

ALFA-BANK, PEREKRESTOK AND MASTERCARD OFFER CUSTOMERS CO-BRANDED CARDS

Moscow, 21 November 2016 – Alfa-Bank, X5 Retail Group N.V. ("X5" or "the Company"), a leading Russian food retailer (LSE ticker: "FIVE"), and Mastercard, an international payment operator, announce the launch of a joint nationwide project at Perekrestok to issue co-branded Mastercard-Perekrestok-Alfa-Bank cards. Cardholders will earn points on all purchases that can be redeemed against goods at Perekrestok supermarkets (10 points equal RUB 1). Purchases made at Perekrestok stores earn additional points.

Three types of cards will be available: reloadable prepaid cards, debit cards and credit cards. All cards use Mastercard's innovative contactless technology, which offers a fast, simple and secure way to pay for purchases – just tap and go.

Prepaid cards with RUB 99 of credit are available at Perekrestok checkouts. A prepaid card will earn 2 points for every RUB 10 spent at Perekrestok, and 1 point for every RUB 10 spent elsewhere. Customers can register and top up prepaid cards on Perekrestok's website, the My Perekrestok mobile app and at ATMs of Alfa-Bank and its partners. For customers' convenience, the mobile app (downloaded more than 150,000 times from the Apple App Store and Google Play in the first five months of 2016) will allow users to access their entire card transaction history.

Mastercard-Perekrestok-Alfa-Bank debit and credit cards, which accumulate more points, are available at any office of Alfa-Bank, through the bank's website or via the My Perekrestok app. Debit and credit cards earn 3 points for every RUB 10 spent at Perekrestok, and 1 point (debit cards) and 2 points (credit card) for every RUB 10 spent elsewhere. In addition, the first purchase made using the card will be rewarded with an additional 2,000 (debit card) and 5,000 (credit cards) welcome points.

All three cards automatically come with individual membership of Perekrestok's loyalty programme, allowing cardholders to benefit from special offers and other privileges. Active club members can merge their old and new accounts, or have a card issued with their existing membership number (Mastercard-Perekrestok-Alfa-Bank cards accrue more bonus points than Perekrestok Club cards). Perekrestok's loyalty programme has more than 12 million customers, including over 3.5 million active users.

Mikhail Povaly, member of Alfa-Bank's Executive Board and head of its Retail Business, commented: *"Our joint project with the Perekrestok chain is highly relevant for today's Russia: this partnership between a bank and a food retailer is unprecedented in the local market. I am confident that the Mastercard-Perekrestok-Alfa-Bank cards will enjoy enormous popularity, as they will provide significant savings for household budgets and enable families to get some goods at Perekrestok supermarkets for free. We have made the cards as user-friendly as possible. With free transfers from cards issued by other banks, a free mobile app and an attractive reward points system, we expect great demand for the cards and high levels of customer satisfaction. Customers who activate our cards during the launch period will have enough time to earn some bonus points and spend them to buy food for the New Year celebrations."*

Vladimir Sorokin, General Director of Perekrestok, said: *"Our joint project with Alfa-Bank and Mastercard is not only a milestone in the development of Perekrestok's loyalty programme, but is a breakthrough for all loyalty programmes in the Russian retail market. I am certain that synergies from our partnership and the social*

significance of this co-branded project will ensure maximum outreach to Russian customers."

Ivan Isaenko, Market Development Director at Mastercard, added: "Co-branded projects are a rare sight on the Russian market. Jointly, we have developed an offer that lets customers pick a banking product and a bonus plan. The great thing is that, no matter the choice, it is all Mastercard, which guarantees fast, simple and secure payments both in Russia and other countries. In addition, all Perekrestok stores have contactless payment devices, and this means that Mastercard-Perekrestok-Alfa-Bank cards will enable their holders to take advantage of the cutting-edge payment technologies, including mobile payments."

Note to Editors:

X5 Retail Group N.V. (LSE: FIVE, Fitch – 'BB', Moody's – 'Ba3', S&P – 'BB-') is a leading Russian food retailer. The Company operates several retail formats: the chain of proximity stores under the Pyaterochka brand, the supermarket chain under the Perekrestok brand, the hypermarket chain under the Karusel brand and Express convenience stores under various brands.

As of 30 September 2016, X5 had 8,574 Company-operated stores. It has the leading market position in both Moscow and St. Petersburg and a significant presence in the European part of Russia. Its store base includes 7,787 Pyaterochka proximity stores, 503 Perekrestok supermarkets, 90 Karusel hypermarkets and 194 convenience stores. The Company operates 35 DCs and 1,561 Company-owned trucks across the Russian Federation.

For the full year 2015, revenue totalled RUB 808,818 mln (USD 13,268 mln), Adjusted EBITDA reached RUB 59,413 mln (USD 975 mln), and net profit for the period amounted to RUB 14,174 mln (USD 233 mln). In 9M 2016, revenue totalled RUB 739,491 mln (USD 11,443 mln), EBITDA reached RUB 56,361 mln (USD 872 mln), and net profit amounted to RUB 19,874 mln (USD 308 mln).

X5's Shareholder structure is as follows: Alfa Group – 47.86%, founders of Pyaterochka – 14.43%, X5 Directors – 0.06%, treasury shares – 0.01%, free float – 37.64%.

Founded in 1990, **Alfa-Bank** is a full-service bank operating in most sectors of the financial market, including retail and corporate lending, investment banking, leasing, trade and structured finance.

According to its auditor reviewed IFRS financial statements for 1H 2016, the Alfa Banking Group, which comprises ABH Financial, Joint Stock Company Alfa-Bank as well as its subsidiary financial companies, had total assets of USD 33.3 bn, gross loans of USD 22.0 bn, and total equity of USD 4.6 bn. Net profit after tax for 1H 2016 amounted to USD 161 mln.

As of June 30, 2016 the Alfa Banking Group serves around 277,000 corporate and 14.0 mln retail customers, while the branch network consists of 723 offices across Russia and abroad, including a subsidiary bank in the Netherlands and financial subsidiaries in United Kingdom and Cyprus.

Alfa-Bank is an official European bank of the 2018 FIFA World Cup and 2017 FIFA Confederations Cup.

Mastercard (NYSE: MA), is a technology company in the global payments industry. We operate the world's fastest payments processing network, connecting consumers, financial institutions, merchants, governments and businesses in more than 210 countries and territories. Mastercard's products and solutions make everyday commerce activities – such as shopping, traveling, running a business and managing finances – easier, more secure and more efficient for everyone. Follow us on Twitter @MastercardNews, join the discussion on the Cashless Conversations Blog and subscribe for the latest news.

About Mastercard Contactless

Mastercard Contactless is an innovative technology for payment in one touch that provides a fast, safe and convenient way of paying for everyday purchases. There is no need to pass a contactless-enabled card or other device (smartphone, sticker, watch) to the cashier – you just tap it at a contactless-enabled POS-terminal. No PIN or check signing required for purchases under 1000 rubles.

Mastercard Contactless is accepted in over 6 mln points-of-sales in 77 countries (42 of them in Europe).

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