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Dear customers, shareholders, partners and colleagues:



This report presents the results of AlfaStrakhovanie Group for 2016. For us, it was a successful year. As we have grown faster than the market, AlfaStrakhovanie has been able to strengthen its market positions in a number of key areas.

Fees collected by the Group (including compulsory health insurance (CHI)) in 2016 amounted to 250.9 billion rubles, which is 7.5% higher than the year before; the company's market share has risen up to 9.2%, exceeding the result of 2015 by 0.1% percentage points.

Fees collected without CHI increased by 38.5% up to 93.4 billion rubles in 2016 compared to 67.4 billion rubles in 2015; our market share increased by 1.3 percentage points to 7.9%. The company has taken the 4th place among the leaders of the insurance market and the compulsory health insurance market.

The Group outstripped its targets in the underwriting result and profit. The growth of fees by segment has totaled, in particular: in the CMTPL segment – 26.6%, CNC – 7.4%, accident insurance – 82.6%, insurance of corporate property – 34.4%. The growth in VHI was 8.8%. The business of AlfaStrakhovanie-Life increased by 130%. For the third year in a row, the Group remains leading positions in online insurance among all Russian insurers and takes second place among aviation risk insurers for the fourth year in a row.

Last year we made another step towards improving our services' quality and simplifying the interaction of customers with the insurance company, we updated the main page of the website, making it even more convenient for our customers and continued working on our mobile application "AlfaStrakhovanie Mobile" - the first mobile service application in the insurance market.

The Group's work in 2016 was awarded with a number of professional awards and prizes. For winning a prestigious world competition in finance, World Finance 2016, AlfaStrakhovanie was recognized as Russia's best insurance company of the year, according to World Finance Media magazine (UK).

The company also won the fifth annual Travelers' Choice award of the TripAdvisor portal in the "Favorite Travel Insurance Company" category, Expert RA rating agency recognized AlfaStrakhovanie as the leader in travel insurance and banking risks insurance markets, and the international online travel agency Tripsta restated its leading status by naming AlfaStrakhovanie a company with the highest level of trust among Russian travelers. In 2016 the application "AlfaStrakhovanie Mobile" on merit received three awards at a time, in the largest competition of mobile applications in RuNet – "Golden App 2016".

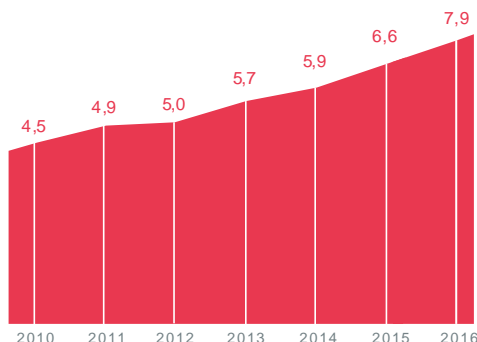
For us, 2016 was a year of consistent growth. We achieved high results due to our successful projects aimed at expansion of business and partnerships, development of new lines of insurance, promotion to the sectoral and regional markets and active work on winning the customers' loyalty.

It is important that this growth is qualitative and accompanied with good financial performance and profitable growth. Our main goal for 2017 is to achieve even greater efficiency, to develop business and to improve market positions.

A stylized handwritten signature in black ink, consisting of a large 'V' and 'S' intertwined.

Best regards,
Chief Executive Officer
AlfaStrakhovanie
Vladimir Skvortsov

**Behavior of the market share of
AlfaStrakhovanie Group in the
market, exclusive of CHI, %**



For AlfaStrakhovanie Insurance Group, 2016 was a success; as we have grown faster than the market, the Group companies have been able not only to strengthen their market positions in a large variety of key areas, but also to achieve new results, taking 9.2 % of the country's insurance market

AlfaStrakhovanie Group includes AlfaStrakhovanie JSC, AlfaStrakhovanie-Life LLC, AlfaStrakhovanie-OMS LLC, Insurance Health Company Yugoria-Med JCS and Medicine AlfaStrakhovanie LLC.

Under our license, the Group companies offer more than 100 insurance products, including life insurance and accident insurance. More than 270 regional offices operate in Russia.

In 2016, the share of the insurance market controlled by the Group, amounted to 9.2% with collected fees of 250.9 billion rubles. A year earlier, the respective figures were 9.1% and 233.5 billion rubles. The growth of insurance volumes as compared to 2015 was achieved in all key market segments of the Group.

In 2016, the Group's fees without CHI achieved 93.4 billion rubles, and the market share achieved 7.9%. According to the results of 2016, the largest share in the overall structure of AlfaStrakhovanie Group's insurance portfolio (without CHI) falls on life insurance (32.7%), CNC (14.5%), CMTPL (14.4%) and voluntary health insurance (9.7%).

Own funds of the AlfaStrakhovanie Group amount to more than 11.8 billion rubles.

According to IFRS the total Group's income in 2016 reached 3.03 billion rubles comparing to 2.557 billion rubles in 2015.

Fitch Ratings International Agency restated the insurer's financial strength rating of AlfaStrakhovanie at the level of BB on the international scale. The outlook for the ratings is "stable".

Expert RA Rating Agency restated the reliability rating of AlfaStrakhovanie at A++ "Exceptionally High Level of Reliability"; the rating outlook is "stable".

Also in 2016, Expert RA restated the highest rating of AlfaStrakhovanie-OMS at A++ "Exceptionally High Level of Reliability"; the rating outlook is "stable".

In 2016, the company took 168th place in the compiled by RBC ranking of the largest companies of the country, it was also included in the rating of 600 largest companies in Russia and the top five in the insurance industry made by RAEX and Kommersant Publishing House.

AlfaStrakhovanie JSC and AlfaStrakhovanie-Life LLC were included by the Central Bank of the Russian Federation in the list of system-relevant insurance companies.

Currently, 23 million private customers use services of AlfaStrakhovanie Insurance Group.

Chairman of the Board of Directors:

Petr Aven Chairman of the Board of Directors of ABH Holdings S.A., Member of the Board of Directors of Alfa-Bank JSC, Chairman of the Supervisory Board of Ukrspotsbank PJSC (Ukraine) and the Supervisory Board of Alfa-Bank (Ukraine)

Members of the Board of Directors:

Andrei Baranov Independent Member of the Board of Directors.

Aleksey Marey Member of the Board of Directors, Chief Managing Director, member of the Management Board of Alfa-Bank JSC.

Andrei Elinson Director of Asset Management, CTF.

Vladimir Nazarov Head of the Financial Research Institute of the Russian Ministry of Finance

Ildar Karimov Member of the Board of Directors of Alfa-Bank JSC.

Vladimir Skvortsov Chief Executive Officer of AlfaStrakhovanie JSC, Member of the Supervisory Board of Alfa Group Consortium.

Elena Kataeva Deputy General Director of Gazprom Gazoraspredelenie JSC.

Oleg Sysuev First Deputy Chairman of the Board of Directors of Alfa-Bank JSC.

Andrei Kosogov Member of the Board of Directors of Alfa-Bank JSC, Member of the Board of Directors of ABH Holdings S.A.



Chairman of the Management Board

**Vladimir
Skvortsov**

Chief Executive Officer



**Aleksandr
Gorin**

Deputy CEO,
Retail Insurance Director



Members of the Management Board

**Irina
Alpatova**

Deputy CEO,
Corporate Insurance Director



**Ilya
Kabachnik**

Aviation Insurance Deputy CEO



**Mikhail
Bershadskiy**

President



**Vera
Mammadova**

Deputy CEO,
CFO



**Ilya
Olenin**

Deputy CEO,
Director of Underwriting in Retail Insurance



**Tatiana
Puchkova**

Deputy CEO,
Marketing and Development Director



**Andrey
Ryzhakov**

Health Insurance Deputy CEO,
CEO of AlfaStrakhovanie-OMS



**Sergey
Savosin**

Finance and Operations Deputy CEO



**Alexey
Slyusar**

Life-insurance Deputy CEO,
CEO of AlfaStrakhovanie-Life LLC



Fitch Ratings restated the insurer's financial strength rating of AlfaStrakhovanie at the BB level on international scale.



