IMPORTANT NOTICE

IMPORTANT: You must read the following before continuing. The following applies to the Prospectus following this page, and you are therefore advised to read this carefully before reading, accessing or making any other use of the Prospectus. In accessing the Prospectus you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THE FOLLOWING PROSPECTUS CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES (THE "**U.S.**") OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. ANY SECURITIES TO BE ISSUED WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION, AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE U.S. OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE FOLLOWING PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

The Notes discussed in the attached Prospectus are complex financial instruments and are not a suitable or appropriate investment for all investors. In some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities such as the Notes to retail investors.

In particular, in June 2015, the UK Financial Conduct Authority (the "**FCA**") published the Product Intervention (Contingent Convertible Instruments and Mutual Society Shares) Instrument 2015, which took effect from 1 October 2015 (the "**PI Instrument**"). Under the rules set out in the PI Instrument (as amended or replaced from time to time, the "**PI Rules**"): (i) certain contingent write-down or convertible securities (including any beneficial interests therein), such as the Notes, must not be sold to retail clients in the EEA; and (ii) there must not be any communication or approval of an invitation or inducement to participate in, acquire or underwrite such securities (or the beneficial interest in such securities) where that invitation or inducement is addressed to or disseminated in such a way that it is likely to be received by a retail client in the EEA (in each case, within the meaning of the PI Rules), other than in accordance with the limited exemptions set out in the PI Rules.

The Joint Lead Managers are required to comply with the PI Rules. By purchasing, or making or accepting an offer to purchase, any Notes (or a beneficial interest in such Notes) from the Issuer and/or the Joint Lead Managers, you represent, warrant, agree with and undertake to the Issuer and each of the Joint Lead Managers that: 1. you are not a retail client in the EEA (as defined in the PI Rules); 2. whether or not you are subject to the PI Rules, you will not (A) sell or offer the Notes (or any beneficial interest therein) to retail clients in the EEA or (B) communicate (including the distribution of the attached Prospectus) or approve an invitation or inducement to participate in, acquire or underwrite the Notes (or any beneficial interests therein) where that invitation or inducement is addressed to or disseminated in such a way that it is likely to be received by a retail client in the EEA (in each case within the meaning of the PI Rules), in any such case other than (i) in relation to any sale or offer to sell Notes (or any beneficial interests therein) to a retail client in or resident in the United Kingdom, in circumstances that do not and will not give rise to a contravention of the PI Rules by any person and/or (ii) in relation to any sale or offer to sell Notes (or any beneficial interests therein) to a retail client in any EEA member state other than the United Kingdom, where (a) you have conducted an assessment and concluded that the relevant retail client understands the risks of an investment in the Notes (or such beneficial interests therein) and is able to bear the potential losses involved in an investment in the Notes (or such beneficial interests therein) and (b) you have at all times acted in relation to such sale or offer in compliance with the Markets in Financial Instruments Directive (2014/65/EU), as amended from time to time ("**MiFID II**") to the extent it applies to you or, to the extent MiFID II does not apply to you, in a manner which would be in compliance with MiFID II if it were to apply to you; and 3. you will at all times comply with all applicable laws, regulations and regulatory guidance (whether inside or outside the EEA) relating to the promotion, offering, distribution and/or sale of the Notes (or any beneficial interests therein), including (without limitation) any such laws, regulations and regulatory guidance relating to determining the appropriateness and/or suitability of an investment in the Notes (or any beneficial interests therein) by investors in any relevant jurisdiction.

PRIIPs Regulation / Prohibition of sales to EEA retail investors – The Further Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2016/97/EU (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129

(the "**Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Further Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Further Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

MIFID II Product Governance/ Professional Investors and Eligible Counterparties only target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Further Notes has led to the conclusion that: (i) the target market for the Further Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Further Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Further Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Further Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, any Further Notes (or any beneficial interests therein) from the Issuer and/or the Joint Lead Managers, the foregoing representations, warranties, agreements and undertakings will be given by and be binding upon both the agent and its underlying client.

Confirmation of your representation: In order to be eligible to view the Prospectus or make an investment decision with respect to the securities, investors must be (i) "qualified institutional buyers" (as defined in Rule 144A under the Securities Act) ("**QIBs**") that are also "qualified purchasers" (as defined in Section 2(A)(51) of the U.S. Investment Company Act of 1940, as amended) ("**QPs**"), or (ii) non-U.S. persons (as defined in Regulation S under the Securities Act) outside the U.S. who are not acting for the account or benefit of U.S. persons (as defined in Regulation S under the Securities Act). By accessing the Prospectus, you shall be deemed to have represented to us that you and any customers you represent are QIBs that are also QPs or you and any customers you represent are non-U.S. persons outside the U.S. (as defined in Regulation S under the Securities Act) and/or are not acting for the account or benefit of a U.S. person (as defined in Regulation S under the Securities Act).

This Prospectus may only be provided to persons in the United Kingdom in circumstances where Section 21(1) of the Financial Services and Markets Act 2000 does not apply to Alfa Bond Issuance plc or Joint Stock Company "ALFA-BANK". Accordingly, the attached Prospectus is being distributed only to and directed only at (i) persons who are outside the United Kingdom, (ii) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"), (iii) high net worth entities and other persons falling within article 49(2)(a) to (d) of the Order, or (iv) those persons to whom it may otherwise be lawfully distributed in accordance with the Order (all such persons together being referred to as "**relevant persons**"). The Prospectus is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which the attached Prospectus relates is available only to relevant persons and will be engaged in only with relevant persons.

The information contained in this Prospectus does not constitute an offer, or an invitation to make offers, sell, purchase, exchange or transfer the Notes in Russia or to or for the benefit of any Russian person, and does not constitute an advertisement of the securities in Russia. This information must not be passed on to third parties or otherwise be made publicly available in Russia. The Notes have not been and will not be registered in Russia or admitted to public placement and/or public circulation in Russia. The Notes are not intended for "placement" or "circulation" in Russia except as permitted by Russian law.

You are reminded that you are accessing the Prospectus on the basis that you are a person by whom the Prospectus may be lawfully accessed in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver or forward the Prospectus to any other person.

The Prospectus does not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the underwriters or any affiliate of the underwriters is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the underwriters or such affiliate on behalf of the Issuer in such jurisdiction.

This Prospectus has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and, consequently, none of Alfa Bond Issuance plc or Joint Stock Company "ALFA-BANK" and J.P. Morgan Securities plc (the "**Joint Lead Managers**" and the "**Bookrunners**") nor any director, officer, employee or agent of it or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Prospectus distributed to you in electronic format and any hard copy version.

SERIES 11 PROSPECTUS

prepared in connection with the U.S.$450,000,000 5.950 per cent. Loan Participation Notes (the "**Further Notes**")
issued as Series 11 under the U.S.$5,000,000,000 Programme for the Issuance of Loan Participation Notes (the "**Programme**")
to be consolidated and form a single series (subject to certain conditions) with the
U.S.$400,000,000 5.950 per cent. Loan Participation Notes due 2030
(the "**Original Notes**", and together with the Further Notes, the "**Notes**") issued as Series 10 under the Programme
to be issued by, but with limited recourse to,
Alfa Bond Issuance plc
for the purpose of financing a subordinated loan to
Joint Stock Company "ALFA-BANK"
Issue Price: 101 per cent.

This series prospectus (the "**Series Prospectus**"), which must be read and construed as one document in conjunction with information incorporated by reference herein (see "*Documents and Information Incorporated by Reference*"), which includes the base prospectus dated 17 September 2019 prepared in connection with the Programme (the "**Base Prospectus**"), is prepared in connection with the issue of the Further Notes by Alfa Bond Issuance plc (the "**Issuer**") under the Programme to be consolidated and form a single series with the Original Notes, which were issued for the sole purpose of financing a subordinated loan of U.S.$400,000,000 (the "**Original Subordinated Loan**") to Joint Stock Company "ALFA-BANK" ("**Alfa Bank**" or the "**Borrower**"), as borrower. The Original Subordinated Loan is granted pursuant to the terms of an original subordinated loan agreement between the Issuer and Alfa Bank dated 10 October 2019 (the "**Original Subordinated Loan Agreement**"). The Further Notes are being issued for the purpose of financing a further subordinated loan (the "**Further Subordinated Loan**" and together with the Original Subordinated Loan, the "**Subordinated Loan**") to Alfa Bank as borrower, on the terms of a supplemental subordinated loan agreement between the Issuer and the Borrower (the "**Supplemental Subordinated Loan Agreement**", and together with the Original Subordinated Loan Agreement, as may be further amended and supplemented from time to time, the "**Subordinated Loan Agreement**" or the "**Loan Agreement**").

The Further Notes will be consolidated and form a single series with the Original Notes from and including 15 April 2020, provided that the Borrower receives the Increased Amount Final Conclusion (as such term is defined in the Supplemental Subordinated Loan Agreement) on or before 14 April 2020. If the Increased Amount Final Conclusion is not received on or before 14 April 2020, the Further Notes will not be consolidated and form a single series with the Original Notes and may be redeemed by the Issuer. If the Further Notes are not redeemed by the Issuer in such circumstances, they will form a separate series from the Original Notes.

The Further Subordinated Loan will bear interest at the Rate of Interest (as defined in the Loan Agreement), being 5.950 per cent. (other than for the first short Interest Period) from (and including) the Increased Amount Closing Date (as defined in the Loan Agreement) to (but excluding) the Reset Date (as defined in the Loan Agreement), and as determined in accordance with Clause 5 of the Loan Agreement thereafter. Interest on the Further Notes will be payable at the Rate of Interest semi-annually in arrear on 15 April and 15 October in each year, commencing on 15 April 2020, as described under "*Terms and Conditions of the Notes—5. Interest*" in the Base Prospectus (which is incorporated by reference herein). Unless previously redeemed or cancelled, the Further Notes will be redeemed at their principal amount on 15 April 2030 (the "**Maturity Date**"). The issue price of the Further Notes is 101 per cent. of their principal amount. For the avoidance of doubt, no interest will be payable on the Further Notes or the Further Subordinated Loan on 15 April 2020 in respect of a period prior to the Increased Amount Closing Date (being the Issue Date of the Further Notes). Subject as provided in the trust deed dated 17 April 2013, as amended in respect of the Further Notes by the supplemental trust deed between, among others, the Issuer and BNY Mellon Corporate Trustee Services Limited (the "**Trustee**") to be dated on or about the date of the issue of the Further Notes (the "**Trust Deed**"), the Issuer will charge, in favour of the Trustee as trustee, by way of a first fixed charge as security for its payment obligations in respect of the Further Notes and under the Trust Deed, certain of its rights and interests under the Supplemental Subordinated Loan Agreement and the Account (as defined in the Loan Agreement). In addition, the Issuer will assign certain of its administrative rights under the Supplemental Subordinated Loan Agreement to the Trustee. In each case where amounts of principal, interest and additional amounts (if any) are stated to be payable in respect of the Further Notes, the obligation of the Issuer to make any such payment shall constitute an obligation only to account to the holders of the Further Notes (together, the "**Further Noteholders**", and together with the holders of the Original Notes, the "**Noteholders**") on each date upon which such amounts of principal, interest and additional amounts (if any) are due in respect of the Further Notes, for an amount equivalent to all principal, interest and additional amounts (if any) actually received and retained (net of tax) from Alfa Bank by or for the account of the Issuer pursuant to the Supplemental Subordinated Loan Agreement excluding, however, any amounts paid in respect of Reserved Rights (as defined in the terms and conditions of the Further Notes). The Issuer will have no other financial obligation under the Further Notes. The Further Noteholders will be deemed to have accepted and agreed that they will be relying solely and exclusively on the credit and financial standing of Alfa Bank in respect of the payment obligations of the Issuer under the Further Notes.

Other than as described in this Series Prospectus, the Base Prospectus and the Trust Deed, the Further Noteholders have no proprietary or other direct interest in the Issuer's rights under or in respect of the Supplemental Subordinated Loan Agreement or the Further Subordinated Loan. Subject to the terms of the Trust Deed, no Further Noteholder will have any rights to enforce any of the provisions in the Supplemental Subordinated Loan Agreement or have direct recourse to Alfa Bank, except through action by the Trustee.

AN INVESTMENT IN THE FURTHER NOTES INVOLVES A HIGH DEGREE OF RISK. PROSPECTIVE INVESTORS SHOULD HAVE REGARD TO THE RISK FACTORS DESCRIBED UNDER THE SECTION ENTITLED *"RISK FACTORS"* IN THIS SERIES PROSPECTUS BEGINNING ON PAGE 1. POTENTIAL INVESTORS SHOULD READ THE WHOLE OF THIS SERIES PROSPECTUS, IN PARTICULAR THE SECTION ENTITLED "*RISK FACTORS*" IN THIS SERIES PROSPECTUS BEGINNING ON PAGE 1 AND "*RESTRICTIONS ON MARKETING AND SALES TO RETAIL INVESTORS*" SET OUT ON PAGE (v).

If a Write Down Event (as defined in the Loan Agreement) occurs, the principal amount of the Further Notes and/or interest amount then due in respect of the Further Notes (as applicable) will be subject to write-down and cancellation in an amount equal to the principal amount of the Further Subordinated Loan and/or interest amount then due in respect of the Further Subordinated Loan so written down and cancelled (as applicable) in accordance with Clause 9 of the Loan Agreement upon the occurrence of a Write-Down Event. Whilst the Further Notes are in global form any write down will be in accordance with the standard operating procedures of the relevant clearing system, as further set out on the relevant Global Note. Whilst the Further Notes are in definitive form any write down will be on a pro-rata basis, as further set out in the Terms and Conditions. Any such write-down will result in the Further Noteholders losing the relevant interest or principal amount of the Further Notes so written-down. Accordingly, Further Noteholders should be aware that they may lose their entire investment in the Further Notes. In the event that the entire principal amount of the Further Notes is written down, the Further Notes will be cancelled. PROSPECTIVE INVESTORS SHOULD HAVE REGARD TO THE RISK FACTORS IN THIS SERIES PROSPECTUS ENTITLED "*THE FURTHER SUBORDINATED LOAN AND FURTHER NOTES MAY BE SUBJECT TO WRITE DOWN MEASURES*" ON PAGE 3.

THE FURTHER NOTES AND THE FURTHER SUBORDINATED LOAN HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND, SUBJECT TO CERTAIN EXCEPTIONS, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("REGULATION S")). THE FURTHER NOTES MAY BE OFFERED AND SOLD (I) WITHIN THE UNITED STATES TO QUALIFIED INSTITUTIONAL BUYERS ("QIBS"), AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("RULE 144A") THAT ARE ALSO QUALIFIED PURCHASERS ("QPS"), AS DEFINED IN SECTION 2(A)(51) OF THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT"), IN RELIANCE ON THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144A (THE "RULE 144A NOTES") AND (II) TO NON U.S. PERSONS LOCATED OUTSIDE THE UNITED STATES IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S (THE "REGULATION S NOTES"). THE ISSUER HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE INVESTMENT COMPANY ACT. PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT SELLERS OF THE RULE 144A NOTES MAY BE RELYING ON THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT PROVIDED BY RULE 144A. EACH PROSPECTIVE PURCHASER ACKNOWLEDGES THAT IT IS PREPARED TO HOLD THE SECURITIES TO MATURITY AND THAT THE RULE 144A NOTES ARE "RESTRICTED SECURITIES" WITHIN THE MEANING OF RULE 144(A)(3) UNDER THE SECURITIES ACT. EACH PROSPECTIVE PURCHASER ACKNOWLEDGES THAT NO REPRESENTATION HAS BEEN MADE AS TO THE AVAILABILITY OF RULE 144 OR ANY OTHER EXEMPTION UNDER THE SECURITIES ACT FOR THE RE-OFFER, RESALE, PLEDGE OR TRANSFER OF THE SECURITIES. FOR A DESCRIPTION OF THESE AND CERTAIN FURTHER RESTRICTIONS, SEE "SUBSCRIPTION AND SALE" AND "TRANSFER RESTRICTIONS" IN THE BASE PROSPECTUS (INCORPORATED BY REFERENCE HEREIN).

The Further Notes are not intended to be sold and should not be sold to retail clients in the EEA, as defined in the rules set out in the Product Intervention (Contingent Convertible Instruments and Mutual Society Shares) Instrument 2015, as amended or replaced from time to time, other than in circumstances that do not and will not give rise to a contravention of those rules by any person. Prospective investors are referred to the section headed "*Restrictions on Marketing and Sales to Retail Investors*" on page (v) of this Series Prospectus for further information.

The Further Notes are not eligible for placement and circulation in the Russian Federation, unless otherwise permitted by Russian law. The information provided in this Series Prospectus is not an offer, or an invitation to make offers, to sell, exchange or otherwise transfer the Further Notes in the Russian Federation or to or for the benefit of any Russian person or entity. This document comprises a Series Prospectus (for the purposes of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the "**Prospectus Regulation**").

This Series Prospectus has been approved by the Central Bank of Ireland, as competent authority under Regulation (EU) 2017/1129. The Central Bank of Ireland only approves this Series Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129.

Such approval should not be considered as an endorsement of the quality of the Issuer or the Further Notes that are subject of this Series Prospectus. Investors should make their own assessment as to the suitability of investing in the Further Notes. Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") for the Further Notes issued under this Series Prospectus to be admitted to the official list (the "**Official List**") and to trading on its regulated market (the "**Market**"). The Market is a regulated market for the purposes of Directive 2014/65/EU (as amended, "**MiFID II**"). References in this Series Prospectus to Further Notes being "listed" (and all related references) shall mean that such Further Notes have been admitted to the Official List and have been admitted to trading on the Market.

The Further Notes will (initially, in the case of the Regulation S Notes only) be represented by a temporary Regulation S global note (the "**Temporary Regulation S Global Note**") and (in the case of the Rule 144A Notes) a Rule 144A global note (the "**Rule 144A Global Note**"). The Further Notes represented by the Temporary Regulation S Global Note will become fungible with the Original Notes (all of which were issued in accordance with Regulation S only) on 15 April 2020, provided that the Borrower receives the Increased Amount Final Conclusion (as such term is defined in the Supplemental Subordinated Loan Agreement) by 14 April 2020, whereupon interests in the Temporary Regulation S Global Note will be exchanged, without any need for further clarification, for interests in a permanent Regulation S global note in fully registered form representing the Original Notes (the "**Permanent Regulation S Global Note**" and, together with the Temporary Regulation S Global Note, the "**Regulation S Global Notes**") without interest coupons, which was deposited with a common depositary for, and registered in the name of a nominee of, Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"), on 15 April 2020. Beneficial interests in the Regulation S Global Note are shown on, and transfers thereof are effected only through records maintained by, Euroclear or Clearstream, Luxembourg and their respective participants. Rule 144A Notes will be represented by interests in the Rule 144A Global Note without interest coupons, which will be deposited with a custodian for, and registered in the name of a nominee of, The Depository Trust Company ("**DTC**") on the Issue Date. Beneficial interests in the Rule 144A Global Note will be shown on, and transfers thereof will be effected only through records maintained by, DTC and its participants. The Regulation S Global Notes and the Rule 144A Global Note are together referred to as the "**Global Notes**". See "*Summary of the Provisions Relating to the Notes in Global Form*" in the Base Prospectus (which is incorporated by reference herein). Individual definitive Notes in registered form will only be available in certain limited circumstances as described herein.

This Series Prospectus will be valid until the date of admission of the Further Notes to trading on the Regulated Market. The obligation to supplement this Series Prospectus in the event of significant new factors, material mistakes or material inaccuracies will not apply when the Series Prospectus is no longer valid.

Joint Lead Managers and Bookrunners

Alfa-Bank **J.P. Morgan**

The date of this Series Prospectus is 25 November 2019

The Further Notes to be issued are expected to be rated "BB" by Fitch Ratings CIS Limited ("**Fitch**") (see "*Issue Terms of the Further Notes*"). The Further Notes will be consolidated and form a single series with the Original Notes (rated "BB" by Fitch) as described above ***provided that*** the Borrower receives the Increased Amount Final Conclusion (as such term is defined in the Supplemental Subordinated Loan Agreement) on or before 14 April 2020. If the Increased Amount Final Conclusion is not received on or before 14 April 2020, the Further Notes will not be consolidated and form a single series with the Original Notes and may be redeemed by the Issuer. If the Further Notes are not redeemed by the Issuer in such circumstances, they will form a separate series from the Original Notes.

As of the date of this Series Prospectus, Fitch is established in the European Union and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**"). For more information on the ratings of the Further Notes, see "*Overview of the Programme*" in the Base Prospectus (which is incorporated by reference herein). In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation, unless the rating is provided by a credit rating agency operating in the European Community before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused or (ii) the rating is provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation or (iii) the rating is provided by a credit rating agency not established in the EEA which is certified under the CRA Regulation.

This Series Prospectus (when read and construed in conjunction with the Base Prospectus incorporated by reference herein) comprises a prospectus for the purposes of Article 8.1 of the Prospectus Regulation and for the purpose of giving information with respect to Alfa Bank, the Issuer, the Loan Agreement and the Further Notes.

Each of the Issuer and Alfa Bank accepts responsibility for the information contained in this Series Prospectus. To the best of the knowledge and belief of each of the Issuer and Alfa Bank the information contained in this Series Prospectus is in accordance with the facts and does not omit anything likely to affect its import. Alfa Bank's full legal name is Joint Stock Company "ALFA-BANK" and its brand name is "Alfa Bank". Alfa Bank's registered office is located at 27 Kalanchevskaya Street, 107078 Moscow, Russia and its principal place of business is 9 Mashi Poryvaevoy Street, 107078 Moscow, Russia. The Issuer's legal name is Alfa Bond Issuance plc, and it is established as a public company with limited liability in Ireland under Companies Acts 1963-2005, as amended, under number 410510 and its registered address is 3rd Floor, Kilmore House, Park Lane, Spencer Dock, Dublin 1, Ireland.

In addition, Alfa Bank, having made all reasonable enquiries, confirms that (i) this Series Prospectus contains all information with respect to Alfa Bank, the Further Subordinated Loan and the Further Notes that is material in the context of the issue and offering of the Further Notes; (ii) the statements contained in this Series Prospectus with regard to Alfa Bank are in every material respect true and accurate and not misleading; (iii) the opinions, expectations and intentions expressed in this Series Prospectus with regard to Alfa Bank are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions; (iv) there are no other facts in relation to Alfa Bank, the Further Subordinated Loan or the Further Notes the omission of which would, in the context of the issue and offering of the Further Notes, make any statement in this Series Prospectus misleading in any material respect; and (v) all reasonable enquiries have been made by Alfa Bank to ascertain such facts and to verify the accuracy of all such information and statements.

This Series Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer, Alfa Bank, the Joint Lead Managers or the Trustee to subscribe for or purchase any Further Notes. The distribution of this Series Prospectus and the offering of the Further Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Series Prospectus comes are required by the Issuer, Alfa Bank, the Joint Lead Managers and the Trustee to inform themselves about and to observe any such restrictions. In particular, the Further Notes have not been and will not be registered under the Securities Act. Subject to certain exceptions, the Further Notes may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons. Further information with regard to restrictions on offers and sales of the Further Notes and the distribution of this Series Prospectus is set out under "*Issue Terms of the Further Notes*" in this Series Prospectus and "*Subscription and Sale*" in the Base Prospectus (which is incorporated by reference herein).

Prospective purchasers must comply with all laws that apply to them in any place in which they buy, offer or sell any Further Notes or possess this Series Prospectus. Persons into whose possession this Series Prospectus comes are required by Alfa Bank, the Issuer, the Joint Lead Managers and the Trustee to inform themselves about and to observe such restrictions. Any consents or approvals that are needed in order to purchase the Further Notes must be obtained. None of Alfa Bank, the Issuer, the Joint Lead Managers or the Trustee are responsible for compliance with these legal requirements. The appropriate characterisation of the Further Notes under various legal investment restrictions, and thus the ability of investors subject to these restrictions to purchase such Further Notes, is subject to significant interpretative uncertainties. None of the Issuer, Alfa Bank, the Trustee, the Joint Lead Managers or any of the respective representatives is making any representation to any offeree or purchaser of the Further Notes regarding the legality of an investment by such offeree or purchaser under relevant legal investment or similar laws. Such investors should consult their legal advisers regarding such matters. For a description of further restrictions on offers and sales of the Further Notes, see "*Subscription and Sale*" in the Base Prospectus (which is incorporated by reference herein).

The Further Notes are complex financial instruments. If a Write Down Event (as defined in the Loan Agreement) occurs, the principal amount of the Further Notes and/or interest amount then due in respect of the Further Notes (as applicable) will be subject to write-down and cancellation in an amount equal to the principal amount of the Further Subordinated Loan and/or interest amount then due in respect of the Further Subordinated Loan so written down and cancelled (as applicable) in accordance with Clause 9 of the Loan Agreement. Any such write-down will result in the Further Noteholders losing the relevant interest or principal amount of the Further Notes so written-down. Accordingly, the Further Noteholders should be

aware that they may lose their entire investment in the Further Notes. A potential investor should not invest in the Further Notes unless it has the expertise to evaluate how the Further Notes may perform under changing conditions, the resulting effects on the value of such Further Notes and the impact the investment will have on the potential investor's overall investment portfolio. By its acquisition of the Further Notes, each Further Noteholder shall be deemed to have (i) consented to the write-down of the Further Notes and acknowledged that such write-down of its Further Notes at Alfa Bank's discretion or following a Write Down Event may occur without any further action on such Further Noteholder's part and (ii) authorized, directed and requested Euroclear, Clearstream, Luxembourg or any Alternative Clearing System (as the case may be) and any direct participant in such clearing system or other intermediary through which it holds its Further Notes to take any and all necessary action, if required, to implement write-down of its Further Notes without any further action or direction on the part of such Further Noteholder. Noteholders that acquire the Further Notes in the secondary market shall be deemed to acknowledge, agree to be bound by and consent to the same provisions specified herein to the same extent as the holders of the Further Notes that acquire the Further Notes upon their initial issuance, including, without limitation, with respect to the acknowledgement and agreement to be bound by and consent to the terms of the Further Notes related to the write-down. See also "*Risk Factors—Risks Relating to the Further Notes—The Further Notes may be redeemed due to a failure by Alfa Bank to comply with Russian regulatory capital regulations or on account of changes to such regulations or other Russian laws*", "*Risk Factors—Risks Relating to the Further Notes—Repayment and variation of the Further Subordinated Loan may require the consent of the CBR*", " *Risk Factors—Risks Relating to the Further Notes—Alfa Bank's obligations under the Loan Agreement are subordinated*", "*Risk Factors—Risks Relating to the Further Notes—Subordination, limited acceleration events and repayment (redemption) rights*", "*Risk Factors—Risks Relating to the Notes—Restricted remedies*", "*Risk Factors—Risks Relating to the Further Notes—The Further Subordinated Loan and Further Notes may be subject to write down measures*", "*Risk Factors—Risks Relating to the Further Notes—The Further Noteholders may be unable to monitor the Common Equity Tier 1 Capital Ratio of Alfa Bank*", and "*Risk Factors—Risks Relating to the Further Notes—The Further Notes are a novel form of security and may not be a suitable investment for all investors*".

