



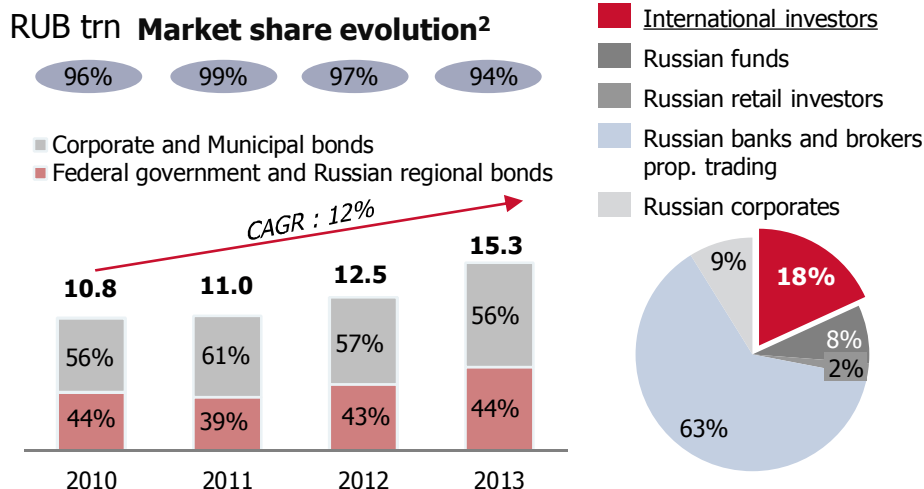
MOSCOW
EXCHANGE

27 March 2014, Moscow

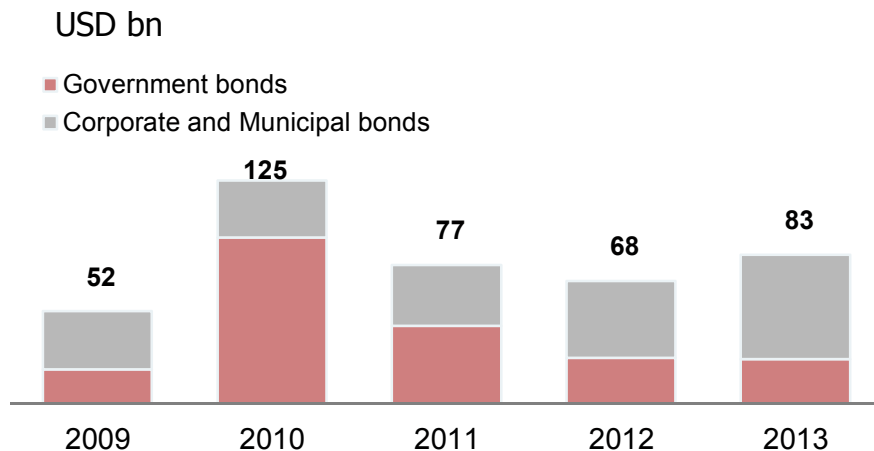
Influence of infrastructure
modernisation on primary markets:
key takeaways, expectations,
challenges

Fixed Income - strong growth perspective

Fixed income market trading volumes and breakdown by clients¹



Structure of primary deals by product



Key developments

Implemented in 2013:

- ICSD access for international investors to sovereign bonds
- Foreign issuers bonds placement
- Launching eurobonds ETFs

Key growth drivers

- The segment is well-positioned to benefit from:
 - Relatively low government debt to GDP
 - New listing volumes growth as alternative to bank lending
- Development of new products (ABS, MBS, CDO)
- ICSD access for international investors to corporate bonds
- Further development of anonymous trading modes
- New products: new ETFs, ABSs, MBSs and CDOs