Expert RA Rating Agency for the 13th time in a row restated the highest reliability rating mark for AlfaStrakhovanie, A++, which stands for "Exceptionally High Level of Reliability".



АССОЦИАЦИЯ
МЕНЕДЖЕРОВ

The senior management of AlfaStrakhovanie for the 13th time in a row took leading positions in the distinguished annual rating "Top 1000 Russian Managers", a joint project of the Association of Managers of Russia and Kommersant Publishing house.



AlfaStrakhovanie was included in the Top 1000 Successful Suppliers rating compiled by B2B-Center, Russia's largest electronic trading system for corporate procurement.

In 2016, the companies of the AlfaStrakhovanie Group, AlfaStrakhovanie JSC and AlfaStrakhovanie-Life LLC, remained on the list of system-relevant insurance organizations of the Central Bank of the Russian Federation, established in 2015.



AlfaStrakhovanie for the third time and the second year in a row was recognized as Russia's best insurance company of the year, according to World Finance magazine (UK).

Expert RA rating agency recognized AlfaStrakhovanie as the leader in the travel insurance and banking risks insurance markets.

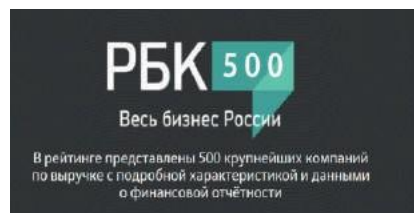


The international online travel agency Tripsta restated the company's leading status by naming AlfaStrakhovanie a company with the highest level of trust among russian travelers.

The company won the fifth annual Travelers' Choice award of the TripAdvisor portal in the "Favorite Travel Insurance Company" category.

"AlfaStrakhovanie Mobile" application on merit received three awards at a time in the largest competition of mobile applications in RuNet – "Golden App 2016".

For the successful development of business in Siberia, the company received the official status of "Reliable Partner" and an award in the "Novosibirsk Brand" competition "for stability and professionalism".



In 2016 the company took 168th place on rating list of the largest Russian companies compiled by RBC.

AlfaStrakhovanie was included in top-600 largest companies in Russia and in top-five insurance industry companies, made by RAEX and Kommersant Publishing House.

According to the site Sravni.ru AlfaStrakhovanie took the 3rd place in successful corporate insurers t rating of 2016.

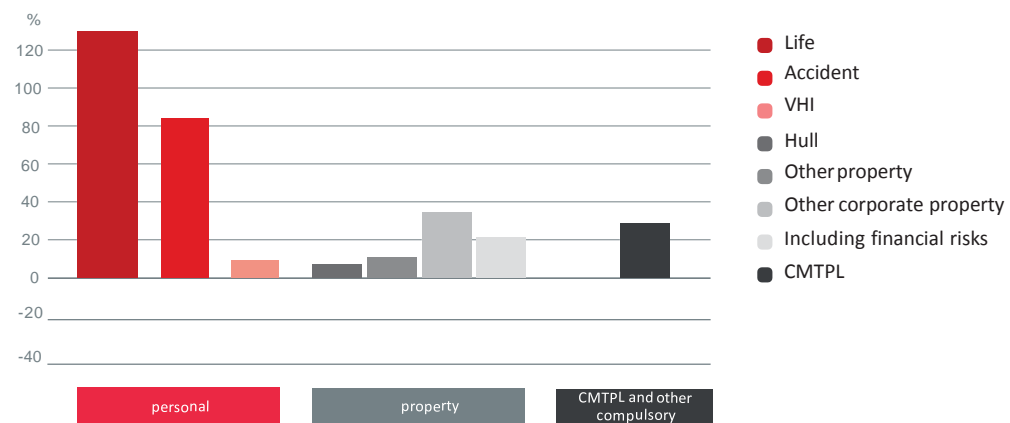
сравни.ru

Behavior of AlfaStrakhovanie portfolio and market share in the segments of the insurance market (2013-2016)

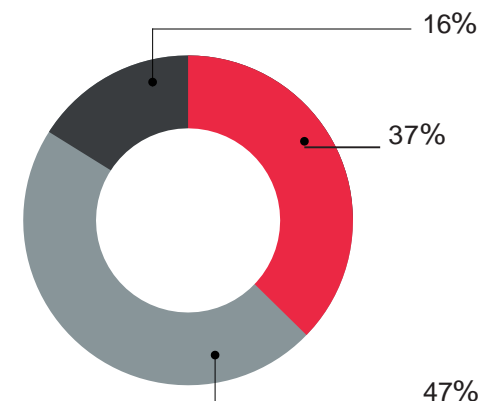
Segment	Collections, M rubles				Portfolio behavior in 2016	AARG, 2016/2013	Share of the segment in the portfolio (exc. CHI) in 2016	2015		2016	
	2013	2014	2015	2016				market share	rank	market share	rank
Life	10756	10027	13273	30523	130%	41.6%	32.7%	10.2%	3	14.1%	3
Accident	1759	3002	3351	6120	82.6%	51.5%	6.6%	4.1%	5	5.5%	5
VHI	6347	7510	8315	9050	8.8%	12.6%	9.7%	6.4%	5	6.7%	4
Hull	11526	12093	12616	13552	7.40%	5.5%	14.5%	6.7%	6	7.9%	6
Other property	11151	16964	15435	16979	10%	15%	18.2%	7.4%	4	7.2%	4
Liability + HIFI	2605	3080	3672	3595	-2.10%	11.3%	3.8%	7.8%	4	6.2%	7
CMTPL	7166	5524	10624	13449	26.6%	23.3%	14.4%	4.9%	5	5.7%	5
Other compulsory	188	198	198	128	-12.2%	-12%	0.10%	0.7%	9	0.6%	11
Total, exc. CHI	51498	58398	67431	93396	38.5%	21.90%	100.00%	6.6%	5	7.9%	4

CHI	79338	94684	166095	157544	-5.1%	25.7%	62.8%	10.8%	5	10.3%	5
Total	130837	153082	233526	250939	7.5%	24.2%	100%	9.1%	3	9.2%	4

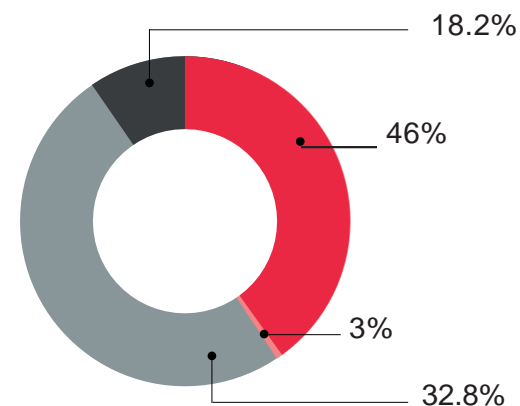
Growth rates in 2016



Behavior of the portfolio, without CHI



2015



2016

In 2016, AlfaStrakhovanie Insurance Group showed a significant growth in premiums. Fees increased by 7.5% up to 250.9 billion rubles. The company's share of the Russian insurance market increased and reached 9.2%. The Group ranks 4TH in the rating of the largest insurance groups in the country.

Fees collected by AlfaStrakhovanie in 2016 increased by 38%, the market share grew from 6.6% to 7.9%, which allowed us to become the fourth largest insurer in terms of fees among all insurers, excluding CHI.

