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€1,200,000,000

Programme for the Issuance of Loan Participation Notes
to be issued by, but with limited recourse to,
Alfa Holding Issuance plc
for the purpose of financing loans to
ABH FINANCIAL LIMITED

This Supplement (the “**Supplement**”) to the Base Prospectus dated 15 April 2020 (the “**Base Prospectus**”) constitutes a supplement for the purposes of Article 23(1) of Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”).

This Supplement is supplemental to, and should be read in conjunction with, the Base Prospectus and is prepared in connection with the €1,200,000,000 programme for the issuance of the loan participation notes (the “**Programme**”) established by Alfa Holdings Issuance plc (the “**Issuer**”). Terms defined in the Base Prospectus have the same meaning when used in this Supplement.

This Supplement has been approved by the Central Bank of Ireland (the “**Central Bank**”), as competent authority under the Prospectus Regulation. The Central Bank only approves this Supplement as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or the quality of the Notes that are this subject of the Base Prospectus as supplemented by this Supplement. Application has been made to Irish Stock Exchange plc trading as Euronext Dublin (“**Euronext Dublin**”) to admit Notes issued under the Programme within 12 months of the Base Prospectus to the official list (the “**Official List**”) and trading on its regulated market (the “**Regulated Market on Euronext Dublin**”).

Each of the Issuer and ABH Financial accepts responsibility for the information contained in the Base Prospectus as supplemented by this Supplement. To the best of the knowledge of each of the Issuer and ABH Financial the information contained in the Base Prospectus as supplemented by this Supplement is in accordance with the facts and does not omit anything likely to affect its import.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in or incorporated by reference in the Base Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus since the publication of this Supplement.

Purpose of this Supplement

The purpose of this Supplement is to update the “*Recent Developments*” section of the Base Prospectus and update the section of the Base Prospectus entitled “*Risk Factors*” by amending a risk factor entitled “*The instability of the global economy and financial markets could have a material adverse effect on the Alfa Banking Group’s business, liquidity and financial condition*”.

AMENDMENTS TO THE BASE PROSPECTUS

Recent Developments

The section of the Base Prospectus entitled “*Recent Developments*” will be deemed amended by the insertion of the following wording after the words “On 10 March 2020 ABH Financial declared dividends in the amount of U.S.\$80 million.”:

The Covid-19 outbreak has had, and continues to have, a material impact on businesses and on the economic environments in which the Alfa Banking Group operates. Like many countries across the world, Russia (where the majority of the Alfa Banking Group’s assets and customers are located, or have related businesses) has implemented severe restrictions on the movement of its population. A period of “non-working days” (when citizens are required to stay at home except for certain essential workforce) across Russia began on 30 March 2020 lasted until 8 May 2020. Regional governments are currently authorized to maintain the restrictive measures in their respective regions and substantial restrictions on movement remain in effect in Moscow until 14 June 2020. The Russian Government and the CBR have implemented a number of fiscal and regulatory measures to address the economic and social impact of the Covid-19 outbreak. Among such measures was the implementation of a six month moratorium on bankruptcy of certain entities that is scheduled to expire on 6 October 2020, as well as mandatory grace periods for certain types of retail loans and loans to MSMEs. On 24 April 2020, the CBR reduced the key interest rate to 5.5 per cent. In addition, the CBR introduced certain regulatory amendments aimed at supporting the Russian banking system including, among other things, temporary adjustments to rules on calculating certain regulatory ratios and risk weighting on certain retail loans and industries involved in combating the Covid-19 outbreak as well as revaluing securities in trading portfolios.

The Alfa Banking Group’s management took affirmative action and established a special taskforce in response to the developing operating environment in early March 2020. This taskforce proceeded to develop and implement a wide range of measures that ensured banking operations remained uninterrupted and employees were able to conduct their day-to-day functions in the ordinary course (and remotely, if necessary) as the restrictions on movement were introduced across the country. As part of these measures, the Alfa Banking Group transferred a substantial portion of its employees to remote working. As at 30 April 2020, 71 per cent. of the total workforce was working remotely. In addition, the Alfa Banking Group reduced the operating hours in its branches. At the same time, nearly all of the Alfa Banking Group’s branches remain fully operational and capable of providing banking services and products to customers in a safe environment.

Underpinning the Alfa Banking Group’s ability to adjust to a rapidly changing operating environment is the ongoing shift in the technological level of its operations and a systematic implementation of digitalization processes in its day-to-day activities. See “*Description of the Alfa Banking Group—Strategy*”. The results of this strategy are allowing customers to conduct most of their banking transactions remotely using mobile and online banking platforms, as well call centers and automated bots. The number of active digital clients as at 30 April 2020 amounted to 4.6 million. On average, retail customers have submitted 525,982 online applications during March and April, as compared to 486,302 during January and February of this year. The number of retail loans issued online increased by 8.2 per cent. during the same period. The Alfa Banking Group’s management believes that its IT systems are well equipped to function in the current operating environment and its technical support is sufficiently staffed and trained to accommodate any potential increase in remote operations and online customer requests.

