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DEAR CLIENTS, PARTNERS AND COLLEAGUES!



This report presents results of AlfaStrakhovanie's work in 2012. For our company this year was successful, we grew faster than the market and managed to strengthen our positions in a number of key areas. Fees collected by the Group (including compulsory health insurance) in 2012 amounted to almost 97 billion rubles, that is by 30% more than last year; the market share reached 6.3%, that exceeds the 2011' index by 0.4%.

The fees collected by the Group (excluding compulsory health insurance) increased by 23% – up to 40 billion rubles in 2012 vs. 33 billion rubles in 2011; the market share reached 5.0%. The Company is among top five leaders of the insurance market.

It is important to note the quality of our business both in terms of profitability – we showed excellent results in regards to profit, exceeded our plans on the combined ratio, – and diversification of the portfolio on insurance types – the increase of fees collected in the retail segment amounted to more than 40%; a strong growth rate – almost 50% – was achieved in life insurance. We grew in all key segments of the Russian insurance market.

In 2012 we kept developing the network of Alfa-Health Center multi-field medical clinics: three new clinics were open in Moscow, Ekaterinburg and Rostov-on-Don. As a result, the network has expanded up to 12 universal health centers. In addition, the Group acquired a network of health care institutions in Berezniki and Solikamsk, cities in Perm Krai, on the basis of which clinics under the Alfa-Health Center brand were open.

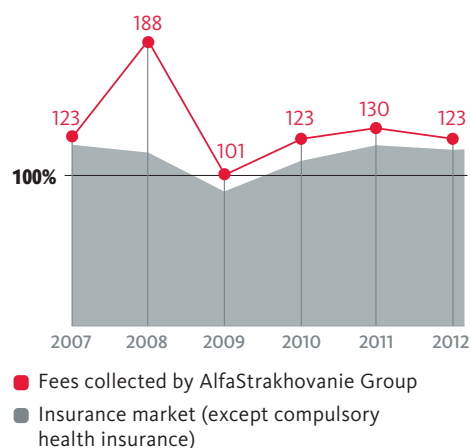
The work of the Group in 2012 was marked by a number of professional awards and prizes. Thus, AlfaStrakhovanie won the most prestigious award in the insurance field – Golden Salamander – in five categories.

For us 2012 became a year of successful growth. We achieved high results thanks to implementation of efficient projects on business and partnership expansion, development of new insurance areas, promotion on industry and regional markets, active work on winning consumers' loyalty. It is especially important that the observed growth is a quality one and it takes place on the background of balanced financial indicators and improvement of profitability. Our main goal for 2013 is to achieve even higher efficiency, develop business and, of course, provide the highest quality of service to consumers. We are confident that our efforts to optimize and simplify business processes, create new products, develop the distribution network will make the Company's services more convenient, accessible and, most importantly, best fitting for needs of our customers.

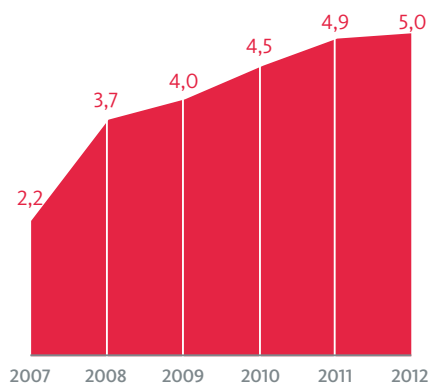
Truly yours,
Vladimir Skvortsov,
Chief Executive Officer
of AlfaStrakhovanie PLC

A handwritten signature in black ink, appearing to be 'V. Skvortsov', written in a cursive style.

ANNUAL GROWTH FACTORS OF ALFASTRAKHOVANIE IN 2007 - 2012



DYNAMICS OF ALFASTRAKHOVANIE GROUP'S MARKET SHARE EXCEPT FOR COMPULSORY HEALTH INSURANCE



As a result of work in 2012 insurance fees collected by AlfaStrakhovanie Group amounted to 96.9 billion rubles, and its market share reached 6.3%.

At 2012 year end the insurance market share controlled by the Group reached 6.3%, and fees collected by AlfaStrakhovanie amounted to 96.9 billion rubles. A year earlier these figures were equal to 5.9% and 74.3 billion rubles respectively. The growth of insurance volumes, as compared to 2011, was attained in all market segments except for VHI and compulsory insurance kinds, not including CMTPL and hazardous industrial facilities insurance. Fees collected by the Group not including compulsory health insurance increased by 23.0% and reached 40.3 billion rubles in 2012 versus 32.8 billion in 2011.

AlfaStrakhovanie Group ranks among five leaders of the open insurance market. In April 2012 Expert RA Agency confirmed the highest rating of reliability of the Group, A++. Grades of the Fitch Ratings international rating agency were also confirmed: the financial strength rating on the "Stable" level and the "A+(rus)" financial strength rating on the national scale.

Currently about 16,5 million private clients and over 390 thousand companies employ the Group's services.

The largest part in the general structure of AlfaStrakhovanie Group's insurance portfolio (without compulsory health insurance) is commanded by CNC insurance (24.7% at 2012 year end), property insurance (24.4%), life insurance (14.9%) and voluntary health insurance (13.4%).

AlfaStrakhovanie Group's own funds amount to 8.5 billion rubles. The Group's universal portfolio includes more than 100 products in all insurance areas, and its regional network consists of over 400 representative offices.

Petr Aven	Member of Alfa Group Consortium Supervisory Board Chairman of the Board of Directors of Alfa Banking Group Chairman of the Board of Directors of AlfaStrakhovanie	Andrei Kosogov	General Manager of Alfa Capital Member of the Board of Directors of Alfa-Bank
Andrei Baranov	Member of the Board of Directors of Alfa Banking Group Managing Partner of Prinston Partners Group	Vladimir Skvortsov	Chief Executive Officer of AlfaStrakhovanie
Hans Falk Bjerke	Chairman of the Board, Senior Adviser of Parcom - Deutsche Private Equity	Maxim Pershin	Major Business Chief Executive Officer of Alfa-Bank
Ildar Karimov	Corporate Development, Planning and Control Director of Alfa Bank Member of the Board of Directors of Alfa-Bank	Oleg Sysuev	First Deputy Chairman of the Board of Directors of Alfa-Bank
		Sergey Guriev	Rector of New Economic School
		Elena Kataeva	Deputy General Director of Gazprom Gazoraspredelenie OJSC



Vladimir Skvortsov

Chairman of the Management Board
Chief Executive Officer



Mikhail Bershadskiy

President



Andrey Ryzhakov

Health Insurance Deputy Chief Executive Officer



Alexander Gorin

Deputy Chief Executive Officer
Retail Insurance Director



Alexey Slyusar

Chief Executive Officer of AlfaStrakhovanie-Life LLC



Ilya Olenin

Deputy Chief Executive Officer
Director of Underwriting and
Methodology Department



Dmitry Droban

Deputy Chief Executive Officer
Corporate Insurance Director



Vera Volkoun

Deputy Chief Executive Officer
Chief Financial Officer



Ilya Kabachnik

Aviation Insurance Deputy CEO



Expert RA, the leading Russian rating agency, confirmed AlfaStrakhovanie's A++ "Extremely High Rating of Reliability" rank. A++ is the highest value on the Expert RA rating scale and implies that the Company can carry out assumed financial obligations timely and in full both in short-term and in long-term.



Ratings of AlfaStrakhovanie were also confirmed by International rating agency Fitch Ratings. Rating of financial stability (RFS) was verified with a "Stable" forecast. RFS on a national scale was estimated at the "A+(rus)" level, that implies a high level of the Company's financial stability.



AlfaStrakhovanie Group became a laureate of "Golden Salamander", a Russian insurance award, in five nominations. The Company was recognized as a winner in "Voluntary health insurance" and "Liability insurance" categories and received three special awards: "Innovation of the Year in Insurance: New Insurance Product" for the "Hot' potop!" boxed product, "Insurance Project of the Year in E-commerce" for air passengers online insurance projects, "Innovation of the Year in Insurance: IT Proj-



АССОЦИАЦИЯ
МЕНЕДЖЕРОВ

ect of the Year" for the integration of a number of innovative systems.

The high professionalism level of AlfaStrakhovanie team received public recognition. The Company's top management achieved leading positions in the annual authoritative rating "TOP-1000 Russian managers", a joint project of Association of Managers and Kommersant publishing house. In the final list of the rating AlfaStrakhovanie's applicants are presented in six functional areas.



According to "Secret firmi" magazine, included in Kommersant publishing house, AlfaStrakhovanie Group took the first place in an independent rating of the most fast-growing companies in the financial sector.



"Hot' potop!", the property insurance boxed product, was recognised by Retail Finance Awards, annually held by The Retail Finance magazine. The project was named a winner in the "Creative of the Year" nomination.



AlfaStrakhovanie was honored by the VI annual forum “The Future of the Russian Insurance Market” award. The Company was named a laureate in the “Leader in the aviation insurance” nomination.