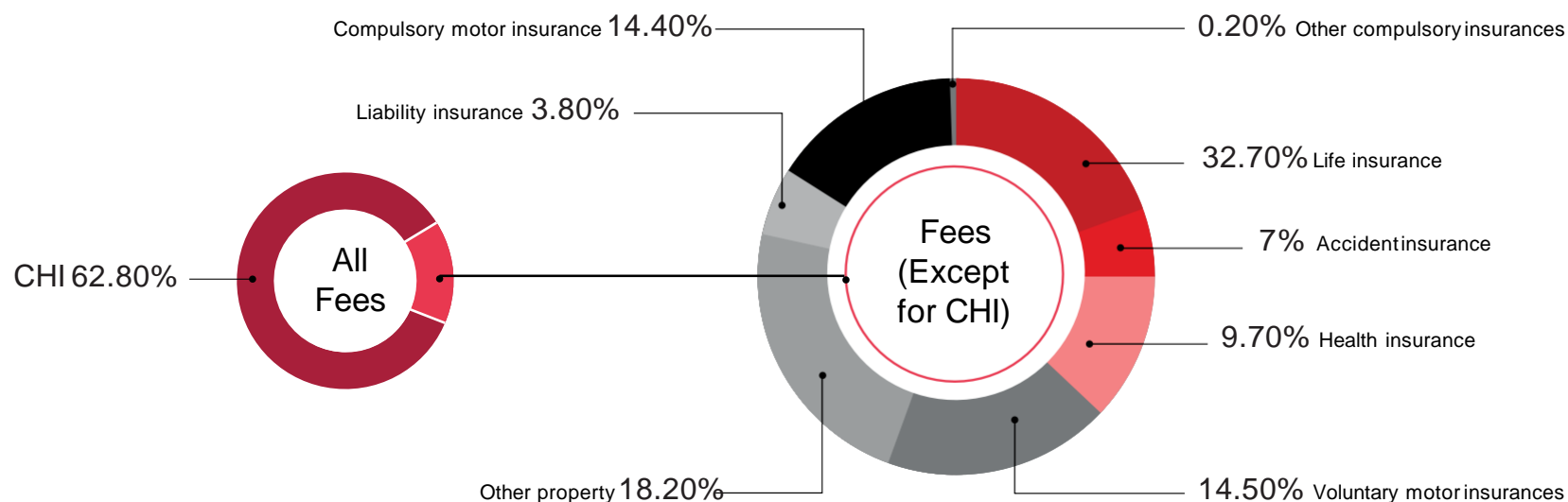
AlfaStrakhovanie Group actively increases the range of activity in the compulsory health insurance market. In 2016, the company's fees amounted to 157.5 billion rubles, and the market share was 10.3%. Increase in the collected fees was, in particular, due to the acquisition of 100% shares of Insurance Health Company Yugoria-Med JCS, one of the largest Russian regional companies in the compulsory health insurance market. The total number of regions with the company's presence in the segment of CHI increased from 9 to 13.

The market share of AlfaStrakhovanie grew in most segments. The largest increase of the market share in 2016 compared to 2015 was recorded in the following segments: life insurance +130% (market share – 14.1%), accident insurance +82.6% (market share – 5.5%), CMTPL 26.6% (market share – 5.7%), voluntary health insurance +8.8% (market share – 6.7%), hull insurance +7.4% (market share – 7.9%).

The Group showed good dynamics in the vehicle insurance market. While the total CNC market decreased by 8.8%, fees collected by AlfaStrakhovanie in CNC increased by 7.4%. Our market share grew from 6.7% in 2015 to 7.9% in 2016.

The shares of individual insurance segments in the total portfolio of AlfaStrakhovanie, exclusive of CHI, were as follows: life insurance (32.7%), CNC (14.5%), CMTPL (14.4%) and voluntary health insurance (9.7%).

Structure of the portfolio with CHI



AlfaStrakhovanie Group continues strong growth in life insurance, accident insurance and individuals' financial risks



According to the results of the year, AlfaStrakhovanie was ranked third in the rating of the largest insurers of the segment with a 14.1% market share. Total amount of fees obtained by AlfaStrakhovanie in life insurance in 2016 amounted to 30.5 billion rubles, which is 130% higher than the result of 2015. The whole market in 2016 grew by 66.3%.

In 2016 AlfaStrakhovanie Group continued to strengthen its positions in accident insurance. During the year the amount of premiums of this type grew by 82.6% up to 6.1 billion rubles, the market share increased from 4.1 to 5.5%. As a result of 2016, AlfaStrakhovanie-Life fees increased by more than twice. The expansion of the partnership network and the launch of sales in mass segment helped to achieve this high level.

In 2016 we managed to double the number of partner banks that continue to develop sales of investment insurance and universal life insurance products. Binbank, Promsvyazbank, Ak Bars Bank, Vostochny Bank, Moscow Credit Bank, Raiffeisenbank, Loko-Bank, OTP Bank and others are among them.

In 2016 new products were launched: Forward Maximum became the sales leader among premium segment customers of Alfa-Bank, this program provides an opportunity to receive investment income from the maximum of strategy growth. Forward Annual product was launched in Raiffeisenbank, it allows customers to receive revenue annually, without waiting till the end of the contract.

In 2016 we put an emphasis on quality of training of sales staff's, as the amount of this personnel had increased by 3 times since the beginning of the year. Training courses on sales and on dealing with objections have been updated, targeted for particular banking segments. Interactive courses with unique content have been developed.

We also began scaling up of the innovative portal @LifePoint for partners, including Loko-Bank, financial consultants and territorial managers of Alfa-Bank.

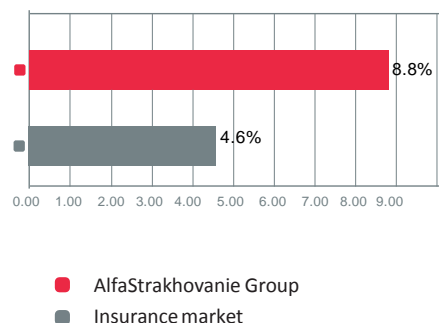
The company continued to develop client services: the federal contact center AlfaStrakhovanie-Life was reorganized; paperwork processes (transfer from paper to digital technologies) have been simplified. The functional of the personal profile page on our website has expanded – we added a new design and a more clear interface, an ability to get a report on the profitability and schedule of the investment strategy in a convenient for the customers form.

The “Qualified digital signature” option also became available to customers, significantly speeding up the process of applying to the insurance company. For sales staff and bank managers a support hot line for sales' support has been set.

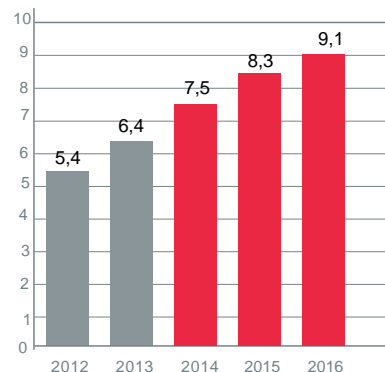
In 2016 AlfaStrakhovanie Group continued the development of credit and risk insurance. Bank insurance still remains our main channel. Developing sales and scaling them up within our numerous current partners, increasing the consumer value of insurance products by expanding insurance coverage became our key directions in our work, active cooperation with our new partners, like Loko-Bank, Pochta Bank and others has also been carried out.

Growth rates in 2016

Health Insurance



Fees collected by the Group in the VHI market, billion rubles



In 2016 AlfaStrakhovanie continued to successfully develop voluntary health insurance. active work in this area provides a steady increase of the share and collected fees in the segment

In 201, fees in voluntary health insurance segment collected by AlfaStrakhovanie increased by 8.8% and amounted to 9.1 billion rubles while the entire market grew only by 4.6%. Our market share in the voluntary health insurance market grew from 6.4% in 2015 to 6.7% in 2016.

We are holding leading positions in voluntary health insurance market and successfully moving forward due to our company's accumulated experience and knowledge of the industry, cooperation with the best suppliers of medical services, engagement of experienced and qualified professionals, including specialists in unique fields, as well as to the proper organization of insurance service of the highest quality and maximum flexibility in our work. An individual approach and development of new insurance programs help AlfaStrakhovanie to offer our clients optimal work schemes, while regular quality and price control of our services ensure reliable protection and high level of health care.