RESTRICTIONS ON MARKETING AND SALES TO RETAIL INVESTORS

The Further Notes are complex financial instruments and are not a suitable or appropriate investment for all investors. In some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities such as the Further Notes to retail investors.

In particular, in June 2015, the UK Financial Conduct Authority (the "**FCA**") published the Product Intervention (Contingent Convertible Instruments and Mutual Society Shares) Instrument 2015, which took effect from 1 October 2015 (the "**PI Instrument**").

Under the rules set out in the PI Instrument (as amended or replaced from time to time, the "**PI Rules**"):

(i) certain contingent write-down or convertible securities (including any beneficial interests therein), such as the Further Notes, must not be sold to retail clients in the EEA; and

(ii) there must not be any communication or approval of an invitation or inducement to participate in, acquire or underwrite such securities (or the beneficial interest in such securities) where that invitation or inducement is addressed to or disseminated in such a way that it is likely to be received by a retail client in the EEA (in each case, within the meaning of the PI Rules), other than in accordance with the limited exemptions set out in the PI Rules.

The Joint Lead Managers are required to comply with the PI Rules. By purchasing, or making or accepting an offer to purchase, any Further Notes (or a beneficial interest in such Further Notes) from the Issuer and/or the Joint Lead Managers, each prospective investor represents, warrants, agrees with and undertakes to the Issuer and each of the Joint Lead Managers that:

1. it is not a retail client in the EEA (as defined in the PI Rules);

2. whether or not it is subject to the PI Rules, it will not

(A) sell or offer the Further Notes (or any beneficial interest therein) to retail clients in the EEA or

(B) communicate (including the distribution of this document) or approve an invitation or inducement to participate in, acquire or underwrite the Further Notes (or any beneficial interests therein) where that invitation or inducement is addressed to or disseminated in such a way that it is likely to be received by a retail client in the EEA (in each case within the meaning of the PI Rules),

in any such case other than (i) in relation to any sale or offer to sell Further Notes (or any beneficial interests therein) to a retail client in or resident in the United Kingdom, in circumstances that do not and will not give rise to a contravention of the PI Rules by any person and/or (ii) in relation to any sale or offer to sell Further Notes (or any beneficial interests therein) to a retail client in any EEA member state other than the United Kingdom, where (a) it has conducted an assessment and concluded that the relevant retail client understands the risks of an investment in the Further Notes (or such beneficial interests therein) and is able to bear the potential losses involved in an investment in the Further Notes (or such beneficial interests therein) and (b) it has at all times acted in relation to such sale or offer in compliance with the Markets in Financial Instruments Directive (2014/65/EU), as amended from time to time ("MiFID II") to the extent it applies to it or, to the extent MiFID II does not apply to it, in a manner which would be in compliance with MiFID II if it were to apply to it; and

3. it will at all times comply with all applicable laws, regulations and regulatory guidance (whether inside or outside the EEA) relating to the promotion, offering, distribution and/or sale of the Further Notes (or any beneficial interests therein), including (without limitation) any such laws, regulations and regulatory guidance relating to determining the appropriateness and/or suitability of an investment in the Further Notes (or any beneficial interests therein) by investors in any relevant jurisdiction.

Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, any Further Notes (or any beneficial interests therein) from the Issuer and/or the Joint Lead Managers, the foregoing representations, warranties, agreements and undertakings will be given by and be binding upon both the agent and its underlying client.

PRIIPs Regulation / Prohibition of sales to EEA retail investors – The Further Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive 2016/97/EU (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Further Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Further Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

MIFID II Product Governance/ Professional Investors and Eligible Counterparties only target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Further Notes has led to the conclusion that: (i) the target market for the Further Notes is eligible counterparties and professional clients only,

each as defined in MiFID II; and (ii) all channels for distribution of the Further Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Further Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Further Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

This Series Prospectus is only being distributed to and is only directed at (i) persons who are outside the United Kingdom; (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"); (iii) high net worth entities and other persons falling within Article 49(2)(a) to (d) of the Order and (iv) persons to whom it may otherwise be lawfully distributed in accordance with the Order, all such persons collectively being referred to as "**relevant persons**". The Further Notes shall only be available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Further Notes will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on the contents of this Series Prospectus.

Neither the delivery of this Series Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or Alfa Bank since the date hereof or the date upon which this Series Prospectus has been most recently supplemented or that there has been no adverse change (financial or otherwise) in the condition of the Issuer or Alfa Bank since the date hereof or the date upon which this Series Prospectus has been most recently supplemented. The delivery of this Series Prospectus at any time does not imply that the information set forth in it is correct as at any time after its date. The websites of Alfa Bank do not form any part of the contents of this Series Prospectus. To the extent applicable, each of Alfa Bank and the Issuer must comply with the Central Bank of Ireland's continuing obligations rules in respect of securities admitted to the Official List. Neither Alfa Bank nor the Issuer intends otherwise to provide post-issuance transaction information regarding the Further Notes or the Supplemental Subordinated Loan Agreement or the performance of Alfa Bank.

This document comprises a Series Prospectus (for the purposes of the Prospectus Regulation). This Series Prospectus has been approved by the Central Bank of Ireland, as competent authority under Regulation (EU) 2017/1129. The Central Bank of Ireland only approves this Series Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129. Such approval should not be considered as an endorsement of the quality of the Issuer or the Further Notes that are subject of this Series Prospectus. Investors should make their own assessment as to the suitability of investing in the Further Notes.

The language of this Series Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

The Issuer is not and will not be regulated by the Central Bank of Ireland as a result of issuing the Further Notes. Any investment in the Further Notes does not have the status of a bank deposit and is not within the scope of the deposit protection scheme operated by the Central Bank of Ireland.

No person is authorised to provide any information or to make any representation not set forth in this Series Prospectus. Any information or representation not so set forth must not be relied upon as having been authorised by or on behalf of any of the Issuer, Alfa Bank, the Trustee or the Joint Lead Managers.

In connection with the issue of the Further Notes, J.P. Morgan Securities plc (the "**Stabilising Manager**"), or persons acting on behalf of the Stabilising Manager, may over-allot Further Notes or effect transactions with a view to supporting the market price of the Further Notes at a level higher than that which might otherwise prevail. However, there is no assurance that such Stabilising Manager (or persons acting on behalf of the Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Further Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the Issue Date of the Further Notes and 60 days after the date of allotment of the Further Notes. Any stabilisation action or over-allotment shall be conducted in accordance with all applicable laws and rules.

To the extent that there is any inconsistency between (a) any statement in this Series Prospectus and (b) any statement in the Base Prospectus (which is incorporated by reference herein), the statement in this Series Prospectus will prevail in respect of the Further Notes only.

NONE OF THE JOINT LEAD MANAGERS, THE TRUSTEE OR ANY OF THE AGENTS NOR ANY OF THEIR RESPECTIVE DIRECTORS, AFFILIATES, ADVISERS OR AGENTS MAKE ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION SET FORTH IN THIS SERIES PROSPECTUS, AND NOTHING CONTAINED IN THIS SERIES PROSPECTUS IS, OR MAY BE RELIED UPON AS, A PROMISE OR REPRESENTATION, WHETHER AS TO THE PAST OR THE FUTURE. TO THE FULLEST EXTENT PERMITTED BY LAW. NONE OF THE JOINT LEAD MANAGERS, THE TRUSTEE OR ANY OF THE AGENTS, NOR ANY OF THEIR RESPECTIVE DIRECTORS, AFFILIATES, ADVISERS OR AGENTS ACCEPTS ANY RESPONSIBILITY FOR THE CONTENTS OF THIS SERIES PROSPECTUS OR FOR ANY OTHER STATEMENT, MADE OR PURPORTED TO BE MADE BY ANY JOINT LEAD MANAGER, THE TRUSTEE, ANY OF THE AGENTS, OR ANY OF THEIR RESPECTIVE DIRECTORS, AFFILIATES, ADVISERS OR AGENTS OR ON ITS BEHALF IN CONNECTION WITH THE ISSUER OR ALFA BANK OR THE ISSUE AND OFFERING OF THE FURTHER NOTES. THE JOINT LEAD MANAGERS, THE TRUSTEE OR ANY OF THE AGENTS AND THEIR RESPECTIVE DIRECTORS, AFFILIATES, ADVISERS AND AGENTS ACCORDINGLY DISCLAIM ALL AND ANY LIABILITY WHETHER ARISING IN TORT OR CONTRACT OR OTHERWISE (SAVE AS REFERRED TO ABOVE)

WHICH THEY OR IT MIGHT OTHERWISE HAVE IN RESPECT OF THIS SERIES PROSPECTUS OR ANY SUCH STATEMENT.

EACH PERSON CONTEMPLATING MAKING AN INVESTMENT IN THE FURTHER NOTES MUST MAKE ITS OWN INVESTIGATION AND ANALYSIS OF THE CREDITWORTHINESS OF ALFA BANK AND THE ISSUER AND ITS OWN DETERMINATION OF THE SUITABILITY AND RISKS OF ANY SUCH INVESTMENT, WITH PARTICULAR REFERENCE TO ITS OWN INVESTMENT OBJECTIVES AND EXPERIENCE AND ANY OTHER FACTORS WHICH MAY BE RELEVANT TO IT IN CONNECTION WITH SUCH INVESTMENT. THE FURTHER NOTES HAVE NOT BEEN AND WILL NOT BE APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAVE OR WILL ANY OF THE FOREGOING AUTHORITIES PASS UPON OR ENDORSE THE MERITS OF THE FURTHER NOTES OR THE ACCURACY OR THE ADEQUACY OF THIS SERIES PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

SUBSCRIPTION AND SALE

JPM has, pursuant to the terms and conditions set forth in a subscription agreement dated 25 November 2019 (the "**Subscription Agreement**"), agreed with the Issuer and Alfa Bank, subject to the satisfaction of certain conditions set forth therein, to subscribe and pay for the aggregate principal amount of the Further Notes at the issue price of 101 per cent. Alfa Bank has agreed to pay certain commissions, fees, costs and expenses in connection with the Further Subordinated Loan and to reimburse the Issuer, the Agents and the Trustee for certain of their expenses in connection with the offering of the Further Notes. The Issuer has agreed to pay JPM a combined management and underwriting commission in connection with the subscription and sale of the Further Notes. The Joint Lead Managers are entitled to be released and discharged from their obligations under the Subscription Agreement in certain circumstances prior to payment being made to the Issuer.

Each Joint Lead Manager has severally represented, warranted and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the EEA. For the purposes of this provision the expression "retail investor" means a person who is one (or more) of the following: (a) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (b) a customer within the meaning of Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

CONTENTS

Page

RISK FACTORS

Investment in the Further Notes involves a high degree of risk. Prospective investors should consider carefully, among other things, the risks set forth below and the other information contained in this Series Prospectus (including the Base Prospectus, incorporated by reference herein – see "Documents Incorporated by Reference") prior to making any investment decision with respect to the Further Notes.

Attention is drawn particularly to the information under the heading "Risk Factors" on pages 10 to 53 (inclusive) of the Base Prospectus, which must be read in conjunction with the additional risk factors set out below.

In a number of situations, which neither Alfa Bank nor the Issuer can always control, these risks may come to pass and may have a negative effect on Alfa Bank's ability to service payment obligations under the Loan Agreement and, as a result, on the Issuer's ability to service payment obligations on the Further Notes. In addition, the value of the Further Notes could decline due to any of these risks, and the Further Noteholders may lose some or all of their investment.

Prospective investors should note that the risks described under the heading "Risk Factors" on pages 10 to 53 (inclusive) of the Base Prospectus and those described below are not the only risks Alfa Bank and the Issuer face. Alfa Bank and the Issuer have described only the risks they consider to be material. However, there may be additional risks that Alfa Bank and the Issuer currently consider immaterial or of which they are not currently aware, and any of these risks could have the effect set forth above.

Risks Relating to the Further Notes

Defined terms in this section of the risk factors, entitled "*Risks Relating to the Further Notes*", have the meanings given them in the Loan Agreement.

The Further Notes may be redeemed prior to their scheduled maturity due to a failure by Alfa Bank to comply with Russian regulatory capital regulations or on account of changes to such regulations or other Russian laws

The Original Subordinated Loan has been included into Alfa Bank's Tier 2 Capital (*dopolnitelniy kapital*). For the Further Subordinated Loan to be included into Alfa Bank's Tier 2 Capital (*dopolnitelniy kapital*) it must comply with the requirements of CBR Regulation No. 646-P "On the Methodology for Determining Own Funds (Capital) of Credit Organisations ("**Basel III**")" dated 4 July 2018, as amended (the "**Regulation No. 646-P**"). The proceeds of the Further Subordinated Loan can only be treated by Alfa Bank as Tier 2 Capital (*dopolnitelniy kapital*) upon the receipt of an Increased Amount Final Conclusion (as defined in the Supplemental Subordinated Loan Agreement) from the CBR. Alfa Bank can only apply for the Increased Amount Final Conclusion after the issue of the Further Notes (and the receipt by it of the Further Subordinated Loan) as Regulation No. 646-P, amongst other things, sets out certain requirements (including with respect to the tenor and interest rate) that the Supplemental Subordinated Loan Agreement needs to satisfy for the Increased Amount Final Conclusion to be issued. In particular, Regulation No. 646-P requires that the terms of the Supplemental Subordinated Loan Agreement, including the interest rate payable thereunder, do not differ materially from the terms of similar agreements concluded on market terms as of the date of the Supplemental Subordinated Loan Agreement. The Increased Amount Final Conclusion should be granted (or denied) within 30 days of a written application for the same being submitted by Alfa Bank. Upon receipt of the Increased Amount Final Conclusion, under Regulation No. 646-P, the Further Subordinated Loan will be included into the Tier 2 Capital (*dopolnitelniy kapital*) of Alfa Bank. Should Alfa Bank fail to receive the Increased Amount Final Conclusion until 14 April 2020, Alfa Bank will not be able to include the Further Subordinated Loan in its Tier 2 Capital (*dopolnitelniy kapital*) and, pursuant to Clause 6 of the Supplemental Subordinated Loan Agreement, Alfa Bank may repay the Further Subordinated Loan (in whole but not in part) at the principal amount thereof together with interest accrued thereon to (but excluding) the date of prepayment. The exercise of such prepayment right would result in the redemption of the Further Notes. In addition, should Alfa Bank fail to receive the Increased Amount Final Conclusion until 14 April 2020, the Further Notes will not be consolidated and form a single series with the Original Notes.

The Loan Agreement could also lose its eligibility for inclusion into Alfa Bank's Tier 2 Capital (*dopolnitelniy kapital*) subsequent to receipt by Alfa Bank of the Increased Amount Final Conclusion, if as a result of any amendment to, clarification of, or change in (including a change in interpretation by any person charged with the administration thereof or application of), Regulation No. 646-P or any other applicable requirements of the CBR, all but not part of the principal amount of the Subordinated Loan (including the Further Subordinated Loan) would cease to qualify as Tier 2 Capital (*dopolnitelniy kapital*). Pursuant to Clause 6.2.2 of the Original Loan Agreement, Alfa Bank may, subject to the prior written consent of the CBR, elect to repay the Subordinated Loan, including the Further Subordinated Loan, (in whole but not in part) at the principal amount thereof together with interest

accrued thereon to (but excluding) the date of prepayment in such circumstances. The exercise of such prepayment right would result in the redemption of the Further Notes.

Furthermore, pursuant to Clause 6.3 of the Original Loan Agreement, if, amongst other things, Alfa Bank would be required to pay any Additional Amount (as defined in the Loan Agreement) as provided by Clauses 8.1 (*Additional Amounts*) and 8.2 (*Tax Indemnity*) of the Original Loan Agreement, Alfa Bank may, subject to the prior written consent of the CBR, repay the Subordinated Loan (including the Further Subordinated Loan) in whole (but not in part) together with interest accrued thereon to (but excluding) the date of prepayment and such Additional Amounts. The exercise of any such prepayment right would result in the redemption of the Further Notes.

Prepayment and variation of the Further Subordinated Loan may require the consent of the CBR

Certain provisions of the Loan Agreement providing for the prepayment of the Further Subordinated Loan or variation of its terms are subject to the prior written consent of the CBR, in accordance with the applicable regulatory capital requirements. There can be no guarantee that the consent of the CBR will be received on time and that Alfa Bank will be able to repay such Further Subordinated Loan in accordance with relevant provisions of the Loan Agreement or that the terms of the Further Subordinated Loan will be amended as envisaged by the Loan Agreement.

Alfa Bank's obligations under the Loan Agreement are subordinated

The claims of the Issuer in respect of principal of, and interest on, the Further Subordinated Loan will be subordinated upon the occurrence of a Bankruptcy Event (as defined in the Loan Agreement) to the claims of all of Alfa-Bank's creditors other than (i) Alfa-Bank's shareholders whose claims are in respect of the share capital of Alfa Bank (including preference shares) or (ii) creditors whose claims rank equally with or are subordinated to the claims of the Issuer under the Subordinated Loan Agreement under Russian law, in accordance with the Federal Law "On Insolvency (Bankruptcy)" No. 127-FZ dated 26 October 2002 (as amended, supplemented or replaced from time to time) (the "**Insolvency Law**").

By virtue of this subordination, payments to the Issuer in respect of the Further Subordinated Loan will, in the case of a Bankruptcy Event, only be made after all payment obligations of Alfa Bank ranking senior to the Further Subordinated Loan have been satisfied. Consequently, Alfa Bank's assets will be available to satisfy its obligations under the Loan Agreement only after the claims of all senior ranking creditors have been satisfied in full. Such remaining assets may not be sufficient to satisfy Alfa Bank's obligations under the Further Subordinated Loan. There is a significant risk that an investor in the Further Notes will lose all or some of its investment in the case of a bankruptcy or insolvent liquidation of Alfa Bank.

In addition, by virtue of its execution of the Loan Agreement, the Issuer shall be deemed to have waived any right of set-off, compensation or retention in respect of any amount owed to it by Alfa Bank under or in connection with the Loan Agreement.

The Loan Agreement does not limit Alfa Bank's ability, or the ability of any other entity in the Alfa Banking Group, to incur additional indebtedness, including indebtedness that ranks senior to, or *pari passu* with, the Further Subordinated Loan in priority of payment.

As provided in the Trust Deed, so long as any Further Note remains outstanding, the Issuer, without the prior written consent of the Trustee, shall not, inter alia, incur any indebtedness for borrowed moneys other than the Further Notes, except that it may issue additional loan participation notes (with limited recourse to the Issuer) in the future for the sole purpose of financing loans to Alfa Bank.

In each case, the incurrence of any such additional indebtedness may reduce the amount recoverable by Noteholders in the case of a bankruptcy or liquidation of Alfa Bank.

As of 30 June 2019, the Alfa Banking Group had U.S.$43,147 million of liabilities excluding subordinated debt (including due to other banks, customer accounts, debt securities issued, syndicated and other debt, derivative financial instruments, other financial liabilities, deferred tax liability and other liabilities), which is calculated as total liabilities (U.S.$44,409 million) less subordinated debt (U.S.$1,262 million). The Alfa Banking Group anticipates that, from time to time, it will incur additional indebtedness, including unsubordinated indebtedness.

Subordination, limited acceleration events and repayment (redemption) rights

Acceleration of Alfa Bank's obligation to repay principal of, and any accrued interest on, the Further Subordinated Loan will only occur in the limited circumstances set out in Clause 14.2 of the Subordinated Loan Agreement. See also "*—Restricted remedies*".

Alfa Bank has the option to repay the Further Subordinated Loan in certain circumstances and, in each case, subject to certain conditions having been satisfied, as more particularly set out in Clauses 6.2 and 6.3 of the Subordinated Loan Agreement.

This means that Further Noteholders have no ability to redeem their investment in any Further Notes before the Repayment Date (as defined in the Loan Agreement), except:

(a) if Alfa Bank exercises its right to repay the Further Subordinated Loan, in which circumstances such Further Notes will be redeemed, or purchases such Further Notes;

(b) if permitted following an Acceleration Event by proving for such debt, and claim, in respect of such Notes in any liquidation of Alfa Bank; or

(c) by selling such Further Notes.

There can be no assurance that Further Noteholders will be able to reinvest the amount received upon any redemption of the Further Notes at a rate that will provide the same rate of return as their investment in the Further Notes.

Restricted remedies

The only remedies against Alfa Bank available to the Issuer will be:

(a) for recovery of amounts of principal or interest owing in respect of the Further Subordinated Loan, the institution of proceedings for the insolvency (bankruptcy) of Alfa Bank and/or proving for such debt, and claim, in any consequent liquidation of Alfa Bank;

(b) upon the bankruptcy or liquidation of Alfa Bank, the revocation of Alfa Bank's general banking licence or any analogous event under Russian law, to take any actions in the manner and to the extent contemplated by the applicable law of the Russian Federation to prove for its debt and/or, to the extent applicable, commence liquidation or winding up proceedings of Alfa Bank; or

(c) to enforce any obligation, condition or provision binding on Alfa Bank under the Loan Agreement (other than any obligation for payment of any principal or interest in respect of the Further Subordinated Loan), to institute such other proceedings against Alfa Bank as it may think fit, in each case, as more particularly set out in Clause 14 of the Loan Agreement.

In a bankruptcy of Alfa Bank, however, the Issuer's claim in respect of the Further Subordinated Loan would be subordinated to the claims of Senior Creditors (see "*—Alfa Bank's obligations under the Loan Agreement are subordinated*").

The Further Subordinated Loan and Further Notes may be subject to write down measures

Pursuant to Clause 9 of the Loan Agreement, if a Write Down Event (as defined in the Loan Agreement) has occurred and is continuing on the Write Down Measure Effective Date (as defined in the Loan Agreement), Alfa Bank shall (without the need for the consent of the Issuer or the Trustee) on the Write Down Measure Effective Date, (i) first, Cancel any applicable Monetary Damages for the purposes of the Monetary Damages Cancellation Measure, (ii) second, if the Monetary Damages Cancellation Measure, together with the cancellation of monetary damages on the Write Down Instruments which qualify as Tier 2 Capital in full is insufficient to remedy the Write Down Event, Cancel the Interest Cancellation Amount for the purposes of the Interest Cancellation Measure and (iii) third, if the Interest Cancellation Measure, together with cancellation of interest on the Write Down Instruments which qualify as Tier 2 Capital in full is insufficient to remedy the Write Down Event, Write Down the Write Down Amount for the purposes of the Principal Write Down Measure.

A Write Down Event is defined in the Loan Agreement as either of the following: (a) the Common Equity Tier 1 Capital Ratio of the Borrower is less than 2.0 per cent. for six (6) or more Operational Days in aggregate during any consecutive period of 30 Operational Days; or (b) the Board of Directors of the CBR approves a plan for the participation of the CBR, or the Banking Supervision Committee of the CBR (and, in instances provided for in sub-clause three (3) of article 189.49 of the Insolvency Law, the Board of Directors of the CBR) approves a plan for the participation of the Deposit Insurance Agency in bankruptcy prevention measures in respect of the Borrower which contemplates the provision of the Financial Assistance by the CBR or the Deposit Insurance Agency in accordance with article 189.49 of the Insolvency Law.

If a Write Down Event occurs as a result of the incurrence of losses by Alfa Bank, a Write Down Measure may only be applied by Alfa Bank after undistributed profit, reserve fund and other sources of Alfa Bank's Common Equity Tier 1 Capital have been exhausted to absorb losses of Alfa Bank.

The principal amount so written down may not be restored under any circumstances, including where the relevant Write Down Event(s) is(are) no longer continuing (subject to variation of the Further Subordinated Loan due to change in law in accordance with Clause 10 of the Loan Agreement). Any interest payment that has been Cancelled in accordance with Clause 9 of the Loan Agreement shall not accumulate or be payable at any time thereafter, including where the relevant Write Down Event(s) is (are) no longer continuing, subject to variation of the Further Subordinated Loan due to change in law in accordance with Clause 10 of the Loan Agreement. Clause 10 of the Loan Agreement provides for the ability to amend the terms of the Loan Agreement to enable the restoration or reinstatement of any amounts Written Down as a consequence of a Write Down Event if, following changes to Russian law, it is expressly allowed to restore or reinstate the principal amount of the Further Subordinated Loan following any Write Down, and such potential reinstatement would be subject, inter alia, to compliance with Russian law and CBR approval, to the extent required.

No interest shall accrue from the Write Down Event Date and for as long as the Write Down Event(s) is(are) continuing. Accrued interest may be cancelled and the principal amount of the Further Subordinated Loan may be written down in accordance with Clause 9 of the Loan Agreement on more than one occasion. None of the Issuer, the Trustee or any Further Noteholder shall have any right to such cancelled or written down amounts whether in a bankruptcy or dissolution of Alfa Bank or otherwise (subject to variation of the Further Subordinated Loan due to change in law in accordance with Clause 10 of the Loan Agreement), and such non-payment shall not constitute an event entitling the Issuer to accelerate the Further Subordinated Loan.

If a Write Down Event occurs, the principal amount of the Further Notes and interest then due in respect of the Further Notes (as applicable) will be subject to write-down and cancellation in an amount equal to the principal amount of the Further Subordinated Loan and interest then due in respect of the Further Subordinated Loan so written down and cancelled (as applicable) in accordance with Clause 9 of the Loan Agreement upon the occurrence of a Write-Down Event. Any such write-down and cancellation will result in Further Noteholders losing the relevant principal amount of the Further Notes so written-down and cancelled together with any accrued interest thereon. Accordingly, Further Noteholders should be aware that they may lose their entire investment in the Further Notes. In the event that the entire principal amount of the Further Notes is written down, the Further Notes will be cancelled.

Consequently, investors may lose all or part of their investment following the occurrence of a Write Down Event. To the extent that part of the principal amount of the relevant Further Subordinated Loan has been written down, interest will continue to accrue only on the then outstanding principal amount (as so written down) of the Further Subordinated Loan. Consequently, the amount of interest payable (if any) on the Further Notes will be correspondingly smaller following implementation of the write down measures.

The provision in the Loan Agreement for the cancellation of any applicable "Monetary Damages" is a requirement of the CBR regulation on subordinated instruments. Monetary Damages are defined as any amount of financial damages which the Borrower may be liable to pay for failure to perform its obligations under the Loan Agreement. The Loan Agreement does not provide for the payment by the Borrower of any form of Monetary Damages for its failure to perform its obligations under the Loan Agreement; however, the concept of Monetary Damages is novel and its interpretation and application to English law documents is unclear.

None of the Trustee, any Agent or the Issuer shall have any responsibility for, or liability or obligation in respect of, any loss, claim or demand incurred as a result of or in connection with a Write Down Event or any consequent Interest Cancellation (as defined in the Loan Agreement) or Write Down (as defined in the Loan Agreement) or cancellation or write down of the Further Notes or write down of any claims in respect thereof, and none of the Trustee, the Agents or the Issuer shall be responsible for any calculation or determination or the verification of any calculation or determination in connection with the same.

Further Noteholders will not have any rights against Alfa Bank, the Issuer, the Trustee or the Agents with respect to (i) the repayment of such principal amount of the Further Notes so written-down or (ii) the payment of interest then due in respect of the Further Notes (as applicable) so cancelled and the concept of a payment default under the Further Notes will not apply.