AlfaStrakhovanie was awarded for “The best news break of 2012 in the insurance industry” at the “News break of 2012” award ceremony, organized by Russian Public Relations Association and “Medialogia”, an independent media research company.



AlfaStrakhovanie Group won a prestigious Russian IT award – “IT Leader” – in the “Insurance Companies” nomination.



AlfaStrakhovanie’s “Doomsday insurance” project was chosen by the administration of the world’s largest social network – Facebook – and was presented in the Facebook Studio. It’s an official gallery of the most interesting and creative projects that were executed in the network. AlfaStrakhovanie became the first and only Russian brand represented in the Facebook Studio gallery since its launch.



Federal Agency for Housing Mortgage Lending awarded AlfaStrakhovanie with “For the greatest activity in promoting the mortgage insurance on the Russian insurance market” prize.



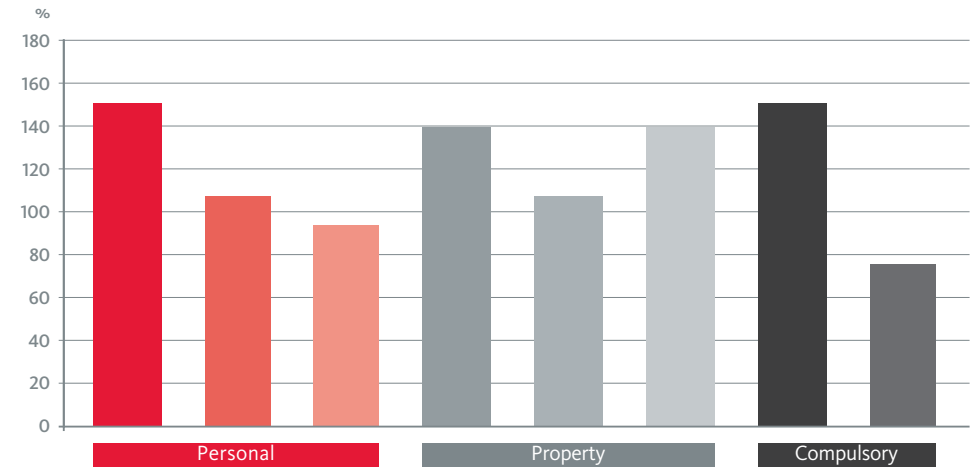
- Academician M. F. Reshetnev
“Information Satellite Systems”
- Aeroflot
- Alfa-Bank
- Arkhangelsk Pulp and Paper Mill
- Avilon
- Avtotor
- Bashneft
- British American Tobacco Russia
- Cherkizovo Group
- Coca-Cola
- Danone
- Domodedovo airport complex
- E.ON Russia
- Enel OGK-5
- Energostroy
- Euroset
- Eurosib
- Federal State Unitary Enterprise
“Arctic and Antarctic Reserch
Institute”
- Federal State Unitary Enterprise
“State ATM Corporation”
- Federal State Unitary Enterprise
“Yuri A. Gagarin State Scientific
Research-and-Testing Cosmonaut
Training Center”
- Federal State Unitary Enterprise
“Satellite Communications”
- Gazprombank
- Henkel RUS
- Hyundai
- IES-Holding
- Kommersant
- Komsomolskaya Pravda
- Lukoil
- Magnitogorsk Iron and Steel Works
- Media Markt
- MegaFon
- Metalloinvest
- Metro Cash & Carry
- MRSK holding
- Nokia Siemens Networks
- NOMOS-BANK
- Norilsk Nickel
- Nycomed
- Orenburg Airlines
- Otkritie
- Promsvyazbank
- Protek
- Raiffeisenbank
- Rosbank
- Rossiya Airlines
- Rusagro
- RusHydro
- Russian Agricultural Bank
- S. P. Korolev Rocket and Space
Corporation Energia
- S7
- Sberbank of Russia
- Shell
- Sheremetievo International Airport
- Sibur
- Slavneft-YANOS
- Sodexo Euroasia
- Svyaznoy
- TELE2
- TGC-14
- TGC-2
- TNK-BP
- Tver Carriage Works
- UniCredit Bank
- Ural Airlines
- UralSib
- UTair
- Vnukovo International Airport
- Volgotanker
- VTB24
- Vympelcom
- X5 Retail Group
- Yakutia Airline
- Yamal Aviation Transportation
Company
- Yantarenergo
- Yokohama

DYNAMICS OF PORTFOLIO AND MARKET SHARE OF ALFA STRAKHOVANIE IN INSURANCE MARKET SEGMENTS (2009–2012)¹

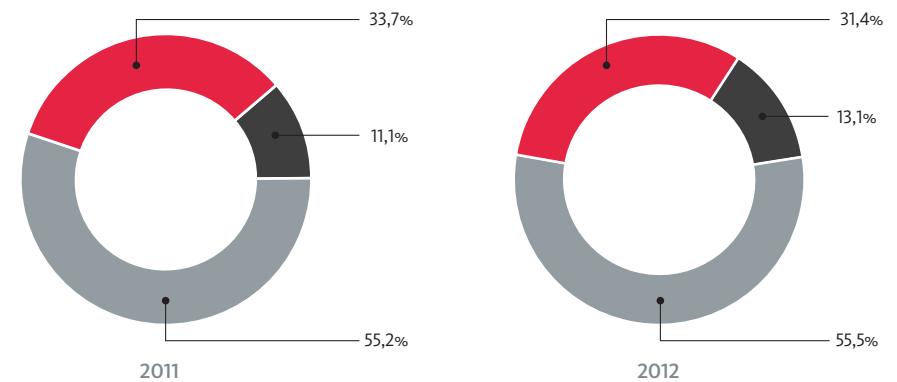
Segment	Fees collected, mln rub.				Fees growth in 2012	CAGR 2012 / 2009	Segment share in the portfolio, ex. compulsory health insurance, 2012	2011		2012	
	2009	2010	2011	2012				Market share	Rank*	Market share	Rank*
Life insurance	911	2 885	4 071	6 024	48,0%	87,7%	14,9%	11,7%	3	11,2%	4
Accident insurance	774	1 180	1 140	1 232	8,1%	16,8%	3,1%	2,3%	13	1,7%	14
VHI	3 277	3 975	5 830	5 402	-7,3%	18,1%	13,4%	6,0%	6	5,0%	7
CNC insurance	6 001	5 847	7 174	9 976	39,1%	18,5%	24,7%	4,4%	9	5,1%	6
Other property insurance	6 313	7 051	9 096	9 846	8,2%	16,0%	24,4%	5,0%	4	5,0%	4
Liability insurance	682	1 163	1 826	2 542	39,2%	55,0%	6,3%	6,7%	3	6,5%	4
Including compulsory hazardous industrial facilities insurance			-	559	-	-	1,4%	-	-	6,2%	5
CMTPL	2 306	2 902	3 434	5 142	49,7%	30,6%	12,8%	3,3%	8	4,2%	7
Other compulsory types	200	139	190	145	-23,9%	-10,3%	0,4%	2,5%	6	0,7%	6
Total except for compulsory health insurance	20 465	25 142	32 760	40 308	23,0%	25,4%	100%	4,9%	5	5,0%	5
Compulsory medical insurance	2 737	4 978	41 529	56 546	36,2%	174,4%	-	6,9%	5	7,7%	5
Total	23 202	30 120	74 289	96 854	30,4%	61,0%	-	5,9%	6	6,3%	6

* A position in the ranking of groups and systems of insurance companies (with a glance to mergers and acquisitions)

GROWTH FACTORS 2012



DYNAMICS OF PORTFOLIO EXCEPT FOR COMPULSORY HEALTH INSURANCE



In 2012 AlfaStrakhovanie Group was growing faster than the market. Fees collected by the Company increased by 30.4%, while the market grew by 21.6%. The Company's market share grew from 5.9% to 6.3%. The Group maintained its position in the insurers rating.

Fees collected by the Group in the compulsory health insurance segment increased by 36.2%. The share in the segment grew from 6.9% in 2011 to 7.7% in 2012.

Fees collected on the market (except for compulsory health insurance) in 2012 increased by 23% as compared to 2011. The Company's market share grew from 4.9% in 2011 to 5.0% in 2012 which allowed the Group to maintain the 5th position on the insurers market.