We develop and implement long-term programs of managing our staff's health, conduct system monitoring and use world's best practices for preventing diseases and supporting our employees' health. For the clients' convenience, we have introduced personal profiles on our website, both for the HR and the insured, and the first mobile service application AlfaStrakhovanie Mobile (for iOS and Android).

Our competitive gains include: a wide regional network, full informational and analytical support of HR departments and the insured, a round-the-clock service responsible for health care organization, a three-level system of medical support, an integrated center of medical examination for monitoring the quality of health care provided in all regions of the Russian Federation.

The medical unit of AlfaStrakhovanie continued to actively build up our portfolio of corporate customers. The largest customers include: Alfa Bank, Metro Cash&Carry, British American Tobacco, Danone, Uralkali, Efes, Ferrero Rocher, Amway, Henkel, Ehrmann, Volvo, Peugeot, ConsultantPlus, the Tuapse Commercial Sea Port, Sanofi and many others.

Since March 2016 we have been implementing the project "HR Lab. – Laboratory of HR Innovations" in partnership with the Harvard Business Review Russia business magazine, the Association of Managers of Russia and HeadHunter website. The project is focused on HR-directors, specialists in personnel management, owners and CEOs of the company. Its main purpose is to search and accumulate all the necessary tools, competencies and practices for successful work with personnel in a turbulent market. Last year the company implemented a project "Health of Personnel", the main

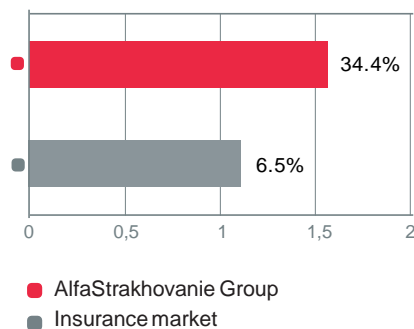
mission of which is to identify and disseminate the best experience and innovative HR practices of socially responsible conduct of business to increase Russian companies' transparency and competitiveness. The project stimulates the outspread of health management practices among mass audience: we organized professional conferences, where market professionals who demonstrate the best cases in employee health management exchanged experiences, discussed them, and gave their own advice on management through various media channels and in our in-house periodical AlfaHealth. The project involved over 1.8 million people, 250 HR directors of the largest Russian companies.

In 2016 fees in travel insurance collected by AlfaStrakhovanie exceeded 1 billion rubles. Russia's largest international rating agency RAEX (Expert RA) recognized AlfaStrakhovanie as the market leader in travel insurance. During 2016, AlfaStrakhovanie was actively developing its in-house and partner projects for online travel insurance, retail and partner sales, which allowed us to significantly increase fees amid a drop of tourist flow.

Strengthening the Group's position in VHI is facilitated by our own network of high-tech multifunctional medical clinics Alfa Health Center in 12 cities of Russia.

Growth rates in 2016

Insurance of individuals' property



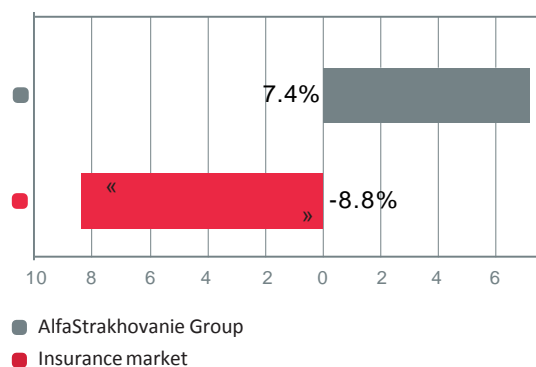
Insurance of individuals' and legal entities' property is one of the priority markets for AlfaStrakhovanie Group. In 2016 collected fees in this business area constituted a large part of the portfolio, reaching 13.1% of the total collected fees.

The Company continued to actively build up its insurance portfolio for individuals' property. Collected fees in this segment amounted to 5.9 billion rubles, and the market share of AlfaStrakhovanie was 11.3%. The company is in top five in insurance of individuals' property segment among the largest insurers in the Russian market by the end of 2016.

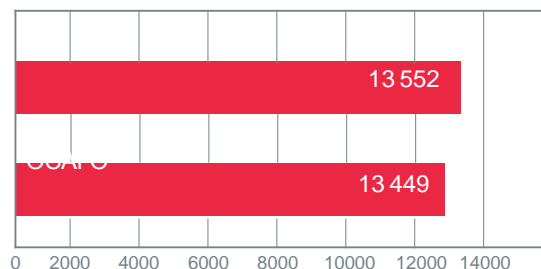
In 2016, the company's collected fees on the corporate property insurance market increased by 34.4% and amounted to 8.5 billion rubles. The entire market for 2016 in this segment grew by 6.5%. The share of AlfaStrakhovanie in the segment is 5.5%. The company strengthened its position in top-four largest insurers of the segment. In 2016 we continued to expand distribution network of packaged products for home insurance, protection of bank cards against fraud, gadget insurance and the "ALL inclusive" package insurance, which combines several insurance types and provides protection of property, civil liability in the use of it, protection of personal belongings, insuring bank cards against fraud, accident insurance, and insurance of expenses of traveling abroad.

Growth rates in 2016

Vehicle insurance



Share of motor insurance in the Group's portfolio, billion rubles



Vehicle insurance as part of the retail unit of AlfaStrakhovanie is one of the key areas of our business. We are able to expand our portfolio every year and show the high dynamics of collected fees in motor insurance and liability insurance due to excellent service, customer care, a professional sales team, our proven underwriting and marketing policy

In 2016 fees collected by AlfaStrakhovanie in vehicle insurance increased by 7.4% up to 13.6 billion rubles, while the market decreased by 8.8%. As a result, we rank:

- sixth in the CNC market, where our share increased over the year from 6.7% to 7.9%;
- fifth in CMTPL with a share of 5.7% of the entire market in 2016; fees collected amounted to 13.4 billion rubles;
- second in the "Green Card" market with a market share of 20.9% and the premium of 755 million rubles.

The results for 2016 became possible to achieve due to the productive collaboration with car manufacturers. AlfaStrakhovanie has retained its positions with such brands as Volkswagen and Skoda and has taken leading places in programs of Audi, Mercedes-Benz, BMW, Volvo.

The largest partners of AlfaStrakhovanie are: car dealer holding companies, such as ROLF, Major, Avtomir, Genser, TransTechService, Nezavisimost', Avilon, AvtoSpetsTsentr, Business Car, Inchcape, Favorit Motors, Klyuchavto, U Service+, Modus, Evrosib, Axsel, etc.

AlfaStrakhovanie company launched an "Easy Casco" product as a part of expanding loyalty to the customers program. If the policyholder is not the culprit of the accident, but the culprit of the accident is determined, AlfaStrakhovanie will repair the customer's car at the official dealer or at a car service station. In case of minor damage for a different reason, the customer may once a year apply to the insurance company, which will settle the loss within 5% of the sum insured.

AlfaStrakhovanie launched a new product of voluntary insurance of vehicles "Spot-on Casco". The program is targeted at experienced drivers who rarely get into accidents by their own fault. Having bought the policy for 9950 rubles, they will be able to receive full coverage of damage in case of theft or if the culprit of the accident is determined. Settlement of the loss is made including cases when the culprit lacks certificate of insurance or when it is counterfeit or belongs to the insurer who left the market. The product sales line on our website received an active development. Now on AlfaStrakhovanie website it is possible to prolong CMTPL insurance certificate, purchase a product with limited coverage for experienced drivers and classic hull insurance for both new cars and cars with mileage.

Professional underwriting, experience in development of individual programs and high-quality reinsurance allow AlfaStrakhovanie to successfully develop its business in insurance of transport and marine risks



Technologies in cargo transportation insurance coverage proved over the time, constant perfection of client service and expansion of our services range made it possible to significantly increase the company's portfolio in 2016.