Furthermore, upon the occurrence of a Write Down Event and the Write Down Measure Effective Date, Further Noteholders will not (i) receive any shares or other participation rights in the Issuer or Alfa Bank or be entitled to any other participation in the upside potential of any equity or debt securities issued by the Issuer or Alfa Bank, or (ii) be entitled to any compensation in the event of any further change in Common Equity Tier 1 Capital Ratio or in the event that the bankruptcy prevention measures referred to above are withdrawn, otherwise halted or completed. A write-down of a principal amount of the Further Notes may occur even if existing preference shares and ordinary shares of Alfa Bank or the Issuer remain outstanding.

The Further Noteholders may be unable to monitor the Common Equity Tier 1 Capital Ratio of Alfa Bank

Under Regulation No. 646-P, Russian banks (including Alfa Bank) need to calculate their capital and assess capital adequacy in accordance with the methodology set out in Regulation No. 646-P, and submit the relevant accounting forms to the CBR. Alfa Bank has consented to the monthly publication by the CBR of a number of its capital and capital adequacy indicators, including its Common Equity Tier 1 Capital Ratio, which are published in Russian on the CBR's web-site. Further, under Regulation No. 646-P, Russian banks (including Alfa Bank) are required to report to the CBR a decrease in Common Equity Tier 1 Capital Ratio which constitutes a Write Down Event within three (3) days for purposes of disclosure on the official website of the CBR.

Accordingly, Alfa Bank is required to report a decrease in its Common Equity Tier 1 Capital Ratio which constitutes a Write Down Event to the CBR within three (3) days of its occurrence. The CBR must publish information on any such decrease on its official website not later than 14 business days following the month in which such decrease occurred. However, although Alfa Bank discloses its Common Equity Tier 1 Capital Ratio monthly on the CBR web-site and as part of its quarterly accounting statements under Russian accounting standards, which are only available in Russian (Alfa Bank is not obligated to translate such reports) on its website within 50 days following the end of the relevant quarter, Alfa Bank is not currently required by law or by the Loan Agreement to disclose its Common Equity Tier 1 Capital Ratio to any third parties, including the Further Noteholders, more frequently or in a language other than Russian.

Although Alfa Bank has consented to the monthly publication by the CBR of its Common Equity Tier 1 Capital Ratio, the CBR may release such information on a less frequent basis. Moreover, such consent may be withdrawn by Alfa Bank or publication may become subject to conditions that Alfa Bank may be unable or unwilling to comply with. Therefore, as Alfa Bank is not required to disclose its Common Equity Tier 1 Capital Ratio to the Further Noteholders other than in connection with the occurrence of the Write Down Event, the Further Noteholders will only be able to monitor the Common Equity Tier 1 Capital Ratio of Alfa Bank on the basis of publication on the CBR website (to the extent Alfa Bank's consent to such publication is not withdrawn) and quarterly accounting statements.

Alfa Bank's N1.0 Ratio amounted to 12.302 per cent. as at 1 October 2019. Alfa Bank's N1.1 Ratio and N1.2 Ratio amounted to 9.482 per cent. and 11.243 per cent., respectively, as at 1 October 2019. Following the audit of Alfa Bank's financial results under Russian accounting standards for 2019 and adjustments for post-balance sheet events, Alfa Bank would be able to transfer part of its profit for the year from the tier 2 capital to the common equity tier 1 capital which would result in an increase of Alfa Bank's N1.1 Ratio and N1.2 Ratio.

The Further Notes are a novel form of security and may not be a suitable investment for all investors

The Further Notes are a novel form of security. As a result, an investment in the Further Notes will involve certain increased risks. Each potential investor in the Further Notes must determine the suitability of such investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Further Notes, the merits and risks of investing in the Further Notes and the information contained or incorporated by reference in this Series Prospectus;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Further Notes and the impact the Further Notes will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Further Notes, including where the currency for principal or interest payments is different from the potential investor's currency;
- understand thoroughly the terms of the Further Notes, such as the provisions governing the Write-Down and cancellation of the Further Notes following a Write Down Event, and be familiar with the behaviour of any relevant financial markets and their potential impact on the likelihood of certain events under the Further Notes occurring; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Further Notes are novel and complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Further Notes unless it has the knowledge and expertise (either alone or with a financial adviser) to evaluate how the Further Notes will perform under changing conditions, the resulting effects on the likelihood of a write-down and the value of the Further Notes,

and the impact this investment will have on the potential investor's overall investment portfolio. Prior to making an investment decision, potential investors should consider carefully, in light of their own financial circumstances and investment objectives, all the information contained in this Series Prospectus or incorporated by reference herein.

Alfa Bank's payments under the Further Subordinated Loan may become subject to withholding tax

As a general rule, interest payments on borrowed funds made by a Russian legal entity or organisation to a non-resident legal entity or organisation that has no registered presence and/or no permanent establishment in Russia are subject to Russian withholding tax at a rate of 20 per cent. (or such other tax rate as may be effective at the time of payment), unless such withholding tax is reduced or eliminated pursuant to the terms of an applicable double tax treaty subject to treaty clearance formalities to be satisfied by the foreign legal entity in a timely fashion.

However, no withholding tax obligations should arise on interest on debt obligations of a Russian borrower which arose in connection with the issuance of traded bonds by a foreign entity by virtue of a specific exemption envisaged by the Russian Tax Code. In particular, the Russian Tax Code provides that Russian borrowers should be fully released from the obligation to withhold income tax from interest and other payments on debt obligations made to foreign entities provided that certain conditions are met throughout the term of such debt obligations. See "*Taxation — Russian Federation*" of the Base Prospectus. Although as of the date of this Series Prospectus the conditions set forth by the Russian Tax Code for the release from the obligation to withhold income tax under the Russian Tax Code should be met, there can be no assurance that this release would be available to Alfa Bank in practice if any of those conditions is not met throughout the term of the Further Subordinated Loan and the Further Notes, in which case Alfa Bank would be obliged under the terms of the Loan Agreement to increase the interest payments or to make such additional payments, as may be necessary, so that the net amounts received by the Issuer and the Further Noteholders will not be less than the amounts they would have received in the absence of such withholding. See "*Risk Factors—Risks Relating to the Notes and the Trading Market—Alfa Bank's payments under any Loan may be subject to withholding tax*" in the Base Prospectus.

The U.S. Foreign Account Tax Compliance Act rules could materially affect the Alfa Banking Group, the Issuer and Further Noteholders

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") (the provisions commonly known as "**FATCA**") require foreign banks and investment funds to provide information to the United States Internal Revenue Service (the "**IRS**") about U.S. customers and investors. This is achieved through a comprehensive information reporting regime that requires "foreign financial institutions" (such as the Alfa Banking Group and the Issuer) to conduct diligence on their account holders and investors to determine whether their accounts are "U.S. accounts", and either provide detailed information about these U.S. accounts to the IRS or suffer a 30 per cent. withholding tax on certain payments. Although the U.S. Treasury Department has released final regulations clarifying the statutory language of FATCA, these regulations do not currently provide guidance on a number of issues. Accordingly, the scope and application of FATCA are uncertain at this time. It is possible that FATCA could operate to impose U.S. withholding tax on payments to the Alfa Banking Group and the Issuer in respect of certain types of income from sources in the United States and, subject to the proposed regulations discussed below, of gross proceeds from the disposition of, among other things, securities that give rise to United States source income, if the Alfa Banking Group or the Issuer (as the case may be) is not compliant with FATCA, and, subject to the proposed regulations discussed below, (a) certain "passthru payments" to the Alfa Banking Group and the Issuer, if the Alfa Banking Group or the Issuer (as the case may be) are not compliant with FATCA, or (b) certain "passthru payments" from the Issuer to certain Noteholders, if the Issuer is FATCA compliant but the payee, including any paying agent is not FATCA compliant. It is also possible that the Alfa Banking Group and the Issuer could incur material costs in implementing information-gathering systems to comply with FATCA. Recently proposed regulations eliminate withholding under FATCA on payments of gross proceeds entirely. Taxpayers may generally rely on these proposed regulations until final Treasury Regulations are issued. With respect to the withholding on "passthru payments", obligations that are characterised as debt (or which are not otherwise characterised as equity and do not lack a stated expiration or term) issued on or prior to the date that is six months after the date on which applicable final regulations defining "foreign passthru payments" are published in the U.S. Federal Register generally would be "grandfathered," unless the obligations are materially modified (including if the Issuer substitutes another entity as issuer of the Notes pursuant to Condition 10.3 after such date. However, if additional Notes (as described under "*Terms and Conditions of the Notes – Further Issues*") that are not distinguishable from previously-issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes

offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Under recently proposed regulations, any withholding on foreign passthru payments on Notes that are not otherwise grandfathered would apply to passthru payments made on or after the date that is two years after the date of publication in the U.S. Federal Register of applicable final regulations defining foreign passthru payments. Taxpayers may generally rely on these proposed regulations until final Treasury Regulations are issued. The United States have entered into intergovernmental agreements ("**IGAs**") with many non-U.S. jurisdictions implementing FATCA, which may change the application of FATCA described above.

By purchasing the Further Notes, Further Noteholders agree to provide an IRS form W-9 or W-8 (as applicable), and whatever other information may be necessary for the Alfa Banking Group and the Issuer to comply with these reporting obligations should either the Alfa Banking Group or the Issuer qualify as a "foreign financial institution" under FATCA or an applicable IGA. If an amount of, or in respect of withholding tax under FATCA or any IGA were to be deducted or withheld from interest or other payments on the Further Notes as a result of an investor's failure to comply with these rules, none of the Alfa Banking Group, the Issuer or any paying agent nor any other person would be required to pay additional amounts with respect to any Further Notes as a result of the deduction or withholding of such tax.

FATCA is particularly complex and its application to the Issuer, the Further Notes, and the holders of the Further Notes is uncertain at this time. Investors are encouraged to consult with their own tax advisors regarding the possible implications of FATCA with respect to an investment in the Further Notes.

U.S. FEDERAL INCOME TAX CONSEQUENCES

With respect to the Further Notes only, the section headed "Taxation — Certain United States Federal Tax Consequences" appearing on pages 264 to 267 (inclusive) of the Base Prospectus dated 17 September 2019 shall be deemed to be deleted and replaced with the following:

This disclosure is limited to the U.S. federal income tax issues addressed herein. Persons considering acquiring the Notes should seek advice based on their particular circumstances from an independent tax adviser.

The following is a general description of certain U.S. federal income tax consequences of the acquisition, ownership and disposition of the Notes to U.S. Holders (as defined below). This discussion applies only to Notes that meet both of the following conditions:

- they are purchased by initial holders who purchase Notes at their "issue price", which will equal the first price to investors (not including bond houses, brokers or similar persons or organisations acting in the capacity of underwriters, placement agents or wholesalers) at which a substantial amount of the Notes is sold for money; and
- they are held as capital assets (within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended (the "**Code**").

This discussion does not describe all of the U.S. federal income tax consequences that may be relevant to U.S. Holders in light of their particular circumstances (including consequences under the alternative minimum tax or net investment income tax) and does not address state, local, non-U.S. or other tax laws. This summary also does not discuss all of the tax considerations that may be relevant to certain types of U.S. Holders subject to special rules, such as:

- certain financial institutions;
- insurance companies;
- dealers or certain traders in securities or foreign currencies;
- persons holding Notes as part of a hedge, straddle, wash sale, conversion transaction or other integrated transaction or persons entering into a constructive sale with respect to the Notes;
- persons subject to special tax accounting rules as a result of any item of gross income with respect to the Notes being taken into account in an applicable financial statement;
- U.S. Holders whose functional currency is not the U.S. dollar;
- persons that have ceased to be U.S. citizens or lawful permanent residents of the United States;
- investors holding the Notes in connection with a trade or business conducted outside of the United States;
- U.S. citizens or lawful permanent residents living abroad;
- partnerships or other pass-through entities (or investors in such entities);
- U.S. Holders that own (directly, indirectly, or by attribution) 10 per cent. or more of the vote or value of the Issuer's stock;
- real estate investment trusts, regulated investment companies or grantor trusts; or
- tax exempt entities, or organisations, including an "individual retirement account" or "Roth IRA" as defined in Section 408 or 408A of the Code.

If an entity or arrangement that is classified as a partnership for U.S. federal income tax purposes holds the

Notes, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and the activities of the partnership. Partnerships holding Notes and partners therein should consult their tax advisers as to the particular U.S. federal income tax consequences of acquiring, owning and disposing of the Notes.

This summary is based on the Code, administrative pronouncements, judicial decisions and final, temporary and proposed Treasury Regulations, all as of the date hereof and changes to any of which subsequent to the date of this Series Prospectus may affect the tax consequences described herein. Persons considering the purchase of Notes are urged to consult their tax advisers with regard to the application of the U.S. federal income tax laws to their particular situations as well as any tax consequences arising under other U.S. federal tax laws or the laws of any state, local or non-U.S. taxing jurisdiction.

As used herein, the term "U.S. Holder" means a beneficial owner of a Note that is for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;

- a corporation, or other entity taxable as a corporation for U.S. federal income tax purposes, created or organised in or under the laws of the United States, any state thereof or the District of Columbia;

- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or

- a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or the trust has validly elected to be treated as a domestic trust for U.S. federal income tax purposes.

U.S. Federal Income Tax Characterisation of the Notes

No authority directly addresses the U.S. federal income tax characterisation of securities like the Notes and the Issuer has not and will not seek a ruling from the U.S. Internal Revenue Service ("**IRS**") as to their characterisation for such purposes. To the extent relevant for U.S. federal income tax purposes, the Issuer intends to treat the Notes as indebtedness for such purposes and this discussion assumes that treatment is correct. No assurance can be given that the IRS will not assert, or a court would not sustain, a position regarding the characterisation of the Notes that is contrary to the Issuer's characterisation. Alternative characterisations include treatment of the Notes as beneficial ownership of the Subordinated Loan or as equity in the Issuer. If the Notes were treated as equity, there is a significant risk that the U.S. Holders may be treated as holding equity in a "passive foreign investment company". The Issuer also intends to take the position (and the discussion below assumes) that, for U.S. federal income tax purposes only, the Notes are deemed to mature on the Reset Date for purposes of the original issue discount ("**OID**") rules and are not treated as "contingent payment debt instruments", and that stated interest paid on the Notes will be treated as "qualified stated interest." The foregoing position is not binding on the IRS or a court of competent jurisdiction, and it cannot be predicted what the IRS or a court would decide ultimately with respect to the proper U.S. federal income tax treatment of the Notes. If the Notes were subject to the contingent payment debt instrument rules, this would affect the character, timing and amount (in a given tax period) of income earned by a U.S. Holder, possibly negatively. The characterisation of the Notes as debt instruments that are not treated as "contingent payment debt instruments" is binding on all U.S. Holders unless a U.S. Holder discloses otherwise on its U.S. federal income tax return. Prospective investors should seek advice from their tax advisers as to the proper characterization of the Notes for U.S. federal income tax purposes and the consequences to them of alternative characterisations of the Notes for U.S. federal income tax purposes. **The Issuer's assumption that the Notes will mature on the Reset Date is made solely for U.S. federal income tax purposes and does not constitute a representation by the Issuer regarding the likelihood that the Notes will mature on the Reset Date.**

Amortizable Bond Premium

If a U.S. Holder purchases a Note for an amount in excess of its principal amount, such U.S. Holder will be considered to have purchased the Note with "amortizable bond premium" in an amount equal to the excess.

Subject to certain exceptions and the limitation discussed below, a U.S. Holder may elect to amortize any amortizable bond premium as an offset to stated interest over the remaining term of a Note on a constant yield

method. A U.S. Holder making this election must generally use any amortizable bond premium allocable to an accrual period to offset stated interest required to be included in income with respect to the Note in such accrual period. A U.S. Holder that elects to amortize bond premium with respect to a Note must reduce its adjusted tax basis in the Note by the amount of the premium amortized. An election to amortize bond premium applies to all taxable debt obligations then owned and thereafter acquired by such U.S. Holder and such election may be revoked only with the consent of the IRS. Because the Notes may be redeemed by the Issuer prior to maturity, special rules may apply to determine the amount of bond premium that a U.S. Holder may amortize with respect to the Notes in each applicable period. U.S. Holders are urged to consult their own tax advisors regarding the availability and computation of the deduction for amortizable bond premium and the impact of a potential election to treat all interest on the Notes as OID.

Payments of Interest

Subject to the discussion in the paragraph below, stated interest paid on the Notes, including any additional payments, will be includible in the gross income of a U.S. Holder in accordance with the holder's regular method of tax accounting for U.S. federal income tax purposes.

A U.S. Holder of a Note issued with OID must accrue the OID into income on a constant yield to maturity basis whether or not it receives cash payments. Generally, a Note will have OID to the extent that its stated redemption price at maturity exceeds its issue price (as defined above) by at least a de minimis amount (i.e., $^1/_4$ of 1 percent of the Note's stated redemption price at maturity multiplied by the number of complete years to maturity). The stated redemption price at maturity of a Note is the total of all payments due on the Note other than payments of qualified stated interest. The determination of the amount of OID and its accrual schedule is subject to significant complexity. U.S. Holders should consult their tax advisers regarding the application of the OID rules.

The interest, including any amounts withheld therefrom in respect of non-U.S. taxes and additional amounts paid on account of such withheld tax, and OID, if any, accrued on the Notes will generally be ordinary income from sources outside the United States. The limitation on foreign taxes eligible for credit is calculated separately with respect to two specific classes of income. For this purpose, interest income and OID, if any, on the Notes will generally constitute "passive category income" for most U.S. Holders. The rules governing foreign tax credits are complex and U.S. Holders should consult their tax advisers regarding the availability of foreign tax credits in their particular circumstances.

Sale, Exchange or Retirement of the Notes

Upon the sale, exchange or retirement of a Note, a U.S. Holder will recognise taxable gain or loss equal to the difference between the amount realised on the sale, exchange or retirement (other than any amount attributable to accrued but unpaid interest, which will be taxable as ordinary income to the extent not previously included in income) and the U.S. Holder's adjusted tax basis in a Note. A U.S. Holder's adjusted tax basis in a Note will generally equal the cost of such Note to the U.S. Holder, increased by the amount of the OID, if any, included in the U.S. Holder's income with respect to the Note and decreased by the amount of any payments on a Note other than payments of stated interest and any amortizable bond premium previously amortized by such U. S. Holder with respect to such Note. Gain or loss, if any, realised on the sale, exchange or retirement of a Note will generally be capital gain or loss and will be long-term capital gain or loss if at the time of sale, exchange or retirement the Note has been held by the U.S. Holder for more than one year. The deductibility of capital losses is subject to limitations.

Because gains on a sale, exchange or retirement of Notes generally will be treated as U.S. source in the hands of a U.S. Holder, the use of foreign tax credits relating to any foreign income tax imposed upon gains in respect of the Notes generally will be limited. U.S. Holders should consult their tax advisers regarding the application of foreign taxes to a sale, exchange or retirement of the Notes and their ability to credit a foreign tax against their U.S. federal income tax liability.

Substitution of the Issuer

Condition 10.3 of the Terms and Condition of the Notes provides that, in accordance with provisions of the Trust Deed and the Subordinated Loan Agreement, the Issuer may substitute any entity in place of the Issuer as creditor under the Subordinated Loan Agreement, as issuer and obligor in respect of the Notes and as obligor under the Trust Deed. Such a substitution of the Issuer of the Notes might be treated for U.S. federal income tax purposes as a deemed disposition of the Notes by a U.S. Holder in exchange for new securities issued by the new obligor,

which could result in adverse U.S. federal income tax consequences for the U.S. Holder. Each prospective investor should consult its own tax advisers regarding the consequences to it of an investment in the Notes and the possible consequences of a substitution of the Issuer of the Notes.

Further Issues

The Issuer may issue Further Notes as described under Condition 15 (*Further Issues*) of the Terms and Conditions of the Notes. These Further Notes, even if they are treated for non-tax purposes as part of the same series as the original Notes, in some cases may be treated as a separate series for U.S. federal income tax purposes if the Further Notes are issued with OID (or a greater amount of OID) for U.S. federal income tax purposes. In such case, if the Further Notes are not otherwise distinguishable from the original Notes, the market value of the original Notes may be negatively impacted.

Backup Withholding and Information Reporting

Information returns may be filed with the IRS in connection with payments on the Notes and accruals of OID, if any, and the proceeds from a sale, exchange or retirement of the Notes as required by applicable regulations. A U.S. Holder may be subject to U.S. backup withholding on these payments if the U.S. Holder fails to provide an accurate taxpayer identification number or comply with certain certification procedures or otherwise establish an exemption from backup withholding. Backup withholding is not an additional tax. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against the U.S. Holder's U.S. federal income tax liability and may entitle the U.S. Holder to a refund, provided that the required information is timely furnished to the IRS. Certain U.S. Holders are not subject to backup withholding. U.S. Holders should consult their tax advisers as to their qualification for exemption from backup withholding and the procedure for obtaining an exemption.

Foreign Financial Asset Reporting

Certain U.S. Holders that own "specified foreign financial assets" with an aggregate value in excess of USD 50,000 are generally required to report information relating to an interest in the Notes, subject to certain exceptions (including an exception for Notes held in accounts maintained by U.S. financial institutions), by attaching a completed IRS Form 8938, statement of Specified Foreign Financial Assets, with their tax return for each year in which they had an interest in the Notes. U.S. Holders are urged to consult their tax advisers regarding information reporting requirements relating to their ownership and disposition of the Notes.

The above summary is for general information only, and is not intended to constitute a complete analysis of all tax considerations relating to the acquisition, ownership and disposition of the Notes. Prospective purchasers of the Notes should consult their own tax advisers concerning the tax considerations to them in light of their particular situations.

CERTAIN ERISA CONSIDERATIONS

With respect to the Further Notes only, the section headed "Certain ERISA Considerations" appearing on pages 268 to 269 (inclusive) of the Base Prospectus dated 17 September 2019 shall be deemed to be deleted and replaced with the following:

Notes are not permitted to be acquired or held by employee benefit plans as defined in Section 3(3) of the US Employee Retirement Income Security Act of 1974, as amended ("**ERISA**") and subject to Title I of ERISA, including collective investment funds, separate accounts or accounts whose underlying assets are treated as assets of such plans pursuant to the US Department of Labor ("**DOL**") "plan assets" regulation, 29 CFR Section 2510.3-101, as modified by Section 3(42) of ERISA (collectively, "**ERISA Plans**"), plans or other arrangements not subject to ERISA but subject to Section 4975 of the US Tax Code, including individual retirement accounts and Keogh Plans (collectively, "**4975 Plans**"), or by entities whose underlying assets include plan assets by reason of an investment in the entity by ERISA Plans or 4975 Plans or otherwise (collectively, "**Plan Asset Entities**"). ERISA Plans, 4975 Plans and Plan Asset Entities are collectively referred to herein as "**Benefit Plan Investors**". Subject to certain restrictions described below, Notes are permitted to be acquired and held by governmental plans, non-electing church plans and other arrangements that are not subject to ERISA or Section 4975 of the US Tax Code and are not Benefit Plan Investors (collectively, "**Non-ERISA Plans**").

ERISA imposes fiduciary standards and certain other requirements on ERISA Plans and on those persons who are fiduciaries with respect to ERISA Plans. Section 406 of ERISA and Section 4975 of the Code also prohibit certain transactions involving the assets of a Benefit Plan Investor and certain persons (referred to as "parties in interest" or "disqualified persons" under ERISA or the Code) having certain relationships to such Benefit Plan Investors, unless a statutory or administrative exemption is applicable to the transaction. A party in interest or disqualified person who engages in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code. A fiduciary of a Benefit Plan Investor that engages in a non-exempt prohibited transaction may also be subject to penalties and liabilities under ERISA and the Code. Non-ERISA Plans are subject to applicable state, local or federal law, as well as the restrictions of duties of common law, and may also be subject to fiduciary or prohibited transaction provisions that operate similarly to those under ERISA or Section 4975 of the Code.

Under the regulations issued by the DOL, as modified by Section 3(42) of ERISA (the "**Plan Asset Regulations**"), unless certain exceptions apply, if a Benefit Plan Investor invests in an "equity interest" of an entity, that is neither a "publicly offered security" nor a security issued by an investment company registered under the US Investment Company Act, as amended, the Benefit Plan Investor's assets include both the equity interest and an undivided interest in each of the entity's underlying assets, unless it is established that the entity is not an "operating company" or that equity participation in the entity by Benefit Plan Investors is not "significant". Equity participation is considered "significant" and therefore the "look through" rule will apply, where Benefit Plan Investors own 25 percent or more of the total value of any class of equity interest in the entity. For purposes of this 25 percent determination, the value of equity interests held by persons (other than Benefit Plan Investors) that have discretionary authority or control with respect to the assets of the entity or that provide investment advice for a fee (direct or indirect) with respect to such assets (or any affiliate of such person) is disregarded. An equity interest does not include debt (as determined by applicable local law), which does not have substantial equity features.

If the underlying assets of an entity are deemed to be plan assets, those with discretionary authority or control over the entity would be fiduciaries with respect to the entity's assets. The assets of the entity would also be subject to the fiduciary and prohibited transaction rules of ERISA and Section 4975 of the Code, as well as other rules applicable to plan assets.

The Issuer believes that the Notes should be treated as debt rather than equity for purposes of the Plan Assets Regulations. The DOL, however, may take a contrary view or may view the Notes as having substantial equity features. Further, neither the Issuer nor the Trustee will be able to monitor the Noteholders' status as Benefit Plan Investors. Accordingly, the Notes are not permitted to be acquired or held by any Benefit Plan Investor.

Non-ERISA Plans are permitted to acquire and hold the Notes, subject to certain restrictions described below. Each Non-ERISA Plan acquiring and holding the Notes will be deemed to have represented and warranted that it is not a Benefit Plan Investor, that the acquisition, holding and disposition of the Notes do not and will not violate any statute, regulation, administrative decision, policy or other legal authority applicable to the Non-ERISA Plan and the purchase, holding and disposition of the Notes or any interest therein do not and will not result in the assets of the Issuer being considered plan assets of such Non-ERISA Plan. Non-ERISA Plans are

generally not subject to ERISA nor do the prohibited transaction provisions of ERISA or Section 4975 of the Code apply to these types of plans. However, governmental plans (as described in Section 3(32) of ERISA), are subject to prohibitions on related party transactions under Section 503 of the Code, which prohibitions operate similarly to the prohibited transaction rules under ERISA or Section 4975 of the Code, and other Non-ERISA Plans may be subject to similar prohibitions. Accordingly, the fiduciary of a Non-ERISA Plan must consider applicable state or local laws, if any, imposed upon such plan before purchasing and holding a Note or any interest therein.