AlfaStrakhovanie's market share was growing in the majority of segments. The greatest growth of market share in 2012 as compared to 2011 was observed in CMTPL (+0.9%, market share – 4.2%, moving from the 8th to the 7th position) and CNC seg-

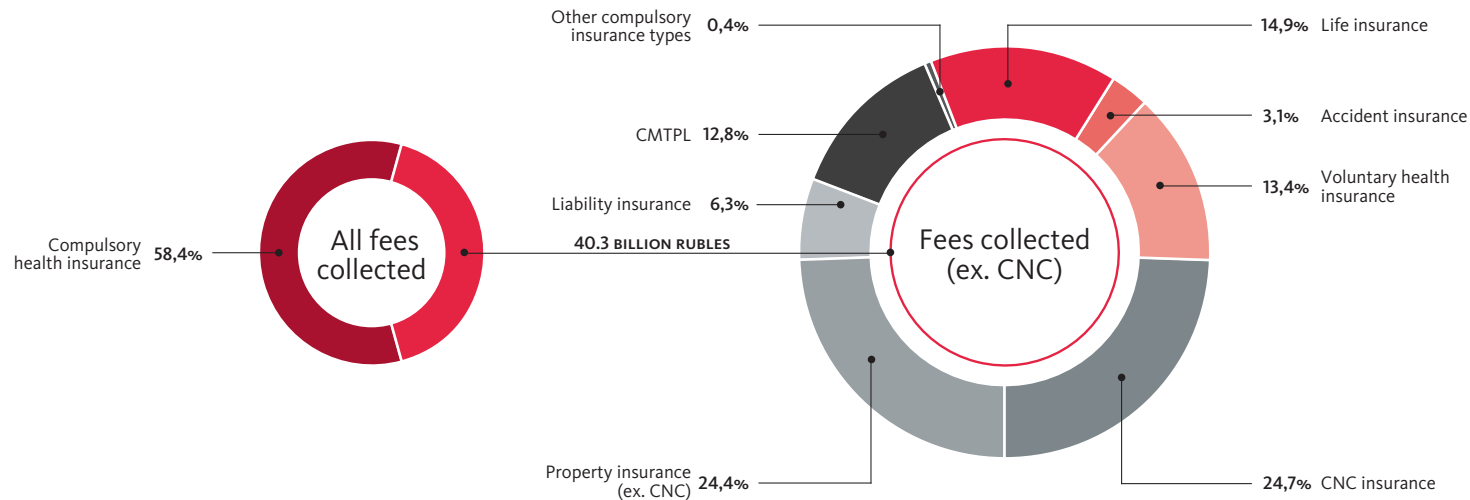
ments (+0.7%, market share – 5.1%, moving from the 9th to the 6th position). Reduction occurred in life insurance (by 0.5%), accident insurance (by 0.6%), VHI (by 1%), liability insurance (by 0.2%) and other compulsory insurance types segments (by 1.8%).

Good dynamics were demonstrated by the Group on motor insurance market: fees collected in CMTPL segment increased by 49.7% as compared to 2011, while the market share in this segment rose only by 17.3%; fees collected in CNC insurance

segment grew by 39.1% (the growth rate of fees collected in CNC segment on the Russian insurance market amounted to 18.7%).

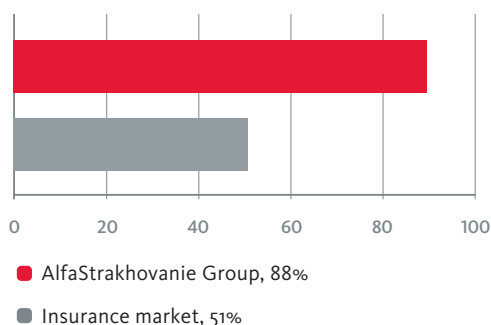
Shares of particular insurance segments in the Group's general portfolio (except for compulsory health insurance) divided as follows: CNC insurance – 24.7%, property insurance – 24.4%, life insurance – 14.9%, VHI – 13.4%, CMTPL – 12.8%, liability insurance – 6.3%, accident insurance – 3.1%, hazardous industrial facilities insurance – 1.4%, other insurance types – 0.4%.

PORTFOLIO STRUCTURE INCLUDING COMPULSORY HEALTH INSURANCE 2012



GROWTH FACTORS 2012

AVERAGE GROWTH RATE OF FEES IN LIFE INSURANCE SEGMENT IN 2009-2012 (%)

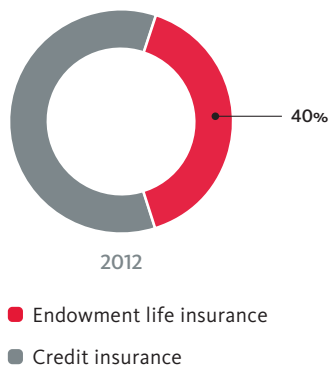


In 2012 the volume of fees collected by AlfaStrakhovanie Group in life insurance segment continued to grow actively. As a result the average growth rate of fees collected by the Company in the last 4 years amounted to 87.7%, with the same index for the market amounting to 50.7%.

Total fees collected by AlfaStrakhovanie in life insurance segment grew by 48%, as compared to the last year's rate, and exceeded 6 billion rubles. At the year's end AlfaStrakhovanie occupied the 4th place in the life insurers rating, occupying 11.2% of the market.

The formed structure and volume of insurance reserves reflect the Company's insurance liabilities sufficiently. In 2012 the volume of insurance reserves increased by 91% and amounted to 4.77 billion rubles.

FEES COLLECTED BY ALFASTRAKHOVANIE GROUP IN LIFE INSURANCE SEGMENT



Risk insurance, which accounts for 60% of amount of premiums collected in life insurance in 2012, is the priority area of the Company's business. Volume of fees collected in this area amounted to 3.58 billion rubles, which is by 64% more than 2011.

Accumulative and investment insurance segments account for 40% of amount of premiums, collected in life insurance area in 2012. Volume of these products' fees increases rapidly, having reached 2.35 billion rubles in 2012, which is by 24% more than in 2011.

AlfaFINANCE and Investment Portfolio investment insurance program are among the key products that provide a sustainable fees growth in life insurance segment. They allow to invest money in such a way that even in case of an unfavorable market situation the client could recover 100% of investment. Products come in a form of AlfaStrakhovanie-Life insurance policy, that both guarantees recovery of investment and ensures coverage of the client.

The client is to choose one of five investment options:

- 'Precious Metals' — investment into gold, silver, platinum.
- 'Blue Chips' — investment into shares of leading Russian companies, included in MICEX index.
- 'BRIC' — investment into shares of leading companies of Brazil, Russia, India and China, included in MSCI BRIC Morgan Stanley index.
- 'Innovative IT companies' — investment in leading companies of the high tech sector.

- 'FMCG' — investment in leading FMCG companies.

According to the experts, life insurance is one of the most rapidly growing segments of Russian insurance market and has a big potential for further growth. Currently this segment occupies less than 3% of the market, but in the next 10 years it could attain volumes of universal insurance. The strategy of AlfaStrakhovanie-Life is aimed at a steady consolidation of its positions by developing partnerships with leading Russian banks, creating and implementing new investment insurance products.

In 2012 AlfaStrakhovanie continued to successfully develop voluntary health insurance segment. Active work in this direction allows to grow the collected premiums volume steadily: at the end of 2012 fees collected by AlfaStrakhovanie in VHI segment amounted to 5.4 billion rubles. The Company's share on voluntary health insurance market amounted to 5.0%.

While successfully advancing on voluntary health insurance market, the Company relies on its key competitive advantages: an accumulated experience and knowledge of the industry, a cooperation with the best health care providers, a proper organization of the top quality insurance service, well-tried customer service technologies and a maximum flexibility in their work. An individual approach and development of new insurance programs allow AlfaStrakhovanie to offer customers the most convenient schemes of work. And thanks to a constant control of quality and services costs, the insured are guaranteed a high level of medical care.

In 2012 the Company launched Alfa Globaliti CoGenio®, a product for corporate clients, which is unique for Russian insurance market. It was developed in a partnership of AlfaStrakhovanie and DKV Globality company, a world leader in medical insurance. This solution provides the insured, both Russian and foreign citizens, a direct access to a full range of professional medical services around the world. A key difference of the program is

a brand new level in regards to a scale of a medial services providers network and customer service organization.

Also in 2012 a product service in VHI area, providing clients with medicaments as a part of insurance service, was further developed. Rigla pharmacy network, with more than 600 stores in 26 regions, is the main partner of AlfaStrakhovanie in this project. The Company also cooperates with local pharmacies, that allows to expand the project's geography throughout the country.

Medical unit of AlfaStrakhovanie continued to actively expand its portfolio of corporate clients. During the year contracts were prolonged or signed for the first time with such major companies as Novatek, Coca-Cola, Shell, Danone, Eurasia Drilling Company, Transmashholding, Avtomir, Avilon, Vimpelcom, Hyundai, Henkel Rus, Merz, Nycomed, British American Tobacco Russia, Sodexo Euroasia, Metro Cash&Carry, X5 Retail Group, Media Markt, Castorama Russia, Sony, Nokia Siemens Networks, MegaFon, TELE2, Komsomolskaya Pravda publishing house, Alfa Bank, Otkritie.

Availability of its own Alfa-Health Center multi-field clinics network contributes to the strengthening of AlfaStrakhovanie's positions in VHI sector. In 2012 new clinics were opened in Ekaterinburg, Rostov-on-Don and Moscow, and it's an additional advantage in the work on these regional markets.

