asset side
  - increased lending to top-tier companies

- Net interest margin is expected to stabilize as retail portfolio with higher interest margins gains more significant scale.

*Methodology of net interest margin changed and now corresponds to S&P and Moody's methodology, i.e. net interest margin calculated as net interest income / average earning assets (=correspondent accounts and overnight placements, gross loans, due from other banks, REPOS, trading securities excl. corporate shares and ADRs)
Risk profile
Consistently low credit risk

Overdue loans and advances (US$, bn)*

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Loans (gross)</th>
<th>Overdue Loans and Advances / Total Loans</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>2.6</td>
<td>0.6%</td>
</tr>
<tr>
<td>2003</td>
<td>3.6</td>
<td>0.9%</td>
</tr>
<tr>
<td>2004</td>
<td>4.3</td>
<td>0.8%</td>
</tr>
<tr>
<td>2005</td>
<td>6.0</td>
<td>0.9%</td>
</tr>
<tr>
<td>2006</td>
<td>9.8</td>
<td>1.2%</td>
</tr>
</tbody>
</table>

- Overdue loans are kept at low level due to high quality of the corporate loan portfolio.
- Slight increase in overdue loans from 0.9% in 2005 to 1.2% in 2006 is due to growth of retail loan lending with overdue loan rate at 9.9%.
- 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 3.1% of the total portfolio in 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.

Provision for loan impairment (US$, mln)

<table>
<thead>
<tr>
<th>Year</th>
<th>Provision for Loan Impairment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>134.9</td>
</tr>
<tr>
<td>2003</td>
<td>175.7</td>
</tr>
<tr>
<td>2004</td>
<td>197.9</td>
</tr>
<tr>
<td>2005</td>
<td>239.9</td>
</tr>
<tr>
<td>2006</td>
<td>303.3</td>
</tr>
</tbody>
</table>

- Loans +1 day overdue
Risk profile

Loan concentration further declined

- Loan concentration of top 10 borrowers reduced to 22.3% of total loans at the end of 2006 from 24.1% of total loans at the end of 2005
- Top 20 loan concentration reduced to 33.6% of total loans at the end of 2006 from 37.1% of total loans at the end of 2005
- Top 10 loan concentration is expected below 20% by the end of 2007
- Total related party exposure increased slightly to 5.3% by the end of 2006 from 3.7% at the end of 2006

* IFRS audited report. Rounded figures. Percentages calculated on a basis of exact numbers.
The largest sector, Trade and Commerce, represents only 16% of the total loan book

Fast growing retail business increasingly contributes to diversification of the total loan portfolio: retail loan share grew to 8.3% of total loans by the end of 2006 compared to 2.4% at the end of 2005

* IFRS audited report. Rounded figures.
Liabilities
Improved maturity profile

Total liabilities at December 31, 2005: US$ 9.0 bn

Total liabilities at December 31, 2006: US$ 13.9 bn
Liabilities
Increased diversification of funding sources

Liabilities as of December 31, 2005

- Corporate accounts: 41%
- Individual accounts: 20%
- Promissory notes: 4%
- Due to other banks: 9%
- Other borrowed funds: 19%
- Other: 8%

Total liabilities at December 31, 2005:
US$ 9.0 bn

Liabilities as of December 31, 2006

- Corporate accounts: 37%
- Individual accounts: 20%
- Promissory notes: 4%
- Due to other banks: 10%
- Other borrowed funds: 24%
- Other: 5%

Total liabilities at December 31, 2006:
US$ 13.9 bn
## Capitalization

**Adequate capital level maintained**

<table>
<thead>
<tr>
<th>Year</th>
<th>Tier 1</th>
<th>Tier 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>10.0</td>
<td>1.3</td>
</tr>
<tr>
<td>2002</td>
<td>10.4</td>
<td>1.0</td>
</tr>
<tr>
<td>2003</td>
<td>10.3</td>
<td>0.3</td>
</tr>
<tr>
<td>2004</td>
<td>10.4</td>
<td>0.1</td>
</tr>
<tr>
<td>2005</td>
<td>12.4</td>
<td>2.6</td>
</tr>
<tr>
<td>2006**</td>
<td>11.4</td>
<td>1.9</td>
</tr>
</tbody>
</table>

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

- Total capital ratio is maintained, backed by strict capital discipline in accordance with mid-term guidance of 10-12%
- Shareholder capital injection of US$ 184 million in the fourth quarter of 2006
- Subordinated debt issue (LT2) of US$ 300 mln in February 2007 further improved Tier 2 ratio
- Net share capital increase of $258 mln planned in 1H 2007, consisting of cash capital injection of $350 mln, less dividend of non-core CTC shares of $92 mln.
### Outlook 2007

#### Financial targets

<table>
<thead>
<tr>
<th>Metric</th>
<th>Target Range</th>
</tr>
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<tbody>
<tr>
<td>Total Assets</td>
<td>~US$ 21-22 bn</td>
</tr>
</tbody>
</table>
| Loan Portfolio          | Corporate loans: ~ US$ 12.5-13.5 bn  
                          Retail loans: ~ US$ 1.8 bn |
| Cost to Income Ratio    | ~ 54-56%             |
| Return on Equity        | ~ 15-17%             |
| CAR                     | ~ 10-12%             |
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