By its purchase and holding of a Note or any interest therein, the purchaser and/or holder thereof and each transferee will be deemed to have represented and warranted at the time of its purchase and throughout the period that it holds such note or interest therein, that (1) it is not and will not be (a) an employee benefit plan as defined in Section 3(3) of ERISA that is subject to the provisions of Title I of ERISA, (b) a plan to which Section 4975 of the Code applies or (c) an entity whose underlying assets include plan assets for purposes of ERISA or Section 4975 of the Code by reason of an investment in the entity by a person described in (a) or (b) above or otherwise, (2) if it is a governmental plan, as defined in Section 3(32) of ERISA, or other plan or arrangement that is not subject to Title I of ERISA or Section 4975 of the Code, its purchase, holding and disposition of the Notes or any interest therein does not and will not violate any statute, regulation, administrative decision, policy or any other legal authority applicable to such governmental plan or other plan or arrangement that is not subject to Title I of ERISA or Section 4975 of the Code, and its purchase, holding and disposition of the Note or any interest therein does not and will not result in the assets of the Issuer of the Notes being considered plan assets of such governmental plan or other plan not subject to Title I of ERISA or Section 4975 of the Code, and (3) it will not sell or otherwise transfer any Note or interest therein to any person without first obtaining the same foregoing representations, warranties and covenants from that person.

The foregoing is not intended to be exhaustive and the law governing investments by Benefit Plan Investors and Non-ERISA Plans is subject to extensive administrative and judicial interpretations. The foregoing discussion should not be construed as legal advice. The sale of any Notes to any Non-ERISA Plan is in no respect a representation by the Issuer or any of its affiliates that such an investment meets all relevant legal requirements with respect to investments by Non-ERISA Plans generally or any particular Non-ERISA Plan, or that such an investment is appropriate for Non-ERISA Plans generally or any particular Non-ERISA Plan. Any potential purchaser or holder of Notes should consult counsel with respect to issues arising under ERISA, the Code and other applicable laws and make their own independent decisions.

DOCUMENTS AND INFORMATION INCORPORATED BY REFERENCE

The Base Prospectus dated 17 September 2019, which is available for viewing at https://www.ise.ie/debt_documents/Base%20Prospectus_3db442f5-3981-484b-9c33-fe32727dbd53.PDF, shall be deemed to be incorporated in, and to form part of, this Series Prospectus.

The Base Prospectus is also available for viewing at the registered office of the Issuer and the office of the Principal Paying Agent during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted).

The Base Prospectus also includes certain information incorporated by reference, comprising audited financial statements of the Issuer as at and for the years ended 31 December 2018 and 2017 (including the auditor's report thereon). The Base Prospectus also includes the consolidated financial statements of ABH Financial Limited ("**ABH Financial**") and its subsidiaries taken as a whole as at and for the year ended 31 December 2018 (including the auditor's report thereon) and the unaudited condensed consolidated interim financial information of ABH Financial as at and for the six months ended 30 June 2019 (including the report on review thereon).

Any statement contained in the Base Prospectus (which is incorporated by reference herein) shall be deemed to be modified or superseded for the purpose of this Series Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Series Prospectus.

This Series Prospectus must be read in conjunction with the Base Prospectus and full information on Alfa Bank, the Issuer, the terms of the Further Subordinated Loan and the offer of the Further Notes is only available on the basis of the combination of the provisions set out within this document and the Base Prospectus.

Terms used herein but not otherwise defined shall have the meanings given to them in the Base Prospectus (which is incorporated by reference herein). The Base Prospectus incorporated by reference herein is current only as of its date and the incorporation by reference herein of the Base Prospectus shall not create any implication that there has been no change in Alfa Bank's or the Issuer's affairs since the date thereof or that information contained therein is current as of any time subsequent to its date.

The audited financial statements of the Issuer as at and for the years ended 31 December 2018 and 2017 can be accessed through the following links:

https://www.ise.ie/app/announcementDetails.aspx?ID=14024138

https://www.ise.ie/app/announcementDetails.aspx?ID=13589775

TERMS AND CONDITIONS OF THE FURTHER NOTES

The terms and conditions of the Further Notes shall comprise the "*Terms and Conditions of the Notes*" (the "**Conditions**") set out in the Base Prospectus dated 17 September 2019 which are incorporated by reference herein, as modified and completed by (i) the modifications outlined in the section of this Series Prospectus entitled "*Amendments to the Terms and Conditions with respect to the Further Notes*" and (ii) the issue terms of the Further Notes set out in the "*Issue Terms of the Further Notes*" section (the "**Issue Terms of the Further Notes**").

All references in this Series Prospectus or in the Base Prospectus (which is incorporated by reference herein) to **Conditions** or to a numbered **Condition** shall be to the Conditions or the relevant numbered Condition, respectively, as modified and as completed by the Issue Terms of the Further Notes. References in the Conditions, this Series Prospectus and the Base Prospectus to **Final Terms** (in respect of a Senior Series) or **Series Prospectus** (in respect of a Subordinated Series) (as the case may be) shall be to the Issue Terms of the Further Notes.

AMENDMENTS TO THE TERMS AND CONDITIONS WITH RESPECT TO THE FURTHER NOTES

With respect to the Further Notes only, the Terms and Conditions of the Notes appearing on pages 230 to 244 (inclusive) of the Base Prospectus will be amended as follows:

The last sentence of the first paragraph of Condition 4 shall be deleted and replaced with the following:

> "Any such amendment, modification, waiver or authorisation made with the consent of the Trustee, or in accordance with the express provisions of the Loan Agreement, shall be binding on the Further Noteholders and any such amendment or modification shall be notified by the Issuer to the Further Noteholders in accordance with Condition 14."

The following italicised text shall be added at the end of Condition 5:

> "*Clause 9 of the Subordinated Loan Agreement provides that if a Write Down Event has occurred and is continuing on the Write Down Measure Effective Date, Alfa-Bank shall on the Write Down Measure Effective Date (i) firstly, Cancel any applicable Monetary Damages for the purposes of the Monetary Damages Cancellation Measure, (ii) secondly, if the Monetary Damages Cancellation Measure, together with the cancellation of monetary damages on the Write Down Instruments which qualify as Tier 2 Capital in full is insufficient to remedy the Write Down Event, Cancel the Interest Cancellation Amount for the purposes of the Interest Cancellation Measure and (iii) thirdly, if the Interest Cancellation Measure, together with cancellation of interest on the Write Down Instruments which qualify as Tier 2 Capital in full is insufficient to remedy the Write Down Event, Write Down the Write Down Amount for the purposes of the Principal Write Down Measure in accordance with Clause 9 of the Subordinated Loan Agreement. Any interest payment that has been Cancelled in accordance with Clause 9 of the Subordinated Loan Agreement shall not accumulate or be payable at any time thereafter, including where the relevant Write Down Event(s) is (are) no longer continuing, subject to Clause 10 of the Subordinated Loan Agreement. No Interest shall accrue from the Write Down Measure Effective Date as long as a Write Down Event(s) is (are) continuing. In such circumstances, the Issuer shall have no right to any such cancelled interest. Consequently, where interest is cancelled in accordance with Clause 9 of the Subordinated Loan Agreement or no longer accrues due to a Write Down Event continuing under the Subordinated Loan Agreement, no corresponding payment of interest will be made pursuant to the Further Notes. In this paragraph, each of the capitalised terms not otherwise defined herein shall have the meaning ascribed to it in the Subordinated Loan Agreement*."

The following shall be added as a new Condition 6.5:

> "**Call Option**: Alfa-Bank at its option and with the prior written consent of the CBR may repay the Further Subordinated Loan in whole but not in part, at the Outstanding Principal Amount thereof together with interest accrued to (but excluding) the date of repayment and all other sums payable by Alfa-Bank pursuant to the Subordinated Loan Agreement, on the Reset Date, on giving notice (a "**Call Option Notice**") of such payment to the Issuer, with a copy to the Trustee, not more than 60 nor less than 30 days prior to the Reset Date. The Call Option Notice shall specify the date for repayment of the Further Subordinated Loan and the date for redemption of the Further Notes (the "**Call Redemption Date**"). Immediately upon receipt of a Call Option Notice, the Issuer shall give notice to the Agents and the Further Noteholders, in accordance with Condition 14, of the details contained in the Call Option Notice. If the Further Subordinated Loan is repaid following delivery of the Call Option Notice by Alfa-Bank, the Further Notes will thereupon become due and repayable at the Outstanding Principal Amount and the Issuer shall, subject to receipt of such amounts from Alfa-Bank under the Further Subordinated Loan, redeem the Further Notes on the relevant repayment date, subject as provided in Condition 7. In this paragraph each of the capitalised terms not otherwise defined herein shall have the meaning ascribed to it in the Subordinated Loan Agreement.

The following shall be added as a new Condition 6.6:

"**Write Down**: Pursuant to Clause 9 of the Subordinated Loan Agreement, if a Write Down Event has occurred and is continuing, Alfa-Bank will on the Write Down Measure Effective Date (i) firstly, Cancel any applicable Monetary Damages for the purposes of the Monetary Damages Cancellation Measure, (ii) secondly, if the Monetary Damages Cancellation Measure, together with the cancellation of monetary damages on the Write Down Instruments which qualify as Tier 2 Capital in full is insufficient to remedy the Write Down Event, Cancel the Interest Cancellation Amount for the purposes of the Interest Cancellation Measure and (iii) thirdly, if the Interest Cancellation Measure, together with cancellation of interest on the Write Down Instruments which qualify as Tier 2 Capital in full is insufficient to remedy the Write Down Event, Write Down the Write Down Amount for the purposes of the Principal Write Down Measure in accordance with Clause 9 of the Subordinated Loan Agreement. To the extent that, pursuant to Clause 9 of the Subordinated Loan Agreement, the principal amount of the Further Subordinated Loan (together with any interest thereon and the Monetary Damages) is reduced, then the principal amount of each of the Further Notes will be written down on a *pro rata* basis, upon such reduction of the Further Subordinated Loan, without any further payments due on such principal amount of each Further Note that is written down. In this paragraph each of the capitalised terms not otherwise defined herein shall have the meaning ascribed to it in the Subordinated Loan Agreement."

The following shall be added as a new Condition 6.7:

"**Write-down of the Further Notes following a Write Down Event**: Following receipt by the Issuer and the Trustee of a Write Down Measure Notice under the Subordinated Loan Agreement (as defined therein), the Issuer shall promptly, and no later than one Business Day after the date of receipt of such Write Down Measure Notice, give notice to the Agents and the Further Noteholders in accordance with Condition 14 that on the relevant Write Down Measure Effective Date (as defined in the Subordinated Loan Agreement and as set out in the Write Down Measure Notice):

(a) interest on the Further Notes and additional amounts (if any) in an amount equal to the interest and (if any) additional amounts due under the Further Subordinated Loan being cancelled shall be automatically cancelled on the Write Down Measure Effective Date, and all reference to accrued and unpaid interest and additional amounts in the Conditions, the Trust Deed, the Agency Agreement and the Notes shall be construed accordingly;

(b) a principal amount of the Further Notes in an amount equal to the principal amount of the Further Subordinated Loan being written down shall automatically be written down on the Write Down Measure Effective Date and (where such principal amount is the entire principal amount of the Further Notes) such Further Notes shall be cancelled, and all reference to the outstanding principal amount of the Further Notes in the Conditions, the Trust Deed, the Agency Agreement and the Further Notes shall be construed accordingly;

(c) the Further Noteholders shall be deemed to irrevocably waive their right to receive, and no longer have any rights against the Issuer or any other party with respect to repayment of the principal amount of the Further Notes and accrued and unpaid interest and additional amounts (if any), in each case so written down or cancelled pursuant to paragraphs (a) and (b) above; and

(d) all rights and claims of the Further Noteholders for and to payment of any amounts under or in respect of the Further Notes (including, without limitation, accrued and unpaid interest and any additional amounts) subject to write down or cancellation pursuant to this Condition as set out in the Write Down Measure Notice, and all corresponding rights of the Further Noteholders to instruct the Trustee to exercise any rights in respect of such amounts, shall be extinguished and shall become null and void, irrespective of whether such amounts have become due and payable prior to the relevant Write Down Measure Notice or the Write Down Measure Effective Date.

Neither the Trustee nor any Agent shall have any responsibility for, or liability or obligation in respect of, any loss, claim or demand incurred as a result of or in connection with a Write Down Event or any consequent cancellation of the Further Notes or write down of any claims in respect thereof, and neither the Trustee nor the Agents shall be responsible for any calculation or determination or the verification of any calculation or determination in connection with the same. In this paragraph each of the capitalised terms not otherwise defined herein shall have the meaning ascribed to it in the Subordinated Loan Agreement."

The following shall be added as a new Condition 6.8:

"**Variation or Modification of the Further Notes due to Change in Law**: Pursuant to Clause 10 of the Subordinated Loan Agreement, if, as a result of any amendment or supplement to, clarification or replacement of, or change in (including a change in the interpretation by any person charged with the administration thereof or application of), Regulation No. 646-P or any other applicable legislation having force in the Russian Federation from time to time on determining the amount of own funds (capital) of credit organisations:

(i) the common equity tier 1 capital ratio (determined pursuant to CBR Instruction No. 180-I), the breach of which triggers the write down of a subordinated loan which qualifies as tier 2 capital (*dopolnitelniy kapital*) (determined pursuant to Regulation No. 646-P) is decreased compared to the common equity tier 1 capital ratio used in the definition of the Capital Ratio Trigger and/or the respective number of days applicable to such ratio trigger is increased compared to the number of days used in the definition of the Trigger Period, then, for the purposes of the definition of a Write Down Event, the Capital Ratio Trigger and/or the Trigger Period shall be deemed to be amended accordingly;

(ii) the actions that constitute the Participation Plan Trigger cease to trigger the write down of a subordinated loan which qualifies as tier 2 capital (*dopolnitelniy kapital*) (determined pursuant to Regulation No. 646-P), then the definition of the Participation Plan Trigger and other provisions of this Agreement relating to the Participation Plan Trigger shall no longer apply; or

(iii) it is expressly allowed to restore or reinstate the principal amount of the Loan following any Write Down, then (and unless the Further Subordinated Loan has already been Written Down to zero) Clause 9.3 of the Subordinated Loan Agreement shall be amended to provide for such restoration or reinstatement of any amounts Written Down as a consequence of a Write Down Event,

and, if and to the extent required by applicable law or regulations, the parties shall enter into a supplemental agreement to the Subordinated Loan Agreement or an amendment and restatement agreement to the Subordinated Loan Agreement to give effect to such amendments in accordance with Clause 11 of the Subordinated Loan Agreement, *only if*:

(i) the Borrower shall submit a draft of such supplemental agreement or amendment and restatement agreement to the CBR and obtain the prior written consent of the CBR to such draft agreement in accordance with Regulation No. 646-P, as may be applicable;

(ii) the Further Subordinated Loan will continue to be eligible for inclusion into own funds (capital) of the Borrower as Tier 2 Capital following such variation or amendment at least to the same extent as before such variation or amendment; and

(iii) in relation to sub-clause 10.1.3 of the Subordinated Loan Agreement only, such amendments would not trigger any obligation to pay or withhold any Taxes on the amount of the Further Subordinated Loan so restored or reinstated.

The Subordinated Loan Agreement may be amended and/or varied pursuant to Clause 10 of the Subordinated Loan Agreement by an agreement in writing (an "**Amendment Agreement**") entered into by the Lender and the Borrower only without any requirement for any agreement, consent or approval of the Trustee after the date of the Subordinated Loan Agreement, subject to the Trust Deed. Any amendments to the Subordinated Loan Agreement made pursuant to Clause 10 of the Subordinated Loan Agreement shall become effective on and from the date when a copy of such duly executed Amendment Agreement is delivered to the Trustee by e-mail in accordance with Clause 19 of the Subordinated Loan Agreement together with written confirmation, addressed to the Trustee and signed by or on behalf of the Borrower, that the amendments have otherwise become effective in accordance with Clause 11 of the Subordinated Loan Agreement, provided that no amendment or variation of the Subordinated Loan Agreement pursuant to Clause 10 the Subordinated Loan Agreement shall take effect to the extent that it provides for any duties, discretions or obligations to be placed upon the Trustee which are not provided for in the Subordinated Loan Agreement (excluding such amendment or variation) or would otherwise have an adverse effect on the rights of the Trustee under the Subordinated Loan Agreement, in law or otherwise, without the consent in writing of the Trustee.

Upon any such variation of the terms of the Subordinated Loan Agreement in accordance with Clause 10 of the Subordinated Loan Agreement the terms of the Further Notes will be varied to reflect such variation to the Subordinated Loan Agreement and, subject to the Trustee receiving the Officer's Certificates from the Issuer and Alfa-Bank confirming that such amendments are being made to reflect variations made to the Subordinated Loan Agreement in accordance with and subject to Clause 10 of the Subordinated Loan Agreement (upon which certificates the Trustee shall be entitled to rely without further enquiry and without incurring any liability to any person for so doing) the Trustee shall be obliged to agree to such amendments and the consent of the Further Noteholders to such amendments shall not be sought and notice of such amendments will be provided promptly thereafter to the Further Noteholders and the Trustee. In this paragraph each of the capitalised terms not otherwise defined herein shall have the meaning ascribed to it in the Subordinated Loan Agreement."

The following shall be added immediately after paragraph 8.4 of Condition 8:

"Notwithstanding any other provision of the terms of the Further Notes contained herein or in the Trust Deed, any amounts to be paid on the Further Notes by or on behalf of the Issuer, will be paid net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a "**FATCA Withholding**"). Neither the Issuer nor any other person will be required to pay any additional amounts in respect of FATCA Withholding."

With respect to the Further Notes only, the Terms and Conditions of the Notes whilst in global form will be amended as follows:

The following is to be added to the Temporary Regulation S Global Note for the Further Notes only:

"**Suspension of settlement following notice of Write Down Event**

On the date of receipt by Euroclear, Clearstream, Luxembourg or any Alternative Clearing System (as the case may be) from the Issuer for onward transmission to the accountholders of the notice specifying the Write Down Measure Effective Date (the "**Suspension Date**"), such clearing system(s) shall suspend all clearance and settlement of the Further Notes until the Business Day after the Write-Down Measure Effective Date (being a Business Day on which Euroclear, Clearstream, Luxembourg or such Alternative Clearing System (as the case may be) is open for business) (the "**Suspension Period**"). Neither Further

Noteholders nor accountholders will be entitled to settle the transfer of any Further Notes from the Suspension Date, and any sale or other transfer of the Further Notes that a Further Noteholder or accountholder may have initiated prior to the Suspension Date that is scheduled to settle during the Suspension Period will be rejected by Euroclear, Clearstream, Luxembourg, or such Alternative Clearing System (as the case may be) and will not be settled within Euroclear, Clearstream, Luxembourg or such Alternative Clearing System (as the case may be). In this paragraph each of the capitalised terms not otherwise defined herein shall have the meaning ascribed to it in the Subordinated Loan Agreement.

Write down of principal amount of the Further Notes following a notice of Write Down Event

On the Write Down Measure Effective Date, the principal amount of the Further Notes in an amount equal to the principal amount of the Further Subordinated Loan being written down selected in accordance with the standard operating procedures of Euroclear, Clearstream, Luxembourg or such Alternative Clearing System (as the case may be) shall automatically be written down and (where such principal amount is the entire principal amount of the Further Notes) such Further Notes shall be cancelled, and all references to the outstanding principal amount of the Further Notes shall be construed accordingly. In this paragraph each of the capitalised terms not otherwise defined herein shall have the meaning ascribed to it in the Subordinated Loan Agreement."

The following is to be added to the Rule 144A Global Note for the Further Notes only:

"**Suspension of settlement following notice of Write Down Event**

On the date of receipt by DTC or any Alternative Clearing System (as the case may be) from the Issuer for onward transmission to the accountholders of the notice specifying the Write Down Measure Effective Date (the "**Suspension Date**"), such clearing system(s) shall suspend all clearance and settlement of the Further Notes until the Business Day after the Write-Down Measure Effective Date (being a Business Day on which DTC or such Alternative Clearing System (as the case may be) is open for business) (the "**Suspension Period**"). Neither Further Noteholders nor accountholders will be entitled to settle the transfer of any Further Notes from the Suspension Date, and any sale or other transfer of the Further Notes that a Further Noteholder or accountholder may have initiated prior to the Suspension Date that is scheduled to settle during the Suspension Period will be rejected by DTC or such Alternative Clearing System (as the case may be) and will not be settled within DTC or such Alternative Clearing System (as the case may be). In this paragraph each of the capitalised terms not otherwise defined herein shall have the meaning ascribed to it in the Subordinated Loan Agreement.

Write down of principal amount of the Further Notes following a notice of Write Down Event

On the Write Down Measure Effective Date, the principal amount of the Further Notes in an amount equal to the principal amount of the Further Subordinated Loan being written down selected in accordance with the standard operating procedures of DTC or such Alternative Clearing System (as the case may be) shall automatically be written down and (where such principal amount is the entire principal amount of the Further Notes) such Further Notes shall be cancelled, and all references to the outstanding principal amount of the Further Notes shall be construed accordingly. In this paragraph each of the capitalised terms not otherwise defined herein shall have the meaning ascribed to it in the Subordinated Loan Agreement."

For the avoidance of doubt, in these "*Amendments to The Terms and Conditions with respect to the Further Notes*" set out above, each reference to a Clause of the Subordinated Loan Agreement shall be to the corresponding Clause of the Original Subordinated Loan Agreement as set out in Appendix 1 to the Supplemental Subordinated Loan Agreement.

ISSUE TERMS OF THE FURTHER NOTES

Issue Terms dated 25 November 2019

Alfa Bond Issuance plc (the "Issuer")

Issue of Series 11 U.S.$450,000,000 5.950 per cent. Loan Participation Notes (the "**Further Notes**") to be consolidated and form a single series with Series 10 U.S.$400,000,000 5.950 per cent. Loan Participation Notes due 2030 (the "**Original Notes**")
by Alfa Bond Issuance plc
for the purpose of financing a Further Subordinated Loan to Joint Stock Company "ALFA-BANK"
under a U.S.$5,000,000,000 Programme for the Issuance of Loan Participation Notes

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the "**Conditions**") set forth in the Base Prospectus dated 17 September 2019 and incorporated by reference in relation to the Further Notes only into a series 11 prospectus dated 25 November 2019 which constitutes a base prospectus for the purposes of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). These Issue Terms of the Further Notes modify and complete the Conditions in relation to the Notes described herein only. References in the Conditions to "Notes" shall be deemed to be references to the Further Notes described herein for the purposes of these Issue Terms of the Further Notes.

1	(i)	Issuer:	Alfa Bond Issuance plc
	(ii)	Borrower:	Joint Stock Company "ALFA-BANK"
2	Series Number:		11 The Further Notes will (initially, in the case of the Regulation S Notes) be represented by a Temporary Regulation S Global Note and (in the case of the Rule 144A Notes) a Rule 144A Global Note (each as defined below) and on 15 April 2020 (the "**Global Note Exchange Date**") the Further Notes will be consolidated and form a single series with the Original Notes, provided that the Borrower receives the Increased Amount Final Conclusion (as such term is defined in the Supplemental Subordinated Loan Agreement) on or before 14 April 2020
3	Specified Currency or Currencies:		U.S. Dollars ("U.S.$")
4	Aggregate Nominal Amount of Further Notes admitted to trading:		U.S.$450,000,000
5	Issue Price:		101.000 per cent. of the Aggregate Nominal Amount
6	(i)	Specified Denominations:	U.S.$200,000 plus higher integral multiples of U.S.$1,000 thereafter
	(ii)	Calculation Amount:	U.S.$1,000
7	(i)	Issue Date:	27 November 2019
	(ii)	Interest Commencement Date:	27 November 2019
8	Maturity Date:		15 April 2030

9	Notes Interest Basis:		5.950 per cent. Fixed Rate until the Reset Date (as defined in the Subordinated Loan Agreement) and at the relevant Rate of Interest (determined in accordance with Clause 5 of the Subordinated Loan Agreement) thereafter (further particulars specified in paragraph 15 below) For the avoidance of doubt, no interest will be payable on the Further Notes or the Further Subordinated Loan on 15 April 2020 in respect of a period prior to the Issue Date.
10	Redemption/Payment Basis:		Redemption at par subject to the application of any Write Down Measure pursuant to Condition 6.6 (*Write Down*)
11	(i)	Status and Form of the Further Notes:	Senior, Registered
	(ii)	Status of the Further Subordinated Loan:	Subordinated
	(iii)	Date of Board approval for issuance of the Further Notes obtained by the Issuer:	22 November 2019
12	Method of distribution:		Syndicated
13	Financial Centres (Condition 7):		Dublin, New York City, Moscow and London
14	Currency Exchange Option:		Not Applicable

PROVISIONS RELATING TO INTEREST PAYABLE UNDER THE FURTHER NOTES

15	Fixed Rate Note Provisions:		Applicable
	(i)	Rates of Interest:	5.950 per cent. per annum payable semi-annually in arrear until the Reset Date (as defined in the Subordinated Loan Agreement) and at the relevant Rate of Interest (determined in accordance with Clause 5 of the Subordinated Loan Agreement) thereafter For the avoidance of doubt, no interest will be payable on the Further Notes or the Further Subordinated Loan on 15 April 2020 in respect of a period prior to the Issue Date
	(ii)	Interest Payment Date(s):	15 April and 15 October in each year commencing on 15 April 2020.
	(iii)	Fixed Coupon Amount(s):	U.S.$29.750 per Calculation Amount until the Reset Date (as defined in the Subordinated Loan Agreement) other than for the first Interest Payment Date, and an amount per Calculation Amount determined in accordance with Clause 5 of the Subordinated Loan Agreement thereafter subject to the application of any Write Down Measure pursuant to Condition 6.6 (*Write Down*)

	(iv)	Broken Amount:	The amount of interest payable in respect of the short first Interest Period from and including the Issue Date of the Further Notes to, but excluding, 15 April 2020 will be U.S.$22.81 per Calculation Amount
	(v)	Day Count Fraction:	30/360
	(vi)	Determination Date:	The second Business Day immediately preceding the Reset Date
16	Floating Rate Note Provisions:		Not Applicable
17	Put Option		Not Applicable
18	Call Option		Applicable
	(i)	Optional Redemption Date	Reset Date (as defined in the Subordinated Loan Agreement)
	(ii)	Optional Redemption Amount(s) of each Further Note	U.S.$1,000 per Calculation Amount plus accrued interest and additional amounts, if any, subject to the application of Condition 6.6 (*Write Down*)
	(iii)	If redeemable in a part:	Not applicable

PROVISIONS RELATING TO REDEMPTION

19	Final Redemption Amount(s) of each Further Note:	U.S.$1,000 per Calculation Amount plus accrued interest and additional amounts, if any, subject to the application of any Write Down Measure pursuant to Condition 6.6 (*Write Down*)
20	Early Redemption Amount(s) of each Further Note payable if the Further Subordinated Loan should become repayable under the Subordinated Loan Agreement prior to the Maturity Date	U.S.$1,000 per Calculation Amount plus accrued interest and additional amounts, if any, subject to the application of any Write Down Measure pursuant to Condition 6.6 (*Write Down*)

DISTRIBUTION

21	(i)	If syndicated, names of Managers:	J.P. Morgan Securities plc and Joint Stock Company "ALFA-BANK"
	(ii)	Stabilising Manager(s) (if any):	J.P. Morgan Securities plc
22	If non-syndicated, name of Dealer:		Not Applicable
23	U.S. Selling Restrictions:		Reg. S Compliance Category 2; Rule 144A

GENERAL

24	The aggregate principal amount of the Further Notes issued has been translated into U.S. dollars at the rate of ●, producing a sum of (for the Further	Not Applicable

Notes not denominated in U.S. dollars):

RESPONSIBILITY

The Issuer and Alfa-Bank accept responsibility for the information contained in these Issue Terms.

