



**MOSCOW  
EXCHANGE**

May 2016

# Investor presentation



Recent developments

**2**

Dividend and free float update

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Business overview

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Our trading markets

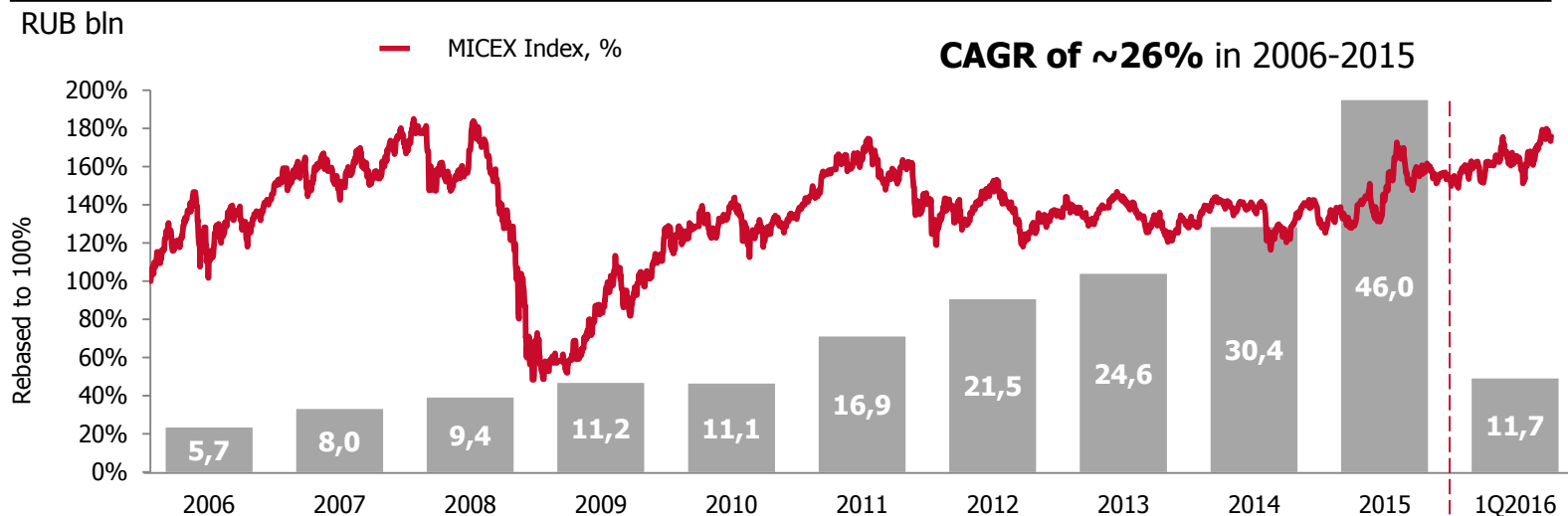
**5**

1Q 2016 financial results



# MOEX business model continues to deliver

## Operating income<sup>1</sup>

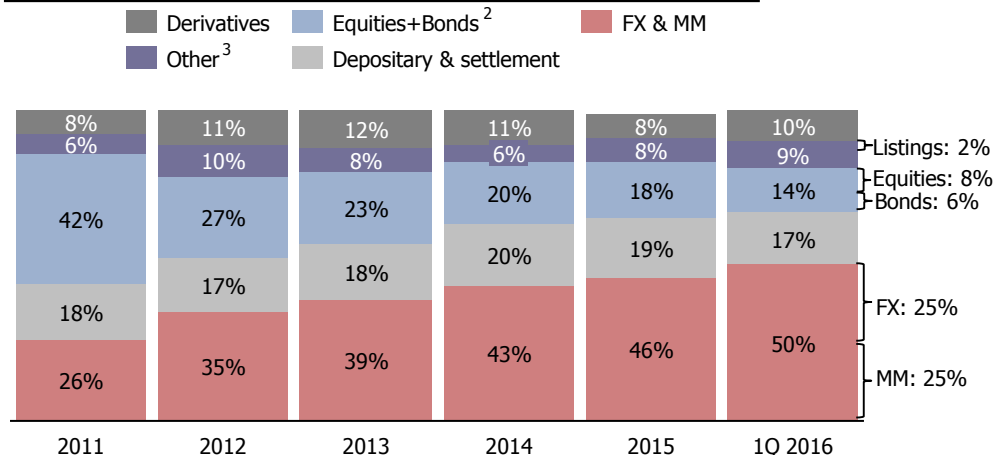


## Key highlights

**Unique business model** allows MOEX to increase operating income regardless of the stage of the economic cycle:

- **Business lines** are diversified, while markets have limited growth correlation
- **Growth drivers differ** across markets and products

## Fee & commission income evolution<sup>1</sup>



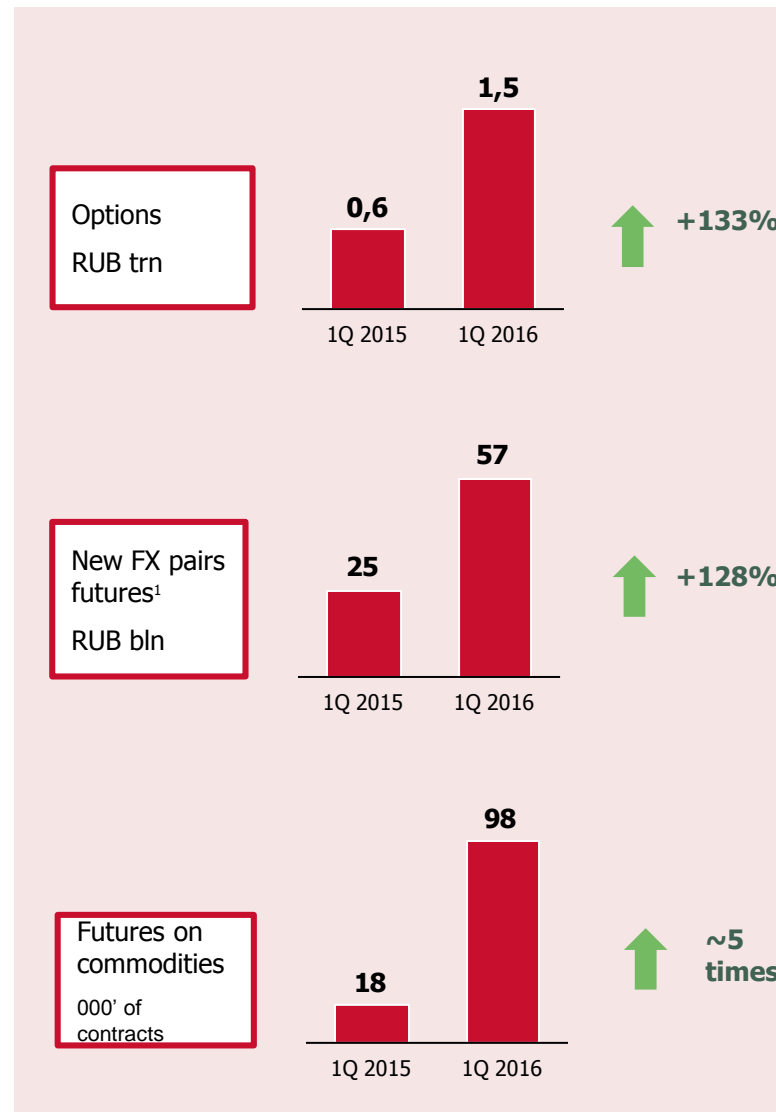
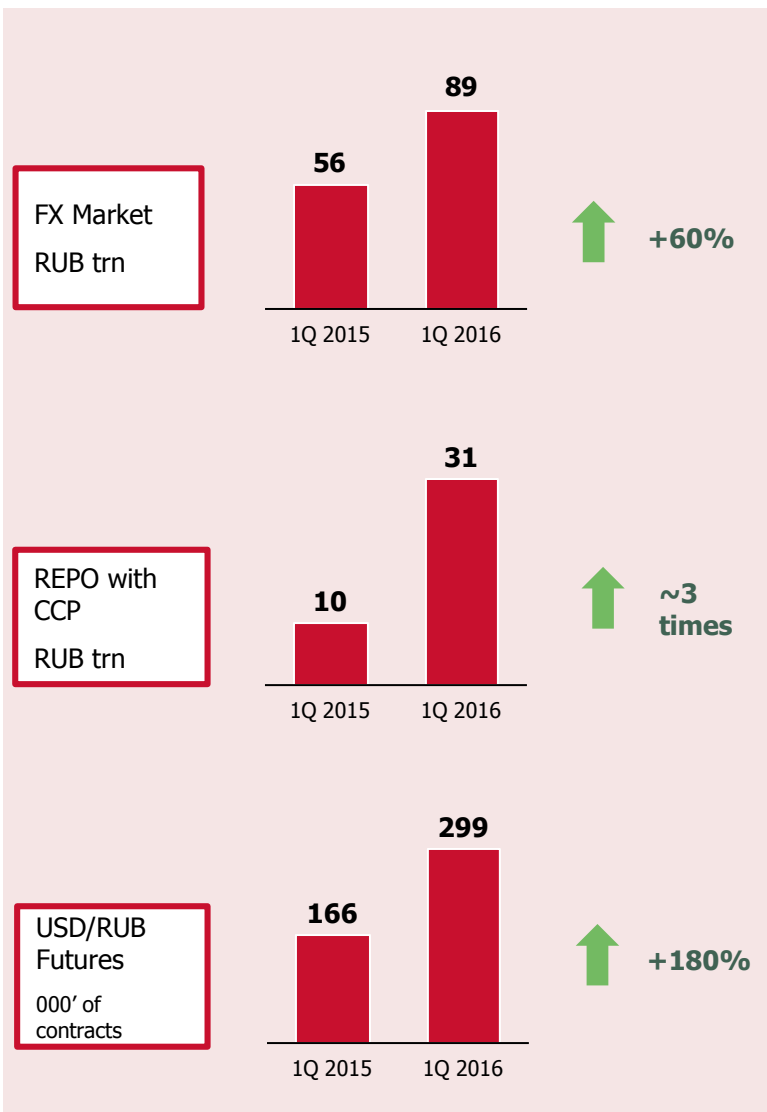
According to Moscow Exchange Consolidated Financial Statements for the relevant period