AlfaStrakhovanie's clients are the largest players in various economic branches: Torgovyy Dom Petelino LLC, Miratorg Group of Companies, Crocus Group, Dakotrans, Donskoy tabak, Logiterra, Volgotrans, Samaratransshipping, Palmali, Khatanga Sea Trading Port, Transbunker Group of Companies, Nakhodka Active Marine Fishery Base PJSC, Drenchflot, Baltic fleet LLC, Sigma Marine Technologies LLC, Sodrugestvo Group of Companies' fleet, Yarbunker LLC, Rosshipcom LLC and others.

We successfully insure means of railroad container transportation, river and sea vessels, shipbuilding risks, conclude contracts providing liability insurance of hauliers, shipping agents, liability insurance of shipowners. Upon client's request we develop package insurance programs, offering multiple transportation risks coverage and convenient options for organizing workflow and business processes.

Fees for the protection of transport risks, collected by AlfaStrakhovanie in 2016, amounted to 621.5 million rubles. Marine risks insurance premium came to 464.9 million rubles.

In 2016 we launched remote insurance service for one-time cargo shipments, AlfaGruz-Online, that allows clients promptly obtain insurance certificate at the company's website. Cargo owners, hauliers or shipment agents can act as insurers. Single certificate's liability limit comes to 5 million rubles.

Hull risk assessment – a system for evaluation of risks is successfully operating in the company, being widely used in its day-to-day operations. Hull risk assessment allows us to analyze the ships' technical conditions and to conduct management quality monitoring for the fleet insured. Rules and regulations of all types of marine insurance have also been prepared and are available in both languages .

The company actively continues further cooperation with Russian and international brokers, including AON-Rus, Willys CIS, Marin Services Group, Marine Insurance Services SA, Kominsur Ltd., Nautilus Insurance Agency, Greco JLT and others.

By providing the complete set of documents AlfaStrakhovanie has renewed its accreditation by the Japanese MLIT (Ministry of Land, Infrastructure, Transport and Tourism of Japan), allowing our clients' vessels to stay in Japanese territorial waters and enter Japanese ports.



Aviation and space industries are one of the most important directions of AlfaStrakhovanie's work. The company holds leading positions in insuring risks in these spheres. Individual approach to each client, reliable protection, swift settlement of losses and professional staff with unique competence – all this guides Russia's largest airlines, aircraft manufactures and other companies from civil aviation infrastructure industry to choose our company and makes cooperation an effective and pleasant process.

In 2016 AlfaStrakhovanie's premium in air transportation insurance, including hull insurance and liability of shipment agents, amounted to 2.19 billion rubles. The company has strengthened its market positions among the largest insurers of aviation risks.

AlfaStrakhovanie offers full range of insurance services for aviation market enterprises, the company focuses on providing service of the highest quality. The list of our largest clients includes State Corporation of the Russian Federation for Air Traffic Management, Academician M.F. Reshetnev Information Satellite Systems, S.P. Korolev Rocket and Space Corporation Energia, FSUE Kosmicheskaya Svyaz, Roskosmos State Corporation of Space Activity, Progress Rocket and Space Center, Sukhoi Aviation Holding Company, Vnukovo Airport, Domodedovo International Airport, Pulkovo-3 Business Aviation Center, Aeromar, airline companies such as Aeroflot, Rossiya, Pobeda, Ural Airlines, Orenair, Yamal, Royal Flight, Nordwind, Saratov Airlines, Aurora, Ural Airlines and many others.

The most significant projects we accomplished in 2016 included insuring risks of the Soyuz-FG rocket

launch and of the docking of manned transportation spacecraft Soyuz MS-03 with the International Space station, organized by the Roskosmos State Corporation for Space Activities. The contract price totaled 98.5 million rubles, the insurance amount came to 2.5 billion rubles.

In 2016 AlfaStrakhovanie carried out over 50 online projects, providing insurance services for passengers and tourists. Our list of partners includes leading Russian airlines, largest online travel agencies and other remarkable enterprises: Aeroflot, S7 Airlines, Ural Airlines, Russian lowcoster Pobeda, Ozon.travel online travel agency, AnyWayAnyDay, Biletix, OneTwoTrip, Tutu.ru and other significant players of the Russian online travel market. In 2016, more than 4.8 million passengers acquired AlfaStrakhovanie's coverage on our partners' websites in a single click.

AlfaStrakhovanie takes active part in the life of professional aviation community. The company is a member of International Union of Aerospace Insurers, the Airport Association of Civil Aviation, Russian Association of Air Operators, the Society of Aircraft Accident Investigators and United National Business Aviation Association.

Liability insurance is one of the fastest-growing sectors of Russian insurance market, and AlfaStrakhovanie ties great opportunities for its business growth with it.



In 2016 fees in liability insurance collected by AlfaStrakhovanie amounted to 3.6 billion rubles. The market share of the company was 6.2%.

In 2016 AlfaStrakhovanie actively worked in the direction of small and medium-sized businesses insurance.

The company became first in Russia to launch online insurance service for business, AlfaOffice, targeted at commercial premises tenants. This new product allows to insure tenants' third party civil liability for damage to third parties' property, life and health while operating on leased premises: offices, shops, restaurants and other commercial real estate.

Such insurance fields as professional liability insurance, liability for goods' and services' quality, are gradually developing on Russian market. AlfaStrakhovanie looks forward on taking these perspective niches and therefore builds up its

portfolio within such programs. Our list of clients includes industry professional organizations, representatives of multiple business fields.

According to the requirements of #230 Federal Law "On Protection of Rights and Legal Interests of Individuals in the Course of Recovery of Overdue Debts", bill collectors' liability now must be insured on a mandatory basis, starting from January 1, 2017, for the amount of least 10 million rubles. Before this law act, bill collectors' liability insurance was mandatory only for the members of National Association of Professional Collection Agencies, but starting from January 1, 2017, all such organizations must acquire an insurance certificate.

AlfaStrakhovanie conducted and signed four collective liability insurance contracts with professional associations and self-regulating organizations, insuring surveyors' liability.

Online sales are a rapidly growing market segment and leadership in this sales channel is a keystone for future success. Year 2016 became a landmark for AlfaStrakhovanie, as it was once again proved that our company is a real leader of online insurance market.



The company sells its products both to individuals and business entities on its own website alfastrah.ru and via our partners' websites. In 2016, fees collected from this sales channel increased up to 2.15 billion rubles.

Today every business department of AlfaStrakhovanie is ready to offer online solutions for the clients. Private clients can purchase CNC and CMTPL certificates or renew the existing ones, obtain insurance for travel, business trip or vacation and insure their property. Corporate clients can get civil liability protection of commercial real estate tenants.

In 2016, AlfaStrakhovanie launched a unique new online cargo insurance service, AlfaGruz-Online. On the company's website it is now available to purchase an insurance certificate, insuring cargo from all risks if it is being transported within the territory of the Customs Union. Cargo can be insured either by its owners, both legal entities and individuals, or by hauliers and shipment agents.

The company is increasing its online sales through partnerships with airlines, largest online travel agencies. On their websites it

sells trip cancellation insurances, insurances from luggage loss and damage, flight cancellation insurances and insurances for travellers.

During 2016 the company continued to expand its product line on its website. We developed new projects for online sales of insurance certificates through partners, accomplished new sales projects, selling insurance certificates to people traveling abroad. The growth of the net promoter score (NPS) in online travel insurance became an important achievement of the year.

A e-CMTPL certificate can be purchased on the company's website. Clients who already have a CMTPL certificate AlfaStrakhovanie can now buy an electronic insurance certificate online. Clients no longer need to constantly enter their card number, now it is automatically saved at a client's personal profile page at alfastrah.ru. The CMTPL clients of AlfaStrakhovanie can also prolong their certificates via personal profile at the site, for new clients a calculator has been introduced. Also, the automatic data filling was added: if the client had previously had a hull policy, some of the data for the CMTPL policy can be automatically dragged there

from previous policy, without doing it manually.