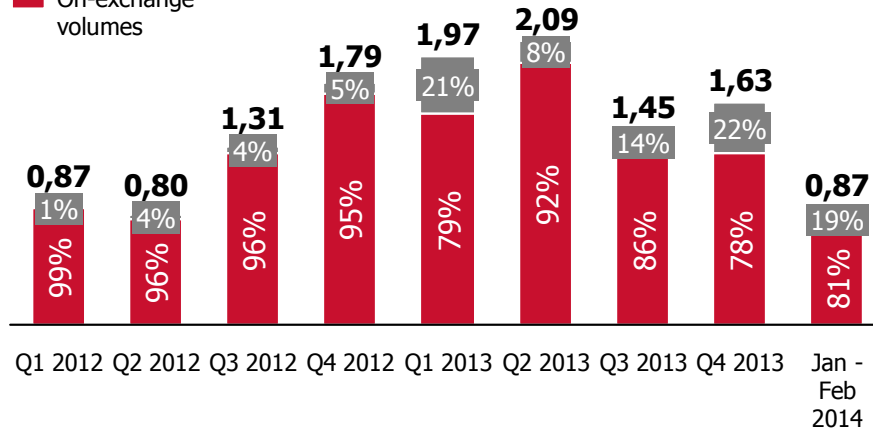


Russian sovereign and corporate bonds are already settled through Euroclear and Clearstream