SIGNED by a duly authorised attorney of
ALFA BOND ISSUANCE PLC

By:

Name:
Title:

For and on behalf of
JOINT STOCK COMPANY "ALFA-BANK"

By:

Alexei Tchoukhlov

Deputy Chairman of the Executive Board, Chief Financial Officer, Member of the Executive Board

PART B – OTHER INFORMATION

1 LISTING

(i)	Listing:	Ireland
(ii)	Admission to trading:	Application has been made to Euronext Dublin for the Further Notes to be admitted to the official list and trading on its regulated market with effect from 27 November 2019.
(iii)	Estimate of total expenses related to admission to trading:	€5,000

2 RATINGS

Ratings: It is expected that the Further Notes will be rated:

Fitch Ratings CIS Limited: BB

The Original Notes are rated:

Fitch Ratings CIS Limited: BB

The Further Notes will be consolidated and form a single series with the Original Notes from and including 15 April 2020 provided that the Borrower receives the Increased Amount Final Conclusion (as such term is defined in the Supplemental Subordinated Loan Agreement) on or before 14 April 2020.

Fitch Ratings CIS Limited is established in the EEA and registered under Regulation (EC) No. 1060/2009, as amended (the "**CRA Regulation**") and is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (www.esma.europa.eu/page/List-registered-and-certified-CRAs) in accordance with the CRA Regulation.

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA and registered under the CRA Regulation unless (1) the rating is provided by a credit rating agency operating in the EEA before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration has not been refused, or (2) the rating is provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation or (3) the rating is provided by a credit rating agency not established in the EEA which is certified under the CRA Regulation. The ESMA is obliged to

maintain on its website, www.esma.europa.eu/page/List-registered-and-certified-CRAs, a list of credit rating agencies registered and certified in accordance with the CRA Regulation. The ESMA website is not incorporated by reference into, nor does it form part of, these Issue Terms. This list must be updated within five working days of ESMA's adoption of any decision to withdraw the registration of a credit rating agency under the CRA Regulation. Therefore such a list is not conclusive evidence if the status of the relevant rating agency as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

4 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE OFFER

Save as discussed in "*Subscription and Sale*" in the Base Prospectus, so far as the Issuer is aware, no person involved in the offer of the Further Notes has an interest material to the offer.

5 REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

The proceeds of the Further Notes over par will be retained by the Issuer and shall be applied towards the payment of fees and commissions and towards the payment of interest falling due on the Notes on 15 April 2020. The remaining proceeds from the offering of the Further Notes, expected to be U.S.$450,000,000, will be used by the Issuer for the sole purpose of financing the Further Subordinated Loan and will be included into Tier 2 Capital of Alfa Bank. Total commissions and expenses relating to the offering of the Further Notes are expected to be approximately U.S.$1 million.

6 YIELD

Indication of yield:	5.950 per cent. per annum The yield is calculated at the Issue Date of the Further Notes on the basis of the Issue Price. It is not an indication of future yield

7 INFORMATION

The Further Notes will (initially, in the case of the Regulation S Notes) be represented by a temporary Regulation S Global Note (the "**Temporary Regulation S Global Note**") and (in the case of the Rule 144A Notes) a Rule 144A global note (the "**Rule 144A Global Note**").

The Further Notes initially represented by the Temporary Regulation S Global Note will become fungible with the Original Notes on the Global Note Exchange Date (provided that the Borrower receives the Increased Amount Final Conclusion (as such term is defined in the Supplemental Subordinated Loan Agreement) on or before 14 April 2020), whereupon interests in the Temporary Regulation S Global

	Note will be exchanged, without any need for further clarification, for interests in a permanent Regulation S Global Note representing the Original Notes (the "**Permanent Regulation S Global Note**"), described below.
Temporary Regulation S Global Note ISIN Code:	XS2080273878
Temporary Regulation S Global Note Common Code:	208027387
Rule 144A Global Note ISIN Code:	US01538RAF64
Rule 144A Global Note CUSIP Code:	01538RAF6
Permanent Regulation S Global Note ISIN Code:	XS2063279959
Permanent Regulation S Global Note Common Code:	206327995
Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking *societe anonyme* and DTC and the relevant identification number(s):	Not Applicable
Delivery:	Delivery against payment
Names and addresses of additional Paying Agent(s) (if any):	Not Applicable

8 THE FURTHER SUBORDINATED LOAN

Terms of the Further Subordinated Loan

(i)	Further Subordinated Loan:	U.S.$450,000,000
(ii)	Date of Drawdown:	27 November 2019
(iii)	Repayment Date:	15 April 2030
(iv)	Governing Law:	English law

Interest

The Further Subordinated Loan is a Fixed Rate Loan. Interest shall be calculated as set out below:

Fixed Rate Loan Provisions

(i)	Interest Commencement Date:	27 November 2019
(ii)	Rate of Interest:	5.950 per cent. per annum payable semi-annually in arrear until the Reset Date (as defined in the Subordinated Loan Agreement) other than for the short first interest period and at the relevant Rate of Interest (determined in

		accordance with Clause 5 of the Subordinated Loan Agreement) thereafter
(iii)	Interest Payment Date(s):	15 April and 15 October in each year commencing on 15 April 2020
(iv)	Fixed Amount(s):	U.S.$29.750 per Calculation Amount until the Reset Date (as defined in the Subordinated Loan Agreement) other than for the first Interest Payment Date, and an amount per Calculation Amount determined in accordance with Clause 5 of the Subordinated Loan Agreement thereafter subject to the application of any Write Down Measure pursuant to Condition 6.6 (Write Down)
(v)	Broken Amount:	In respect of the Further Subordinated Loan, the amount of interest payable in respect of the short first Interest Period from and including the Interest Commencement Date to, but excluding, 15 April 2020 will be U.S.$22.81 per Calculation Amount
(vi)	Day Count Fraction:	30/360
(vii)	Determination Date(s):	The second Business Day immediately preceding the Reset Date

SUPPLEMENTAL SUBORDINATED LOAN AGREEMENT

This Supplemental Subordinated Loan Agreement is made on 25 November 2019 **between:**

(1) **JOINT STOCK COMPANY "ALFA-BANK"**, a company incorporated under the laws of the Russian Federation whose registered office is at 27 Kalanchevskaya Street, Moscow, 107078, Russian Federation (the "**Borrower**"); and

(2) **ALFA BOND ISSUANCE PLC**, a company incorporated under the laws of Ireland, whose registered office is at 3rd Floor, Kilmore House, Park Lane, Spencer Dock, Dublin 1, Ireland (the "**Lender**").

Whereas

(A). The Lender has, at the request of the Borrower, made available to the Borrower an unsecured subordinated term loan facility in the amount of U.S.$400,000,000 (the "**Original Subordinated Loan**") under the Programme (as defined below) on the terms and subject to the conditions of a subordinated loan agreement dated 10 October 2019 (the "**Agreement**"), a copy of which is attached to this Supplemental Subordinated Loan Agreement as Appendix 1.

(B). The Borrower has received a preliminary conclusion (*zakluchenie*) of the CBR dated 15 November 2019, confirming the unconditional approval by the CBR of, *inter alia*, an additional drawing to be made by the Borrower under the terms set out in the Agreement.

(C). For the purpose of increasing the Tier 2 Capital (as defined in the Agreement) the Borrower proposes to borrow U.S.$450,000,000 (the "**Increased Amount**") and the Lender wishes to provide the Increased Amount on the terms set out in the Agreement and this Supplemental Subordinated Loan Agreement.

(D). It is intended that, concurrently with the provision of the Increased Amount, the Lender will issue certain loan participation notes in the same aggregate nominal amount and bearing the same rate of interest (other than for the first short Interest Period) as the Increased Amount (the "**Further Notes**" and, together with the U.S.$400,000,000 5.950 per cent. loan participation notes due 2030 issued on 15 October 2019 as Series 10 under the Programme (the "**Original Notes**"), the "**Notes**"), to be issued by, but with limited recourse to, the Lender, to be consolidated and form a single series with the Original Notes on the first Interest Payment Date, being 15 April 2020.

(E). The Borrower intends the Increased Amount to be qualified as Tier 2 Capital.

(F). The Lender and the Borrower have agreed that the terms of the Original Subordinated Loan shall equally apply to the Increased Amount, except as otherwise provided herein.

(G). The Lender and the Borrower have agreed that the terms and conditions set forth in the Agreement and this Supplemental Subordinated Loan Agreement, including the Rate of Interest (as defined in the Agreement) payable in respect of the Original Subordinated Loan and the Increased Amount and the terms and conditions of the reset of the Rate of Interest on the Reset Date (as defined in the Agreement), do not differ materially from the terms and conditions of similar agreements concluded on market terms as of the date of this Supplemental Subordinated Loan Agreement.

(H). The Borrower has not agreed to and will not agree to or enter into any agreement pursuant to which it is or will be obliged or undertakes to prepay the Loan (as defined below), in whole or in part.

(I). The Lender and the Borrower have agreed that the terms and conditions set forth in the Agreement as amended by this Supplemental Subordinated Loan Agreement are substantially the same as the terms and conditions set forth in the Agreement.

Now it is hereby agreed as follows.

1. Definitions and Interpretation

1.1 Definitions

Capitalised terms used but not defined in this Supplemental Subordinated Loan Agreement shall have the meaning given to them in the Agreement save to the extent supplemented or modified herein.

1.2 Additional Definitions

For the purpose of this Supplemental Subordinated Loan Agreement, the following expressions shall have the following meanings:

"**Further Notes Supplemental Trust Deed**" means a supplemented trust deed dated 27 November 2019 between the Lender and the Trustee and the agents named therein;

"**Increased Amount Approval Date**" has the meaning set out in Clause 3 (*Reclassification*);

"**Increased Amount Closing Date**" means 27 November 2019;

"**Increased Amount Final Conclusion**" means the final conclusion (*zaklucheniye)* of the CBR confirming the final unconditional approval by the CBR of this Supplemental Subordinated Loan Agreement and the Increased Amount as a subordinated loan eligible for full inclusion into own funds (capital) of the Borrower as Tier 2 Capital;

"**Increased Amount Supplemental Facility Fee Letter**" means a supplemental facility fee letter between the Lender and the Borrower dated the date hereof;

"**Loan**" means the Original Subordinated Loan plus the Increased Amount provided by the Lender to the Borrower on 27 November 2019; and

"**Trust Deed**" means the Principal Trust Deed as supplemented by the Further Notes Supplemental Trust Deed (and as further amended and supplemented from time to time).

1.3 Interpretation

Unless the context or the express provisions of this Supplemental Subordinated Loan Agreement otherwise require, the interpretation of the Supplemental Subordinated Loan Agreement shall be governed in accordance with the Agreement.

2. Incorporation by Reference

Except as otherwise provided, the terms and conditions of the Agreement shall remain in full force and effect and the terms and conditions of the Agreement (including, but not limited to,

the terms set out in Clause 3 (*Subordination of the Loan*), Clause 6 (*Maturity and Repayment*), Clause 9 (*Write-Down*) and Clause 11 (*Conditions to Amendment*) of the Agreement) shall apply to this Supplemental Subordinated Loan Agreement and the Increased Amount as if they were set out herein and the Agreement shall be read and construed as one document with this Supplemental Subordinated Loan Agreement and for such purposes any references to the "Loan" in the Agreement shall be deemed to include the Increased Amount unless otherwise specified herein.

3. Reclassification

If, by 14 April 2020 (the "**Increased Amount Approval Date**"), the CBR has not issued the Increased Amount Final Conclusion, the claims of the Lender against the Borrower in respect of principal of and interest on the Increased Amount only and any applicable Monetary Damages will, upon the occurrence of a Bankruptcy Event, rank at least *pari passu* with the claims of Senior Creditors, the Increased Amount only shall be treated as senior in priority to any subordinated debt or share capital of the Borrower (including preference shares) and Clause 3.1 (*Subordination*), sub-clause 6.1.3, Clause 9 (*Write Down*) and Clause 10 (*Variation or Modification Due to Change in Law*) and the requirement to obtain prior consent of the CBR under sub-clauses 6.1.2, 6.1.5, 6.2.2, Clause 6.3 (*Repayment in the Event of Taxes and Increased Costs*), Clause 6.4 (*Reduction of the Loan Upon Cancellation of Notes*), Clause 6.5 (*Repayment on the Reset Date*), sub-clauses (a) and (b) of Clause 11 (*Conditions to amendment*) and Clause 13.3 (*Mitigation*) of the Agreement shall no longer apply.

4. Increased Amount

4.1 Drawdown

On the terms and subject to the conditions of this Supplemental Subordinated Loan Agreement, on the Increased Amount Closing Date the Lender shall advance the Increased Amount to the Borrower and the Borrower shall make a single drawing in the full amount of the Increased Amount.

4.2 Increased Amount Facility Fee

In consideration of the Lender making the Increased Amount available to the Borrower, the Borrower hereby agrees that it shall, by 5:00 pm (London time) one Business Day before the Increased Amount Closing Date, pay to the Lender, in same-day funds a facility fee (the "**Increased Amount Facility Fee**") in connection with the financing of the Increased Amount. The total amount of the Increased Amount Facility Fee shall be as specified in the Increased Amount Supplemental Facility Fee Letter and an invoice to be issued by the Lender to the Borrower not later than 3:00 pm (Moscow time) one Business Day prior to the Increased Amount Closing Date.

4.3 Disbursement

Subject to the conditions set forth herein, on the Increased Amount Closing Date the Lender shall transfer the full amount of the Increased Amount to the Borrower's account (Beneficiary's bank: Alfa-Bank Moscow; Beneficiary's bank address: 27 Kalanchevskaya str., Moscow, 107078; S.W.I.F.T.: ALFARUMM; Correspondent bank of Beneficiary's bank: Citibank NA, 399 Park Avenue, New York, NY 10043, USA; S.W.I.F.T.: CITIUS33; Beneficiary's account with Correspondent bank №: 36310481; Beneficiary: AO "ALFA-BANK"; Beneficiary's

address: 27 Kalanchevskaya str., Moscow, 107078; Beneficiary's account: 44007840000000000022; Reference: SUPPLEMENTAL SUBORDINATED LOAN AGREEMENT dated 25.11.2019) in same-day funds.

4.4 Capital Treatment

To the extent that any part of the Increased Amount is to be treated as Tier 2 Capital by the Borrower, the Borrower will use its best efforts to procure that the CBR issues the Increased Amount Final Conclusion for such treatment before the first Interest Payment Date, being 15 April 2020, and will provide all relevant information about the Increased Amount to the CBR as may be necessary for the issuance of the Increased Amount Final Conclusion.

5. Interest

Notwithstanding Clauses 1.1 (*Definitions*) 5.1 (*Rate of Interest*), 5.2 (*Payment of Interest*) and 5.3 (*Calculation of Interest*) of the Agreement, in respect of the first Interest Payment Date only, being 15 April 2020, the Borrower will pay interest in U.S. dollars to the Lender in the amount of U.S.$18,339,500 in respect of the amount borrowed under the Agreement, being U.S.$400,000,000 plus the Increased Amount and the term "Rate of Interest" shall (with respect to such date) be construed accordingly.

6. Repayment Option on Change of Capital Treatment

Notwithstanding the provisions of Clause 6.1 (*Maturity*) of the Agreement, the Borrower may repay the Increased Amount (in whole but not in part) at any time after the Increased Amount Approval Date, if the CBR does not issue the Increased Amount Final Conclusion to the Borrower on or before the Increased Amount Approval Date, provided that written notice thereof, together with an Officers' Certificate confirming the existence of the relevant circumstances permitting such a repayment, shall be given to the Lender with a copy to the Trustee not more than 60 nor less than 30 days prior to the date of repayment. Following the delivery of such notice and such Officers' Certificate, the Borrower shall be bound on the repayment date specified therein to repay the Increased Amount only (in whole but not in part), together with interest accrued with respect to the Increased Amount to (but excluding) the date of repayment and all other sums payable by the Borrower pursuant to the Agreement and this Supplemental Subordinated Loan Agreement.

Otherwise the provisions of Clause 6.1 (*Maturity*) of the Agreement shall equally apply to the Increased Amount.

7. Governing Law

This Supplemental Subordinated Loan Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by, and construed in accordance with, the laws of England.

In witness whereof, the parties hereto have caused this Supplemental Subordinated Loan Agreement to be executed on the date first written above

For and on behalf of

JOINT STOCK COMPANY "ALFA-BANK"

_____

Alexei Tchoukhlov
Deputy Chairman of the Executive Board, Chief Financial Officer, Member of the Executive Board

Signed by a duly authorised attorney of

ALFA BOND ISSUANCE PLC

By:
Title:

Appendix I

This Subordinated Loan Agreement is made on 10 October 2019 **between**:

(1) **JOINT STOCK COMPANY** "**ALFA-BANK**", a company incorporated under the laws of the Russian Federation whose registered office is at 27 Kalanchevskaya Street, Moscow, 107078, Russian Federation (the "**Borrower**"); and

(2) **ALFA BOND ISSUANCE PLC**, a company incorporated under the laws of Ireland, whose registered office is at 3rd Floor, Kilmore House, Park Lane, Spencer Dock, Dublin 1, Ireland (the "**Lender**").

Whereas

(A) The Lender has, at the request of the Borrower, made available to the Borrower an unsecured subordinated loan facility in the amount of U.S.$400,000,000 under the Programme (as defined below) on the terms and subject to the conditions of this Agreement.

(B) It is intended that, concurrently with the extension of the Loan (as defined below) under this subordinated loan facility, the Lender will issue certain loan participation notes in the same aggregate nominal amount and bearing the same rate of interest as the Loan.

(C) The Borrower intends the Loan to be qualified as Tier 2 Capital (as defined below).

(D) The Lender and the Borrower have agreed that, on the occurrence of a Bankruptcy Event (as defined below), the claims of the Lender in respect of principal of, and interest on, the Loan and monetary damages for failure by the Borrower to perform its obligations under this Agreement (if any) shall be subordinated to the claims of Senior Creditors (as defined below) of the Borrower in the manner set out in this Agreement.

(E) The Lender and the Borrower have agreed that the terms and conditions set forth in this Agreement, including the Rate of Interest (as defined below) payable in respect of the Loan and the terms and conditions of the reset of the Rate of Interest on the Reset Date (as defined below), do not differ materially from the terms and conditions of similar agreements concluded on market terms as of the date of this Agreement.

(F) The Borrower has not agreed to and will not agree to or enter into any agreement pursuant to which it is or will be obliged or undertakes to prepay the Loan, in whole or in part.

Now it is hereby agreed as follows.

1 Definitions and Interpretation

1.1 Definitions

In this Agreement (including the recitals), the following terms shall have the meanings indicated below:

"**Acceleration Event**" has the meaning assigned to such term in Clause 14 (*Acceleration Events*).

"**Account**" means the account in the name of the Lender with the Principal Paying Agent (Pay to: The Bank of New York Mellon, New York; S.W.I.F.T. BIC: IRVTUS3N; Account Name: The Bank of New York Mellon; S.W.I.F.T. BIC: IRVTBEBB; Account Number: 8900285451;

For further credit to: 7590168400; Account name: Alfa Bank T2 Ser 10 Sec CSH) or such other account as may from time to time be agreed by the Lender and the Trustee pursuant to the Trust Deed, and notified in writing to the Borrower at least five Business Days in advance of such change.

"**Additional Amounts**" has the meaning set forth in Clause 8.1 (*Additional Amounts*).

"**Additional Tier 1 Capital**" means, as of any date, the aggregate amount, in Roubles, of items that constitute additional tier 1 capital of the Borrower (*dobavochnyi kapital osnovnogo kapitala*) as of such date, less any deductions from additional tier 1 capital of the Borrower required to be made, in each case as determined by the Borrower pursuant to Regulation No. 646-P.

"**Advance**" has the meaning set out in Clause 4.1 (*Drawdown*).

"**Agency**" means any agency, authority, central bank, department, committee, government, legislature, minister, official or public statutory Person (whether autonomous or not) of, or of the government of, any state or supra-national body.

"**Agreement**" means this subordinated loan agreement as originally executed or as it may be amended from time to time.

"**Approval Date"** has the meaning set out in Clause 3.2 (*Reclassification*).

"**Assignment**" means the assignment by the Lender in favour of the Trustee of the rights of the Lender under this Agreement.

"**Bankruptcy Event**" means the entry into force of a final decision of a competent Russian court finding the Borrower bankrupt.

"**Banks Consolidation Fund Management Company**" means Limited Liability Company "Fund of Banking Sector Consolidation Asset Management Company" or such other entity as shall from time to time carry out measures of financial rehabilitation of credit organisations in the Russian Federation on behalf of the Central Bank.

"**Benchmark Treasury**" means actively traded U.S. Treasury securities with maturity on or closest to (a) in the case of the Rate of Interest from the Closing Date to the Reset Date, the date that falls five (5) years and six (6) months after the Closing Date, and (b) in respect of the Rate of Interest from the Reset Date, the date that falls five (5) years after the Reset Date, as selected by the Principal Paying Agent.

"**Business Day**" means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in New York City, London, Dublin and Moscow.

"**CBR Instruction No. 180-I**" means CBR Instruction No. 180-I dated 28 June 2017 "On mandatory ratios of banks" (as amended, supplemented or replaced from time to time).

"**Central Bank**", "**CBR**" or "**Bank of Russia**" means the Central Bank of the Russian Federation or such other governmental or other authority as shall from time to time carry out functions in relation to the supervision of banks in the Russian Federation as are, on the date hereof, carried out by the CBR.

"**Closing Date**" means 15 October 2019.

"**Common Equity Tier 1 Capital**" means the aggregate amount, in Roubles, of items that constitute common equity tier 1 capital (*bazoviy kapital osnovnogo kapitala*) of the Borrower less any deductions from common equity tier 1 capital required to be made, in each case as determined by the Borrower pursuant to Regulation No. 646-P for the purposes of a Write Down Event.

"**Common Equity Tier 1 Capital Ratio**" means the common equity tier 1 capital adequacy ratio (*normativ dostatochnosti bazovogo kapitala*) (N1.1) as determined by the Borrower pursuant to CBR Instruction No. 180-I for the purposes of a Write Down Event.

"**Conditions**" means the terms and conditions of the Notes.

"**Deposit Insurance Agency**" means the State Corporation Deposit Insurance Agency or such other governmental or other authority as shall from time to time carry out functions in relation to deposit insurance in the Russian Federation as are, on the date hereof, carried out by the Deposit Insurance Agency.

"**Dispute**" has the meaning assigned to it in Clause 22 (*Arbitration*).

"**Dollars**", "**U.S. Dollars**" and "**U.S.$**" mean the lawful currency of the United States of America.

"**Facility**" means the subordinated term loan facility granted by the Lender to the Borrower as specified in Clause 2 (*Facility*).

"**Fee Side Letter**" means the fee side letter dated 23 April 2013 entered into between the Borrower, the Lender, the Trustee and the agents named therein in respect of the Programme.

"**Final Conclusion**" means the final written conclusion (*zaklucheniye*) of the CBR confirming the final unconditional approval by the CBR of this Agreement and the Loan as a subordinated loan eligible for full inclusion into own funds (capital) of the Borrower as Tier 2 Capital.

"**Finance Documents**" means this Agreement and the other agreements and deeds relating to the issuance of the Notes, including any subscription agreement related to such Notes to which the Lender is a party.

"**Financial Assistance**" means financial assistance provided by the Central Bank or the Deposit Insurance Agency in accordance with the Insolvency Law; which, as of the date of this Agreement, may be provided to (a) persons acquiring either at least 75% of the ordinary shares of the Borrower or units of an investment fund managed by the Banks Consolidation Fund Management Company, property of which includes at least 75% of the ordinary shares of the Borrower, ("**investors**") or (b) the Borrower, in case the Central Bank or the Deposit Insurance Agency or investors acquire at least 75% of ordinary shares of the Borrower; in all cases in accordance with a plan for the participation of the Central Bank or the Deposit Insurance Agency in bankruptcy prevention measures in respect of the Borrower.

"**incur**" means issue, assume, guarantee, incur or otherwise become liable for.

"**Initial Credit Margin**" means 454.6 basis points, being the margin set originally on or around the Closing Date which shall remain unchanged until the Loan is repaid.

"**Insolvency Law**" means the Federal Law "On Insolvency (Bankruptcy)" No. 127-FZ dated 26 October 2002 (as amended, supplemented or replaced from time to time).

"**Interest Cancellation**" has the meaning set out in Clause 9.1 (*Write Down Measures*).

"**Interest Cancellation Amount**" means all or such part of the amount of the interest accrued to (but excluding) the Write Down Measure Effective Date that is determined by the Borrower as necessary to be cancelled (in conjunction with any interest cancellation measures taken in respect of Write Down Instruments which qualify as Tier 2 Capital) in order to immediately remedy a Write Down Event.

"**Interest Cancellation Measure**" has the meaning given to it in Clause 9.1 (*Write Down Measures*).

"**Interest Determination Date**" means the second Business Day immediately preceding the Reset Date.

"**Interest Payment Date**" means 15 April and 15 October of each year in which the Loan remains outstanding, commencing on 15 April 2020.

"**Interest Period**" means each period beginning on (and including) an Interest Payment Date or, in the case of the first Interest Period, the Closing Date, and ending on (but excluding) the next Interest Payment Date.

"**Loan**" means, at any time, an amount equal to the aggregate principal amount of the Facility advanced by the Lender pursuant to this Agreement and outstanding at such time.

"**Monetary Damages**" means any amount of financial damages (*finansoviye sankcii*) which the Borrower may be liable to pay for failure to perform its obligations under this Agreement.

"**Monetary Damages Cancellation**" has the meaning given to it in Clause 9.1 (*Write Down Measures*).

"**Monetary Damages Cancellation Amount**" means all or such part of the amount of Monetary Damages, if any, accrued to (but excluding) the Write Down Measure Effective Date that is determined by the Borrower as necessary to be cancelled (in conjunction with any monetary damages cancellation measures taken in respect of Write Down Instruments which qualify as Tier 2 Capital) in order to immediately remedy a Write Down Event.

"**Monetary Damages Cancellation Measure**" has the meaning given to it in Clause 9.1 (*Write Down Measures*).

"**Noteholder**" means, in relation to a Note, the person in whose name such Note is for the time being registered in the register of the Noteholders maintained by the Registrar (or, in the case of a joint holding, the first named holder thereof).

"**Notes**" means the U.S.$400,000,000 5.950 per cent. Loan Participation Notes due 2030 proposed to be issued by the Lender pursuant to the Trust Deed for the purpose of financing the Loan.

"**Officers' Certificate**" means a certificate signed on behalf of the Borrower by one officer of the Borrower, who shall be the chief executive officer, a director, a chief financial officer, chief legal officer or general director of the Borrower.