AlfaStrakhovanie is looking into simplification its interaction with the clients and into making it simple, intuitive and clear for them. Therefore in 2015 we launched a mobile application, AlfaStrakhovanie Mobile, the first mobile service application on insurance market. It enables to get in touch with the insurance company for free, even from abroad, it is also a handy guidebook and storage of all information that clients may need. We are constantly developing the app, making it more convenient and useful.

In 2016 AlfaStrakhovanie updated our website's homepage. Alfastrah.ru new page is adapted to all common screen resolutions and browsers, and also for various mobile devices. A contextual pull-down menu was added, helping users to switch to any section of the site. The "My Certificates" section was also added, providing a handy toolkit with all basic service functions, allowing to buy, activate or prolong the certificate. Another new option was introduced, the SOS button, which, like the similar one from the mobile app, is able to help users quickly obtain the information they need.

Insurance health company AlfaStrakhovanie-OMS has been responsibly organizing and providing affordable health care to the population, controlling the quality of services rendered and protecting the rights of the insured for 25 years. The company is on merit a long-standing leader of the federal CHI market.

In 2016 AlfaStrakhovanie-OMS continued dynamic growth in the CHI segment: fees collected by the company amounted to 157.5 billion rubles, and the market share was 10.3%. The Company is among top-five biggest compulsory health insurance companies.

Perpetual compulsory health insurance license OC No. 0193-01 of June 7, 2015, allows us to work in 55 regions of the country. In 2016 RAEX Rating Agency (Expert RA) restated AlfaStrakhovanie-OMS's rating A++, which stands for "Exceptionally High Level of Reliability and Quality of Service". The experts of the agency highly appreciated the quality and stable work of the company.

AlfaStrakhovanie-OMS occupies 5th place in Russia in terms of number of people insured in the CHI system. In 2016 we insured 838,000 people, 405,500 of them renewed their insurance while the rest 433,300 changed their insurance company, choosing AlfaStrakhovanie-OMS. At the end of 2016 the total number of clients who acquired CHI policies in AlfaStrakhovanie amounted to 14.7 million people, including the ones insured in IHC Yugoria-Med JCS and in IHC ASKO-Zabota LLC that joined AlfaStrakhovanie Insurance Group in December 2015.

In 2015 AlfaStrakhovanie Group acquired 100% shares of Insurance Health Company Yugoria-Med JCS – one of the largest Russian regional companies in compulsory health insurance. Total number of regions of company's presence has risen from 9 to 13.

Protecting interests and rights of the insured, including organizing health care quality control, monitoring availability of medical services and studying patients' feedback on quality of health care are important priorities for AlfaStrakhovanie-OMS. We pay great attention to people's appeal: last year, we handled 2.87 million requests from the insured.

Each of the company's subsidiary offices has a special service for protecting the rights of the insured, where people can get consultation about health care details of the CHI system in a particular region. In 2016, pretrial protection of insured persons' rights was carried out in 862 cases, judicial protection - in 37 cases.

On a monthly basis AlfaStrakhovanie-OMS conducts quality control monitoring of health care provided to the insured. In 2016 quality examination and expertise were carried out by 2147 doctors from various medical fields, including 96 doctors of medical sciences and 406 candidates of medical sciences.

AlfaStrakhovanie-OMS website has a "Personal profile page of a Healthcare Organization", which contains relevant regulatory documents; analytics provided by departments for insured people's rights protection and medical expert examination of healthcare organizations; feedback form saving history of questions and answers for efficient cooperation between a healthcare institution and AlfaStrakhovanie-OMS.

We are actively working to raise availability of

insurance services, improve their quality and making them easy and convenient to the clients. To accomplish these goals, we use SMS notification, phone calls, email notifications. The Group has more than 400 regional branches, offices and certificate issuance points. Mobile certificate issuance points come to remote rural areas and organizations in pursuit of making compulsory health insurance even more affordable. Doorstep courier delivery of compulsory medical insurance certificate is available for certain categories of people.

AlfaStrakhovanie-OMS was the first insurer to launch a mobile application, available to 14.5 million insured in the company for compulsory medical insurance. The application allows AlfaStrakhovanie-OMS's clients to contact the insurance company's representative in a single click, always have MHI certificate data nearby; the app is intended to become an irreplaceable source of necessary information on available free medical care and a handy guidebook for every insured in the company.

AlfaStrakhovanie-OMS is a member of the Interregional Union of Medical Insurers (IUMI). The main activity of the Union is aimed at the development of health insurance as an integral part of health and social protection of Russian people.

Cooperation with over 1500 medical organizations around all Russia, swift service, responsible work attitude, system approach and high quality of services – all these ensure a constant inflow of new clients.

During its 25-year long story of success, AlfaStrakhovanie Group has established long-term business relationships with the world's largest reinsurance companies and Russian insurance companies. Cooperation is carried out both directly and through international brokers Willis Towers Watson, Marsh Limited, AON Benfield and other brokers



Foreign partners of AlfaStrakhovanie in reinsurance are:

- Swiss Re,
 - Hannover Re,
 - SCOR,
 - Munich Re,
 - GenRe,
 - Partner Re
- and other major insurance and reinsurance companies, the participants of Lloyd's of London.

In 2016 AlfaStrakhovanie had the following reinsurance protection programs:

- an obligatory fire risk reinsurance contract for legal entities up to € 100 million (or \$ 125 million or 7 billion rubles) for each loss;
- an obligatory technical risk reinsurance contract up to € 100 million (or \$ 125 million or 5 billion rubles) for each loss;
- a marine obligatory reinsurance contract of the excess-of-loss up to € 30 million for each loss;
- an obligatory fire risk reinsurance contract for individuals for an amount of up to 400

million rubles (or \$ 10 million , or € 8 million) for each loss;

- an obligatory liability insurance risk reinsurance contract up to 900 million rubles (or \$ 15 million, or € 12 million) for each loss;
- a catastrophic obligatory reinsurance contract for land transport CNC up to 200 million rubles for each insured event;
- an obligatory accident risk reinsurance contract with the limit up to or 175 million rubles (or \$3.5 million) for each loss or insured event;
- an obligatory stop loss reinsurance contract for agricultural harvest risks;
- an obligatory animal insurance risk reinsurance contract for an amount of up to 600 million rubles for each loss, risk or event;
- an obligatory reinsurance contract for property loss risks resulted from termination of the ownership (for the excess-of-loss of amount) up to 30 million rubles for each object insured;

- a proportional quota obligatory reinsurance contract for military and dual-use cargo carriage up to \$ 50.6 million for one and each risk;

- an obligatory hull and civil liability risk reinsurance contract for aircraft owners and air carriers and civil liability risk of airports owners;

- an obligatory hull and civil liability risk reinsurance contract for aircraft owners and air carriers and civil liability risk of airports owners, crew accident risks (coverage over \$ 2 mln and up to 34 mln) – reinsurance of total deductions;

- an obligatory civil liability risk reinsurance contract for aircraft owners and air carriers (coverage over \$ 75 and up to \$ 550);

- an obligatory excess-of-loss reinsurance program for military and related civil liability risks in accordance with a proviso AVN52E (over \$ 150 million) up to \$ 550 million;

- an obligatory reinsurance contract for military aircraft CNC risks with a limit of up to \$10 million .



Alfa Health Center is a federal network of multidisciplinary healthcare centers, established in 2009. It provides high-quality medical services to individuals and corporate clients in 12 cities of Russia: Moscow, Nizhny Novgorod, Yekaterinburg, Tyumen, Rostov-on-Don, Kirov, Saratov, Samara, Yaroslavl, Murmansk, Perm and Berezniki

In 2016, the clinics network showed a 16.1% increase in a challenging operating environment. The best results were shown by Yekaterinburg, Murmansk and Rostov-on-Don offices.