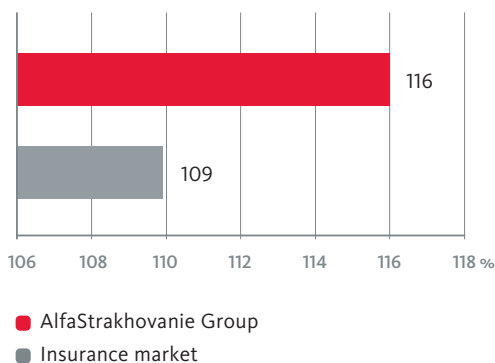
TRAVEL INSURANCE

In 2012 AlfaStrakhovanie increased fees collected in travel insurance segment by 15% as compared to the last year's level: from 368 to 420 million rubles. The Company's market share reached 8%.

During the year the Company actively developed travelers online insurance projects, maintaining leadership in this segment. A special service, providing customers who plan to travel abroad with an opportunity to issue AlfaTRAVEL, an electronic travel insurance policy, continued to work successfully on the updated website www.alfastrah.ru.

GROWTH FACTORS 2012

AVERAGE ANNUAL GROWTH RATE IN PROPERTY INSURANCE SEGMENT IN 2009-2012 (EX. CNC)



The market of insurance of natural persons' and legal entities' property is one of the top priority areas of development for AlfaStrakhovanie Group.

The policy of AlfaStrakhovanie, aimed at creating conditions for long-term partnerships with clients, development of new products and promotion approaches, constant improvement of the service quality allow the Company to maintain its leadership on the property insurance market.

In 2012 the Company continued to actively extend the portfolio in the segment of natural persons' property insurance and significantly increased the number of signed contracts. The volume of fees, collected at the year's end, grew by 111% and reached 1 billion rubles.

In January 2012 a widescale distribution system of the "Hot' potop" property insurance boxed product was launched. At the moment the "Hot' potop" product has a vast sales geography thanks to an extensive partner network of AlfaStrakhovanie, which includes the leading mobile retailers and banks. The project's success was marked with a number of prestigious awards: "Golden Salamander" award in the insurance field as the "Innovation of the Year in Insurance: a New Insurance Product"

and Retail Finance Awards 2012 prize in the "Creative of the Year" category.

Fees collected by AlfaStrakhovanie in the mortgage insurance segment increased to 842 million rubles, which is by 14.4% more than in 2011. At the results of 2012 the Group took the 4th place in this segment with a 8% market share.

In 2012 the new type of mortgage insurance – borrower's liability insurance – was evolving. Due to being a partner of Insurance Company AHML PLC and taking an active role in development of this insurance type, AlfaStrakhovanie became the only member of the Russian insurance market, awarded with a special prize by AHML – "For the highest activity in promoting mortgage insurance".

During the year the Company continued to actively cooperate with Sberbank of Russia PLC. AlfaStrakhovanie is included in the list of official insurers of plastic card holders' financial risks. The Company is also in the list of official insurers of property interests of natural persons and the Bank's enterprise

customers – legal entities and individual entrepreneurs.

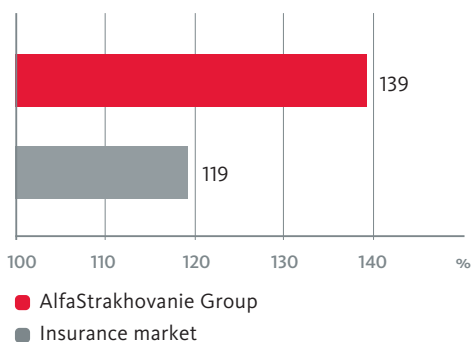
Credit Bank of Moscow PLC, B&N Bank PLC became new partners of the Group in the field of bank card holders' risks insurance. In this segment the volume of collected fees at the end of 2012 reached 190 million rubles, which is by 98% more than in the previous year.

Legal entities' property insurance is one of the most stably developing business lines of AlfaStrakhovanie. In 2012 the volume of fees collected in this segment amounted to 5.19 billion rubles, the market share of AlfaStrakhovanie amounted to 4.93%.

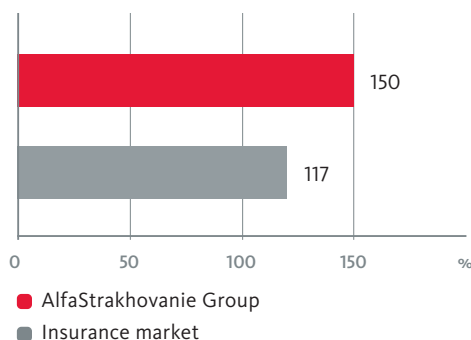
Russian corporate property insurance market grows with a constant rate, and AlfaStrakhovanie has all the opportunities to further build positions in this sector: a strong brand, high ratings, a full range of insurance types and products, an advantage in terms of the service level.

GROWTH FACTORS 2012

CNC INSURANCE



CMTPL



Motor insurance as a part of AlfaStrakhovanie’s retail block is one of the key lines of business development for the Company. A well-trying high-class service system, customer oriented approach and an elaborate marketing policy allow AlfaStrakhovanie to expand its portfolio and to demonstrate positive fees dynamics in motor insurance and liability insurance annually.

At 2012 year end the total amount of fees collected by AlfaStrakhovanie in motor insurance amounted to 15.63 billion rubles, which is by 42.8% more, than in 2011. At the end of 2012 AlfaStrakhovanie’s collected fees volume in CNC segment grew by 39.1% and amounted to 9.98 billion rubles, in CMTPL segment – by 49.7%, collected fees amounted to 5.14 billion rubles.

In 2012 the Company expanded the auto dealers’ client base, the following automobile dealers became new partners of AlfaStrakhovanie: Rolf, Auto Forpost, Avangard Motors, City Kashirka Avtocenter, Ineksper, U.S.Impeks.

With Volvo Car Russia the Company launched a special program for insuring Volvo XC90 cars. The program covered cars equipped with the Volvo on Call innovative system. When purchasing a crossover in official dealers’ showrooms, customers were able to get a CNC insurance policy for it at an unprecedentedly low rate – 3.33% of the car’s cost.

In 2012 exclusive insurance conditions

were also offered for Audi A3 purchasers: the cost of CNC insurance amounted to 3.99% of the car’s value. AlfaStrakhovanie became the only company representing this special offer of Audi brand in Russia.

In 2012 AlfaStrakhovanie implemented a number of joint projects with Volkswagen brand. According to the terms of a special offer, purchasers of new Volkswagen Touareg cars received a CNC insurance policy from AlfaStrakhovanie as a gift. Besides, a special 5% insurance tariff was offered for purchasing a Volkswagen NFZ.

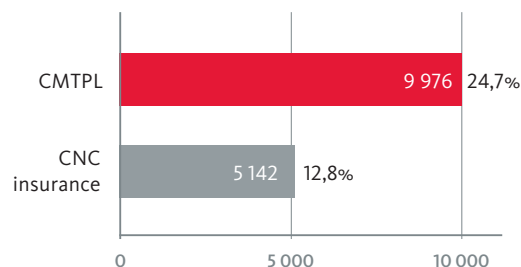
A drivers’ personal property insurance program became the know-how in motor insurance. Rolf’s car showrooms network in Moscow began to promote Autosave, a specialized product from AlfaStrakhovanie, designed for female drivers.

A unique opportunity to make a full cycle purchase of motor insurance policy in the online mode was implemented on www.alfastrah.ru, the updated website of AlfaStrakhovanie. To make a purchase the client needs to use a simple service

for policy cost calculation and to pay for the insurance policy with a credit card. After that the insurance policy is sent to the buyer’s e-mail and enters into force. An ordered CMTPL insurance policy is delivered by a courier to the address given by a customer. In 2012 an option to purchase a CNC insurance for new cars became available for the Company’s clients on the AlfaStrakhovanie website. And in early 2013 online sales of CNC insurance policies for used cars were launched.

GROWTH FACTORS 2012

SHARE OF MOTOR INSURANCE SEGMENT IN ALFASTRAKHOVANIE GROUP'S PORTFOLIO, MLN RUB.



One of the most important lines of AlfaStrakhovanie's work in motor insurance is building constructive relationships with auto dealers. It allows to actively develop partner channels for the Company's insurance products sales. In the spring of 2012 AlfaStrakhovanie held an award ceremony of the fifth "Formula Alfa: Fair Race" motivation program, based on the results of work in 2011. The Company's partners who have achieved the greatest fees growth rates in CNC and CMTPL segments, were presented with a guided tour in Germany – in Munich and its alpine surroundings. The first federal "Formula Alfa: Fair Race" motivation program, aimed at increasing partners' loyalty and additionally stimulating motor insurance policy sales in the dealer network, was launched in October 2012. A federal scope and an opportunity both for regular and new partners of AlfaStrakhovanie to participate in the program became fundamental differences between this Formula and the previous five versions.

In 2012 AlfaStrakhovanie successfully completed the implementation of SAP Claims Management (SAP FS-CM) – an automated claim settlement system for motor insurance. As a result, all Company's units, involved in business processes of motor claims settlement, were integrated into a single information space.