1 RTS data is consolidated from June 29, 2011

2 Includes other income related to securities market in 2011-9m2015

3 Includes income from Information services & sale of software and other fee & commission income in 2011-9m2015

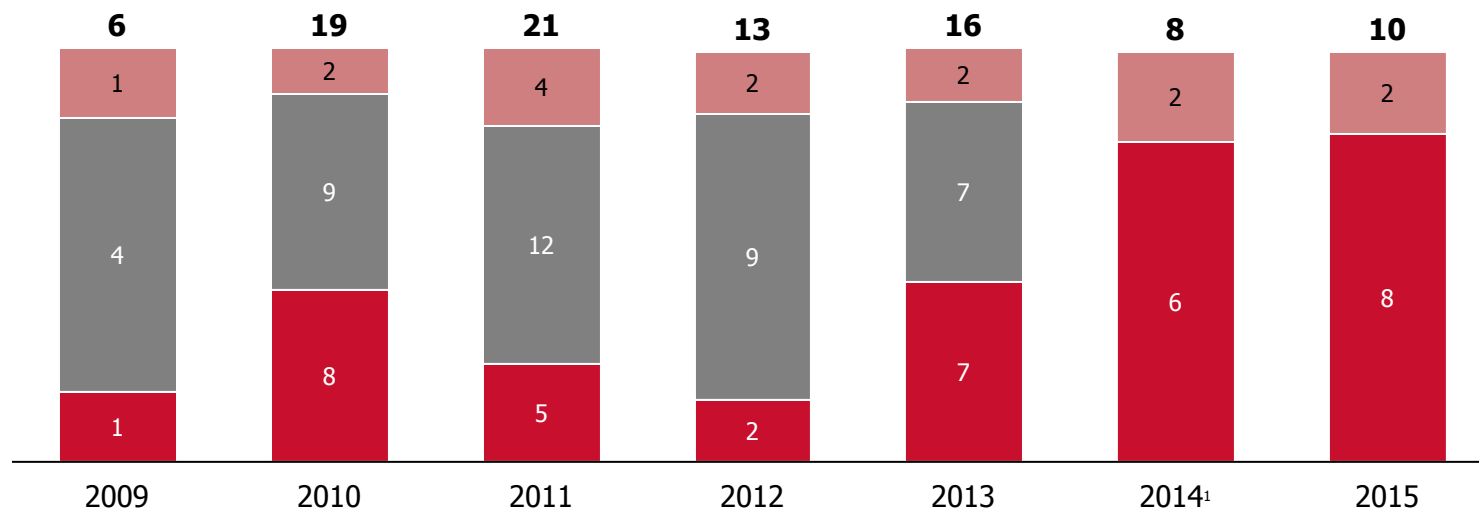
# Wide range of products driving growth



# Shift towards local listings continued

## Number of IPO/SPOs/listings by Russian issuers

■ Listing on MOEX ■ Dual-listing ■ Foreign listing



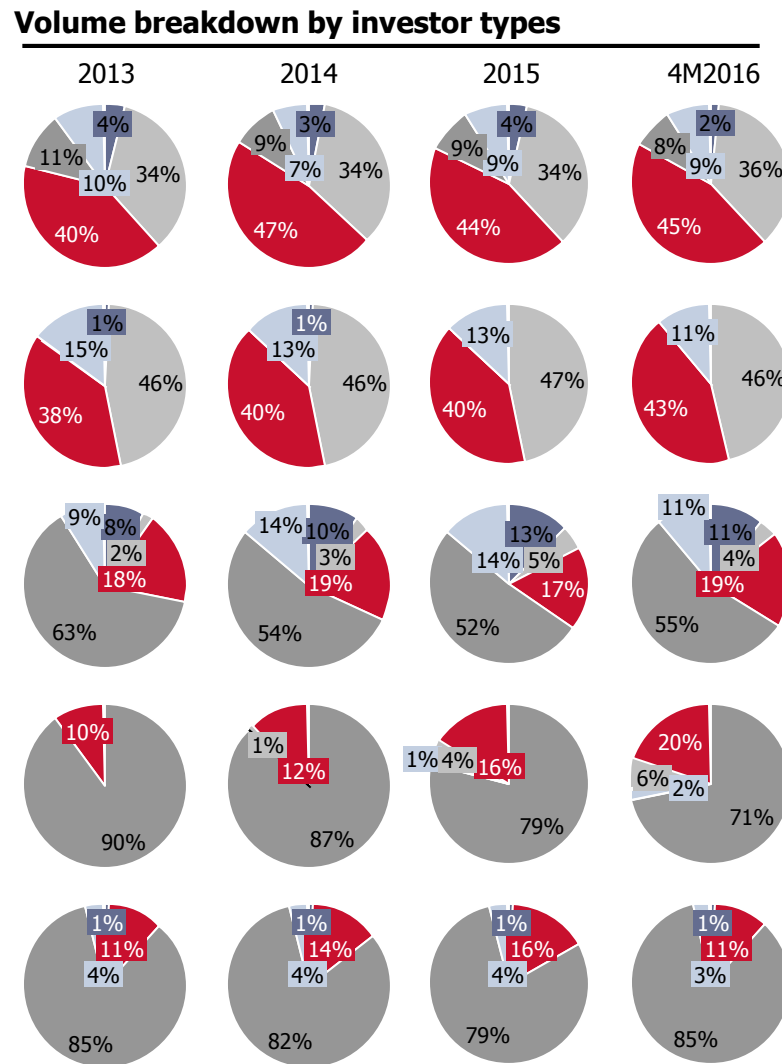
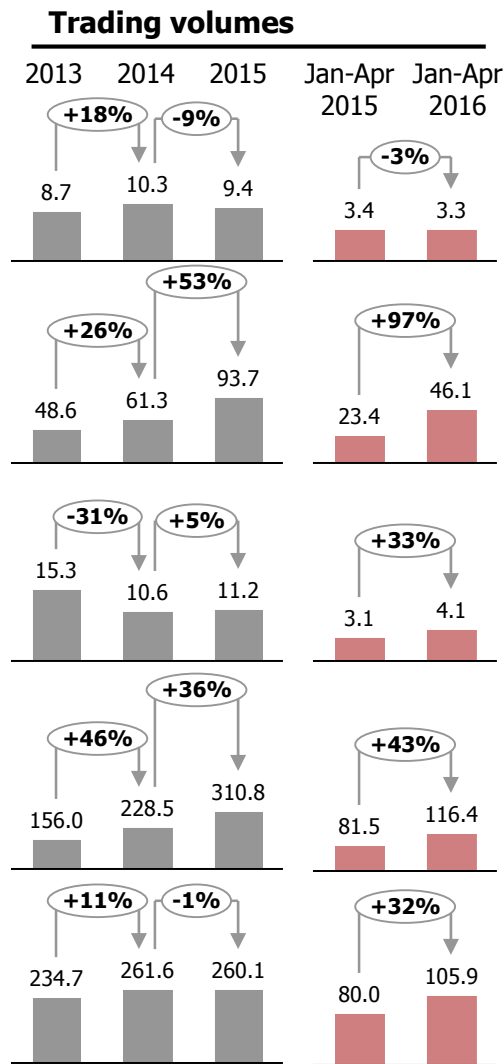
Though macro environment affected Russian equity capital markets...