Each clinic of Alfa Health Center network offers a full range of health care for adults and children: all kinds of clinical studies, full scale dental care, diagnostics, check-ups, complex check-ups and treatment in more than 60 medical fields.

Every clinic has a children's multidisciplinary department with a full range of doctors, including those with high specialization, vaccination option and one-day adult hospital.

"AlfaStrakhovanie Medicine" managing company considers adverse economic changes and, as we understand the needs of our customers, offers a special kind of programs of direct attachment in form of an erector set that allows users to create a customized package of services without exceeding their budget.

For corporate clients, we offer a wide range of health-improving programs, including formats new for Russia along with traditional tools of voluntary medical insurance. Alfa Health Center offers its customers a unique product of Well-Being corporate programs, allowing employers to

be aware in advance of the of their employees' chronic diseases dynamics, to carry out health-improving activities, and, thus, reduce expenses for personnel health care and to increase labor effectiveness and financial profit in the long term.

Alfa Health Center is Russia's leader in workplace healthcare. The Berezniki clinic is a unique project on organizing multidisciplinary health care for business - Uralkali PJSC. Medicine AlfaStrakhovanie provides health care to more than 20 thousand company's employees. At the premises of PJSC Uralkali we implemented an automated system of pre-shift medical examination that guarantees examination for each employee.

For Mineral and Chemical Company EuroChem JSC, Russia's largest producer of mineral fertilizers, we created a unique dynamic monitoring program for employees with chronic diseases, including regular preventive measures to identify risk factors of chronic diseases the employees may have. The program enabled Alfa Health Center and AlfaStrakhovanie to introduce a Company Health Passport to EuroChem.

In 2016 a health center was opened for the Murmansk Commercial Sea Port PJSC in Murmansk. On its basis, employees

undergo pre-trip and post-trip examinations and receive pre-medical care.

Professional growth and training of medical personnel is one of the priorities of Alfa Health Center. In the company there is a corporate institution, where leading specialists in various fields of medicine work, including participation in the selection of new employees, diagnosing complex clinical cases, educating physicians and examining medical records. In addition, a training program for middle management – department heads was launched.

Physicians working at Alfa Health Center clinics network are our main asset. Candidates are selected based on their tests that were developed by us for all medical specialties based on the US and UK medical education systems. Alfa Health Center regularly monitors medical personnel's work in order to check the compliance of healthcare offered by us with the established standards and controls quality of customer service at every stage. To optimize the process there is a central quality control system, which includes checking medical records and swift response to clients' feedback.

In 2016 fees in the insurance market without compulsory health insurance collected by AlfaStrakhovanie Group increased by 38.5% and amounted to 93.4 billion rubles (data of the Central Bank of the Russian Federation). AlfaStrakhovanie's market share increased by 1.3 percentage points and amounted to 7.9%. AlfaStrakhovanie strengthened its positions among top-five leaders of the insurance market

In 2015, AlfaStrakhovanie Group acquired 100% shares of Insurance Health Company Yugoria-Med JCS that provided compulsory health insurance in Khanty-Mansiysk Autonomous Okrug – Yugra, Tyumen region, Republic of Bashkortostan and in Omsk region. Total number of regions of company's presence has risen from 9 to 13.

The Group significantly improved its profitability despite challenging economic environment, poor state of vehicle insurance industry due to new vehicles sales decrease, and negative trends in corporate insurances linked to tough economic situation in the country.

Within the year the net profit of AlfaStrakhovanie JSC (according to RAS) increased from 3.368 billion rubles to 3.574 billion rubles. Total revenue of AlfaStrakhovanie Group in 2016 amounted to 3.03 billion rubles compared 2,557 million rubles the year before.

During 2016, the company continued to develop product line on its website, launched new projects for online sales of insurance certificates on travel agencies' and airlines' websites, accomplished new sales projects, selling insurance certificates to people traveling abroad. That year, we accomplished a number of significant projects, such as:

- AlfaStrakhovanie became a partner of the Kidzaniya Moscow children's educational park and developed several thematic zones.

- AlfaStrakhovanie launched the project HR Lab. – Laboratory of HR-innovations", focused on HR-directors, specialists in the field of personnel management, owners and CEOs of the company.

- AlfaStrakhovanie launched a new program "Spot-on Casco". The program is aimed at experienced drivers who rarely get into accidents by their own fault.

- "Easy Casco" is another new product of voluntary vehicle insurance. The program is aimed at experienced drivers who rarely become culprits of accidents.

- AlfaStrakhovanie has updated its travel protection program. Now clients of travel companies, as well as independent travelers are able to insure themselves from cancellation of the trip.

- AlfaStrakhovanie-OMS is the first insurer to launch a mobile application, available to 14.5 million insured in the company for compulsory medical insurance. The application allows AlfaStrakhovanie-OMC's clients to contact the insurance company's representative in a single click, always have MHI certificate data nearby; the app is intended to become an irreplaceable source of necessary information on available free medical care and a handy guidebook for every insured in the company.

- RSHB-insurance and AlfaStrakhovanie launched the first on Russia's market product for home insurance.

- AlfaStrakhovanie-Life Insurance Company and Globex Bank (Vnesheconombank Group) launched sales of three new programs to protect life and financial interests of the bank's clients: Capital in Plus, Forward and AlfaHealth. New programs allow not only to invest with high profitability and without risking to lose the investments, while receiving annual profit, but also to take care of health.

- AlfaStrakhovanie launched an insurance program for bill-collectors that cause losses to the debtor during the return of overdue debts. This type of insurance became obligatory only from January 1, 2017, before that collectors liability insurance was mandatory only for the members of National Association of Professional Collection Agencies, but from January 1, 2017, all such organizations must acquire a policy.

- AlfaStrakhovanie launched AlfaPoints loyalty program for its clients, allowing them to save more money on insurance.

- CMTPL certificates sales started on alfastrah.ru website, where it is now possible to prolong or obtain all retail types of insurances.

- Increase in numbers of partners and new clients on VHI, TCD insurance and travelers on largest online travel agencies' and airlines' websites.

In 2016 AlfaStrakhovanie accomplished a number of large IT projects in order to raise efficiency of the company's work and to improve client service's quality, by developing the infrastructure in two main directions: more efficient use of existing technologies and introduction of new automated solutions.

One of the company's strategic goals is to increase availability of information systems related to customer service. In 2016 high results were achieved in this direction: time of inaccessibility of alfastrah.ru website, AlfaPolis system of retail sales, and SAP FSCM loss settlement system was less than 0.5%.

The company switched to active use of the SAS software suite of Customer Base Management (CBM) class, which allowed to formulate a cross-selling strategy for various retail products based on statistical analysis of customer data. This system will be used as a platform for scoring building in product retail, it will also help form the best offer for the clients.

Implementation of the iLog decision automation system based on the IBM ODM platform has expanded: now it is not only used as a charging system for wide range of insurance products, but also as a helper in online calculations of commission and as a subsystem for identifying restrictions when selling voluntary types of insurance.

Adding a new interface on alfastrah.ru website for selling insurance contracts to people traveling abroad, as well as an electronic CMTPL certificates selling system (e-CMTPL) are among our most important projects of 2016. These and many other changes allowed us to significantly increase online sales.

In 2016 development of front-end system AlfaPolis was carried on, most of the retail products were sold through it. By December 2016 100% compulsory CMTPL contracts and about 96% hull insurance contracts were completed via this system. We expanded service functions of the system, which helps about 14,000 users, sales representatives of AlfaStrakhovanie partners, to sell retail products.

Introduction of an electronic document management system based on OpenText platform in conjunction with scanning module Kofax was one of our major projects in 2016. The system passed test mode phase and is now ready to be deployed throughout the regional network. It will be a foundation for digital transformation of the company and should improve its operational efficiency.

