

## Branch reformatting

One of our most important projects aimed at improving the client experience and strengthening relations with our customers is a large-scale branch reformatting project aimed at modernizing and significantly improving our branch network in Russian cities. The program was launched in 2011 with 872 branches completed, and in 2012 we more than doubled the number of offices that underwent reformatting, reaching 1,941 outlets.

In 2012, our approach to office reformatting changed, as we put in place a new geo-marketing branch evaluation methodology, allowing us to assess the required parameters of new offices and to determine the optimal positioning of the offices and their formats. The decisions we make with respect to the new office network are based on our assessment of client flows.

Our experience with reformatted and relocated branches indicates that the new offices deliver significant growth in business volumes, which on average stays between 1.5 and 3 times higher than before the reformatting when the offices mature.