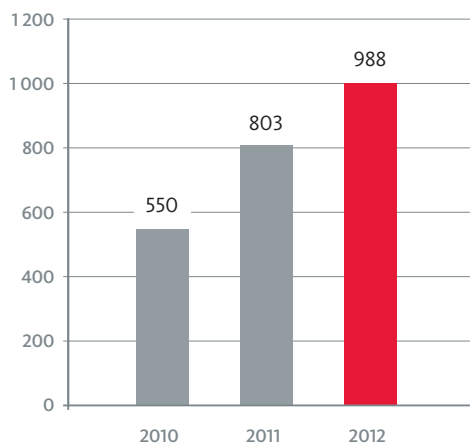
A motor insurance rates calculation system was also automated on the basis of WebSphere ILOG BRMS. It allowed AlfaStrakhovanie to respond to market demands more quickly: in particular, to provide individual CNC and CMTPL tariffication.

Thereby in 2012 AlfaStrakhovanie Company obtained significant results in motor insurance and continues to develop steadily. The Company's share on motor insurance market amounted to 5.1% in CNC segment (the market share increased by 0.7%) and 4.2% – in CMTPL segment (the market share grew by 0.7%).

The Group's activities during the past year resulted in strengthening of its positions in motor insurance area and improvement of its key financial indicators in the segment.

GROWTH FACTORS 2012

FEES COLLECTED BY ALFASTRAKHOVANIE GROUP IN TRANSPORT AND MARINE RISKS INSURANCE SEGMENT, MLN RUB



In 2012 the total volume of fees, collected by AlfaStrakhovanie for transport and marine risks insurance, exceeded the previous year's rate by 21.3% and amounted to 988 million rubles. Payments in this segment amounted to 391 million rubles, increasing by 91%.

AlfaStrakhovanie's business successfully develops almost in all areas of transport and marine risks insurance. The key factors are reliable reinsurance protection, professional underwriting, experience in development of individual programs.

Established technologies in the area of cargo transportation insurance coverage, improvement of the customer service and expansion of the services range enabled the Company to maintain the fees growth dynamics and significantly expand the portfolio in 2012. AlfaStrakhovanie's clients are the largest companies of various industries, such as VimpelCom PLC, GK Sovtransavto, Mercedes-Benz RUS CJSC, Yokohama Rus LLC, RusAgro-Sakhar LLC, Clothing 3000 CJSC, "Protek" Implementation Center CJSC, Santi LLC, Shreya Life Sciences LLC, NEC CJSC etc. Constant expansion of the partners number allows the Company to maintain leadership in this market segment.

Transport operators' liability insurance, insurance of railway transport and container shipments keep developing. In 2012 the fees collected for insurance

of railway vehicles reached 68 million rubles. AlfaStrakhovanie's clients include such major holdings as Metalloinvest, Novotrans, TransFin-M and Transleasing.

The Company's marine portfolio also shows stable growth. The insurer's clients include such major companies as Volgotrans LLC, Prime Shipping LLC, Palmali LLC, Khatanga Sea Trading Port CJSC, Baltic Shipyard "Yantar" PLC, Leningrad Shipyard "Pella" PLC, Gazprom Neft Shipping LLC, Sevmorneftegeofizika PLC, Baltiysky Flot LLC, Leningrad River Port PLC, Grifon LLC etc.

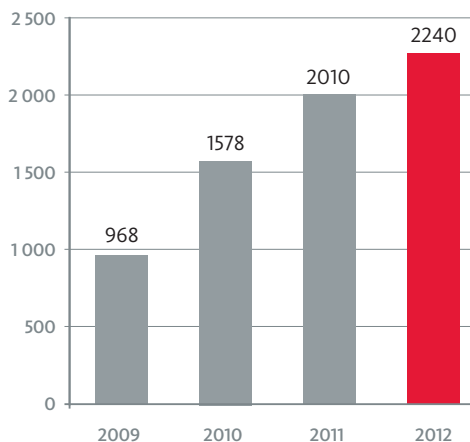
Besides, AlfaStrakhovanie is the exclusive Russian insurer of sailing vessels. Two largest training sailing vessels are insured with the Company: "Krusenstern" (Kaliningrad) and "Sedov" (Murmansk) barks, that demonstrates recognition of the Company's expertise by the leading marine educational institutions of Russia.

The system of quality management in regards to transport and marine risks insurance of AlfaStrakhovanie's Department of Transport and Marine Risks Insurance was implemented in

2001. It is certified for compliance with the requirements of ISO 9001 standard by the "Russian Register" Certification Association.

GROWTH FACTORS 2012

GROSS FEES COLLECTED BY ALFASTRAKHOVANIE GROUP FOR AVIATION RISKS INSURANCE, MLN RUB.



AlfaStrakhovanie Group considers aviation sector one of the most important areas of development. The Company is the leader of the Russian aviation insurance market.

The volume of gross fees, collected by AlfaStrakhovanie for aviation risks insurance, including the fees for incoming reinsurance and passenger insurance, amounted to 2.24 billion rubles, which is by 12% more than in the previous year.

In 2012 fees collected by AlfaStrakhovanie in air transport insurance segment, including aircraft hull insurance and airline liability insurance amounted to 1.55 billion rubles, which is by 7% more than in 2011. The Company ranks first in terms of the fees volume with a 18.6% market share.

Leading Russian and foreign airlines are among clients of AlfaStrakhovanie. An ongoing partnership with many of them is a confirmation of business reputation and the quality of the Company's work. Currently AlfaStrakhovanie provides insurance services to Aeroflot Group, Ural Airlines, Yakutia Airlines, Sheremetyevo, Domodedovo, Vnukovo, Rostov-on-Don airports.

AlfaStrakhovanie is the only insurance company in Russia, that has a specialized passenger insurance unit in its structure. With implementation of new customer-

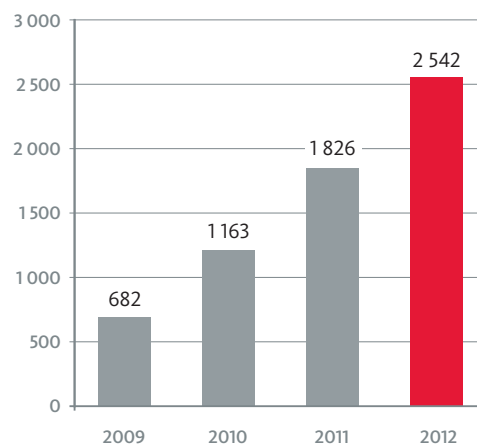
oriented and technological insurance products the Company sees great potential in today's insurance market. In 2012 online insurance of air passengers was actively developed. During the year more than 15 projects on online sales of insurance policies were launched in cooperation with leading Russian airlines and travel agencies. Among the partners – S7 Airlines, Ural Airlines, Yakutia, VIM Avia airlines, Ozon.travel, Agent.ru, Biletix, E-Ticket.ru online travel agencies etc.

AlfaStrakhovanie specialists take part in the life of the professional aviation community. The insurer is a member of the International Union of Aerospace Insurers (IUA), "Airport" Association of CIS Civil Aviation, Russian Association of Air Transport Operators (RAEVT) and Society of Air Accident Investigators (ORAP).

Understanding the importance of cooperation with industry members, the Company actively supports key activities of the air transport industry. By established tradition in 2012 AlfaStrakhovanie sponsored the "Wings of Russia", the most prestigious national award in the air transport area.

GROWTH FACTORS 2012

FEES, COLLECTED BY ALFASTRAKHOVANIE GROUP IN LIABILITY INSURANCE SEGMENT, MLN RUB.



Liability insurance is one of the most dynamically developing segments of Russian insurance market. For AlfaStrakhovanie it is linked with significant opportunities for business growth.

As a result of work in 2012 AlfaStrakhovanie's fees in liability insurance sector amounted to 2.5 billion rubles, which exceeded the previous year's results by 39.2%. The Company occupied the 4th place on the market in terms of fees volume with a 6.5% market share.

Introduction of compulsory liability insurance of organizations operating hazardous production facilities became a key event on the liability insurance market in 2012. AlfaStrakhovanie became one of the leading market players: fees collected by the Company in this segment amounted to 559 million rubles, that allowed it to enter the TOP 5 of hazardous production facilities insurance leaders with a 6.2% market share. During the year the Company had signed more than 10 thousand contracts with hazardous production facilities' owners, including major regional and federal enterprises.

The other important part of the work in this direction was to prepare for the realization of the second phase: since the 1st of January 2013 the law on hazardous production facilities is applied to facilities which belong to the state and municipal property. Active involvement of new customers, advisory work, looking for ways to improve work efficiency

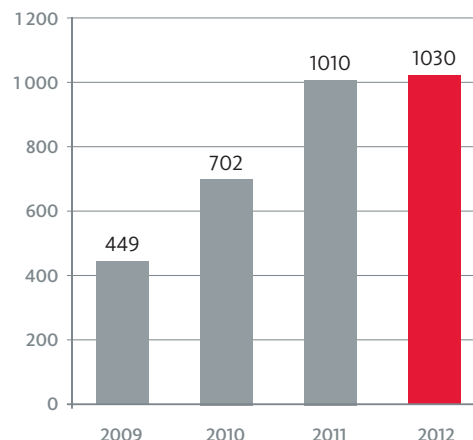
will allow AlfaStrakhovanie to maintain and build up positions on the hazardous production facilities insurance market in the future.