- Russian issuers successfully completed 8 share placements in 2015 in the form of IPOs or SPOs, raising a total of Rub 78 bln
- 3 Russian companies delisted from London Stock Exchange, maintaining listing on MOEX only: Uralkali, Polyus Gold International, IG Seismic Services
- Promsvyazbank and Rusagro completed SPOs in 2016 and raised RUB 2.6 bln and apx. US\$250 mln, respectively



# Diversified investor base across different markets

- Equities Market  
RUB trn
- Derivatives Market  
RUB trn
- Fixed Income Market  
RUB trn
- FX Market  
RUB trn
- Money Market<sup>1</sup>  
RUB trn

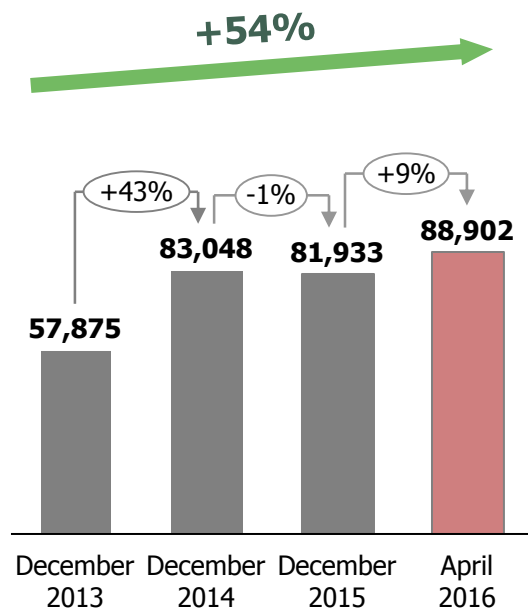


Source: Moscow Exchange data  
<sup>1</sup> Trading volumes including REPO with collateral management. Investor structure based on on-exchange REPO trading volumes only

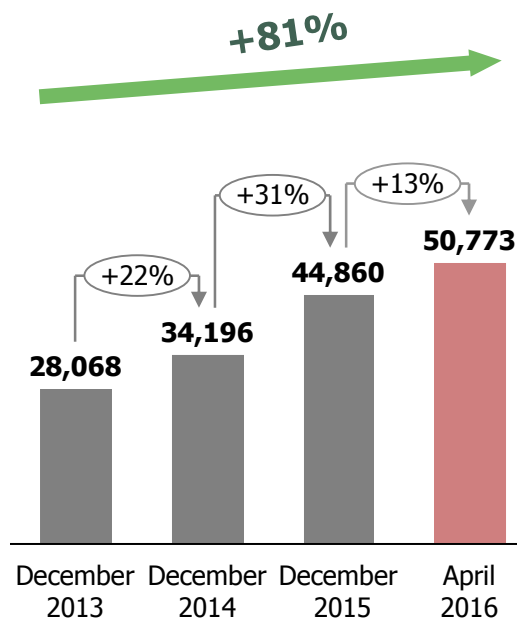
# Retail clients: growing segment of the Russian financial market

## Number of active retail client accounts

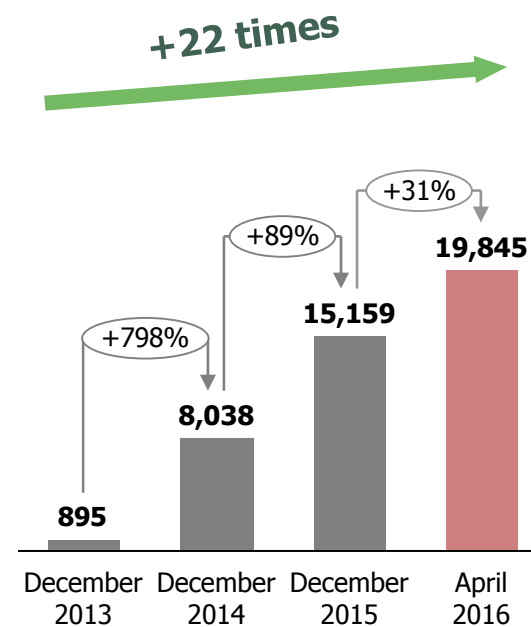
### Equity Market



### Derivatives Market



### FX Market<sup>1</sup>



### Recent regulatory changes:

- Introduction of **individual investment accounts** for private investors since 2015 – more than 110,000 accounts opened in 1Q 2016
- **Tax breaks** on capital gains on securities held for more than 3 years (up to RUB 9 mln for securities purchased after 1 Jan 2014)
- Retail investors allowed to **remotely open a brokerage account**. This simplifies the process for retail investors in Russia's regions



# Priorities and points of growth 2016

## Key initiatives

### New products

- ✓ Repo with General Collateral Certificates
- ✓ DMA for corporates to FX Market, Fixed Income Market and Money Market
- ✓ Focus on bonds: substitution of bank lending with public capital markets and securitization development
- ✓ Expanding the market data business: new products and subscription-based services
- ✓ Corporate actions reform

### Growing the investor base

- ✓ Attract non-resident flow, including further infrastructure developments, foreign clearing membership on FX & derivatives markets, NCC accreditation by EMIR/CFTC and creation of trading links between Russia and international markets
- ✓ Focus on retail investors, including on-line marketing tools, product and brand development, educational efforts for individuals

### Cross-market services

- ✓ Unified collateral pool across all markets
- ✓ Collateral management services
- ✓ Cross-margining

### IT excellence

- ✓ New IT architecture of the Exchange – segregation of trading and clearing modules
- ✓ New Tier-3 data center