"**Operational Day**" means a day when the Borrower's principal office is open for business and all operations during that day are recorded and reflected in the Borrower's daily balance sheet.

"**Original Principal Amount**" means, in respect of the Loan, its principal amount on the Closing Date not taking into account any Write Down(s) in accordance with the terms of this Agreement.

"**Outstanding Principal Amount**" means, in relation to the Loan, the Original Principal Amount, as reduced from time to time by any Write Down(s) in accordance with the terms of this Agreement.

"**Paying Agency Agreement**" means the paying agency agreement relating to the Programme dated 17 April 2013 between the Lender, the Trustee, the Principal Paying Agent and the other agents named therein, from time to time modified.

"**Paying Agent**" shall have the meaning attributed to it in the Paying Agency Agreement.

"**Person**" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organisation, government, or any agency or political subdivision thereof or any other entity, whether or not having a separate legal personality.

"**Potential Acceleration Event**" means any event which is, or after notice given hereunder or the passage of time or the making of any determination would be, an Acceleration Event.

"**Principal Paying Agent**" means The Bank of New York Mellon, London Branch or any other principal paying agent appointed from time to time in connection with the issuance of the Notes.

"**Principal Trust Deed**" means the principal trust deed 17 April 2013 between the Lender and the Trustee, as it may be amended or supplemented from time to time.

"**Principal Write Down Measure**" has the meaning set out in Clause 9.1 (*Write Down Measures*).

"**Programme**" means the programme for the issuance of loan participation notes of the Lender for the purpose of financing loans to the Borrower.

"**Qualifying Jurisdiction**" means any jurisdiction which has a double taxation treaty with Russia under which the payment of interest by Russian borrowers to lenders in the jurisdiction in which the lender is incorporated is generally able to be made without deduction or withholding of Russian income tax upon completion of any necessary formalities required in relation thereto.

"**Rate of Interest**" means the rate per annum (as reported on the applicable Interest Determination Date in writing to the Lender and the Borrower by the Principal Paying Agent with respect to any Interest Period following the Reset Date (and rounded, if necessary, to the third decimal place (0.0005 being rounded upwards)) which is the aggregate of (a) the relevant Treasury Rate and (b) the Initial Credit Margin. Pursuant to such approach, the Rate of Interest from (and including) the Closing Date to (but excluding) the Reset Date will be 5.950 per cent. per annum.

"Registrar" means The Bank of New York Mellon SA/NV, Luxembourg Branch.

"**Regulation No. 646-P**" means CBR Regulation No. 646-P dated 4 July 2018 "On the methodology for determining own funds (capital) of credit organisations ("Basel III")" (as amended, supplemented or replaced from time to time).

"**Repayment Date**" means 15 April 2030.

"**Reset Date**" means the date, which is the first Interest Payment Date after the fifth anniversary of the Closing Date, being 15 April 2025.

"**Rouble**" means the lawful currency of Russia.

"**Russia**" shall mean the Russian Federation and any province or political subdivision or Agency thereof or therein, and "Russian" shall be construed accordingly.

"**Senior Creditors**" means all creditors of the Borrower other than (i) shareholders of the Borrower whose claims are in respect of the share capital of the Borrower (including preference shares) or (ii) creditors whose claims rank equally with or are subordinated to the claims of the Lender under this Agreement pursuant to Russian law.

"**Subscription Agreement**" means the subscription agreement relating to the Notes dated 10 October 2019 between the Lender, the Borrower, ABH Financial Limited and the managers named therein.

"**Supplemental Facility Fee Letter**" means a letter between the Lender and the Borrower dated the date hereof.

"**Supplemental Trust Deed**" means the supplemental trust deed which constitutes and secures, *inter alia*, the Notes, dated 15 October 2019 and made between the Lender, the Trustee and the agents named therein.

"**Tax Indemnity Amounts**" has the meaning set out in Clause 8.2 (*Tax Indemnity*).

"**Taxes**" means any present and future tax, duty, levy, impost, assessment or other governmental charge or withholding of any nature (including penalties, interest and other liabilities related thereto).

"**Taxing Authority**" has the meaning set out in Clause 8.1 (*Additional Amounts*).

"**Tier 2 Capital**" means supplemental capital (*dopolnitelniy kapital*) of the Borrower within the meaning given to it in Regulation No. 646-P.

"**Treasury Rate**" means:

(a) the yield, which for the Rate of Interest from the Closing Date to the Reset Date is equal to 1.404 per cent., and thereafter the yield under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated "H.15(519)" or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which established a yield for actively traded United States treasury notes adjusted to constant maturity under the caption "Treasury Constant Maturities", with a maturity (or remaining maturity) closest to the relevant Benchmark Treasury (if no maturity falls within three months before or after such time period, yields for the two published maturities most closely corresponding to such time period shall be determined and the

Treasury Rate shall be interpolated or extrapolated from such yields on a straight-line basis, rounding to the nearest month); or

(b) in the event that such yield referred to in sub-clause (a) above does not appear in such statistical release or any such successor publication during the week preceding the Interest Determination Date, the yield determined by the Principal Paying Agent as follows:

(i) the Principal Paying Agent shall request the principal New York office of each of four primary United States government securities dealers to provide a quotation of the yield it offers for United States treasury notes with a maturity (or remaining maturity) closest to the relevant Benchmark Treasury, and determine the average of such quotations (rounded, if necessary, to the nearest one thousandth of a percentage point, 0.0005 per cent., being rounded upwards); and

(ii) if the Principal Paying Agent is unable to obtain quotations and determine the yield pursuant to sub-clause (b)(i) above, the Principal Paying Agent shall determine the yield in the manner set forth in clause (a) above with reference to the last yield to have been published in statistical release "H.15(519)" or any successor publication (or, if such statistical release is no longer published, any publicly available source of similar market data released by any United States government agency or body) prior to the Interest Determination Date.

"**Trust Deed**" means the Principal Trust Deed as supplemented by the Supplemental Trust Deed (and as further amended and supplemented from time to time).

"**Trustee**" means BNY Mellon Corporate Trustee Services Limited, as Trustee under the Trust Deed and any other trustee or trustees thereunder.

"**Write Down**" has the meaning given to it in Clause 9.1 (*Write Down Measures*).

"**Write Down Amount**" means all or such part of the Outstanding Principal Amount of the Loan determined by the Borrower as necessary to be written down (in conjunction with any Interest Cancellation Amount, Monetary Damages Cancellation Amount and any other write down or conversion of, or other write down measures taken in respect of, Write Down Instruments which qualify as Tier 2 Capital) in order to immediately remedy a Write Down Event.

"**Write Down Event**" means any of the following events:

(a) the Common Equity Tier 1 Capital Ratio of the Borrower is less than 2.0 per cent. (the "**Capital Ratio Trigger**") for six or more Operational Days in aggregate (the "**Trigger Period**") during any consecutive period of 30 Operational Days; or

(b) the Board of Directors of the CBR approves a plan for the participation of the CBR, or the Banking Supervision Committee of the CBR (and, in the instances provided for in sub-clause three of article 189.49 of the Insolvency Law, the Board of Directors of the CBR) approves a plan for the participation of the Deposit Insurance Agency, in bankruptcy prevention measures in respect of the Borrower which contemplates the provision of the Financial Assistance by the CBR or the Deposit Insurance Agency in

accordance with article 189.49 of the Insolvency Law (the "**Participation Plan Trigger**").

"**Write Down Event Date**" means the date of disclosure of the occurrence of a Write Down Event on the official website of the CBR (being, as of the date of this Agreement, http://www.cbr.ru/).

"**Write Down Event Notice**" means a notice which shall be given by the Borrower to the Lender and the Trustee pursuant to Clause 9.2 (*The Borrower's Obligation to Provide Notices*) and which shall (i) state that the Write Down Event has occurred and (ii) specify the event(s) constituting the Write Down Event including the relevant Common Equity Tier 1 Capital Ratio of the Borrower as of the relevant Write Down Event Date and/or the nature of the bankruptcy prevention measures the CBR or the Deposit Insurance Agency has taken a decision to implement as applicable and the grounds for application of such bankruptcy prevention measures in relation to the Borrower, being substantially in the form set out in Schedule 1 hereto.

"**Write Down Instruments**" means any obligation (other than the Loan) incurred directly or indirectly by the Borrower which (a) in the case of a Bankruptcy Event ranks or is expressed to rank *pari passu* with the Loan; (b) is subordinated debt which qualifies as Additional Tier 1 Capital or Tier 2 Capital of the Borrower and (c) contains provisions analogous to those in Clause 9 (*Write Down*) relating to cancellation of interest and monetary damages and a write down of the principal amount of such instrument or which otherwise permit or require the cancellation of interest and monetary damages and write down of such instrument and in respect of which the conditions (if any) to the operation of such provisions are (or with the giving of any certificate or notice which is capable of being given by the Borrower, would be) satisfied.

"**Write Down Measure Effective Date**" means the date as of which the Write Down Measures become effective, which is specified in the Write Down Measure Notice and which shall occur on the earlier of the 30th Business Day in Moscow after the Write Down Event Date, or the date preceding the date when the CBR or the Deposit Insurance Agency starts implementing the bankruptcy prevention measures.

"**Write Down Measure Notice**" means a notice which shall be given by the Borrower to the Lender and the Trustee pursuant to Clause 9.2 (*The Borrower's Obligation to Provide Notices*) and which shall specify with reasonable detail (i) the Write Down Measure Effective Date; and (ii) the Write Down Measures being implemented, including any Interest Cancellation Amount, any Monetary Damages Cancellation Amount and any Write Down Amount, and the basis of their calculation, being substantially in the form set out in Schedule 2 hereto.

"**Write Down Measures**" means an Interest Cancellation Measure, a Monetary Damages Cancellation Measure and/or a Principal Write Down Measure.

1.2 Interpretation

Unless the context or the express provisions of this Agreement otherwise require, the following shall govern the interpretation of this Agreement:

1.2.1 all references to "Clause" or "sub-clause" are references to a Clause or sub-clause of this Agreement;

1.2.2 the terms "hereof, "herein" and "hereunder" and other words of similar import shall mean this Agreement as a whole and not any particular part hereof;

1.2.3 words importing the singular number include the plural and vice versa;

1.2.4 the headings are for convenience only and shall not affect the construction hereof;

1.2.5 the "equivalent" on any given date in one currency (the "**first currency**") of an amount denominated in another currency (the "**second currency**") is a reference to the amount of the first currency which could be purchased with the amount of the second currency at the spot rate of exchange quoted on the relevant Reuters page or, where the first currency is (i) Roubles and the second currency is (ii) U.S. Dollars (or vice versa), by the Central Bank at or about 10.00 a.m. (New York City time or, as the case may be, Moscow time) on such date for the purchase of the first currency with the second currency;

1.2.6 a "month" is a reference to a period starting on one day in a calendar month and ending on the numerically corresponding day in the next succeeding calendar month save that, where any such period would otherwise end on a day which is not a Business Day, it shall end on the next succeeding Business Day, unless that day falls in the next calendar month, in which case it shall end on the immediately preceding Business Day, provided that, if a period starts on the last Business Day in a calendar month or if there is no numerically corresponding day in the month in which that period ends, that period shall end on the last Business Day in that later month (and references to "months" shall be construed accordingly);

1.2.7 the "Lender" or the "Borrower" shall be construed so as to include it and any of its subsequent successors, assignees and chargees in accordance with their respective interests;

1.2.8 all references in this Agreement to this Agreement or any other agreement, instrument or document shall be construed as a reference to that agreement, instrument or document as the same may be amended, supplemented or otherwise replaced from time to time; and

1.2.9 any reference in this Agreement to any legislation (whether primary legislation or regulations or other subsidiary legislation made pursuant to primary legislation) shall be construed as a reference to such legislation as the same may have been, or may from time to time be, amended or re-enacted.

2 Facility

On the terms and subject to the conditions set forth herein, the Lender hereby grants to the Borrower a single disbursement subordinated term loan facility in an aggregate amount of U.S.$400,000,000.

3 Subordination of the Loan

3.1 Subordination

The claims of the Lender against the Borrower in respect of the principal of, and interest on, the Loan and any applicable Monetary Damages will be satisfied upon the occurrence of a

Bankruptcy Event only after the claims of all Senior Creditors are satisfied in accordance with the Insolvency Law and will rank at least *pari passu* with the claims of other unsecured subordinated creditors of the Borrower (whether actual or contingent) from time to time outstanding and, without prejudice to the above, will be senior to the claims of (a) the Borrower's shareholders in respect of the share capital (including preference shares) and (b) holders of all other obligations ranking junior or expressed to rank junior to the claims of the Lender under this Agreement pursuant to applicable Russian laws.

The parties shall not be entitled to offset any liabilities under this Agreement against any other liabilities to each other or terminate them in full or in part by way of release from obligations, settlement or novation, and no action leading to non-compliance of this Agreement with the requirements of Regulation No. 646-P may be taken.

3.2 Reclassification

If, by the date falling 90 days after the date of this Agreement (the "**Approval Date**"), the CBR has not issued the Final Conclusion, the claims of the Lender against the Borrower in respect of principal of and interest on the Loan and any applicable Monetary Damages will, upon the occurrence of a Bankruptcy Event, rank at least *pari passu* with the claims of Senior Creditors, the Loan shall be treated as senior in priority to any subordinated debt or share capital of the Borrower (including preference shares) and Clause 3.1 (*Subordination*), sub-clause 6.1.3, Clause 9 (*Write Down*) and Clause 10 (*Variation or Modification Due to Change in Law*) and the requirement to obtain prior written consent of the CBR under sub-clauses 6.1.2, 6.1.5, 6.2.2, Clause 6.3 (*Repayment in the Event of Taxes or Increased Costs*), Clause 6.4 (*Reduction of the Loan Upon Cancellation of Notes*), Clause 6.5 (*Repayment on the Reset Date*), sub-clauses (a) and (b) of Clause 11 (*Conditions to amendment*) and Clause 13.3 (*Mitigation*) shall no longer apply.

3.3 No security

The Loan is not secured by any security.

4 Drawdown

4.1 Drawdown

On the terms and subject to the conditions of this Agreement, on the Closing Date the Lender shall make an advance of U.S.$400,000,000 (the "**Advance**") to the Borrower and the Borrower shall make a single drawing in the full amount of the Advance.

4.2 Facility Fee

In consideration of the Lender making the Facility available to the Borrower, the Borrower hereby agrees that it shall, by 3:00 p.m. (London time) one Business Day before the Closing Date, pay to the Lender, in same-day funds a facility fee (the "**Facility Fee**") in connection with the financing of the Facility. The total amount of the Facility Fee is to be as specified in the Supplemental Facility Fee Letter and an invoice to be issued by the Lender to the Borrower not later than one Business Day before the Closing Date.

4.3 Ongoing Fees and Expenses

In consideration of the Lender agreeing to make the Facility available to the Borrower and supporting such a continuing Facility, the Borrower shall pay (or reimburse) on demand to the Lender as and when such payments are due an amount or amounts equal to the ongoing properly incurred and documented commissions and costs as set forth to the Borrower in an invoice from the Lender, providing, in reasonable detail, the nature and calculation of the relevant payment or expense. For the avoidance of doubt, in consideration of the Lender making the Facility available to the Borrower and supporting such a continuing Facility, the Borrower shall pay (or reimburse) to the Lender all ongoing costs, charges, liabilities and expenses reasonably incurred by the Lender in relation to the Finance Documents and the Notes as documented in the Fee Side Letter as well as in relation to the maintenance of its good standing.

4.4 Disbursement

Subject to the conditions set forth herein, on the Closing Date the Lender shall transfer the full amount of the Advance to the Borrower's account (Beneficiary's bank: Alfa-Bank Moscow; Beneficiary's bank address: 27 Kalanchevskaya str., Moscow, 107078; S.W.I.F.T.: ALFARUMM; Correspondent bank of Beneficiary's bank: Citibank NA, 399 Park Avenue, New York, NY 10043, USA; S.W.I.F.T.: CITIUS33; Beneficiary's account with Correspondent bank №: 36310481; Beneficiary: AO "ALFA-BANK"; Beneficiary's address: 27 Kalanchevskaya str., Moscow, 107078; Beneficiary's account: 44007840600010000001; Reference: SUBORDINATED LOAN AGREEMENT dated 10 October 2019) in same-day funds.

4.5 Capital Treatment

To the extent that any part of the Loan is to be treated as Tier 2 Capital by the Borrower, the Borrower will use its best efforts to procure that the CBR issues the Final Conclusion for such treatment, and will provide all relevant information about the Loan to the CBR as may be necessary for the issuance of the Final Conclusion.

5 Interest

5.1 Rate of Interest

Subject to Clause 9 (*Write Down*), the Borrower will pay interest in U.S. Dollars to the Lender on the outstanding principal amount of the Loan from (and including) the Closing Date at the relevant Rate of Interest. The Rate of Interest in respect of the Interest Period following the Reset Date shall be determined by the Principal Paying Agent on the Interest Determination Date in accordance with this Agreement (such determination by the Principal Paying Agent being final and binding on the Lender and the Borrower, in the absence of manifest error).

5.2 Payment of Interest

Interest at the Rate of Interest shall accrue from day to day, starting from (and including) the Closing Date and shall be paid semi-annually in arrear not later than 10.00 a.m. (New York City time) one Business Day prior to each Interest Payment Date. Interest on the Loan will cease to accrue from any date on which the Loan is repaid pursuant to Clause 6.2 (*Repayment Option*), 6.3 (*Repayment in the Event of Taxes or Increased Costs*) or 6.5 (*Repayment on the Reset Date)* or Written Down pursuant to Clause 9 (*Write Down*) unless payment of principal is improperly

withheld or refused by the Borrower, in which event interest shall continue to accrue (before or after any judgment) at the Rate of Interest to but excluding the date on which payment in full of the principal thereof is made.

5.3 Calculation of Interest

The amount of interest payable in respect of the Loan for any Interest Period (other than the first Interest Period) shall be calculated by applying the Rate of Interest to the Outstanding Principal Amount of the Loan, dividing the product by two and rounding the resulting figure to the nearest cent (half a cent being rounded upwards). If interest is required to be calculated for any other period, it will be calculated on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month the number of actual days elapsed. The amount of interest payable in respect of the Loan for the first Interest Period will be U.S.$29.750 per U.S.$1,000.

5.4 Publication of the Rate of Interest

The Lender shall (unless the Loan has been repaid in accordance with Clause 6 *(Maturity and Repayment)* cause notice of each Rate of Interest to be given to the Trustee and any stock exchange on which the Notes are listed at the applicable time and, in accordance with the conditions of the Notes, the Noteholders as soon as practicable after its determination but in any event not later than the Closing Date or, as the case may be, the Reset Date.

6 Maturity and Repayment

6.1 Maturity

6.1.1 The Borrower shall repay the Loan and, to the extent not already paid in accordance with Clause 5.2 (*Payment of Interest*), any accrued interest to the date of repayment not later than 10.00 a.m. (New York City time) one Business Day prior to the Repayment Date.

6.1.2 Except as otherwise provided herein:

(i) the Borrower shall not prepay all or any part of the Loan and/or prepay any interest accrued on the Loan (except with the prior written consent of the CBR); and

(ii) this Agreement may not be terminated earlier than the Repayment Date (except with the prior written consent of the CBR).

6.1.3 The Loan may not be repaid, in whole or in part before the 5th anniversary of its inclusion in the Tier 2 Capital of the Borrower.

6.1.4 The Lender may not require the repayment of the Loan or any part thereof and/or the prepayment of any interest payable under the Loan and (or) termination of this Agreement (unless the Loan becomes due in accordance with Clause 6.1.1).

6.1.5 In accordance with Regulation No. 646-P:

(i) no prepayment of the principal (in whole or in part) and/ or prepayment of interest under this Agreement (in whole or in part) shall be permitted without the prior written consent of the CBR;

(ii) no early termination of, or amendment to, this Agreement shall be permitted without the prior written consent of the CBR;

(iii) no early termination of obligations under this Agreement shall be permitted without the prior written consent of the CBR; and

(iv) termination of obligations under this Agreement by way of discharge (*otstupnoye*), set off (including as a result of an assignment) or novation as well as taking any actions that would result in the non-compliance of this Agreement with the requirements of Regulation No. 646-P shall be prohibited.

6.1.6 The Loan shall be repaid in compliance with the requirements of Regulation No. 646-P.

6.2 Repayment Option on Change of Capital Treatment

Notwithstanding the provisions of Clause 6.1 (*Maturity*) above, the Borrower may repay the Loan (in full but not in part) either:

6.2.1 at any time after the Approval Date, if the CBR does not issue the Final Conclusion to the Borrower on or before the Approval Date; or

6.2.2 with the prior written consent of the CBR, at any time after receipt of the Final Conclusion, if, as a result of any amendment to the laws or regulations of the Russian Federation made after this Agreement is entered into, this Agreement and the Loan would cease to qualify in full but not in part as Tier 2 Capital,

provided that in each case written notice thereof, together with an Officers' Certificate confirming the existence of the relevant circumstances permitting such a repayment and, with respect to repayment under sub-clause 6.2.2 above only, a copy of the prior written consent of the CBR, shall be given to the Lender with a copy to the Trustee not more than 60 nor less than 30 days prior to the date of repayment. Following the delivery of such notice and such Officers' Certificate, the Borrower shall be bound on the repayment date specified therein to repay the Loan (in whole but not in part) at the Outstanding Principal Amount thereof, together with interest accrued to (but excluding) the date of repayment and all other sums payable by the Borrower pursuant to this Agreement.

6.3 Repayment in the Event of Taxes or Increased Costs

Notwithstanding the provisions of Clause 6.1 (*Maturity*) above, if, (a) as a result of the application of or any amendment or clarification to, or change, in the double tax treaty between the Russian Federation and Ireland (the "**Treaty**") or the laws or regulations of the Russian Federation or Ireland or of any political sub-division thereof or any authority having the power to tax therein (including as a result of a judgment of a court of competent jurisdiction or a change in or clarification of the application of official interpretation of such laws or regulations) which change or amendment becomes effective on or after the date of this Agreement, (b) as a result of the enforcement of the security provided for in the Trust Deed, the Borrower would, as a consequence of (a) or (b) above, be required to pay any Additional Amount as provided by Clause 8.1 (*Additional Amounts*) or any Tax Indemnity Amount as provided by Clause 8.2 (*Tax Indemnity*), or (c) if the Borrower would have to or has been required to pay additional amounts pursuant to Clause 13 (*Change in Law; Increase in Cost*), and in any such case such obligation cannot or could not be avoided by the Borrower taking reasonable measures available to it, then

the Borrower may, (without premium or penalty), if it obtains the prior written consent of the CBR, upon not more than 60 nor less than 30 days' prior notice to the Lender with a copy to the Trustee (which notice shall be irrevocable), repay the Loan in whole (but not in part) on the date specified in the notice, at the Outstanding Principal Amount thereof together with any amounts then payable under Clauses 8.1 (*Additional Amounts*), 8.2 (*Tax Indemnity*) or 13 (*Change in Law; Increase in Cost*) and pay the accrued and unpaid interest on such Outstanding Principal Amount up to and excluding such repayment date. Prior to giving any such notice in the event of the Borrower being obliged to make an additional payment as referred to in this Clause 6.3, the Borrower shall address and deliver to the Lender an Officers' Certificate confirming that the Borrower would be required to make such payment and that the obligation to make such payment cannot or could not be avoided by the Borrower taking reasonable measures available to it.

6.4 Reduction of the Loan Upon Cancellation of Notes

Subject to the prior written consent of the CBR, the Borrower may from time to time deliver, or procure the delivery of, Notes held by it (or the global Note representing such Notes held by it as the case may be) to the Lender, together with a request for the Lender to procure cancellation of such Notes (or a specified aggregate principal amounts of Notes where such Notes are represented by a global Note) by the Registrar (which instructions shall be accompanied by evidence satisfactory to the Registrar that the Borrower is entitled to give such instructions, including, without limitation, a certificate from an applicable clearing system), whereupon the Lender shall, pursuant to the Paying Agency Agreement, request the Registrar to cancel such Notes, or specified aggregate principal amount of Notes represented by the global Note, as the case may be. Upon any such cancellation by or on behalf of the Registrar, and with the prior written consent of the CBR, the principal amount of the Loan corresponding to the principal amount of such Notes together with any accrued and unpaid interest and other amounts (if any) thereon shall be deemed extinguished for all purposes as of the date of such cancellation.

6.5 Repayment on the Reset Date

Subject to the provisions of sub-clause 6.1.3 above, the Borrower at its option, and with the prior written consent of the CBR, may repay the Loan in whole but not in part, at the Outstanding Principal Amount thereof together with interest accrued to (but excluding) the date of repayment and all other sums payable by the Borrower pursuant to this Agreement, on the Reset Date, which falls after the 5th anniversary of the inclusion of the Loan in the Tier 2 Capital of the Borrower. Notice of such payment shall be given by the Borrower to the Lender, with a copy to the Trustee, not more than 60 nor less than 30 days prior to the Reset Date.

6.6 Payment of Other Amounts and Costs of Repayment

If the Loan is to be repaid by the Borrower pursuant to any of the provisions of this Clause 6 (*Maturity and Repayment*), the Borrower shall, simultaneously with such repayment, pay to the Lender accrued interest thereon to (but excluding) the date of actual payment and all other sums payable by the Borrower pursuant to this Agreement.

6.7 Provisions Exclusive

The Borrower shall not repay the Loan except at the times and in the manner expressly provided for in this Agreement. The Borrower shall not be permitted to re-borrow any amounts repaid.

6.8 Notice of Discharge

Upon the repayment, in accordance with this Clause 6 (*Maturity and Repayment*), of the Loan together with any accrued interest thereon to (but excluding) the date of actual payment and all other sums payable by the Borrower pursuant to this Agreement, the Lender shall within five Business Days deliver to the Borrower a notice of discharge in the form of a deed drafted by the Borrower acknowledging the full and complete discharge of the Borrower's duties, obligations and liabilities under or in respect of this Agreement and irrevocably and unconditionally releasing and discharging the Borrower from any and all future:

6.8.1 claims or demands that the Lender has or may have against the Borrower; and

6.8.2 duties, obligations and liabilities that the Borrower has, or may have, to the Lender,

under or in respect of this Agreement.

7 Payment

7.1 Making of Payments

All payments of principal and interest to be made by the Borrower under this Agreement shall be made unconditionally by credit transfer to the Lender not later than 10.00 a.m. (New York City time) one Business Day prior to each Interest Payment Date or the Repayment Date (as the case may be), and in the case of any payments made in connection with Clause 6 (*Maturity and Repayment*) one Business Day prior to the date on which such repayment is due to be made, in same-day funds to the Account or as the Trustee may otherwise direct following the occurrence of an Acceleration Event or a Relevant Event (as defined in the Trust Deed).

The Lender agrees with the Borrower that the Lender will not deposit any other monies into the Account and that no withdrawals shall be made from the Account other than for payments to be made in accordance with this Agreement and the Finance Documents.

7.2 No Set-Off or Counterclaim

All payments to be made by the Borrower under this Agreement shall be made in full without set-off or counterclaim and shall be made free and clear of and without deduction for or on account of any set-off or counterclaim.