Considering the growing potential of other liability insurance kinds on the Russian market, AlfaStrakhovanie intensifies its work in these directions. In 2012 the Company launched a new product in D&O segment, designed for medium business. Executive and management bodies liability insurance policy is based on the "all risks" basis and has a simplified scheme of signing insurance contracts. Sums insured conform to the directors liability insurance practice in Russia. For medium business this product can become a tool for increasing the company's investment attractiveness, a demonstration of the best corporate management practices.

Such directions as professional liability insurance and liability of goods and services gradually spread on the Russian market. Staking on winning the promising niches, AlfaStrakhovanie expands its portfolio with such programs. Among the Company's clients there are professional industry organizations and representatives of various business spheres.

GROWTH FACTORS 2012

FEES, COLLECTED BY ALFASTRAKHOVANIE GROUP IN THE FINANCIAL AND ENTREPRENEURIAL RISKS INSURANCE SEGMENT, MLN RUB.



In 2012 the Group intensively developed financial and entrepreneurial risks insurance programs for both natural persons and corporate clients. The volume of fees collected by AlfaStrakhovanie in this segment amounted to 1.03 billion rubles.

The Company attained significant results in the area of financial risks insurance in retail banking segment. In 2012 ‘Protection against Loss of Job and Income’ (so called ‘unemployment insurance’), an innovation product for natural persons, first offered to clients in 2009, allowed to protect financial interests of tens of thousands of credit borrowers throughout Russia. AlfaStrakhovanie also successfully promoted such a new for Russia mortgage insurance type as liability insurance for the non fulfilment of a borrower’s obligations under a credit agreement. Coupled with creditor’s risks insurance, this product allows banks, partners of AlfaStrakhovanie, to reduce requirements for an initial instalment volume, that increases the availability of mortgages for Russian population.

In 2012 AlfaStrakhovanie Group successfully implemented a number of insurance programs on the market, both in corporate and retail segments, including the contracts for trade credits insurance; liability of financial institutions, such as Alfa-Bank, Vneshekonombank, VTB specialized depositary; proprietary forfeiture risks. Credit Bank of Moscow,

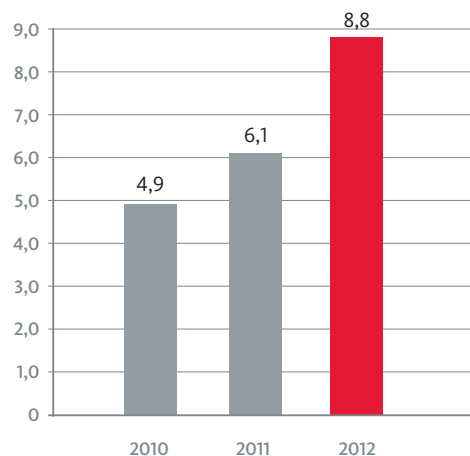
International Bank of St. Petersburg, Rosenergobank and other financial institutions became new partners of AlfaStrakhovanie for the mortgage loans insurance program.

AlfaStrakhovanie continues to actively develop trade credit insurance in partnership with Atradius and on the results of 2012 occupies a leading position in this market segment.

As a result of a focused and balanced AlfaStrakhovanie’s policy on the entrepreneurial and financial insurance market in 2012 the volume of collected fees grew up to 1.03 billion rubles.

GROWTH FACTORS 2012

GROSS FEES COLLECTED BY ALFASTRAKHOVANIE GROUP FOR BANK INSURANCE, BILLION RUB.



At 2012 year end gross fees, collected by AlfaStrakhovanie in banking segment, amounted to 8.84 billion rubles and exceeded the last year's index by 44.9%.

During 2012 AlfaStrakhovanie has been strengthening its positions in the banking insurance sector. The Company continued to cooperate with the leading Russian financial institutions, actively participated in the implementation of banking insurance customer service programs, expanded its presence in regions. Today the Company is accredited by the leading Russian banks, including Sberbank, VTB, Uralsib, Russian Agricultural Bank, Alfa-Bank, Gazprombank, UniCredit Bank, Raiffeisenbank, Promsvyazbank and many others.

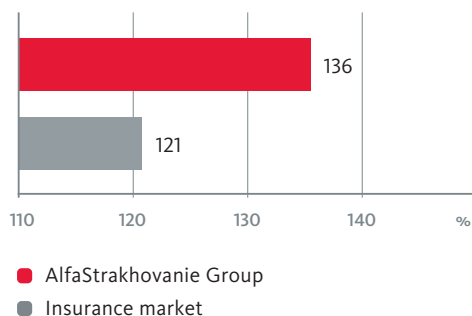
In addition to the work with financial institutions, the Group actively developed affiliate sales of insurance products in non-financial companies. In 2012 a large-scale distribution system for immovable property insurance products and purchase protection was launched in offices of Svyasnoy and Euroset, the largest mobile retailers.

In 2012 AlfaStrakhovanie Group continued to successfully cooperate with Sberbank of Russia on programs of corporate clients' property interests insurance. The Company also launched a project on automated issuing of insurance policies for legal entities – the bank's clients – in bank offices. The Group's fees in the partner's sales structure continued to grow faster, than fees of other insurance companies.

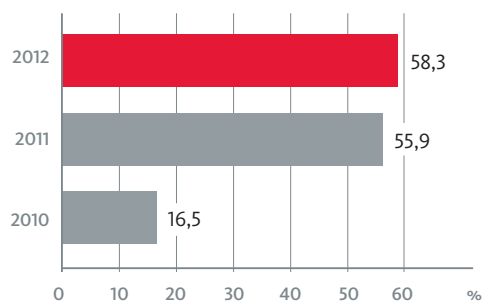
Tendencies for active growth of indirect sales in banking insurance, which emerged in previous years, lasted in 2012. In 2012 gross fees in this segment grew by 317% and amounted to 1.05 billion rubles.

GROWTH FACTORS 2012

COMPULSORY MEDICAL INSURANCE



SHARE OF COMPULSORY MEDICAL INSURANCE SEGMENT IN ALFA STRAKHOVANIE GROUP'S PORTFOLIO



AlfaStrakhovanie Group actively expands the scope of activities on the compulsory health insurance market, opening branches and representative offices in Russia. Today AlfaStrakhovanie-MS, a specialized company founded in 2009 to operate on the compulsory health insurance market, has a license allowing it to operate on the compulsory health insurance market in 75 subjects of the Russian Federation.

The Group incorporates several specialized medical insurance companies – LLC AlfaStrakhovanie-MS in Murmansk and Chelyabinsk Regions, LLC VIRMED Medical Insurance Company in Tula and Tver Regions, LLC AsStra Medical Insurance Company in Rostov Region, Syberia Medical Insurance Company in Kemerovo, Bryansk, Novgorod Regions and in Krasnodar Territory.

Companies offer regions the highest standards of public service, reliable technologies of insured' rights protection and examination of medical care quality, financial stability of the largest federal insurer in the Russian Federation. Branches and representative offices have equipped premises and staffs of highly qualified specialists, strive to organize the provision of medical services most efficiently and constantly work to improve the services quality.

In 2012 AlfaStrakhovanie Group continued the dynamic growth in compulsory health insurance segment, increasing fees by 36.2% – to 56.5 billion rubles. The growth rate of the compulsory health

insurance market for the same period amounted to 21.2%.

At the end of 2012 the Company grew its share to 7.7% and confidently occupied the 5th position in the CHI insurers rating. The number of clients with compulsory health insurance issued by AlfaStrakhovanie Group amounted to 10.6 million people at the end of 2012.

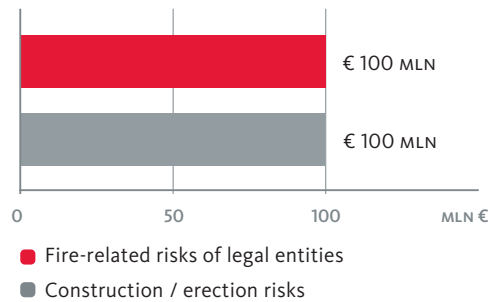
As one of the leading compulsory health insurance market players AlfaStrakhovanie attaches a great importance to cooperation with the industry community. The Company is a member of a specialized organization, which affects the functioning of health insurance sector more and more noticeably, – Interregional Union of Medical Insurers (IUMI) – and takes an active part in activities of all Union committees. The Company is included in IUMI Presidium, its representatives head a number of Union's departments.

Realizing the need for a fundamental change in the compulsory health insurance system, AlfaStrakhovanie actively

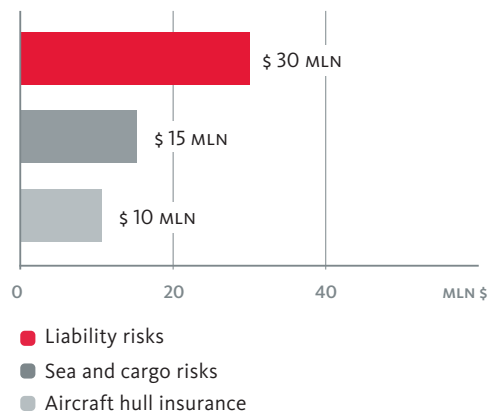
supports formation of the further sector development concept. In 2012 the preparation of a package of proposals and measures for the health care system in Russia was started. It also considered the role of private insurers in the system. This package is supposed to become a basis for further discussion at the state level. Acting as one of initiators among Russian insurance society representatives, AlfaStrakhovanie became an active participant in the working process, which is conducted with participation of leading international consultants and industry experts.