### Organic growth

- ✓ Privatization program
- ✓ Increase in public debt





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Recent developments



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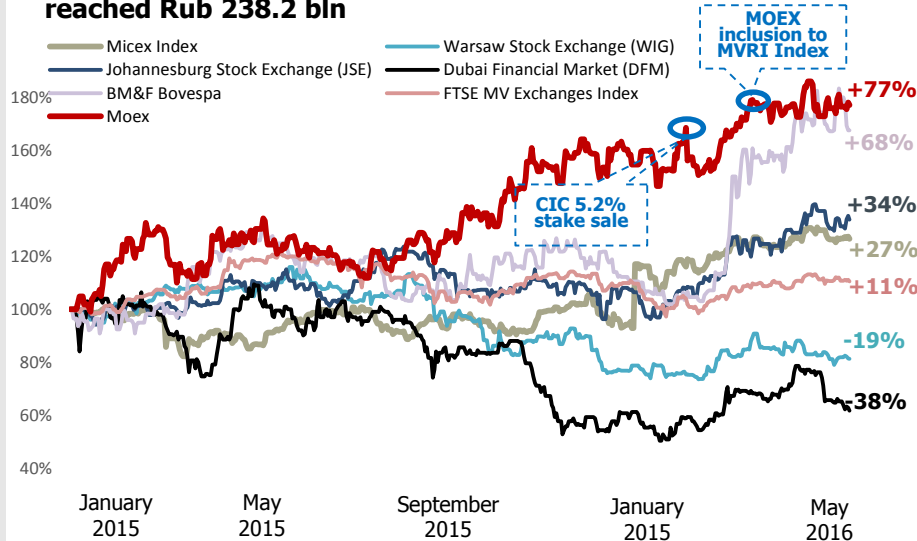
1Q 2016 financial results



# Dispersed ownership with **the highest free-float in Russia**

## Share performance<sup>1</sup>

**In May 2016 MOEX Market Cap reached Rub 238.2 bln**

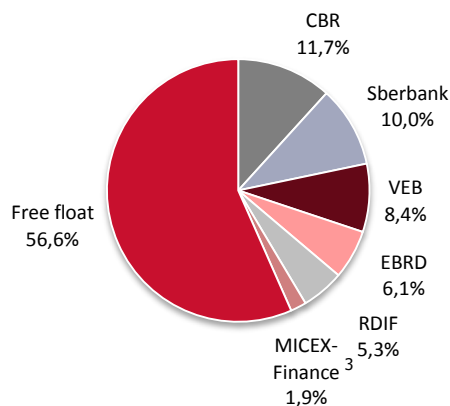


## Comments

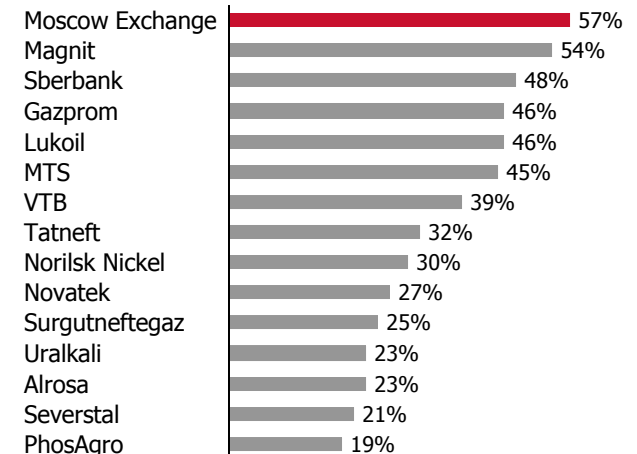
- More than 30 institutional investors from the US, UK, Europe and Russia acquired stakes in MOEX via Chengdong Investment Corp share sale
- The transaction, held in form of an accelerated book build worth USD 136 mln, is the only Russian ECM deal to date in 2016
- MOEX free float increased to 57%, which is the highest among Russian listed companies
- In March 2016 Market Vectors Index Solutions (MVIS) included MOEX in the MVRSX index, which is tracked by the USD 1.9bln ETF
- In May 2016 MSCI changed MOEX's FIF (MSCI free-float estimate) to 0.60 from 0.50

## Dispersed ownership with no controlling shareholder...

as of May 16, 2016<sup>2</sup>



## ...and the highest free-float in Russia<sup>4</sup>

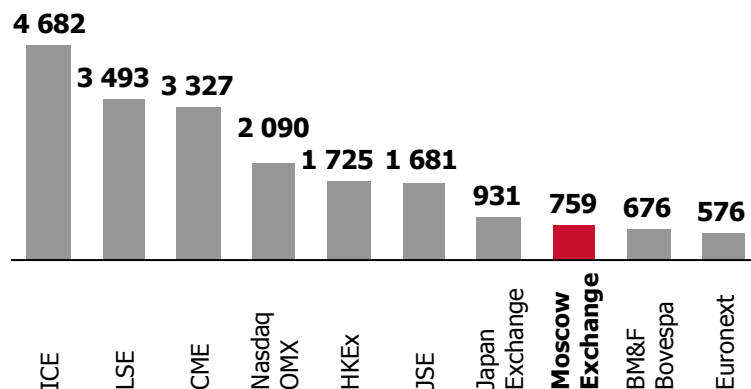


1 In local currencies for the period 01.01.2015-19.05.2016  
 2 Including changes disclosed on June 8, 2015, January 11, 2016, February 4, 2016  
 3 100% owned subsidiary of the Moscow Exchange  
 4 Moscow Exchange and top 15 companies by market capitalisation from MICEX Index on October 30, 2015

# New dividend policy: payout floor raised to 55%

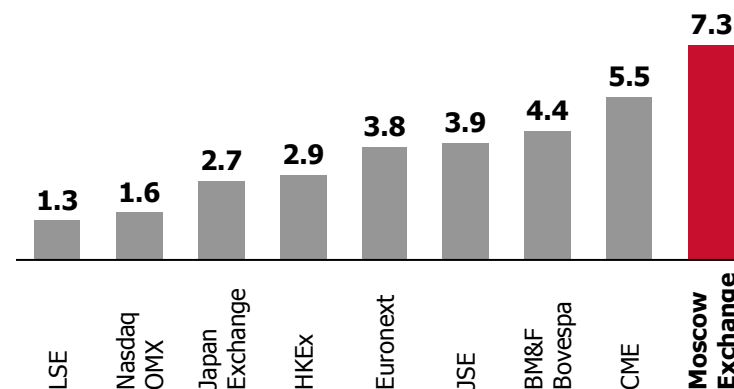
## Revenues 2015<sup>1</sup>

USD mln



## Dividend yield 2016E

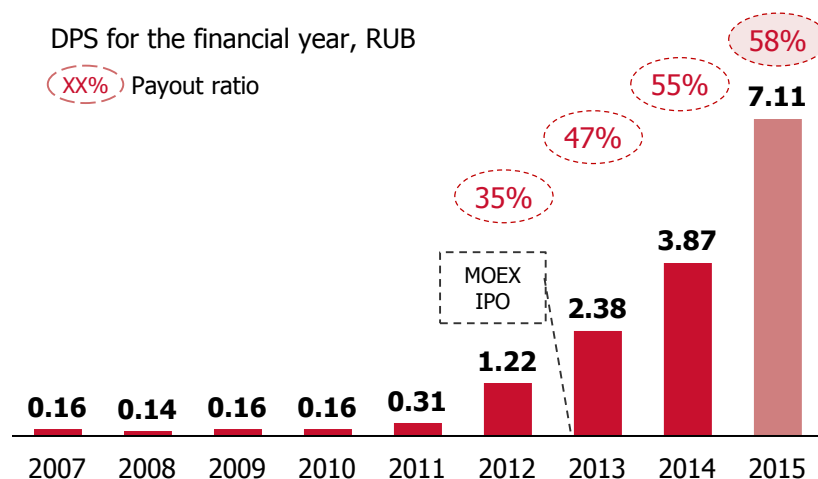
%



## History of dividend growth

DPS for the financial year, RUB

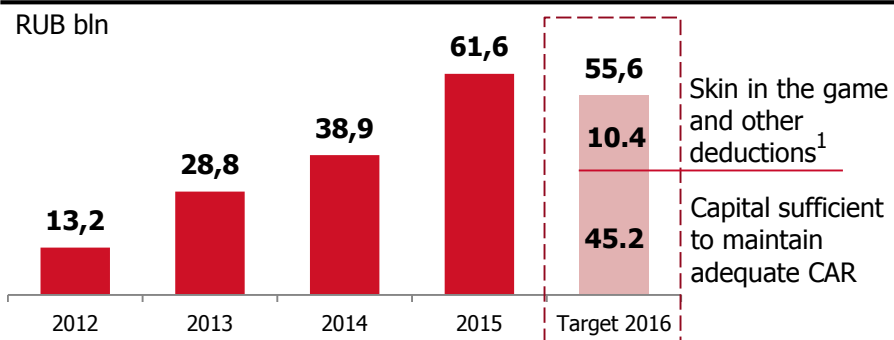
XX% Payout ratio



- A new dividend policy approved in Sept 2015 sets 55% of net profit as the new payout floor
- In April 2016 the AGM approved a dividend for 2015 of RUB 7.11 per share, which is 58.2% of 2015 IFRS net profit
- Since IPO, MOEX has returned **8.2%** (RUB 17.2 bln) of the YE 2015 market cap (RUB 208.3 bln) to shareholders in the form of dividends

