

**COMPANY ANNOUNCEMENT**

**12 August 2024**

**ALFA Bond Issuance PLC**

**(the “Issuer” or “ALFA Bond Issuance”)**

**For immediate release**

<b>Tranche Name</b>	<b>ISIN</b>	<b>Market</b>
Series 14 RUB 10,000,000,000 7.85% Loan Participation Notes due 4 August 2025	XS2368111584	Euronext Dublin

We hereby give you notice that on the 12th of August 2024 we received Officer’s Certificate from the Joint Stock Company “ALFA-BANK” (the “Bank”).

See below.

**This announcement is released by the Issuer and contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 (MAR), encompassing information relating to the Notes described above. For the purposes of MAR and Article 2 of Commission Implementing Regulation (EU) 2016/1055, this announcement is made by the Directors of ALFA Bond Issuance Public Limited Company.**

Given by the Issuer.

Enquiries:

The Directors

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**Attn:** The Directors

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**Attn:** Trustee Administration Manager

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**Attn:** Corporate Trust Administration

**By email**

## Officer's Certificate

Dated: 12 August 2024

Dear Sirs

**RE: RUB 1,562,100,000 (initially RUB10,000,000,000) 7.85 per cent. Loan Participation Notes (the "Notes") issued by, but with limited recourse to, Alfa Bond Issuance PLC (the "Issuer") for the purpose of financing a loan to Joint Stock Company "ALFA-BANK" (the "Bank") under the Loan Supplement dated 30 July 2021 (as amended on 1 February 2024) (the "Loan") and the Facility Agreement dated 17 April 2013 between the Issuer and the Bank (the "Facility Agreement")**

We refer to the Facility Agreement and to the Loan. Capitalised terms defined therein shall have the same meanings herein, unless otherwise defined herein. This is an Officer's Certificate pursuant to Clause 11.2 (*Notice of Default*) of the Facility Agreement.

This is to inform you that the latest scheduled payment of interest by the Bank under the Loan in the amount of RUB 61 312 425,00 with due date 1 August 2024 with respect to the Interest Payment Date of 4 August 2024 could not be made by the Bank in accordance with the terms and conditions of the Loan (despite having sufficient funds to make it) due to the following.

On 24 March 2022 the Office of Financial Sanctions Implementation (OFSI), HM Treasury included the Bank into the UK Sanctions List under the Russia (Sanctions) (EU Exit) Regulations 2019 (S.I. 2019/855) with Group ID 15017 resulting in the following actions being taken:

- freezing of accounts and other funds and economic resources in the United Kingdom owned or controlled by the Bank;

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- refraining from dealing with the funds and assets of the Bank in the United Kingdom or making them available (directly or indirectly) to the Bank, unless licenced (authorised) by OFSI.

Further, on 6 April 2022 the Office of Foreign Assets Control (OFAC), the Department of the Treasury included the Bank into the Specially Designated Nationals List under the Russian Harmful Foreign Activities Sanctions Regulations, 31 CFR part 587 resulting in the following actions being taken:

- total blocking of all assets of the Bank in the United States and on accounts with financial institutions that are required to comply with U.S. laws;
- prohibiting any activity between the Bank and any U.S. person unless licenced (authorised) by OFAC.

Further, on 25 February 2023 the Council of European Union included the Bank into the list of entities under blocking sanctions under Council Regulation (EU) No 269/2014 of 17 March 2014 “concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine” resulting in the following actions being taken:

- freezing of accounts and other funds and economic resources in the European Union owned or controlled by the Bank;
- refraining from dealing with the funds and assets of the Bank in the European Union or making them available (directly or indirectly) to the Bank, unless licenced (authorised) by national competent authorities of Member States.

Thus, the said payment of interest under the Loan could not be made by the Bank (despite having sufficient funds to make it) and, even if it would be made, be processed by the Principal Paying Agent in accordance with the Loan in order to transfer the proceeds of such payment to the relevant clearing systems for further distribution between the Noteholders, unless licenced (authorised) by OFSI, OFAC and/or competent authorities of EU Member States.

Please see below the status and the actions the Bank is taking with respect to the above:

On 28 March 2022 the Bank submitted an application to OFSI asking for issuance of a specific licence (the “Specific Licence”) that would allow:

- crediting by the Bank of the amount of the said payment under the Loan to the Alfa Bond Issuance PLC’ account at the Principal Paying Agent;
- transfer of the amount of the said payment by the Principal Paying Agent to clearing systems for further distribution among the Noteholders under the Notes (coupon payments); and
- distribution of the amount of the proceeds of the said payment by the clearing systems among the Noteholders under the Notes (coupon payments).