RE-INSURANCE COVER

LIMITS ON REINSURANCE OF ALFASTRAKHOVANIE, MLN €



LIMITS ON REINSURANCE OF ALFASTRAKHOVANIE, MLN \$



A reliable reinsurance program for portfolio protection allows AlfaStrakhovanie to incur large financial risks of clients without limiting a liability amount. In December 2012 AlfaStrakhovanie completed the reinsurance cover for 2013. The volume of a significant part of mandatory reinsurance contracts was increased.

The limits of construction/erection risks reinsurance, including special equipment, were raised up to €100 mln, all kinds of general and professional liability risks reinsurance — up to \$15 mln.

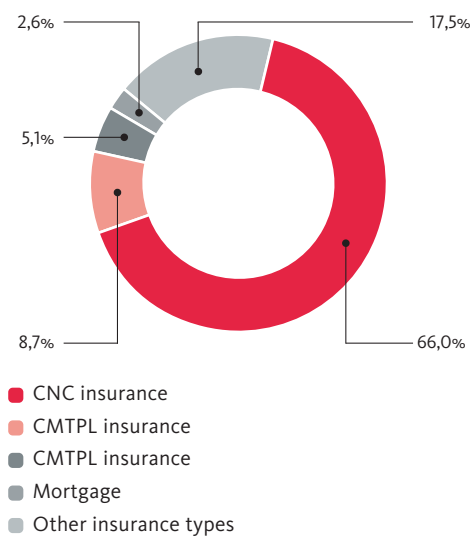
Foreign partners of AlfaStrakhovanie in the field of reinsurance are the world's largest reinsurance companies with the highest reliability ratings. Among them are Munich Re Group, Swiss Re, Hannover Re, SCOR, GenRe, Partner Re and Lloyd's of London.

The mandatory insurance policy on sea and cargo risks reinsurance has been successfully renewed, its limit was increased up to \$30 mln for cargo section and up to \$25 mln for other risk types. This policy also covers risks related to the fine arts insurance. It expands capabilities of AlfaStrakhovanie and provides the Company with a competitive advantage when participating in tenders for important contracts.

The limit of fire-related risks reinsurance of legal entities is fully retained in the volume of €100 mln.

The obligatory reinsurance treaties on aircraft hull insurance risks (with a coverage up to \$10 mln), aircraft, airport owners and airlines civil liability risks (with a coverage up to \$650 mln) have been successfully renewed.

WSM RETAIL DIVISION



In 2012 gross volume of fees, collected by the Group in work site marketing (WSM) segment, grew by 9.0%, as compared to 2011, and amounted to 221 million rubles.

Structure of gross fees in WSM retail division in 2012: CNC insurance – 66%, CMTPL – 8.7%, personal property – 5.1%, mortgage – 2.6%, other types of insurance – 17.5%.

insurance product, clarify the conditions of the contract’s performance, get help for settling insurance claims. Besides, the website’s work greatly reduces the time of WSM contracts’ registration and optimizes business processes in this area.

Over 1000 companies are AlfaStrakhovanie’s partners, working with WSM division. Among them there are Alfa-Bank, MDMBank, Vimpelkom, TH Perekrestok, Megafon, VTB-24 Bank, Citibank, RosBank, Sobinbank, TransCreditBank, Raiffeisen Bank, UniCredit-Bank, TNK-BP, Rosneft etc.

For corporate clients of AlfaStrakhovanie and their employees, who are interested in purchasing insurance services on concessional terms under the WSM program, www.alfastrahwsm.ru website functions. New clients are able to fill in the insurance application right on the website. “Personal accounts” are created for the Company’s existing clients. There they are able to obtain details about current performance of the contract and its parameters.

The open online communications channel allows clients to quickly obtain the necessary advice for choosing an



Alfa-Health Center clinic in Moscow

Alfa-Health Center is a large-scale project of AlfaStrakhovanie Group on constructing a network of its own multi-field medical centers in the Russian Federation. The project was started in 2008, and in 2009 the first clinics in Perm and Kirov were opened. By the beginning of 2012 multi-field medical centers were also located in Samara, Saratov, Yaroslavl, Nizhniy Novgorod, Murmansk and Tyumen.

In 2012 the Company purchased 100% of “Uralkaliy-Med Polyclinic” LLC shares. A network of healthcare facilities, consisting of a base clinic in Berezniki with a 3000 square meters area, three mini clinics in Solikamsk with a 300-400 square meters area and four healthcare centers located at “Uralkaliy” PLC facilities.

During the year the Company expanded its presence on private medical services markets of Ural and the South of Russia: two new Alfa-Health Center clinics were opened in Ekaterinburg and Rostov-na-Donu.

At the end of the year the project on constructing a federal network of Alfa-Health Center clinics entered the capital market: in November a multi-field medical center of the Company with a 3200 square meters area was opened in Moscow.

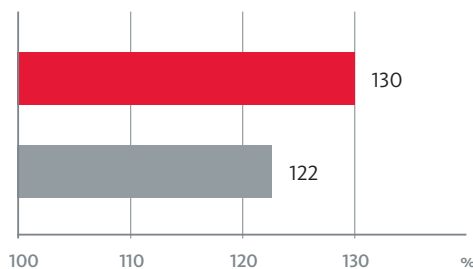
Today Alfa-Health Center clinics work in 12 cities of Russia, providing patients with high-quality medical services, including a full range of outpatient care for all categories of citizens.

The high level of medical care quality is ensured by the most modern equipment from global manufacturers: GE Healthcare, Olympus, Schiller, Melag, Covidien, Fimet and others. The personnel selection system, which is used by the centers, guarantees a high professional level of specialists. Alfa-Health Center clinics provide regular staff development, including additional training in the Boston Medical Academy.

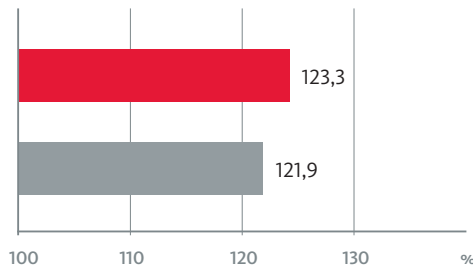
Professional liability of doctors is insured by AlfaStrakhovanie.

GROWTH FACTORS 2012

ALL INSURANCE TYPES



INSURANCE EXCEPT COMPULSORY HEALTH INSURANCE



- AlfaStrakhovanie Group
- Insurance market

The fees collected by AlfaStrakhovanie Group in 2012 amounted to 96,9 billion rubles, which is by 30,4% more than in previous year. At the same time the income of premium in the CMTPL segment increased by 49.7%, life insurance - on 48%, the responsibility - 39.2 %, the hull insurance was 39.1%, and the total share of the market reached 6,3%, which exceeds the 2011 figure by 0,4%. In 2012 the plan for underwriting result and profit was outstripped.

In 2012 AlfaStrakhovanie implemented a number of significant projects, such as:

- the launch of Alfa Globaliti CoGenio® – a comprehensive insurance product, developed in partnership with DKV Globality, the leader of the health insurance market. The program provides enterprise customers with an access to the best medical care services around the world;
- the launch of a new liability insurance product, designed for the medium sized business, in the D&O segment;
- update of the AlfaStrakhovanie website, which introduced an opportunity to complete a full cycle purchase of insurance policies online for the first

time. Travel, apartment and personal property insurance, VHI, CMTPL and CNC policies became available for online purchasing by clients.

- implementation of services, allowing to process travel insurance policies while booking a flight on websites of leading Russian travel agencies and airlines, including OZON.travel, Agent.ru, S7 Airlines.

During 2012 the Company continued to systematically develop the project on constructing a network of its own Alfa-Health Center multi-field medical centers. New medical centers were opened in Ekaterinburg, Rostov-na-Donu and Moscow. At year's end the network has expanded up to 12 universal medical centers throughout the country and in the capital. Besides, the AlfaStrakhovanie Medicine company acquired a medical facilities network in Berezniki and Solikamsk cities in Perm Krai, which became a basis for opening mini clinics under the Alfa-Health Center brand.

In 2012 the work of AlfaStrakhovanie Group was marked by a number of professional awards and prizes. AlfaStrakhovanie became a winner of the “Golden Salamander” award in five nominations,

was awarded with the “Creative of the Year” prize by Retail Finance Awards, the “Leader of Aviation Insurance” by the “Expert” RA, won a title of “IT-leader”. AlfaStrakhovanie became the first Russian brand represented in the Facebook Studio gallery.