The company started to implement agile technologies for devising and introducing information systems for business. 13 teams operating on the basis of agile were formed and started to work. This will increase the teams' efficiency, reduce the time of implementation of new functionality and to increase efficiency of business.

**Those will win in future, who provide the highest level of client service today.
We make insurance better by creating solutions allowing our clients to live easily and confidently**

Over 23 million individual clients trust AlfaStrakhovanie. The company's employees are aware of the responsibility assigned to them, their mission to protect clients' interests, as well as the importance of interaction processes at all stages of cooperation with our clients.

In 2016 the company's mission was formulated. These are not just words, it's part of our life. Specially for our clients, we develop new exceptional products that meet all their requirements.

We focus on our clients as we understand and anticipate their expectations and needs. We aim to become the company of first choice for our client by offering best service at best prices while remaining leadership in service quality at all steps, from sales to settlement of the insured event.

To find optimal solutions in our interaction with the client is AlfaStrakhovanie's most important goal. "Providing Tomorrow's Service Today" is the value proposition of AlfaStrakhovanie. In 2016 we initiated a full-scale ad campaign "Make a choice – get a chance to win Tesla vehicle".

Focusing on customer's needs is the basic principle of AlfaStrakhovanie's work. Reliability, efficient consulting, user-friendly design, swift settlement of insurance claims, easy interaction with the insurance company are our key competitive advantages. This was confirmed by a customer loyalty study conducted in 2016 where AlfaStrakhovanie ranks first based on the net promoter score (NPS).

We constantly work on the quality of customer service, making communication with AlfaStrakhovanie simple and convenient. To ease settlement of losses in vehicle insurance we have been opening new loss settlement centers since 2013. Today they operate in eight cities: in Saratov, St.-Petersburg, Yekaterinburg, Magnitogorsk, Tyumen, Krasnoyarsk, Kazan and Rostov-on-Don. The company controls every interaction between clients and its employees, seeks to maintain a constant feedback, quickly respond and resolve emerging issues, and to provide all necessary information and support at all stages of loss settlement via all channels convenient for the client.

Since 2015 AlfaStrakhovanie Mobile has been working, this is first mobile service application on insurance market, which enables to claim and settle losses without having to visit the company's office, get in touch with the insurance company for free even abroad, and to be a handy guide book providing storage space for all information the client needs. Up to now it was downloaded 160,000 times.

Federal Contact Center and the Service Quality Control Service are responsible for rapid response and reacting on emerging issues, they provide all necessary support for the clients. The number of calls and requests received via the lines of the FCC exceeded two million per year, the number of customer service schemes exceeded 450. Employees of the Service Quality Control Service handle requests from customers and monitor messages in social media and other online platforms in order to identify any difficulties the company's clients may encounter and to help solve them quickly and efficiently.

Swift registration and processing of each request; analysis, subsequent identification of problems and launch of projects aimed at resolving them allow AlfaStrakhovanie to constantly improve the service quality, develop new ways to solve problems, and therefore meet the clients' highest expectations.

Our business in figures

Every minute at AlfaStrakhovanie:

- 13 passenger insurance certificates are sold;
- 1 online certificate for those who travels abroad is sold;
- 4 CMTPL certificates are sold, including 1 e-CMTPL;
- FCC operators respond to 5 customer calls.

Every day:

- we settle over 700 insurance cases of our retail clients on vehicle insurance and property of individuals;
- we process almost 2500 requests from clients on voluntary and compulsory medical insurance;
- 110 of our clients break down smartphones, laptops, tablets;
- There are over 600 downloads of the mobile application "AlfaStrakhovanie".

Every week:

- Alfa-Health Center clinics in 12 cities of the country see over 22 000 patients;
- Our customers press the SOS button in the mobile application 5100 times.

A strong team is an important part of success. Personnel policy at AlfaStrakhovanie is based on creating an efficient and initiative team that not only performs tasks, but also presents its own ideas for the development of business and the strengthening of leadership positions



In 2016 vigorous growth and business development of AlfaStrakhovanie in times of tough economic realities, combined with increasing competition on insurance market determined personnel policy's main goal: to strengthen the team. 8150 employees worked in the company as of the end of 2016.

The company actively uses an advanced personnel audit system, develops modern programs for employee training and development. For our staff we create optimal conditions for professional and personal growth at all stages of their career in the company.

The personnel policy of AlfaStrakhovanie is aimed not only at identifying and retaining talented and efficient employees, but also at recruiting the best experts of industry into our team. This is facilitated by a strong corporate culture, an efficient system of motivation the staff and modern conditions for self-realization, self-development and career growth.

High competence and business authority of AlfaStrakhovanie team traditionally gain public recognition. In 2016 our top management traditionally took leading positions in the annual rating "Top 1000 Russian Managers" (a joint project of the Association of Managers of Russia and Kommersant Publishing House) in 6 nominations.

Social responsibility is not just words for the company, activities of which involve at least 23 million of insured clients and 8150 full-time employees of AlfaStrakhovanie Insurance Group. We solve social problems both within society itself and within the personnel of the Insurance Group, initiate projects affecting the widest possible range of people and employees of our clients' companies and protecting their interests, participate in charity events and initiatives, support the projects of foundations and activity among our colleagues

Over the years, the company has been actively involved in initiatives of "Life Line" Fund to support seriously sick children (a CAF partner in Russia): "Holiday of Life", "Red Nose - Kind Heart", "Charity Race 5275", "Charity Ski Run 6250", "Someone's life is not a little thing!"

AlfaStrakhovanie also cooperates with "DetskijeDomiki" charity foundation by participating in the annual "Miraculous Fir-Tree" charity event, it supports GalaFest inclusive family charity festival held by the Galchonok Foundation, cooperates with "Find your family" foundation - within an ongoing campaign aimed at collecting donations to organize assistance for adoptive parents in adaptation of children in a new family and new society. In 2016 AlfaStrakhovanie took part in skiing marathon "Nikolov Perevoz" providing insurance coverage for all the participants.

For many years AlfaStrakhovanie has been cooperating with "Life Line" Fund, who initiated this interaction, will cover the meetings organized by the social project Meet For Charity in favor of the charitable foundation. Meet For Charity is a unique social project: a charity auction where philanthropists can acquire as a lot a participation in a meeting with interesting, creative and successful people. The money gathered is sent for treatment of the trustees of Russian funds and various charitable programs. AlfaStrakhovanie will act as the insurer of the participants of the meetings from the moment of purchase of the lot till the transfer of money by the benefactor to the fund's account.

Volunteers of the company participate in social projects aimed at support of nurslings, orphanages and orphan asylums, big and low-income families, disabled children, war veterans and handicapped people. For us, social activity is also a way to protect AlfaStrakhovanie employees' interests. Everyone has all the opportunities for career growth and professional development. The company has a corporate university for training and educating the personnel. At all stages of their

careers, employees can receive any necessary training to improve their skills; training seminars and workshops on various topics are held on a regular basis. We have a distant learning system for personnel, which allows to receive highly specialized skills required for further career and professional growth, and for personal development.

The company on an ongoing basis holds conferences attended by the Management Board of AlfaStrakhovanie, where employees in the regions can get answers to key issues from the company management.

For each department AlfaStrakhovanie arranges on an annual basis in-house conferences where main goal is to search for new ideas and dive deep into the current state of company's and department's affairs.

The executives of all the branches and departments, the Management Board of the company meet at the annual conference, where they exchange experience and anyone can ask a question, and where new solutions are developed for the challenges AlfaStrakhovanie faces.

"Medicine" department of the AlfaStrakhovanie Group continues active work on improving human resource management system. The project "HR Lab. – Laboratory of HR Innovations", established by AlfaStrakhovanie in partnership with Harvard Business Review Russia business magazine and HeadHunter website started in March 2016. The project unites HR directors, experts in the field of personnel management, shareholders and company managers. The project goals are search and accumulation of new tools and competencies, practices and successful cases, exchanging experience for successful knowledge implementation at work with personnel in a turbulent market.



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