# NCC capital target: RUB 55.6 bln

## NCC capital (end of period)



## Key takeaways

**Target** level of NCC capital is set at **RUB 55.6 bln** based on:

- ✓ **CCP Stress-tests with a new risk-covering mechanism**  
Capital should be sufficient to cover potential losses under a stress scenario and keep business operational
- ✓ **New CBR regulation of capital adequacy ratio**  
CAR should be sufficient under Basel III rules (**min of 8%** versus 10% previously), and following adjustments of capital (skin in the game) and RWA

## New regulation and its impact on NCC capital requirements

1

New regulation of CCPs in Russia

The CBR required all CCPs to be incorporated as entities with (i) clearing and (ii) non-credit banking organization licenses. The law was adopted in Dec 2015 with a transition period of 2 years for NCC. The licenses switch is expected to move regulation of NCC away from a classical banking regulation towards best practices of CCP regulation, which may reduce capital requirements for NCC in the long-run.

2

New financial stability recovery mechanism

Risk-protection system was unified across all markets and aligned with CPSS-IOSCO requirements. New "Skin in the game" size was approved by the NCC's Supervisory Board in line with the CBR's requirements:

- ✓ RUB **6.5 bln since Nov 2015**
- ✓ RUB **9.5 bln since July 2016 (planned)**

'Skin in the game' is deducted from the capital adequacy ratio (CAR) calculation, while NCC's financial assets and obligations, which NCC entered with market participants as CCP, are excluded from risk-weighted assets (RWA).

Net effect is expected to reduce capital requirements of NCC in the mid-run.

3

Introduction of Basel III rules

CAR calculation was aligned with Basel III requirements, with minimum CAR set at 8% level. NCC is expected to maintain a capital buffer to keep CAR at comfortable level exceeding 8%.



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# Investment highlights

1

MOEX operates in one of the largest economies globally and encompasses Russia's largest public trading markets

2

Leading market position in a global context

3

Unique business model, offering trading of a wide range of assets together with well-established centralized post-trade infrastructure

4

Strong transparency and corporate governance standards

5

Successful track record of infrastructure reforms and improving regulatory framework