7.3 Alternative Payment Arrangements

If, at any time, it shall become impracticable, by reason of any action of any governmental authority or any change of law, exchange control regulations or any similar event, for the Borrower to make any payments hereunder in the manner specified in Clause 7.1 (*Making of Payments*), then the Borrower may agree with the Lender and the Trustee alternative arrangements for such payments to be made subject to applicable law and CBR regulations; provided that, in the absence of any such agreement, the Borrower shall be obliged to make all payments due to the Lender in the manner specified herein.

8 Taxes

8.1 Additional Amounts

All payments made by the Borrower under or in respect of this Agreement shall be made (except to the extent required by law) free and clear of and without deduction or withholding for or on account of any Taxes imposed, collected, withheld, assessed or levied on behalf of any government or political subdivision or territory or possession of any government or authority or Agency therein having the power to tax (each a "**Taxing Authority**") within Russia or Ireland. If the Lender or Borrower becomes subject at any time to any taxing jurisdiction other than or in addition to Russia or Ireland, as the case may be, references to jurisdiction in this Clause 8.1 shall be construed as references to Russia and/or Ireland and/or such other jurisdiction and in addition, upon enforcement of the fixed charge in the Trust Deed over certain rights, benefits and/or obligations under this Agreement, references in this Clause 8.1 to "Ireland" shall be construed as references to the jurisdiction which the Trustee is a resident of and acting through for tax purposes.

If the Borrower is required by applicable law to make any deduction or withholding from any payment under or in respect of this Agreement for or on account of any such Taxes referred to in the preceding paragraph of this Clause 8.1, it shall, on the date such payment is made, pay such additional amounts ("**Additional Amounts**") as may be necessary to ensure that the Lender receives and retains a net amount in Dollars equal to the full amount which it would have received and retained had such deduction or withholding not been required and shall promptly account to the relevant authorities (within the time specified by legislation) for the relevant amount of such Taxes so withheld or deducted and shall deliver to the Lender without undue delay evidence satisfactory to the Lender of such deduction or withholding and of the accounting therefore to the relevant Taxing Authority. If the Lender is or will be subject to any liability or required to make any payment for or on account of Taxes in relation to a sum received or receivable (or any sum deemed for the purposes of Tax to be received or receivable) under or in respect of the Notes, the Borrower shall on demand pay to the Lender an amount in Dollars equal to the loss, liability or cost which the Lender, or as the case maybe, Trustee has or will have (directly or indirectly) suffered for or on account of Tax of the Lender or the Noteholders.

8.2 Tax Indemnity

Without prejudice to the provisions of Clause 8.1 (*Additional Amounts*), if the Lender notifies the Borrower (setting out in reasonable detail the nature and extent of the obligation with such evidence as the Borrower may reasonably require) that it is obliged (or would be but for the limited recourse nature of the Notes) to make any withholding or deduction for or on account of any Taxes from any payment that is due, or would otherwise be due but for the imposition of any such withholding or deduction for or on account of any such Taxes, pursuant to the Notes, the Borrower agrees to pay to the Lender, no later than one Business Day prior to the date on which payment is due to the Noteholders, an additional amount equal to such additional amount as the Lender is required to pay in order that the net amount received by the Noteholders after such deduction or withholding will equal the respective amounts which would have been received by the Noteholders in the absence of such withholding or deduction; provided, however, that the Lender shall immediately upon receipt from any Paying Agent of any sums paid pursuant to this provision, to the extent that the Noteholders are not entitled to such

additional amounts pursuant to the terms and conditions of the Notes, repay such additional amounts to the Borrower as are recovered (it being understood that none of the Lender, or any Paying Agent shall have any obligation to determine whether any Noteholder is entitled to such additional amount). All payments under this Clause 8.2 will be made by the Borrower, subject to the relevant expenses being properly documented.

Without prejudice to, and without duplication of the provisions of Clause 8.1 (*Additional Amounts*), if at any time the Lender makes or is required to make any payment to a Person (other than to or for the account of any Noteholder) on account of Tax in respect of this Loan or in respect of the Notes imposed by any Taxing Authority in the jurisdiction in which the Lender is resident for tax purposes, or any liability in respect of any such payment is asserted, imposed, levied or assessed against the Lender, the Borrower shall, as soon as reasonably practicable, and in any event within 30 calendar days of, written demand (setting out in reasonable detail the nature and extent of the obligation with such evidence as the Borrower may reasonably require) made by the Lender, indemnify the Lender against any such payment or liability, or any claim, demand, action, damages or loss in respect thereof, together with any interest, penalties, costs and expenses (including without limitation, legal fees and any applicable value added tax properly payable) payable or reasonably incurred in connection therewith.

Any payments required to be made by the Borrower under this Clause 8.2 are collectively referred to as "**Tax Indemnity Amounts**". For the avoidance of doubt, the provisions of this Clause 8.2 shall not apply to any withholding or deductions of Taxes with respect to the Loan which are subject to payment of Additional Amounts under Clause 8.1 (*Additional Amounts*).

If the Lender intends to make a claim for any Tax Indemnity Amounts, it shall promptly notify the Borrower thereof.

8.3 Tax Credits and Refunds

If an Additional Amount is paid under Clause 8.1 (*Additional Amounts*) or a Tax Indemnity Amount is paid under Clause 8.2 (*Tax Indemnity*) by the Borrower and the Lender, in its absolute discretion, determines that it has received or been granted and has utilised a credit against, a relief, remission for, or a repayment of any Taxes, then if and to the extent that the Lender determines that such credit, relief, remission or repayment (a "**Tax Benefit**") is in respect of or calculated with reference to the deduction or withholding giving rise to such increased payment, or as the case may be in respect of an additional payment with reference to the loss, liability or cost giving rise to the additional payment, the Lender shall, to the extent that it determines in its absolute discretion that it can do so without prejudice to its right to the amount of such credit, relief, remission or repayment and without worsening the position it would have been in had such Additional Amount or Tax Indemnity Amount not been required to be repaid, repay to the Borrower an amount equal to such amount as is attributable to such deduction or withholding or, as the case may be, such loss, liability or cost.

Nothing contained in this Clause 8.3 shall interfere with the right of the Lender to arrange its tax affairs in whatever manner it thinks fit nor oblige the Lender to disclose any confidential information or any information relating to its tax affairs, any computations in respect thereof, or its business or any part of its business.

If the Borrower makes a withholding or deduction for or on account of Taxes from a payment under or in respect of this Agreement and if an Additional Amount is paid under Clause 8.1 (*Additional Amounts*) or a Tax Indemnity Amount is paid under Clause 8.2 (*Tax Indemnity*) by the Borrower, the Lender may apply to the relevant Russian Taxing Authority for a payment to be made by such authorities to the Lender with respect to such Tax and the Borrower shall provide any required assistance to the Lender in respect of such application. If, whether following a claim made on its behalf by the Borrower or otherwise, the Lender receives and retains such a payment (a "**Russian Tax Payment**") from the Russian Taxing Authority with respect to such Taxes, it will as soon as reasonably possible notify the Borrower that it has received and retained that payment (and the amount of such payment); whereupon, provided that the Borrower has notified the Lender in writing of the details of an account (the "**Borrower Account**") to which a payment or transfer should be made, and that the Lender is able to make a payment or transfer under applicable laws and regulations and without worsening the position it would have been in had such Additional Amount or Tax Indemnity Amount not been required to be paid, the Lender will pay or transfer an amount equal to the Russian Tax Payment to the Borrower Account.

8.4 Tax Treaty Relief

The Lender, at the cost of the Borrower (such costs to be properly documented by the Lender), shall make reasonable and timely efforts to assist the Borrower to obtain relief from withholding of Russian income tax pursuant to the double taxation treaty between Russia and the jurisdiction in which the Lender is tax resident, including its obligations under Clause 8.5 (*Delivery of Forms*).

8.5 Delivery of Forms

The Lender shall, at the cost of the Borrower (such costs to be properly documented by the Lender) and at the request of the Borrower but not later than 20 calendar days prior to the date of the first Interest Payment Date (and thereafter as soon as possible at the beginning of each calendar year, but not later than 20 Business Days prior to the first Interest Payment Date in that year), use its best efforts to deliver to the Borrower a certificate issued by the Revenue Commissioners in Ireland (or such Qualifying Jurisdiction in which the Lender or any successor thereto is resident for tax purposes) confirming the status of the Lender as a resident of Ireland for the purposes of the Agreement between Ireland and the Russian Federation for the avoidance of double taxation with respect to taxes on income for the appropriate year (or such Qualifying Jurisdiction in which the Lender or any successor thereto is resident for tax purposes) (the "**Residency Certificate**"), provided the Residency Certificate shall be properly legalised or apostilled by the Lender. The Lender shall (to the extent it is able to do so under applicable law including Russian laws) each year while the Loan remains outstanding no less than 30 Business Days before the first Interest Payment Date in that particular year (and at the request of the Borrower), use its best efforts to deliver to the Borrower at the cost of the Borrower (such costs to be properly documented by the Lender) any other documents, together with a power of attorney prepared by the Borrower with, if requested and at the cost of the Borrower (such costs to be properly documented by the Lender), an independent English translation thereof authorising the Borrower to make the relevant filings with the Russian tax authorities and such other information as may need to be duly completed and delivered by the Lender to enable the Borrower to apply to obtain relief from deduction or withholding of Russian tax after the date

of this Agreement or, as the case may be, to apply to obtain a tax refund if a relief from deduction or withholding of Russian tax has not been obtained. The Lender shall not be responsible for any failure to provide, or any delays in providing, the Residency Certificate as a result of any action or inaction of any authority of Ireland (provided that the Residency Certificate has been properly requested by the Lender and reasonably sufficient time has been allowed for the authorities in Ireland to issue such certificate), but shall notify the Borrower as soon as practicable about any such failure or delay with an indication of the actions taken by the Lender to obtain the Residency Certificate. The application form and, if required, other documents provided by the Lender referred to in this Clause 8.5 shall be duly signed by the Lender, if applicable, and stamped or otherwise approved or certified by the Revenue Commissioners in Ireland at the cost of the Borrower (such costs to be properly documented by the Lender), if applicable, and the power of attorney shall be duly signed and apostilled or otherwise legalised at the cost of the Borrower. If a relief from deduction or withholding of Russian tax or a tax refund under this Clause 8.5 has not been obtained and further to an application of the Borrower to the relevant Russian tax authorities the latter requests the Lender's Rouble bank account details, the Lender shall at the request of the Borrower (a) use reasonable efforts to procure that such Rouble bank account of the Lender is duly opened and maintained, and (b) thereafter furnish the Borrower with the details of such Rouble bank account. The Borrower shall pay (or reimburse) for all costs (such costs to be properly documented by the Lender) associated, if any, with opening and maintaining such Rouble bank account.

The Borrower and the Lender (using its best endeavours and in accordance with applicable law) agree that should the Russian legislation regulating the procedure for obtaining an exemption from Russian income tax withholding or the interpretation thereof by the relevant competent authority change, then the procedure referred to in this Clause 8.5 will be deemed changed accordingly.

The Borrower shall advise the Lender as soon as reasonably practicable of any modification to or development in Russian tax laws and regulations which affect or are capable of affecting the relief of the Lender from Russian withholding tax in respect of payments under this Agreement in order to ensure that, prior to the first Interest Payment Date and at the beginning of each calendar year, the Lender can provide the Borrower with the documents required under applicable Russian law for the relief of the Lender from Russian withholding tax in respect of payments under this Agreement.

8.6 Mitigation

If at any time either party hereto becomes aware of circumstances which would or might, then or thereafter, give rise to an obligation on the part of the Borrower to make any deduction, withholding or payment as described in Clauses 6.3 (*Repayment in the Event of Taxes or Increased Costs*), 8.1 (*Additional Amounts*) or 8.2 (*Tax Indemnity*), then, without in any way limiting, reducing or otherwise qualifying the Lender's rights, or the Borrower's obligations, under such Clauses, such party shall promptly upon becoming aware of such circumstances notify the other party, in writing and, thereupon the parties shall consider and consult with each other in good faith with a view to finding, agreeing upon and implementing a method or methods by which any such obligation may be avoided or mitigated and, to the extent that the parties can do so without taking any action which in the reasonable opinion of such party is prejudicial to its own position, take such reasonable steps as may be reasonably available to it to avoid such

obligation or mitigate the effect of such circumstance, including in the case of the Lender (without limitation) by transfer of its rights or obligations under this Agreement (but only in accordance with the terms and conditions of the other Finance Documents); provided, however, that the Lender shall, in no circumstance, be required to undertake any expense prior to being ensured to its satisfaction that it will be reimbursed therefor.

8.7 Lender Notification

The Lender agrees promptly, upon becoming actually aware thereof, to notify the Borrower if it ceases to be resident in Ireland or a Qualifying Jurisdiction or if any of the representations and warranties of the Lender set forth in the Subscription Agreement are no longer true and correct.

9 Write Down

9.1 Write Down Measures

If a Write Down Event has occurred and is continuing on the Write Down Measure Effective Date:

9.1.1 the following consequences arise (in the order set out in sub-clause 9.1.2):

(i) any accrued and unpaid interest payable in respect of the Loan shall not be paid and shall not accumulate as a result of the full or partial termination of the Borrower's obligations hereunder to pay the amounts of accrued and unpaid interest under the Loan (such measure being an "**Interest Cancellation Measure**" or an "**Interest Cancellation**" and "**Cancel**" or "**Cancelled**" being construed accordingly); and

(ii) the Borrower's obligations hereunder to repay the principal amount of the Loan as well as to pay any applicable Monetary Damages shall be terminated in full or in part (such measure in respect of the principal amount of the Loan being a "**Principal Write Down Measure**", and in respect of any Monetary Damages being a "**Monetary Damages Cancellation Measure**" and the terms "**Write Down**", "**Written Down**", "**Monetary Damages Cancellation**" and "**Cancelled**", respectively, being construed accordingly),

provided, however, that if a Write Down Event has occurred as a result of any losses incurred by the Borrower, a Write Down Measure may only be applied after undistributed profit, reserve fund and other sources of the Borrower's Common Equity Tier 1 Capital have been exhausted to absorb such losses; and

9.1.2 the Borrower shall on the Write Down Measure Effective Date:

(i) firstly, Cancel any applicable Monetary Damages for the purposes of the Monetary Damages Cancellation Measure;

(ii) secondly, if the Monetary Damages Cancellation Measure, together with the cancellation of monetary damages on the Write Down Instruments which qualify as Tier 2 Capital in full is insufficient to remedy the Write Down Event, Cancel the Interest Cancellation Amount for the purposes of the Interest Cancellation Measure;

(iii) thirdly, if the Interest Cancellation Measure, together with cancellation of interest on the Write Down Instruments which qualify as Tier 2 Capital in full is insufficient to remedy the Write Down Event, Write Down the Write Down Amount for the purposes of the Principal Write Down Measure.

9.1.3 Any amount of interest, Monetary Damages or principal referred to in sub-clauses 9.1.1(i) and 9.1.1(ii) above shall be written down *pro rata* with the Borrower's respective obligations under each Write Down Instrument (provided that, to the extent allowed by applicable law, such amounts shall be Written Down *pro rata* with any of the Borrower's respective obligations under each Write Down Instrument which qualifies as Tier 2 Capital, but after any write down under Write Down Instruments which qualify as Additional Tier 1 Capital of the Borrower), in such amount as may be required so that the Borrower's Common Equity Tier 1 Capital Ratio is not less than 2.0 per cent. or, in the case of participation of the CBR or the Deposit Insurance Agency in bankruptcy prevention measures in respect of the Borrower, so that all of the Borrower's capital adequacy ratios meet the requirements prescribed by CBR Instruction No. 180-I or, if such amount exceeds the sum of all accrued and unpaid interest, principal and Monetary Damages, such that the Loan would be reduced to zero.

9.2 The Borrower's Obligation to Provide Notices

The Borrower shall provide (i) to the Lender and the Trustee no later than two Business Days after the Write Down Event Date, a Write Down Event Notice; (ii) to the Lender and the Trustee no later than two Business Days prior to the relevant Write Down Measure Effective Date, the Write Down Measure Notice; and (iii) to the Lender and the Trustee immediately after the cessation of any Write Down Event, a written notice of such cessation. If, in respect of the Participation Plan Trigger, the Borrower is notified of the date on which the CBR or the Deposit Insurance Agency will start to implement any actual bankruptcy prevention measures less than five Business Days in advance, it shall promptly give such Write Down Measure Notice and in no event later than the Write Down Measure Effective Date.

The disclosure of the occurrence of a Write Down Event on the official website of the CBR and the provision by the Borrower to the CBR of information on:

(i) the aggregate amount of the Borrower's obligations under the Loan and the Write Down Instruments (including accrued interest);

(ii) the aggregate amount of monetary damages (if any) under the Loan and the Write Down Instruments, where the Borrower's obligations are subject to termination and (or) the creditors' claims are subject to conversion or exchange;

(iii) the aggregate amount of obligations under the Loan and the Write Down Instruments (including accrued interest) that are required to be terminated so that the Borrower's Common Equity Tier 1 Capital Ratio is not less than 2.0 per cent. or, in the case of participation of the CBR or the Deposit Insurance Agency in bankruptcy prevention measures in respect of the Borrower, so that all of the Borrower's capital adequacy ratios meet the requirements prescribed by CBR Instruction No. 180-I,

and such other information (including information on the Borrower's approach to performance of the relevant provisions of subordinated instruments on conversion or exchange and

termination of obligations) as may be required by Regulation No. 646-P or other applicable regulations will be made within the periods and in the manner set out in Regulation No. 646-P or such other applicable regulations.

9.3 Consequences of a Write Down Measure

A Write Down Event may occur on more than one occasion (and Monetary Damages and accrued interest may be Cancelled and the Loan may be Written Down in accordance with this Clause 9 (*Write Down*) on more than one occasion).

The principal amount of the Loan may only be used to remedy the Write Down Event *pro rata* with any principal amounts under each Write Down Instrument. Monetary Damages and accrued interest may only be Cancelled by the Borrower *pro rata* with monetary damages and accrued interest on each Write Down Instrument, provided that, to the extent permitted by applicable law, the principal amount of the Loan, Monetary Damages and accrued interest on the Loan shall be Written Down and Cancelled *pro rata* with any amounts of the respective obligations under each Write Down Instrument which qualifies as Tier 2 Capital of the Borrower after any write down of respective amounts under Write Down Instruments which qualify as Additional Tier 1 Capital of the Borrower. If, in connection with any Monetary Damages Cancellation, Interest Cancellation and/or Write Down (if any) of the Loan, any relevant proportion must be determined for the purpose of pro-rating such Monetary Damages Cancellation, Interest Cancellation and Write Down (if any) amongst the Loan and any Write Down Instruments, the monetary damages, accrued interest and principal amount of any obligation (including the Loan and any Write Down Instruments) which is not denominated in Roubles will (for the purposes of such determination only) be deemed to be converted into Roubles at the then prevailing foreign exchange rate as of the date of the disclosure of the occurrence of a Write Down Event on the official website of the CBR.

Following any Write Down in accordance with this Clause 9 (*Write Down*), references herein to "outstanding principal amount" of the Loan shall be construed as references to the Outstanding Principal Amount. If the principal amount of the Loan is Written Down to zero, this Agreement shall cease to have effect.

Once the principal amount of the Loan has been Written Down in accordance with this Clause 9 (*Write Down*), the principal amount so Written Down may not be restored under any circumstances, including where the relevant Write Down Event(s) is(are) no longer continuing.

Any Monetary Damages and/or interest payment that has been Cancelled in accordance with this Clause 9 (*Write Down*), shall not accumulate or be payable at any time thereafter, including where the relevant Write Down Event(s) is(are) no longer continuing. No Monetary Damages or interest shall accrue from the Write Down Measure Effective Date as long as a Write Down Event(s) is(are) continuing.

Subject to this Clause 9 (*Write Down*), the Borrower shall determine the Monetary Damages Cancellation Amount, Interest Cancellation Amount and the Write Down Amount in its sole discretion (applying, for the purposes of conversion into Roubles, the then prevailing foreign exchange rate as of the date of the disclosure of the occurrence of a Write Down Event on the official website of the CBR) and shall set out its determination thereof in the relevant Write Down Measure Notice together with the then remaining Outstanding Principal Amount of the

Loan (if any) and the then remaining Monetary Damages and accrued but unpaid interest following the relevant Monetary Damages Cancellation, Interest Cancellation and/or Write Down in accordance with this Clause 9 (*Write Down*). The Borrower's determination of the Interest Cancellation Amount and the Write Down Amount (if any) shall in the absence of fraud or manifest error be binding on all parties.

Notwithstanding any other provision of this Agreement, an Interest Cancellation or a Write Down shall not constitute an Acceleration Event (or a Potential Acceleration Event) or a default under this Agreement.

9.4 No Payments Upon Occurrence of a Write Down Event

If a Write Down Event has occurred any Write Down Measures that are being applied shall apply until the Common Equity Tier 1 Capital Ratio of the Borrower is not less than 2.0 per cent. or, in the case of participation of the CBR or the Deposit Insurance Agency in bankruptcy prevention measures in respect of the Borrower, until all of the Borrower's capital adequacy ratios meet the requirements prescribed by CBR Instruction No. 180-I.

From the Write Down Event Date and until the Write Down Measure Effective Date, the Borrower shall not make any payments under this Agreement.

10 Variation or Modification due to Change in Law

If, as a result of any amendment or supplement to, clarification or replacement of, or change in (including a change in the interpretation by any person charged with the administration thereof or application of), Regulation No. 646-P or any other applicable legislation having force in the Russian Federation from time to time on determining the amount of own funds (capital) of credit organisations:

10.1.1 the common equity tier 1 capital ratio (determined pursuant to CBR Instruction No. 180-I), the breach of which triggers the write down of a subordinated loan which qualifies as tier 2 capital (*dopolnitelniy kapital*) (determined pursuant to Regulation No. 646-P) is decreased compared to the common equity tier 1 capital ratio used in the definition of the Capital Ratio Trigger and/or the respective number of days applicable to such ratio trigger is increased compared to the number of days used in the definition of the Trigger Period, then, for the purposes of the definition of a Write Down Event, the Capital Ratio Trigger and/or the Trigger Period shall be deemed to be amended accordingly;

10.1.2 the actions that constitute the Participation Plan Trigger cease to trigger the write down of a subordinated loan which qualifies as Tier 2 capital (*dopolnitelniy kapital*) (determined pursuant to Regulation No. 646-P), then the definition of the Participation Plan Trigger and other provisions of this Agreement relating to the Participation Plan Trigger shall no longer apply; or

10.1.3 it is expressly allowed to restore or reinstate the principal amount of the Loan following any Write Down, then (and unless the Loan has already been Written Down to zero) Clause 9.3 (*Consequences of a Write Down Measure*) shall be amended to provide for such restoration or reinstatement of any amounts Written Down as a consequence of a Write Down Event,

and, if and to the extent required by applicable law or regulations, the parties shall enter into a supplemental agreement to this Agreement or an amendment and restatement agreement to this Agreement to give effect to such amendments in accordance with Clause 11 (*Conditions to Amendment*), ***only if*:**

(a) the Borrower shall submit a draft of such supplemental agreement or amendment and restatement agreement to the CBR and obtain the prior written consent of the CBR to such draft agreement in accordance with Regulation No. 646-P, as may be applicable;

(b) the Loan will continue to be eligible for inclusion into own funds (capital) of the Borrower as Tier 2 Capital following such variation or amendment at least to the same extent as before such variation or amendment; and

(c) in relation to sub-clause 10.1.3 only, such amendments would not trigger any obligation to pay or withhold any Taxes on the amount of the Loan so restored or reinstated.

This Agreement may be amended and/or varied pursuant to this Clause 10 by an agreement in writing (an "**Amendment Agreement**") entered into by the Lender and the Borrower only without any requirement for any agreement, consent or approval of the Trustee after the date of this Agreement, subject to the Trust Deed.

Any amendments to this Agreement made pursuant to this Clause 10 shall become effective on and from the date when a copy of such duly executed Amendment Agreement is delivered to the Trustee by e-mail in accordance with Clause 19 (*Notices*) together with written confirmation, addressed to the Trustee and signed by or on behalf of the Borrower, that the amendments have otherwise become effective in accordance with Clause 11 (*Conditions to Amendment*), ***provided that*** no amendment or variation of this Agreement pursuant to this Clause 10 shall take effect to the extent that it provides for any duties, discretions or obligations to be placed upon the Trustee which are not provided for in this Agreement (excluding such amendment or variation) or would otherwise have an adverse effect on the rights of the Trustee under this Agreement, in law or otherwise, without the consent in writing of the Trustee.

11 Conditions to Amendment

Any variation of, or amendment to, this Agreement shall become effective once:

(a) a draft of any amendment has been submitted to the CBR;

(b) a written approval from the CBR shall have been received in respect of the amendment referred to in sub-clause 11 (a) above; and

(c) the amendment referred to in sub-clause 11 (a) above is in writing signed by the Lender and the Borrower.

12 Conditions Precedent

The obligation of the Lender to make the Advance shall be subject to the conditions precedent that as at the Closing Date (a) no Acceleration Event or Potential Acceleration Event shall have occurred, (b) the Lender shall have received the full funding of the Advance and that funding shall be and shall remain available in full to be on-lent to the Borrower and (c) the Lender shall have received in full the Facility Fee pursuant to Clause 4.2 (*Facility Fee*).

13 Change in Law; Increase in Cost

13.1 Compensation

In the event that after the date of this Agreement there is any change in or introduction of any tax, law, regulation, regulatory requirement or official directive (whether or not having the force of law but, if not having the force of law, the observance of which is in accordance with the generally accepted financial practice of financial institutions in the country concerned) or in the interpretation or application thereof by any person charged with the administration thereof and/or any compliance by the Lender in respect of the Loan or the Facility with any request, policy or guideline (whether or not having the force of law but, if not having the force of law, the observance of which is in accordance with the generally accepted financial practice of financial institutions in the country concerned) from or of any central or other fiscal, monetary or other authority, agency or any official of any such authority which:

13.1.1 subjects or will subject the Lender to any Taxes with respect to payments of principal of or interest on the Loan or any other amount payable under this Agreement (other than any Taxes payable by the Lender on its overall net income, capital gains or any Taxes referred to in Clauses 8.1 (*Additional Amounts*) and 8.2 (*Tax Indemnity*)); or

13.1.2 increases or will increase the taxation of or changes or will change the basis of taxation of payments to the Lender of principal of or interest on the Loan or any other amount payable under this Agreement (other than any such increase or change which arises by reason of any increase in the rate of tax payable by the Lender on its overall net income, capital gains or as a result of any Taxes referred to in Clauses 8.1 (*Additional Amounts*) and 8.2 (*Tax Indemnity*)); or

13.1.3 imposes or will impose on the Lender any other condition affecting this Agreement, the Facility or the Loan,

and if as a result of any of the foregoing:

(i) the cost to the Lender of making, funding or maintaining the Loan or the Facility, is increased; or

(ii) the amount of principal, interest or other amount payable to or received by the Lender hereunder is reduced; or

(iii) the Lender makes any payment or foregoes any interest or other return on or calculated by reference to the gross amount of any sum receivable by it from the Borrower hereunder or makes any payment or foregoes any interest or other return on or calculated by reference to the gross amount of the Loan,

then subject to the following, and in each such case:

(a) the Lender shall, as soon as practicable after becoming actually aware of such increased cost, reduced amount or payment made or foregone, give written notice to the Borrower, together with a certificate signed by the duly authorised signatories of the Lender describing in reasonable detail the introduction or change or request which has occurred and the country or jurisdiction concerned and the nature and date thereof and

demonstrating the connection between such introduction, change or request and such increased cost, reduced amount or payment made or foregone, and setting out in reasonable detail the basis on which such amount has been calculated, and all relevant supporting documents evidencing the matters set out in such certificate; and

(b) the Borrower, in the case of sub-clauses (i) and (iii) above, shall on demand by the Lender, pay to the Lender such additional amount as shall be necessary to compensate the Lender for such increased cost, and, in the case of sub-clause (ii) above, at the time the amount so reduced would otherwise have been payable, pay (or reimburse) to the Lender such additional amount as shall be necessary to compensate the Lender for such reduction, payment or foregone interest or other return; provided, however, that the amount of such increased cost shall be deemed not to exceed an amount equal to the proportion thereof which is directly attributable to this Agreement,

further provided, however, that this Clause 13.1 will not apply to or in respect of any matter for which the Lender has already been compensated under Clause 8.1 (*Additional Amounts*) or Clause 8.2 (*Tax Indemnity*).