The Alfa Banking Group is committed to supporting its customers during turbulent times and has embraced the state-mandated grace period programme that applies to certain types of retail mortgage, cash and credit card loans. In addition, the state-mandated programme has been supplemented with the Alfa Banking Group’s own grace period programme that has fewer qualifying criteria and developed with its customer base in mind. These programmes provide for grace periods for principal and/or interest payments, payment schedule restructuring and other measures. A total of 64,111 retail customers applied for a grace period under the Alfa Banking Group’s own programme, including 63,504 cash loans and credit card loans, 607 mortgage loans, in each case as at 12 May 2020. A total of 6,497 retail customers applied for a grace period under the state-mandated programme, including 6,133 cash loans and credit card loans, and 364 mortgage loans, as at 12 May 2020. In addition, the Alfa Banking Group is offering grace periods on payments of principal and interest to its small and micro business customers clients. A total of 2,275 small and micro business customers applied for a grace

period under the Alfa Banking Group's own programme, and 891 small and micro business customers applied for a grace period under the state-mandated programme, in each case as at 12 May 2020.

As a result of the Covid-19 outbreak and deteriorating conditions and outlook for the global economy, weakening demand for oil and the depreciation of the Rouble against the U.S. dollar, the management of the Alfa Banking Group expects to apply a more conservative approach to risk management, which may entail a reduction or more selective issuance of loans, and a focus on maintaining the quality of its existing loan portfolio and other assets, with a diversified allocation of industry related exposures.

On 7 April 2020, Fitch revised ABH Financial's and Alfa Bank's outlook from stable to negative based on the operating environment of the Russian banking sector. On 28 April 2020, S&P affirmed its "BB+/B" credit ratings for Alfa Bank. At the same time, the rating agency affirmed the "BB-/B" credit ratings for ABH Financial. The outlook for both Alfa Bank and ABH Financial remains stable. There was no rating action by Moody's and the current long-term foreign-currency deposit rating is Ba1, long-term Counterparty Risk Rating is Baa3. The outlook on ratings is stable.

On 28 April 2020, the Alfa Banking Group redeemed in full its Series 4 EUR 400,000,000 Loan Participation Notes with fixed interest rate of 2.626 per cent.

As of 1 May 2020, the Alfa Banking Group has not recorded any material increases in default rates across its corporate loan portfolio whilst its retail loan portfolio has experienced some deterioration. The effect of the Rouble depreciation has had a positive effect on Alfa Bank's capital adequacy ratios calculated in Rouble terms.

On 19 May 2020, the Alfa Banking Group priced an offering of Rouble-denominated bonds in the principal amount of RUB10 billion maturing in June 2021 at an interest rate of 5.75 per cent. per annum. The offering is scheduled to close on or about 4 June 2020.

On 20 May 2020, the Board of Directors of Alfa Bank recommended to the General Meeting of Shareholders to apply Alfa Bank's retained earnings for the 2019 financial year (approximately RUB 52 billion as calculated under RAR) towards increasing its capital.

On 29 May 2020, RAEX upgraded Alfa Bank's rating from ruAA to ruAA+ with stable outlook.

Risk Factors

The section of the Base Prospectus entitled "*Risk Factors*" will be deemed amended by the insertion of the following wording after the last sentence of the risk factor entitled "*The instability of the global economy and financial markets could have a material adverse effect on the Alfa Banking Group's business, liquidity and financial condition*":

The downturn in economic activity and export operations in Russia as a result of the Covid-19 outbreak have been aggravated by the substantial decline in oil prices since early March when the global oil markets have experienced a precipitous decline in oil prices in response to concerns regarding the potential impacts of the Covid-19 outbreak and the anticipated increases in oil production from the OPEC+ countries (see "*—The Alfa Banking Group could face increased loan losses and decreased demand for its services from both corporate customers and individuals who are affected by any slowdown or weakening of the global, regional or Russian economies*"). Though in April 2020 the OPEC+ countries entered into a new agreement to reduce oil production, the full impact of this agreement on crude oil prices is still uncertain. The depreciation of the Russian currency in March and the ensuing volatility of the Rouble may negatively impact the Alfa Banking Group's performance in U.S. dollar terms, as well as have a broader effect on its operations and customers (see "*—Significant depreciation or appreciation of the Rouble and fluctuations in foreign currency exchange rates may have a material adverse effect on the Alfa Banking Group*"). In late April 2020, the CBR forecasted that Russia's GDP could fall by 4 – 6 per cent. in 2020.

The above factors may impact the Alfa Banking Group in a number of ways, including higher default rates on its corporate and retail loan portfolios, an increase in credit loss allowance (including due to changes in the economic scenarios used to calculate expected credit losses), a decline in lending volumes and lower demand for banking products and services, pressure on net margins due to lower interest rates, revaluations of

securities portfolio due to sharp market and exchange rate movements, rating downgrades as well as regulatory restrictions introduced to protect Russian borrowers effected by the Covid-19 outbreak (such as the moratorium on bankruptcy of certain entities). Due to the rapidly evolving developments in the operating environment the Alfa Banking Group's management is currently not able to estimate and quantify the potential negative effects that the Covid-19 outbreak, the related decrease in economic activity, including the fall in oil prices, may ultimately have on the Alfa Banking Group's business, financial condition, results of operations and prospects.

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