6

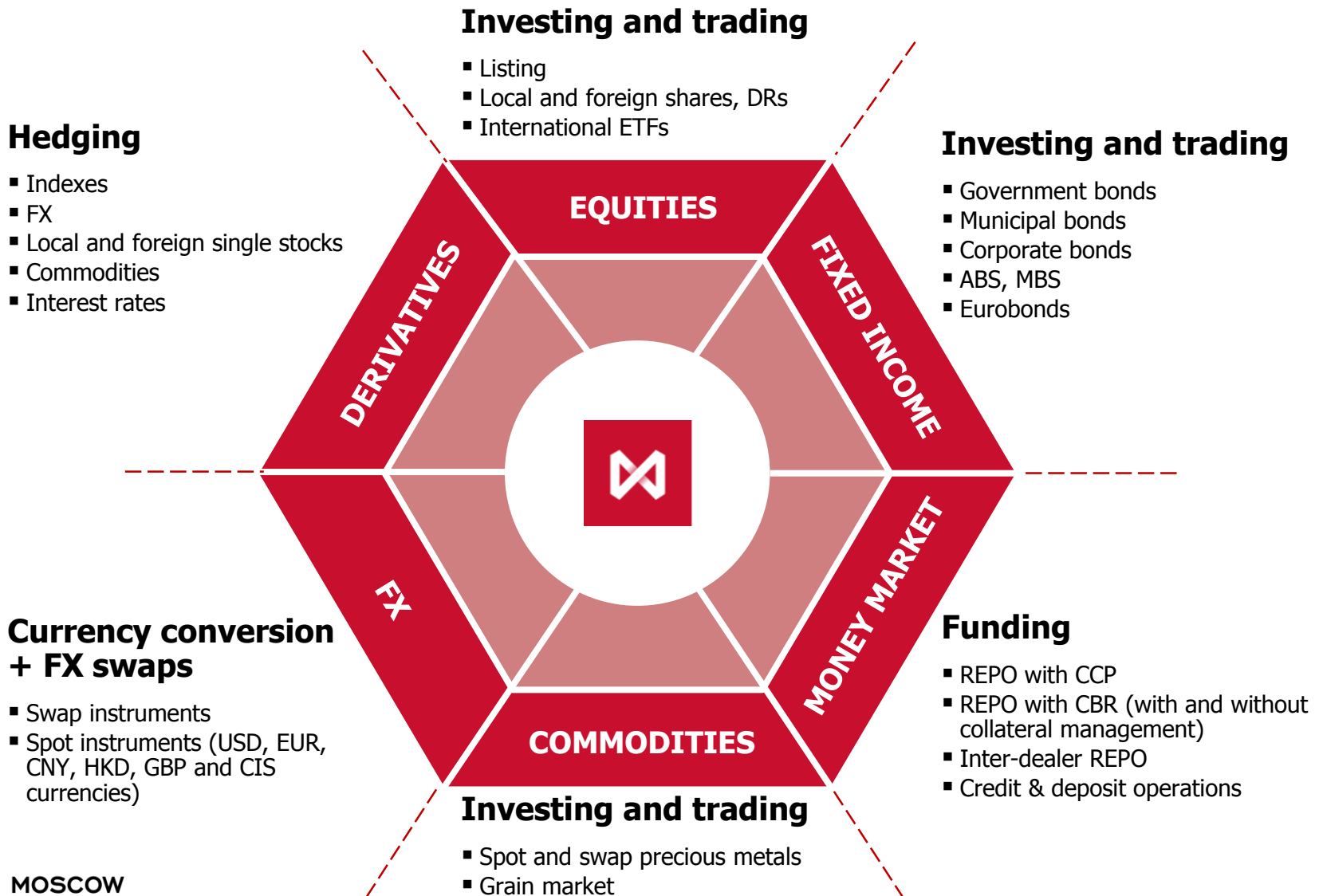
Strong financial performance

7

Attractive dividend policy

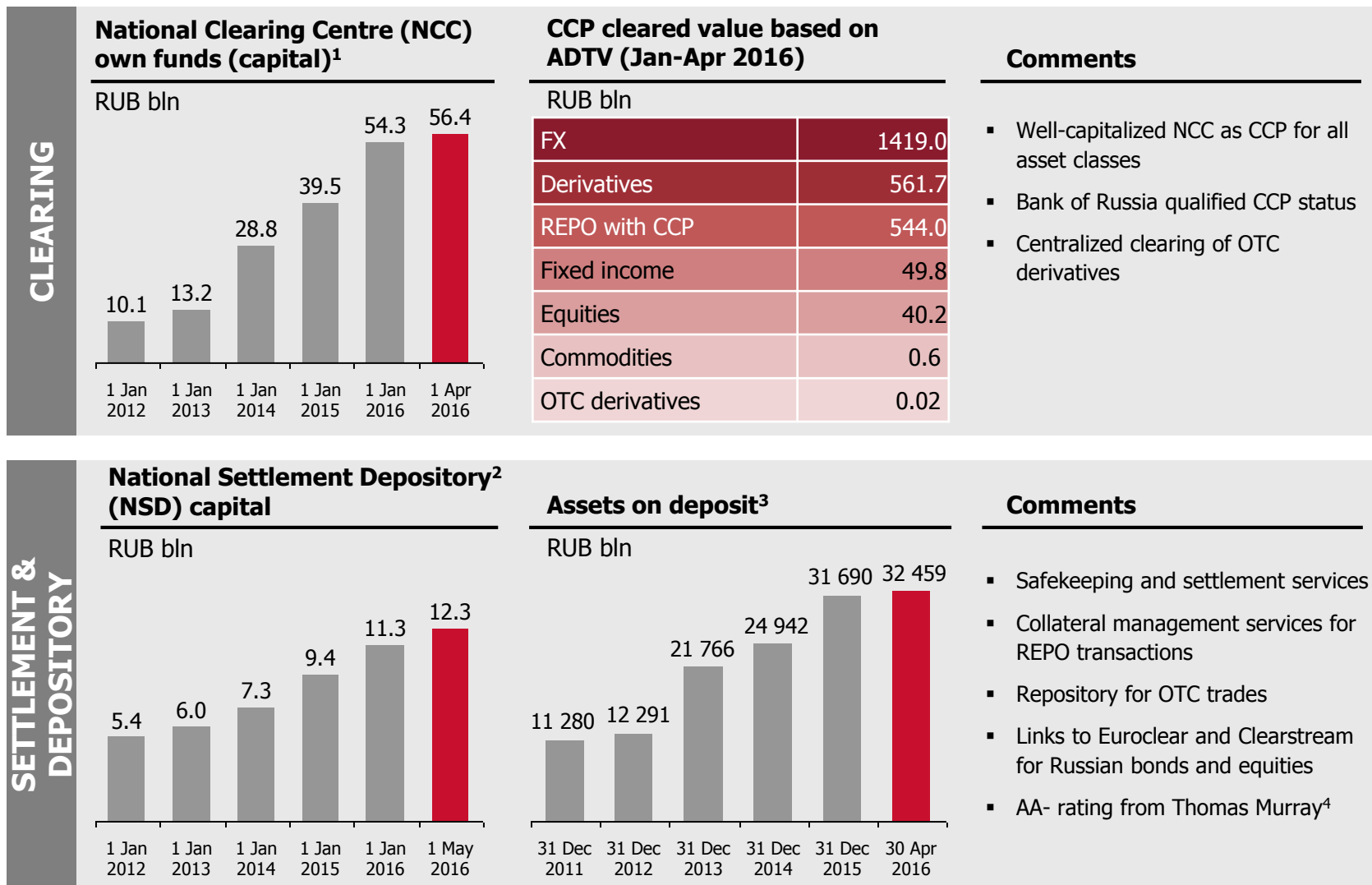


# Highly diversified product offering...



# ...coupled with **strong post-trade infrastructure**

Central Counterparty (CCP) and Central Securities Depository (CSD)



Source: Moscow Exchange operational information

1 Figures in accordance with Russian Accounting Standards as reported to and disclosed by the CBR on a monthly basis

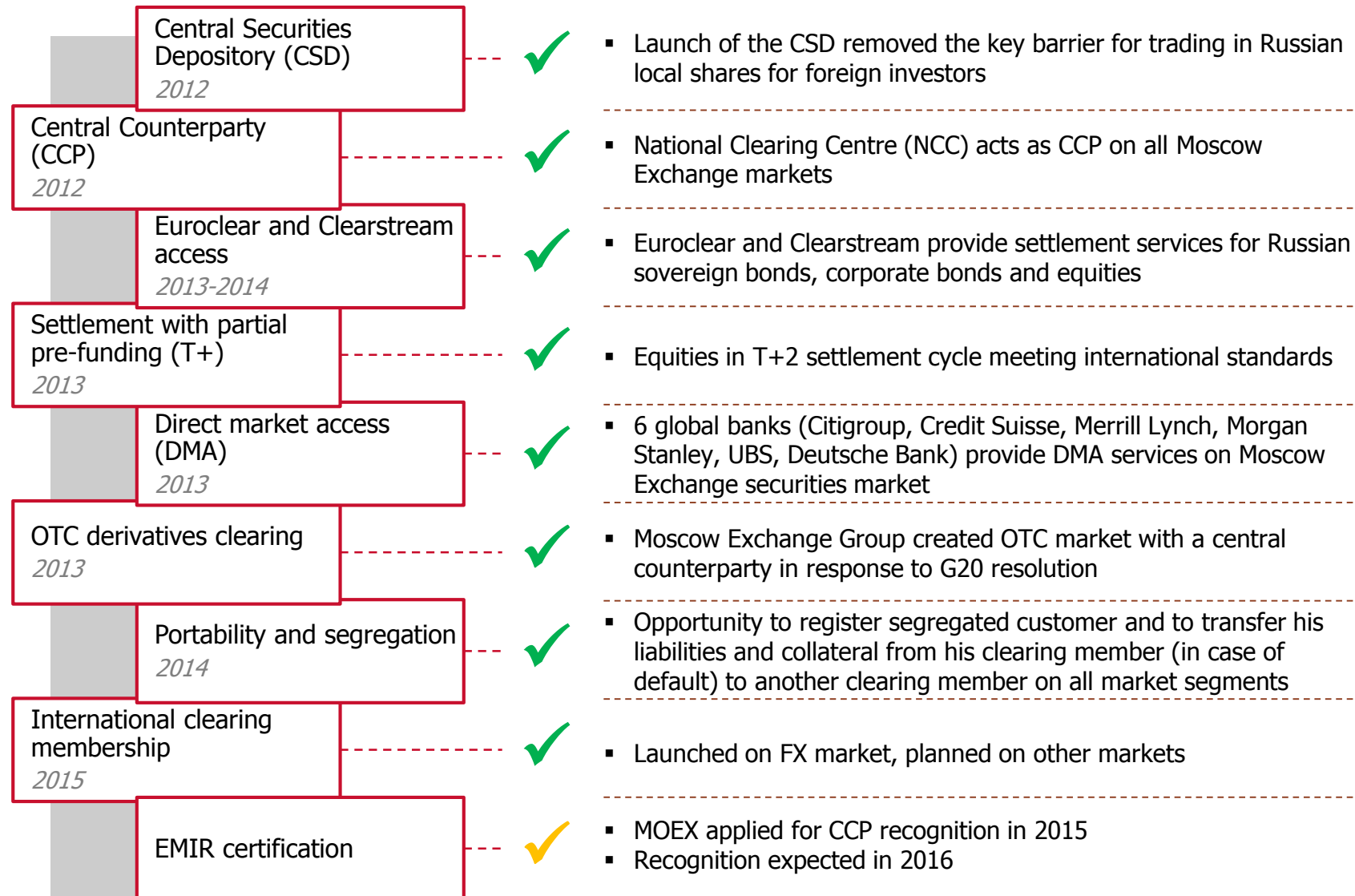
2 Russian Central Securities Depository

3 Assets in deposit based on Company' operational data

4 Thomas Murray – leading global agency for depository services



# Moscow Exchange infrastructure meets international standards



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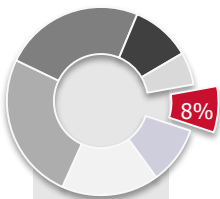
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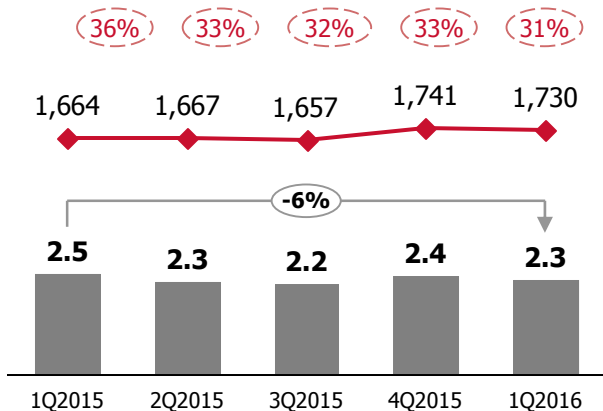