In 2012 AlfaStrakhovanie executed a number of large IT projects aimed at increasing the company's performance and the customer service quality. IT infrastructure was developed in two key directions: enhancing the efficiency of using existing technologies and introducing new automated solutions.

Among the main results of 2012 in the first direction – an extension of the ATK QlikView project. It's aimed at implementation of the innovative insurance analytics system on the basis of the QlikView Business Discovery platform. The ATK QlikView for Insurance analytical application is used by AlfaStrakhovanie as a unified corporate tool for analytical reporting. In 2012 the number of the system's end users was significantly increased, and this tool was offered to our insurance representatives for the sales analysis.

AlfaStrakhovanie became one of the first companies on the Russian market that had implemented the IBM WebSphere ILOG BRMS business rules management platform. The unified platform was installed for calculating motor insurance programs tariffs (CNC, CMTPL) and agents' commission sizes. The new system allows to considerably accelerate launches of new tariffs and special offers on the

market and to shape a personalized approach in working with clients.

Also at the beginning of 2012 the introduction process of SAP Claims Management (SAP FS-CM), the automated claim settlement system for motor insurance, was completed. This project, started in the middle of 2010, was dedicated to the optimization of losses settlement mechanisms. That allowed to carry out a qualitative reorganization of the company's internal business processes and to improve the client service level in all presence regions.

AlfaStrakhovanie Group has completed the project on creating the assets management automation system. The developed program, AssetManagement, is a complex information system that allows to provide management of investment portfolio under conditions of its volume growth and increasing management requirements. AssetManagement also serves for monitoring of insurance reserves coverage, for provision of headquarters, regional centers and branches with operational information on assets condition.

In 2012 the updated version of the AlfaStrakhovanie website was launched. The new

company's website became the first online resource in Russia, that allows to complete a full cycle purchase of insurance policies online. After filling an order form for the policy and paying for it in any convenient way, the client receives the electronic policy by e-mail. AlfaStrakhovanie's clients gained an access to the online purchase of travel, apartment and personal property insurance, VHI, CMTPL and CNC policies.

In 2012 the Group also launched the following projects.

CDI – the project on creation of the “Unified Storage of the Client Information” software solution, which will allow to compose a full profile for each company's client. Creation of the information system is aimed at checking client information in the company's registration systems for duplicates, unifying and enriching it, forming a single unique record for a client (contractor). It will allow to cut costs, related to the operational accounting or to searching and collecting information on potential and existing clients, performed by selling divisions. “Unified Storage of the Client Information” would also increase specific fees for each client.

The project, which purpose is to organize and carry out the work on bringing activi-

ties of AlfaStrakhovanie SG companies into line with requirements of the Federal Law of the Russian Federation “On Personal Data” as of 27.07.2006 No. 152-FZ, bylaws and regulators' requirements.

Introduction of “Bonus Malus Factor” (BMF), the insurance history keeping system of the Automated information system of the Russian union of autoinsurers (AIS RUA) for compliance with legal requirements when concluding CMTPL insurance contracts. It's also aimed at provision of the data exchange with AIS RUA.

Automation of commission accounting is a project on creating a tool for reducing manual operations of commission accounting in insurance and business accounting. The project is aimed at decreasing additional operating costs appearing with growth of business and at increasing the number of intermediaries and their sales.

The customer-oriented approach is a basic principle of the Company's work. Reliability, competent consultation, ease of processing and settlement of insured events are the key competitive advantages of AlfaStrakhovanie.

Client base of the Group includes more than 16,5 million private clients and more than 390 thousand companies.

The Company's financial consultants regularly meet with clients, discuss the situation with each of them and choose the best solution together.

If a client has any additional questions, they can consult an agent of AlfaStrakhovanie, get the advice through the website or call the unified Federal Contact Center. The continuous analysis of feedback allows the Company to manage a situation and also to educate clients' preferences, that allows to meet their expectations always.

AlfaStrakhovanie values each client, therefore the Company has its Service Quality Control System which reviews each complaint in detail and settles it. Along with this, the causes of the complaint are analyzed and eliminated.

One of the basic principles of the Company's work is an individual approach to each client. An aspiration to search for

complex decisions, providing the maximum coverage of the client's needs, a flexible approach to an execution of a contract through the entire period of cooperation, a possibility to include additional options with maintaining optimal costs of the insurance program are important criterias, when it comes to a choice of an insurance company.

Due to the constant analysis of clients' needs, in addition to consideration of tendencies, the team of AlfaStrakhovanie can offer innovative solutions to clients. In 2012 the Company actively implemented and developed unique on-line projects for acceleration and simplification of access to services, and also for forming of the existing and potential audience's loyalty.

AlfaStrakhovanie's personnel policy is formed in close association with the Company's development strategy. Its main task is to create an efficient team, that is not only able to maintain a preassigned direction, but also to produce effective ideas on active business development and strengthening of the Company's positions.

The main direction of AlfaStrakhovanie's personnel policy in 2012 was to continue the work on strengthening the team. It is a necessary task under conditions of the Group's rapid development against the background of an increasing competition on the insurance market.

To achieve set goals the Company uses an advanced system of personnel audit, creates modern training and development programmes for the staff. Appropriate conditions for development of professional and personal qualities of employees are created at all career stages to unlock the full potential of successful team members.

Enabling the employees to develop their careers through functional and geographical rotation helps to improve the Group's workforce capacity and strengthen the management team of the regional network.

A strong corporate culture, an effective motivation system, creation of conditions for self-realization and career growth allow the Company both to keep talented and efficient employees and to

attract the best experts of the insurance market to the team.

High qualification and business authority of AlfaStrakhovanie's team traditionally receive public recognition.

For the 9th year in a row AlfaStrakhovanie's management team occupied leading positions in the "Top 1000 Russian Managers" annual authoritative rating, a joint project of the Managers Association and Kommersant publishing house. In the final list of the rating AlfaStrakhovanie's candidates were present in 6 functional areas.

In 2012 AlfaStrakhovanie on repeated occasions supported important art and cultural events and also took active part in the organization of charity events.

Thanks to its accumulated experience and reputation, the Company regularly takes part in the organization of international exhibition projects. AlfaStrakhovanie supported a unique exhibition which was a part of the Russian and Latvian Ministries' of Culture cooperation program. An insurance coverage was provided for the House of Faberge works – from the well-known Easter eggs to ladies' jewelry, tableware, clocks, cigarette cases and other exclusive accessories. During the Days of Riga in Moscow the “Riga artistic porcelain of 1925-1940” exhibition was open.

With assistance of the Company, “Photo Biennial 2012”, the Ninth International photography month – one of the key events in the world of photography, gathering thousands of visitors from dozens of countries every year – took place in Moscow.

Insuring 600 art objects of the “Russian and Germans: 1000 Years of History, Art and Culture” exhibition, dedicated to the Year of Germany in Russia opening, represented a significant evidence of the confidence in the quality of the Company's insurance services.

Supporting museums and modern art projects by providing them with insurance coverage is one of important lines of activity for the Company. In 2012 AlfaStrakhovanie became an official partner of the “Kandinsky Prize” national award nominees exhibition, one of the largest and most prestigious independent modern art awards.

AlfaStrakhovanie provided 1939 works of Soviet nonconformism masters from the “Other Art” museum collection, operating under the Russian State University for the Humanities, with insurance coverage for 5 years.

Among the Company's projects in the most actual and innovative art trends insurance – the “Insurable Event” project of the “Kovcheg” gallery devoted to the doomsday topic, “The State”, a personal exhibition of an artist Dmitriy Tsvetkov in the “PERMM” Perm Museum of Modern Art, “Lexus Hybrid Art'2012” exhibition in the “ARTPLAY” Moscow design center, “Trends. The Samara Avant-garde of 1960-2012” exhibition in the P. Alabin Samara regional museum, and also “The Moscow Conceptualism. The Beginning”, a large exhibition of Moscow conceptualists works in Nizhny Novgorod.

The following exhibitions were also open in 2012 with support of AlfaStrakhovanie: “The Soviet Design of 1950-1980”, an exhibition consisting of Soviet everyday life items (the first project of the Moscow Design Museum), “The Prisoner of the Caucasus. From Pushkin to Nowadays” large exhibition in the Pushkin State Museum in Moscow, devoted to the Caucasian subject in the works of A. S. Pushkin, M. Y. Lermontov and L. N. Tolstoy.

During the year AlfaStrakhovanie actively cooperated with Russian regional museums and galleries. The Company insured an exhibition of showpieces from the “Yasnaya Polyana” State Memorial Museum of Leo Tolstoy held in the “Kazan Kremlin” Museum Reserve, a retrospective exhibition of the Soviet artist A. A. Labas in the State Russian Museum, the “Soul in the Treasured Lyre...” exhibition in the Lipetsk Regional Art Gallery.

In 2012 the Company also repeatedly supported significant social initiatives and projects. Among other things AlfaStrakhovanie became a partner of the first “5275 Race” charity event, which took place on the 23rd of September in Moscow and was organized by “Liniya Zhizni”, “Doroga Vmeste” and “Reach for Change” charity foundations.



KEEP ON MOVING!