Sovereign bonds (OFZ) trading volumes

RUB trln

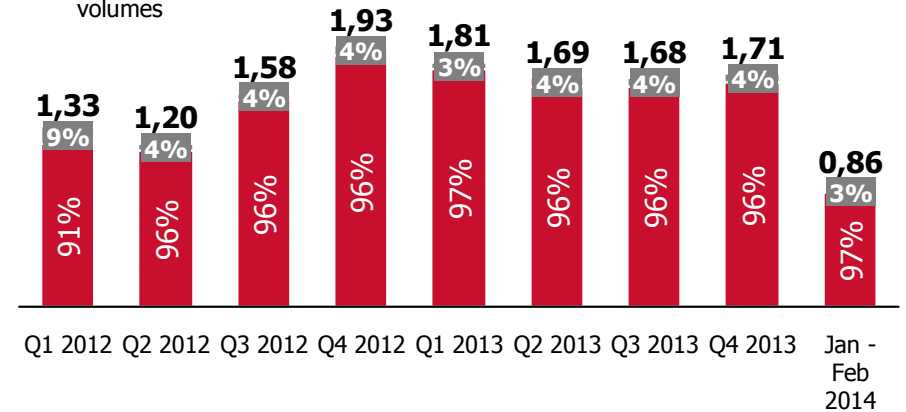
■ OTC volumes
■ On-exchange volumes



Corporate bonds¹ trading volumes

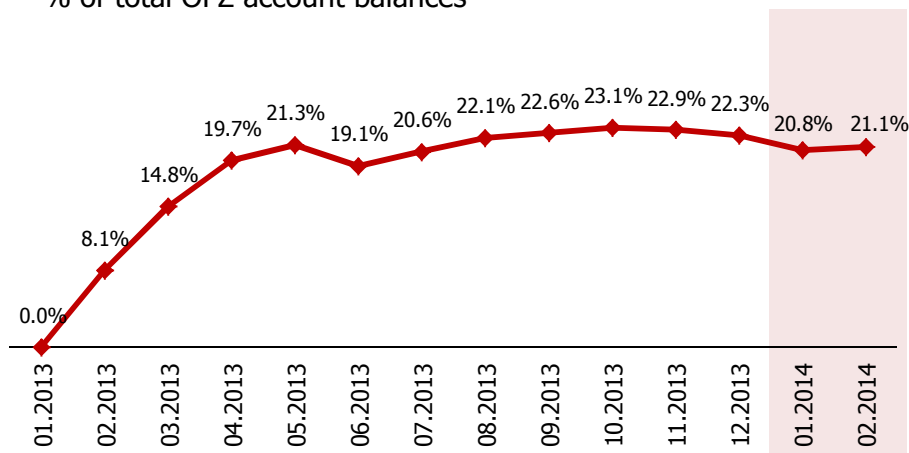
RUB trln

■ OTC volumes
■ On-exchange volumes



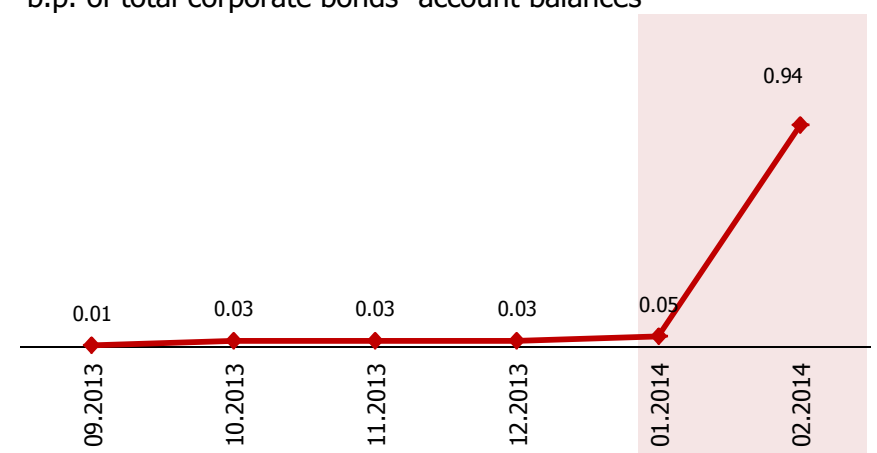
Foreign nominee account balances in NSD

% of total OFZ account balances



Foreign nominee account balances in NSD

b.p. of total corporate bonds¹ account balances



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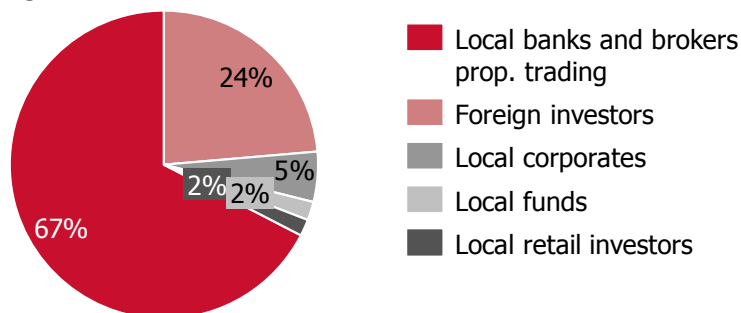
Source: Moscow Exchange

(1) Corporate, sub-federal and municipal bonds. Euroclear and Clearstream started to provide settlement services for sub-federal and municipal bonds transactions in August 2013, for corporate bonds transactions in January 2014

Sovereign bonds market highlights

Clients structure by secondary trading volume

2013



The most liquid OFZ issues

Issue	Coupon	Maturity date	YTM ¹	Rating ²
OFZ 26211	7%	25-Jan-2023	7.98%	BBB
OFZ 26207	8.15%	3-Feb-2027	8.15%	BBB
OFZ 26212	7.05%	19-Jan-2028	8.27%	BBB
OFZ 26209	7.6%	7-Aug-2023	7.285%	BBB
OFZ 25076	7.1%	13-Mar-2014	6.05%	BBB

Total: 36 OFZ issues

Comments

- The sovereign bonds market segment is well-positioned to benefit from relatively low government debt to GDP (14% in 2013)
- Share of foreign investors on the primary market of sovereign bonds more than doubled since 2011
- Subsidiaries of major international banks are among 10 most active participants on OFZ primary market
- Russian local bonds with embedded cross-currency swaps have higher YTM than Russian Eurobonds



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Source: Moscow Exchange information, Bloomberg as of 10 Feb 2013, Cbonds