On 7 April 2022 the Bank submitted an application to OFAC asking for issuance of a general licence (the “General Licence”) that would allow making the same set of operations as described above under the Specific Licence.

In our opinion the end-user of the Specific Licence and the General Licence is the Principal Paying Agent (as it holds the secured accounts of Alfa Bond Issuance PLC and transfers money to the clearing systems). Prior

to submission of the application for the Specific Licence we asked the Trustee (BNY MELLON CORPORATE TRUSTEE SERVICES LIMITED) and the Principal Paying Agent (THE BANK OF NEW YORK MELLON, LONDON BRANCH) to review a draft of the Specific Licence' application, however the Trustee and the Principal Paying Agent advised us that they do not comment on other entities' licence applications for a variety of reasons and would not be able to review the Bank's licence application. Despite such a position of the Trustee and of the Principal Paying Agent, prior to submission of the application for the General Licence we notified the Trustee and the Principal Paying Agent of our intention to send the application to OFAC.

As of the date of this Officer's Certificate the Bank have yet to receive either the Specific Licence from OFSI or the General Licence from OFAC (or any rejection to issue any such licence) and is unable to make the next scheduled payment of interest under the Loan as described above. We will inform the Lender, the Trustee and the Principal Paying Agent immediately upon any of the aforementioned licences are being issued.

The Bank intends to apply to relevant regulatory authorities within the EU for licenses that would allow to effect payments as described above after (and provided that) it obtains the relevant licenses from OFSI and OFAC.

The current legislation of the Russian Federation relating to servicing of debt under the Loan and the Notes consist, inter alia, of the following:

- Executive Order of the President of the Russian Federation dated 5 March 2022 №95;
- Executive Order of the President of the Russian Federation dated 5 July 2022 №430;
- Extract from the minutes of the meeting of subcommittee of the Government Commission for Control over Foreign Investments in the Russian Federation dated 8 April 2022 №28;
- Official clarification of the Bank of Russia dated 20 May 2022 №6-OP;
- Official clarification of the Bank of Russia dated 23 November 2022 №11-OP;
- Decision of the Bank of Russia Board of Directors dated 22 December 2023;
- Rules for the provision of services by the National Settlement Depository for the provision of information and the arrangement of the transfer of payments under securities registered with foreign depository.

The Bank is a Russian entity and is obliged to comply with the legislation of the Russian Federation, i.e. to pay coupons in Russian rubles in favour of the Noteholders whose rights in respect of the Notes are recorded with the Russian clearing system - through Russian depositories in the order provided by the legislation of the Russian Federation.

As at 2 August 2024 the nominal value of the Notes recorded with:

- the National Settlement Depository (the "NSD"), the central depository of the Russian Federation, was RUB 0;
- the Russian depositories (other than NSD) was RUB 450 000 000.

Thus, for the coupon payment under the Notes which was scheduled for 4 August 2024, the Bank transferred the corresponding coupon amount in Russian rubles on 12 August 2024 to NSD (the "**Coupon Payment**"):

- for further distribution among the Russian depositories for further distribution among the Noteholders whose rights in respect of the Notes are recorded with the other relevant Russian depositories (other than NSD). The aggregate amount of such transfer was RUB 17 662 500,00.

As per the Russian legislation the obligations of the Bank following such distribution of the Coupon Payment among the Noteholders whose rights in respect of the Notes are recorded with the Russian depositories are deemed properly fulfilled, with all obligations of the Bank and amounts payable by the Bank under the Loan and attributable to the Coupon Payment deemed extinguished and fulfilled.

As at the date of this Officer's Certificate it is technically impossible to pay coupon which is attributable to the Noteholders whose rights are recorded with foreign clearing systems in the order provided under the transaction documentation of the Notes.

The remaining accrued coupon which is attributable to the Noteholders whose rights are recorded with foreign clearing systems will not be transferred by the Bank until permitted in accordance with applicable laws.

The Bank hereby reconfirms it has all necessary sources and is strongly committed to fulfil its payment obligations under the Loan in full and continues to accrue interest under the Loan for the subsequent interest period commenced on 4 August 2024.

For and on behalf of Joint Stock Company "ALFA-BANK"



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Julia Kolesova

Managing Director  
Head of Debt Capital Markets  
Treasury



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Fedor Oks

Director  
Debt Capital Markets  
Treasury