# Equities Market: Volumes lower, MOEX market share higher

## Trading volumes<sup>1</sup>

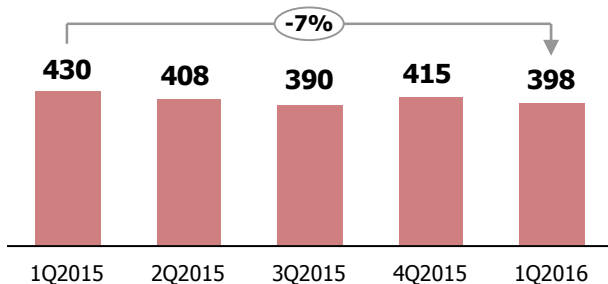
RUB trln ◆ MICEX Index (average for the period) ■ Equities

XX% Velocity



## Fee & commission income

RUB mln



## Russian equities trading volumes<sup>2</sup>, MOEX vs LSE

%



## Comments

- Market share of MOEX vs LSE for dual-listed Russian companies continued to grow and reached 60% in 1Q 2016
- Promsvyazbank and Rusagro completed SPOs in 2016 and raised RUB 2.6 bln and apx. US\$250 mln, respectively



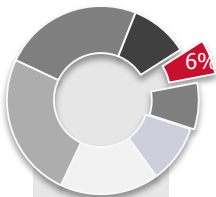
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Source: Moscow Exchange operational information and Consolidated Financial Statements, Liquidmetrix

<sup>1</sup> Volumes on both primary and secondary markets

<sup>2</sup> Moscow Exchange and London Stock Exchange data for Russian dual-listed companies

<sup>3</sup> Only electronic order book deals

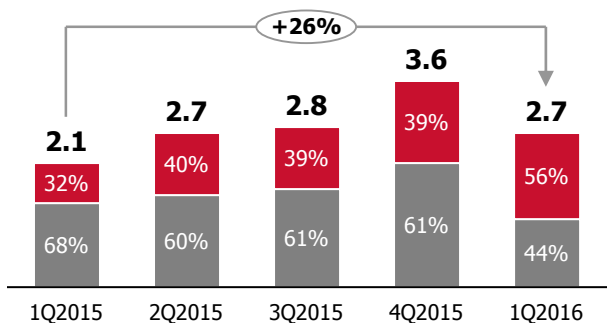


# Fixed Income Market: Strong volume and F&C growth

## Trading volumes<sup>1</sup>

RUB trln

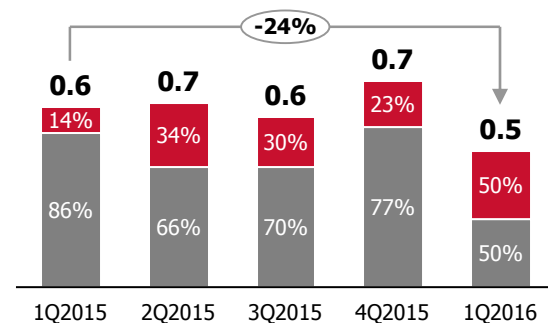
■ Sovereign bonds  
■ Corporate, municipal and other bonds



## Primary market

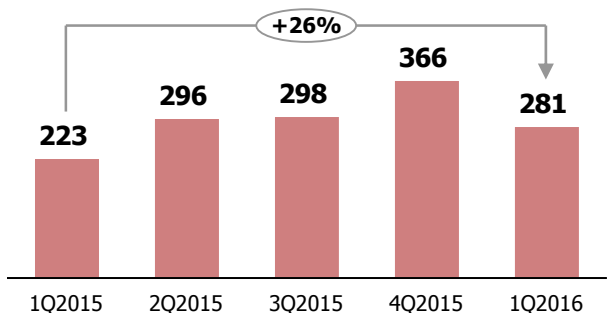
RUB trln

■ Sovereign bonds  
■ Corporate, municipal and other bonds



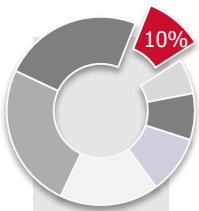
## Fee & commission income

RUB mln



## Comments

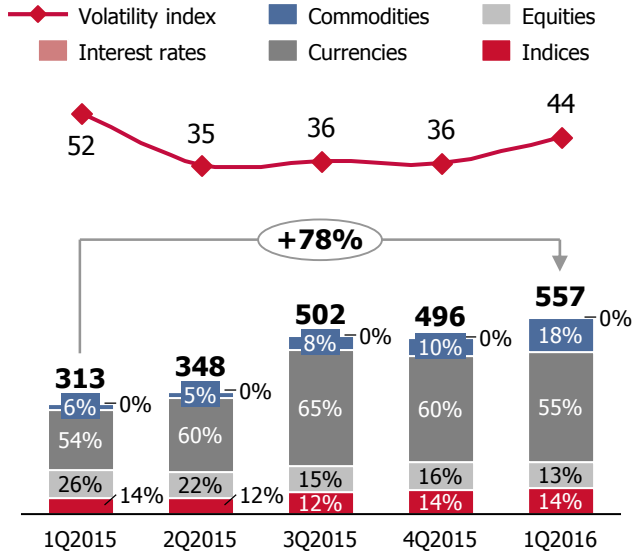
- Normalization of interest rates, continued substitution of international debt and a shift to on-exchange borrowing led to a healthy dynamic of primary bond placements
- Government bond primary placements grew by +63% YoY and contributed 50% to total bond primary placements
- Corporate bond placements declined 56% YoY, though from an inflated base due to a bulky one-time corporate bond placement in Q1'15. Excluding this transaction, growth was 64% YoY



# Derivatives Market: F&C income more than doubles

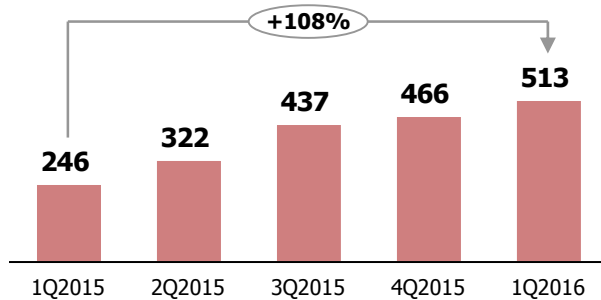
## Trading volumes

millions of contracts



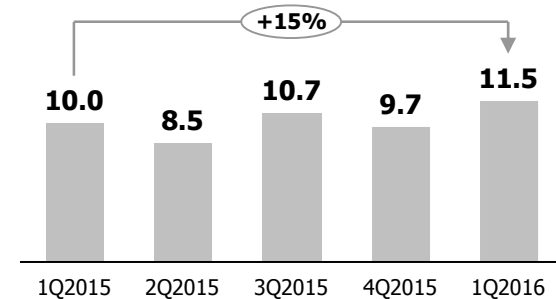
## Fee & commission income

RUB mln



## Open interest

millions of contracts, daily average



## Comments

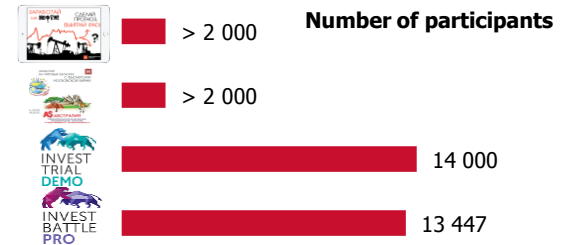
- Fee and commission income (up 108% YoY) achieved a record quarterly result of RUB 513 mln thanks to solid growth of trading volumes in futures on FX, commodities and indices, as well as options
- Futures and options on FX remained the most traded contracts and accounted for 55% of total derivatives contracts. Derivatives on commodities continued their rapid expansion with a share of 18% of total trading volumes versus 6% a year ago.
- Open interest grew by 15% to 11.5 mln contracts