¹ Cbonds calculations based on Moscow Exchange electronic order book quotes

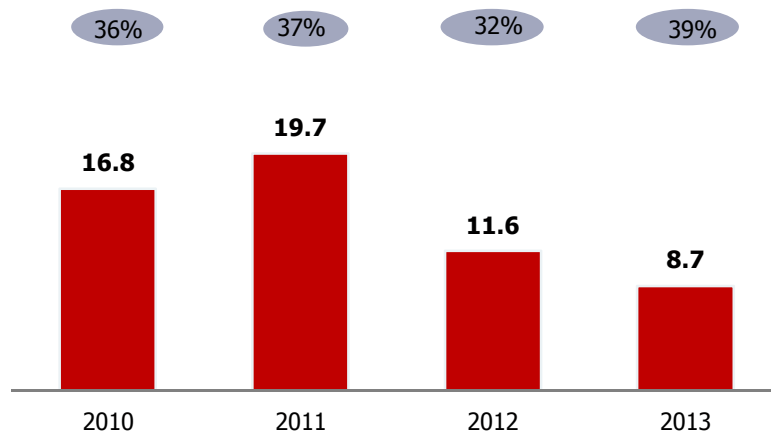
² Bloomberg Composite Rating

Equity market: overview

Equity market trading volumes and breakdown by clients¹

RUB trn

Market share evolution²



Developments and key future drivers of growth

Implemented in 2013:

- Transfer to T+2 settlement
- DMA access to trading on Moscow Exchange equity market by Citigroup, Credit Suisse, Merrill Lynch, Morgan Stanley, UBS and Deutsche Bank
- Launch of closing auction
- New placements, including foreign issuers

CSD full functionality

- National Settlement Depository (NSD) complies with Rules 17f-7
- Euroclear and Clearstream opened foreign nominee accounts in NSD
- Structured dividend payment process in accordance with international practice

Key future drivers of growth:

- Potential for repatriation of liquidity
- Domestic demand increase driven by recent reforms:
 - Tax incentives for retail investors
 - Non-state pension funds regulation reform
- New listings
- Listing modernization
- Corporate governance reform
- International demand increase on the back of ICSD access and DMA offering by international banks
















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Source: Moscow Exchange operating statistics

¹ Breakdown for 2013

² Market share calculated as on exchange volumes versus other international exchanges (LSE, Deutsche Borse, NYSE, HKEx and NASDAQ) and domestic and foreign OTC markets

IPOs/SPOs of Russian Companies in 2013-2014 were executed mostly on **Moscow Exchange**

IPO/SPO on Moscow Exchange		Dual offerings	IPO/SPO on LSE	IPO/SPO in New York ³
 <p>MOSCOW EXCHANGE</p> <p>IPO RUB 15 bln (USD 462 mln) February 2013</p>	 <p>SPO RUB 102.5 bln (USD 3.2 bln) May 2013</p>	 <p>SPO RUB 14.7 bln¹ (USD 453 mln) April 2013</p>		 <p>SPO RUB 18.7 bln (USD 607 mln) March 2013</p>
 <p>SPO RUB 10.6 bln (USD 327 mln) June 2013</p>	 <p>SPO RUB 3.02 bln (USD 91 mln) August 2013</p>	 <p>SPO² RUB 9.2 bln (USD 286 mln) October 2013</p>	 <p>IPO RUB 34.7 bln (USD 1.1 bln) October 2013</p>	 <p>IPO⁵ RUB 7.1 bln (USD 229mln) May 2013</p>
 <p>SPO RUB 19.1 bln (USD 602 mln) October 2013</p>	 <p>IPO RUB 41.3 bln (USD 1.3 bln) October 2013</p>	 <p>IPO⁴ RUB 34.3 bln (USD 952 mln) February 2014</p>		 <p>IPO/SPO RUB 2.6 bln/3.1 bln (USD 84mln/96mln) June/November 2013</p>

1 FosAgro SPO was executed on both Moscow Exchange and LSE
 2 Qiwi SPO was executed on both Moscow Exchange and Nasdaq in October 2013
 3 On NASDAQ and NYSE
 4 Lenta IPO was executed on both Moscow Exchange and LSE
 5 QIWI IPO was executed on NASDAQ in May 2013