13.2 Lender Tax Event

If, as a result of a change in the law, practice or interpretation of the law by any person charged with the administration thereof, the Lender is unable to obtain relief in computing its Irish tax liability for some or all of the interest payable on the Loan (having duly and timely claimed such relief and notwithstanding receipt of confirmation from the relevant tax authorities that such relief is available), the Borrower agrees to pay such additional amount to the Lender that the Lender reasonably determines would be necessary to ensure the Lender receives the amount it would have received and retained had such deduction or withholding not been required. The Borrower's obligation to pay such additional amounts shall survive the termination of this Agreement.

13.3 Mitigation

In the event that the Lender becomes entitled to make a claim pursuant to Clause 13.1 (*Compensation*) or 13.2 (*Lender Tax Event*) the Lender shall consult in good faith with the Borrower and shall use reasonable efforts (based on the Lender's reasonable interpretation of any tax, law, regulation, requirement, official directive, request, policy or guideline) to reduce, in whole or in part, the Borrower's obligations to pay (or reimburse) any additional amount pursuant to such Clause, including by the transfer of its rights and obligations under this Agreement to another lender in accordance with the terms of this Agreement and with the prior written consent of the CBR to such change of the Agreement, except that nothing in this Clause 13.3 (*Mitigation*) shall oblige the Lender to incur any costs or expenses in taking any action hereunder unless the Borrower agrees to reimburse the Lender such costs or expenses.

14 Acceleration Events

14.1 Payment Default and Remedies

If the Borrower fails to pay within ten Business Days any amount payable under this Agreement as and when such amount becomes payable in the currency and in the manner specified herein, the Lender may, other than in cases set out in Clause 9 (*Write Down*) at its discretion and without further notice, institute proceedings in the manner and to the extent contemplated by the Russian law for the insolvency (bankruptcy) of the Borrower and/or to prove for its debt, and claim, in any consequent liquidation of the Borrower.

14.2 Winding-up

On the occurrence of any of the following events:

14.2.1 the commencement of any liquidation of the Borrower (*likvidatzia*, as such term is defined under the Civil Code of the Russian Federation);

14.2.2 the entering into force of the decision of a competent court of the Russian Federation on bankruptcy of the Borrower (*reshenie o priznanii dolzhnika bankrotom*, as such term is defined under the Insolvency Law);

14.2.3 any revocation of any licence for the performance of banking operations of the Borrower, or

14.2.4 any other event which, under applicable Russian laws, is analogous to the events specified in the foregoing paragraphs, whereby the obligations of the Borrower under this Agreement are accelerated,

the Lender may give notice to the Borrower that under the laws of the Russian Federation the Loan is, and it shall accordingly become, due and repayable (*srok ispolneniya obyazatelstv schitaetsya nastupivshim*, as such term is used in Russian law) (subject to and in accordance with the provisions of Clause 3.1 (*Subordination*)) at the principal amount thereof together with any interest accrued and unpaid to the date of repayment and any other sums due and payable by the Borrower pursuant to this Agreement, and the Lender may, at its discretion and without further notice, take any actions in the manner and to the extent contemplated by the applicable law of the Russian Federation to prove for its debt and/or, to the extent applicable, commence liquidation or winding up proceedings of the Borrower.

14.3 Notice of Acceleration Event

The Borrower shall deliver to the Lender and the Trustee, (i) within seven days of any written request by the Lender or the Trustee: or (ii) as soon as reasonably practicable upon becoming aware of the occurrence thereof, written notice in the form of an Officer's Certificate of any event described in Clauses 14.1 (*Payment Default and Remedies*) and 14.2 (*Winding-up*) (each an "**Acceleration Event**"), its status and what action the Borrower is taking or proposes to take with respect thereto.

14.4 Proceedings

In addition to its rights under Clauses 14.1 (*Payment Default and Remedies*) and 14.2 (*Winding-up*), the Lender may institute such other actions or proceedings against the Borrower as it may

reasonably think necessary to enforce any obligation, condition or provision binding on the Borrower under this Agreement (other than any obligation for payment of any principal or interest in respect of the Loan contemplated by Clause 14.1 (*Payment Default and Remedies*)) provided that the Borrower shall not by virtue of any such actions or proceedings be obliged to pay (i) any sum or sums representing or measured by reference to principal or interest in respect of the Loan sooner than the same would otherwise have been payable by it or (ii) any damages (including any Monetary Damages).

15 Rights Not Exclusive

The rights and remedies provided for in this Agreement are cumulative to the extent permitted by law and are not exclusive of any other rights, powers, privileges or remedies provided by law.

16 Indemnity

16.1 Indemnification

The Borrower undertakes to the Lender, that if the Lender or any director, officer or employee of the Lender and each person controlling the Lender within the meaning of the United States securities laws (each an "**Indemnified Party**") incurs any loss, liability, cost, claim, charge, expense (including, without limitation, Taxes, legal fees and expenses and any applicable stamp duties, capital duties and other similar duties payable, including any interest thereon and penalties or other amounts relating to such payments incurred or in connection therewith), demand, action and damages (a "**Loss**") as a result of or in connection with the Loan, this Agreement (or enforcement thereof), and/or the issue, constitution, sale, listing and/or enforcement of the Notes and/or the Notes being outstanding (other than in relation to tax on its own net income, profits or gains), the Borrower shall reimburse such properly documented Loss, costs, charges and expenses to the Lender on demand in an amount equal to such Loss and all costs, charges and expenses (including any applicable taxes thereon) which may be incurred as a result of or arising out of or in relation to any failure to pay by the Borrower or delay by the Borrower in paying the same, unless such Loss was either caused by such indemnified party's negligence or wilful misconduct or arises out of a breach of the representations and warranties of the Lender contained in the Subscription Agreement.

16.2 Independent Obligation

Clause 16.1 (*Indemnification*) constitutes a separate and independent obligation of the Borrower from its other obligations under or in connection with this Agreement and the other Finance Documents to which it is a party or any other obligations of the Borrower in connection with the issue of the Notes by the Lender and shall not affect, or be construed to affect, any other provision of this Agreement or any such other obligations.

16.3 Evidence of Loss

A certificate of the Lender setting forth the amount of the Loss described in Clause 16.1 (*Indemnification*) and specifying in full detail the basis therefor and calculations (together with properly documented evidence to support such Loss) thereof shall, in the absence of manifest error, be *prima facie* evidence of the amount of such loss, cost, charges and expenses.

16.4 Currency Indemnity

Each reference in this Agreement to Dollars is of the essence. To the fullest extent permitted by law, the obligation of the Borrower in respect of any amount due in Dollars under this Agreement shall, notwithstanding any payment in any other currency (whether pursuant to a judgment or otherwise), be discharged only to the extent of the amount in Dollars that the party entitled to receive such payment may, in accordance with normal banking procedures and at the prevailing foreign exchange rate, purchase with the sum paid in such other currency (after any costs of exchange) on the Business Day immediately following the day on which such party receives such payment. If the amount in Dollars that may be so purchased for any reason falls short of the amount originally due, the Borrower hereby agrees to indemnify and hold harmless the Lender against any deficiency in Dollars. Any obligation of the Borrower not discharged by payment in Dollars shall, to the fullest extent permitted by applicable law, be due as a separate and independent obligation and, until discharged as provided herein, shall continue in full force and effect. If the amount of Dollars that may be so purchased exceeds the amount originally due, the Lender shall promptly repay the amount of the excess to the Borrower.

17 Survival

The obligations of the Borrower and the Lender pursuant to Clauses 8 (*Taxes*), 16.1 (*Indemnification*) and 16.4 (*Currency Indemnity*) shall survive the execution and delivery of this Agreement, the drawdown of the Facility, the repayment of the Loan and the termination of the Agreement subject to applicable statutory limitations.

18 General

18.1 Evidence of Debt

The entries made in the Account referred to in Clause 7.1 (*Making of Payments*) shall, in the absence of manifest error, constitute *prima facie* evidence of the existence and amounts of the Borrower's obligations recorded therein.

18.2 Waivers

No failure to exercise and no delay in exercising, on the part of the Lender or the Borrower, any right, power or privilege hereunder and no course of dealing between the Borrower and the Lender shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof, or the exercise of any other right, power or privilege. The rights and remedies herein provided are cumulative and not exclusive of any rights, or remedies provided by applicable law.

18.3 Reports

18.3.1 The Borrower shall as soon as the same become available, but in any event within 120 days after the end of each of its financial years, deliver to the Lender and the Trustee ABH Financial Limited's consolidated financial statements for such financial year, in each case audited by the auditors.

18.3.2 Within 14 days of any request of the Lender, the Borrower shall deliver to the Lender and the Trustee a written notice in the form of an Officers' Certificate stating whether any Potential Acceleration Event or Acceleration Event has occurred and, if it has

occurred and shall be continuing, what action the Borrower is taking or proposes to take with respect thereto.

18.3.3 The Borrower will on reasonable request of the Lender or the Trustee provide the Lender and the Trustee with such further information, other than information which the Borrower determines in good faith to be confidential, about the business and financial condition of the Borrower and its subsidiaries.

18.3.4 The Borrower consents that any information provided to the Lender pursuant to this Clause 18.3 may also be provided to the Trustee without violating any duty of confidentiality or secrecy that the Lender may owe to the Borrower under the laws of Ireland.

18.3.5 Promptly upon receipt by the Borrower of the Final Conclusion, the Borrower shall deliver a copy of Final Conclusion to the Lender.

19 Notices

All notices, requests, demands or other communications to or upon the respective parties hereto shall be given in writing (in English) by facsimile, by e-mail, by hand or by courier addressed as follows:

(a) if to the Borrower:

12 Acad. Sakharova Pr-t
107078 Moscow
Russia

E-mail: DCM_Treasury@alfabank.ru
Fax: +7 495 795 36 68
Attention: Head of Treasury

(b) if to the Lender:

3rd Floor, Kilmore House
Park Lane, Spencer Dock
Dublin 1
Ireland
E-mail: Ireland@tmf-group.com
Fax: +353 1614 6250
Attention: The Directors

(c) if to the Trustee:

BNY Mellon Corporate Trustee Services Limited
One Canada Square
London E14 5AL
United Kingdom
E-mail: corpsov2@bnymellon.com
Fax: +44(0) 207 964 2509

Attention: Trustee Administration Manager Project Artemis

or to such other address, e-mail or fax number as any party may hereafter specify in writing to the other. Every notice or other communication sent in accordance with this Clause 19 shall be effective upon receipt by the addressee on a Business Day in the city of the recipient, ***provided however***, that any such notice or other communication which would otherwise take effect after 4.00 p.m. on any particular day, shall not take effect until 10.00 a.m. on the immediately succeeding Business Day in the place of the addressee.

20 Assignment

(a) This Agreement shall inure to the benefit of and be binding upon the parties hereto, their respective successors and any permitted assignee or transferee of some or all of such party's rights or obligations under this Agreement. Any reference in this Agreement to any party shall be construed accordingly and, in particular, references to the exercise of rights and discretions by the Lender, following the assignment pursuant to the grant of the security referred to in Clause 20 (c) below, shall be references to the exercise of such rights or discretions by the Trustee (as Trustee). Notwithstanding the foregoing, the Trustee shall not be entitled to participate in any determinations by the Lender or any discussions or agreements between or of the Borrower and the Lender pursuant to Clauses 8.3 (*Tax Credits and Refunds*), 8.5 (*Delivery of Forms*), 8.6 (*Mitigation*) or 13.3 (*Mitigation*).

(b) The Borrower shall not be entitled to assign or transfer all or any part of its rights or obligations hereunder to any other party.

(c) The Lender may not assign or transfer, in whole or in part, any of its rights and benefits or obligations under this Agreement except to the Trustee by granting the security over the Lender's rights under this Agreement, including any assignment of such rights to the Trustee, pursuant to the Trust Deed or pursuant to and in compliance with Clause 26 (*Limited Recourse and Non Petition*) of this Agreement.

21 Governing Law and Waiver of Immunity

21.1 Governing Law

This Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by, and construed in accordance with, the laws of England.

21.2 Waiver of Immunity

To the extent that the Borrower may in any jurisdiction claim for itself or its assets or revenues immunity from suit, execution, attachment (whether in aid of execution, before making of a judgment or award or otherwise) or other legal process including in relation to enforcement of an arbitration award and to the extent that such immunity (whether or not claimed) may be attributed in any such jurisdiction to the Borrower or its assets or revenues, the Borrower agrees not to claim and irrevocably waives such immunity to the full extent permitted by the laws of such jurisdiction.

22 Arbitration

Any dispute arising from or in connection with this Agreement (including a dispute relating to the existence, validity or termination of this Agreement or the consequences of its nullity or any non-contractual obligation arising out or in connection with this Agreement) (a "**Dispute**"), shall be referred to and finally resolved by arbitration in accordance with the Arbitration Rules (the "**Rules**") of the London Court of International Arbitration ("**LCIA Court**") (such arbitration to also be administered by the LCIA Court in accordance with the Rules) which are deemed to be incorporated by reference into this Clause 22. The place of arbitration shall be London, England and the language of the arbitration shall be English. The number of arbitrators shall be three, each of whom shall not be interested in the dispute or controversy, shall have no connection with any party thereto and shall be an attorney experienced in international securities transactions. Each party shall nominate an arbitrator, who, in turn, shall nominate the Chairman of the Tribunal. If a dispute, claim controversy or cause of action shall involve more than two parties, the parties thereto shall attempt to align themselves in two sides (i.e. claimant and respondent) each of which shall appoint an arbitrator as if there were only two sides to such dispute, claim controversy or cause of action. If such alignment and appointment shall not have occurred within 20 calendar days after the initiating party serves the arbitration demand or if a Chairman has not been selected within 30 calendar days of the selection of the second arbitrator, the LCIA Court shall (pursuant to Articles 7(2) and 7(3) of the Rules in force at the date of this Agreement) appoint the three arbitrators or the Chairman, as the case may be. The parties and the LCIA Court may appoint arbitrators from among the nationals of any country, whether or not a party is a national of that country. The arbitrators shall have no authority to award punitive or other punitive type damages and may not, in any event, make any ruling, finding or award that does not conform to the terms and conditions of this Agreement.

The fact that an arbitration award has been made, the content of that award and the arbitration proceedings contemplated by this Clause shall be kept confidential by the parties (other than for purposes of enforcement of the award). Fees of the arbitration (excluding each party's preparation, travel, attorneys' fees and similar costs) shall be borne in accordance with the decision of the arbitrators. The decision of the arbitrators shall be final, binding and enforceable upon the parties and judgment upon any award rendered by the arbitrators may be entered in any court having jurisdiction thereof. In the event that the failure of a party to comply with the decision of the arbitrators requires any other party to apply to any court for enforcement of such award, the non-complying party shall be liable to the other for all costs of such litigation, including reasonable attorneys' fees.

23 Contracts (Rights of Third Parties) Act 1999

A person who is not a party to this Agreement, except for the Trustee, has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement.

24 Counterparts

This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when so executed shall constitute one and the same binding agreement between the parties.

25 Severability

In case any provision in or obligation under this Agreement shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

26 Limited Recourse and Non Petition

The Borrower hereby agrees that it shall have recourse in respect of any claim against the Lender only to sums in respect of principal, interest or other amounts (if any), as the case may be, actually received from the Borrower by or for the account of the Lender after deduction or withholding of such taxes or duties as may be required to be made by the Lender by law in respect of such sum or in respect of the Notes and for which the Lender has not received a corresponding additional payment (also after deduction or withholding of such taxes or duties as may be required to be made by the Lender in respect thereof) pursuant to this Agreement (the "**Lender Assets**"), subject always (1) to the Security Interests (as defined in the Trust Deed) and (2) to the fact that any claims of the Managers (as defined in the Subscription Agreement) pursuant to the Subscription Agreement shall rank in priority to any claims of the Borrower hereunder, and that any such claim by any and all such Managers or the Borrower shall be reduced *pro rata* so that the total of all such claims does not exceed the aggregate value of the Lender Assets after meeting claims secured on them. The Trustee having realised the same, neither the Borrower nor any person acting on its behalf shall be entitled to take any further steps against the Lender to recover any further sums and no debt shall be owed by the Lender to such person in respect of any such further sum. In particular, neither the Borrower nor any other person acting on its behalf shall be entitled at any time to institute against the Lender, or join in any institution against the Lender of, any bankruptcy, administration, moratorium, reorganisation, controlled management, arrangement, insolvency, examinership, winding-up or liquidation proceedings or similar insolvency proceedings under any applicable bankruptcy or similar law in connection with any obligation of the Lender under this Agreement, save for lodging a claim in the liquidation of the Lender which is initiated by another party or taking proceedings to obtain a declaration or judgment as to the obligations of the Lender.

The Borrower shall have no recourse against any director, shareholder, or officer of the Lender in respect of any obligations, covenants or agreement entered into or made by the Lender in respect of this Agreement, except to the extent that any such person acts in bad faith or is negligent in the context of its obligations.

The provisions of this Clause 26 shall survive the termination of this Agreement.

In witness whereof, the parties hereto have caused this Agreement to be executed on the date first written above

For and on behalf of

JOINT STOCK COMPANY "ALFA-BANK"

By:
Title:

Signed by a duly authorised attorney of

ALFA BOND ISSUANCE PLC

By:
Title:

Schedule 1
Form of Write Down Event Notice

To: Alfa Bond Issuance Plc

BNY Mellon Corporate Trustee Services Limited

From: Joint Stock Company "Alfa-Bank"

Dated: [●]

Dear Sirs

Joint Stock Company "Alfa-Bank" – Subordinated Loan Agreement dated 10 October 2019 (the "Subordinated Loan Agreement")

1 We refer to the Subordinated Loan Agreement. Terms defined therein shall have the same meaning herein.

2 This is a Write Down Event Notice for the purposes of the Subordinated Loan Agreement.

3 We notify that the Write Down Event has occurred on [●].

4 [S*pecify relevant event(s) constituting the Write Down Event including the relevant Common Equity Tier 1 Capital Ratio as of the relevant Write Down Event Date and/or the nature of the bankruptcy prevention measures the CBR or the Deposit Insurance Agency has taken a decision to implement as applicable and the grounds for application of such bankruptcy prevention measures*]

for and on behalf of Joint Stock Company "Alfa-Bank"

Signed: _____

Schedule 2
Form of Write Down Measure Notice

To: Alfa Bond Issuance Plc

BNY Mellon Corporate Trustee Services Limited

From: Joint Stock Company "Alfa-Bank"

Dated: [●]

Dear Sirs

Joint Stock Company "Alfa-Bank" – Subordinated Loan Agreement dated 10 October 2019 (the "Subordinated Loan Agreement")

1 We refer to the Subordinated Loan Agreement. Terms defined therein shall have the same meaning herein.

2 This is a Write Down Measure Notice for the purposes of the Subordinated Loan Agreement.

3 We confirm that the Write Down Measure Effective Date is [●].

4 [S*pecify relevant Write Down Measures being implemented including any Interest Cancellation Amount, Monetary Damages Cancellation Amount and any Write Down Amount and the basis of their calculation*]

for and on behalf of Joint Stock Company "Alfa-Bank"

Signed: _____

GENERAL INFORMATION

(1) Alfa Bank and the Issuer have obtained or will obtain all necessary consents, approvals and authorisations in Russia and Ireland in connection with the Further Subordinated Loan and the issue and performance of the Further Notes. The most recent update of the Programme was authorised by the Board of Directors of the Issuer on 16 September 2019. The issue of the Further Notes was authorised by the Board of Directors of the Issuer on 22 November 2019.

(2) Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in connection with the Further Notes and is not itself seeking admission of the Further Notes to the Official List or to trading on the regulated market of Euronext Dublin for the purposes of the Prospectus Regulation.

(3) No consents, approvals, authorisations or orders of any regulatory authorities are required by the Issuer under the laws of Ireland for maintaining the Further Subordinated Loan or for the issue and performance of the Further Notes under the Programme.

(4) There has been no significant change in the financial performance or financial position of Alfa Bank or ABH Financial since 30 June 2019 and no material adverse change in the prospects of Alfa Bank or ABH Financial since 31 December 2018. There has been no material adverse change in the financial position or prospects of the Issuer since 31 December 2018. The Issuer has no subsidiaries.

(5) Neither Alfa Bank nor any of its subsidiaries is involved in, or has been involved in, any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened, of which Alfa Bank is aware) during the last 12 months preceding the date of this Series Prospectus that may have, or have had, during the last 12 months preceding the date of this Series Prospectus, a significant effect on the financial position or profitability of Alfa Bank or its subsidiaries as a whole.

(6) The Issuer is not involved in, nor has been involved in, any governmental, legal or arbitration proceedings, including any such proceedings pending or threatened, of which the Issuer is aware, during the last 12 months preceding the date of this Series Prospectus that may have, or have had, during the last 12 months preceding the date of this Series Prospectus, a significant effect on the Issuer's financial position or profitability.

(7) There are no potential conflicts of interest between any duties of the members of the management or supervisory bodies of Alfa Bank towards the Issuer, Alfa Bank and/or ABH Financial and their private interests and/ or other duties.

(8) For so long as any of the Further Notes are outstanding, copies of the following documents will be available for inspection in physical form at the registered office of the Issuer and the specified offices of the Trustee and the Paying Agent in London during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted):

- the charter of Alfa Bank and the Constitution of the Issuer;
- the Trust Deed in respect of the Further Notes (including the forms of the Global Notes and Definitive Notes);
- the Paying Agency Agreement;
- the Loan Agreement;
- copies of the financial statements of the Issuer for each of the years ended 31 December 2018 and 2017; and
- the Series 10 Prospectus dated 15 October 2019, this Series Prospectus together with any supplement to this Series Prospectus and the Base Prospectus.

(9) Neither Alfa Bank nor the Issuer prepares financial statements in accordance with U.S. GAAP.

(10) As of the date of this Series Prospectus, Alfa Bank is in compliance with applicable Russian law corporate governance requirements in all material respects.

(11) Neither Alfa Bank nor the Issuer intends to provide any post-issuance transaction information regarding the Further Notes or the Further Subordinated Loan.

(12) The contents of any website referred to in this Series Prospectus do not form any part of this Series Prospectus.

(13) Certain of the Joint Lead Managers and/or their affiliates have engaged and could in the future engage in commercial banking and/or investment activities with the Issuer, Alfa Bank and/or ABH Financial and/or their respective affiliates and could, in the ordinary course of their business, provide services to the Issuer, Alfa Bank and/or ABH Financial and/or their respective affiliates. In addition, in the ordinary course of their business activities, the Joint Lead Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer, Alfa Bank and/or ABH Financial and/or their respective affiliates. Certain of the Joint Lead Managers or their affiliates that have a lending relationship with the Issuer, Alfa Bank and/or ABH Financial and/or their respective affiliates routinely hedge their credit exposure to the Issuer, Alfa Bank and/or ABH Financial and/or their respective affiliates consistent with their customary risk management policies. Typically, such Joint Lead Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Further Notes. Any such short positions could adversely affect future trading prices of Further Notes. The Joint Lead Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

(14) Constitutional documents of Alfa Bank are available for viewing at https://alfabank.com/corporate-profile/governance/statutory-documents/. Historical financial statements of ABH Financial are available for viewing at https://alfabank.com/investor-relations/reports-presentations/.

Constitutional documents of the Issuer and the Trust Deed are available for viewing at https://www.ise.ie/Market-Data-Announcements/Debt/Individual-Debt-Instrument-Data/Dept-Security-Documents/?progID=604&FIELDSORT=docId.

BORROWER

Joint Stock Company "ALFA-BANK"
27 Kalanchevskaya Street
107078 Moscow
Russian Federation

ISSUER

Alfa Bond Issuance plc
3rd Floor, Kilmore House, Park Lane
Spencer Dock, Dublin 1
Ireland

JOINT LEAD MANAGERS AND BOOKRUNNERS

Joint Stock Company "ALFA-BANK"
27 Kalanchevskaya Street
107078 Moscow
Russian Federation

J.P. Morgan Securities plc
25 Bank Street
Canary Wharf
London E14 5JP
United Kingdom

LEGAL ADVISERS TO THE BORROWER

As to English and Russian law
Latham & Watkins LLP
Ul. Gasheka 6, Ducat III, Office 510
Moscow 125047
Russia

LEGAL ADVISERS TO THE BOOKRUNNERS

As to Irish law
Arthur Cox
Ten Earlsfort Terrace
Dublin 2
Ireland

As to Russian law
Baker & McKenzie - CIS, Limited
White Gardens, 10th Floor
9 Lesnaya Street
Moscow 125047 Russia

As to English law
Baker & McKenzie LLP
100 New Bridge Street
London EC4V 6JA
United Kingdom

LEGAL ADVISERS TO THE ISSUER

As to Irish law
Arthur Cox
Ten Earlsfort Terrace
Dublin 2
Ireland

LEGAL ADVISERS TO THE TRUSTEE

As to English law
Hogan Lovells International LLP
Atlantic House
Holborn Viaduct
London
EC1A 2FG

TRUSTEE

BNY Mellon Corporate Trustee Services Limited
One Canada Square
London E14 5AL
United Kingdom

PRINCIPAL PAYING AGENT

The Bank of New York Mellon, London Branch
One Canada Square
London E14 5AL
United Kingdom

REGISTRAR

The Bank of New York Mellon SA/NV, Luxembourg Branch
Vertigo Building - Polaris
2-4, rue Eugène Ruppert
L-2453 Luxembourg
Grand Duchy of Luxembourg

LISTING AGENT

Arthur Cox Listing Services Limited
Ten Earlsfort Terrace
Dublin DO2 T380
Ireland