# Case study: Derivatives Market delivers record results

## Focused efforts to improve financial literacy and attract retail investors...

**Investor Contests**

MOEX has been involving retail investors through a set of competitions focused on new clients ("invest-trial") and experienced investors ("invest-battle"), or focused on different products, e.g. futures on Brent ("Make your call on oil price") and FX futures ("Around the world in 35 days")



**MOEX School – basic financial education**

MOEX held more than 75 educational seminars through the **MOEX school**, which focused on market basics to improve financial literacy



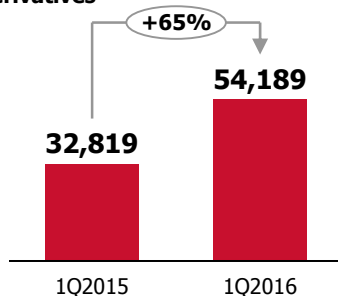
**Specialized seminars & workshops**

MOEX held 35 specialized workshops, conferences and seminars to improve financial literacy and promote MOEX products in more than 20 Russian cities

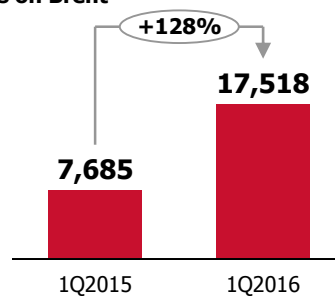


## ...led to outstanding growth of active clients and new records

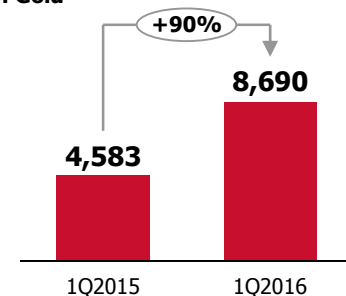
Active clients: All derivatives

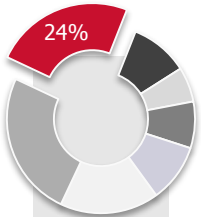


Active clients: Futures on Brent



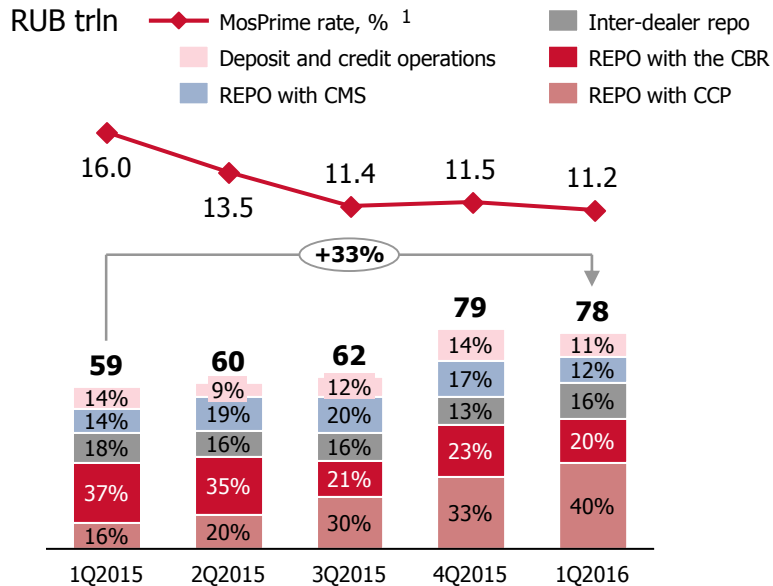
Active clients: Futures on Gold



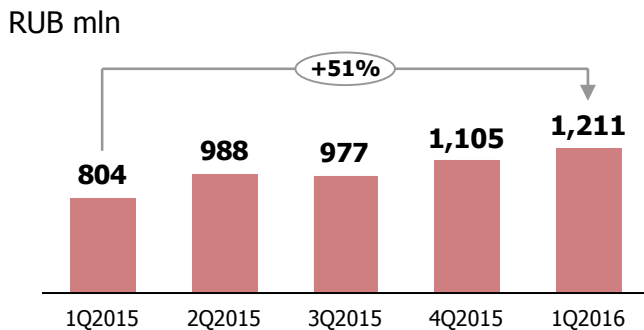


# Money Market: solid demand for on-exchange services

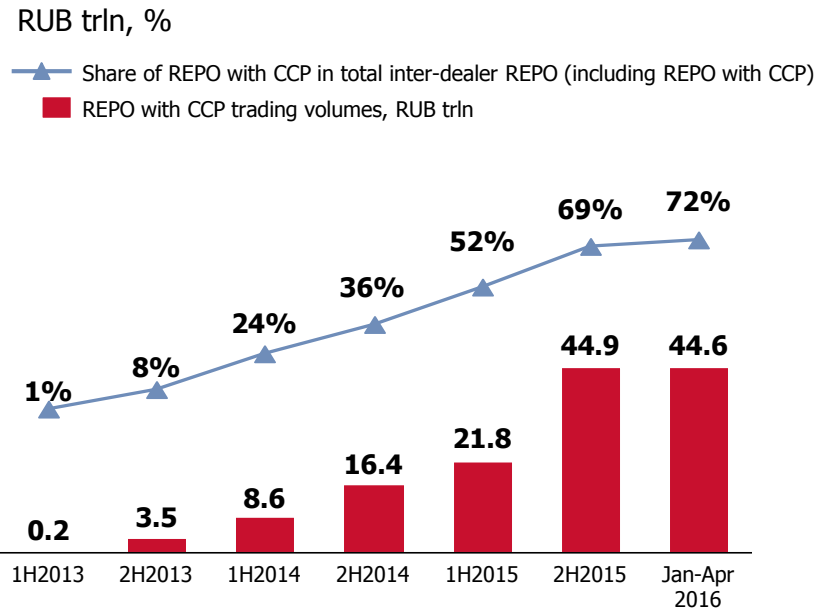
## Trading volumes



## Fee & commission income



## Trading volumes for REPO with CCP



## Comments

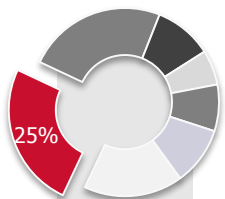
- Record fees of RUB 1.2 bln (+51%) thanks to the growth of REPO with CCP, one of the fastest-growing products (up 3.3x YoY) across MOEX's product portfolio
- A new product, Repo with GCC (general collateral certificate) was launched in the end of February. Despite its early days the product started as good as repo with CCP when launched in 2013
- Average REPO maturity declined from 12.7 to 3.6 days due to change in the liquidity availability in the banking system and lack of long-term FX repo by the CBR in 1Q16, which was in a great demand in 2015



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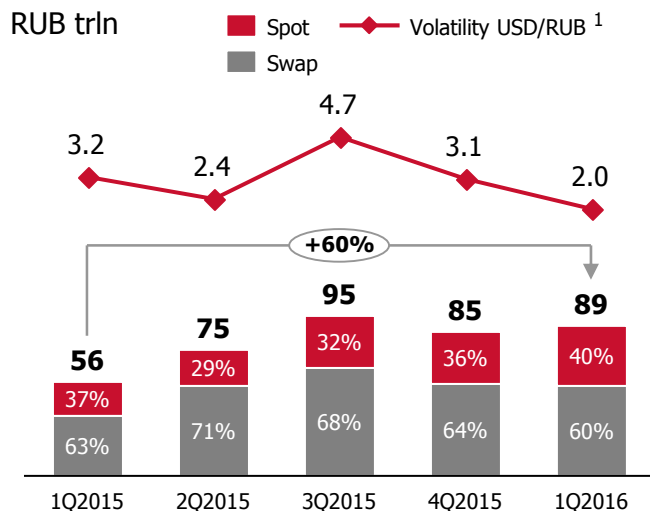
Source: Moscow Exchange operational information and Consolidated Financial Statements

<sup>1</sup> Overnight rate, average for the period

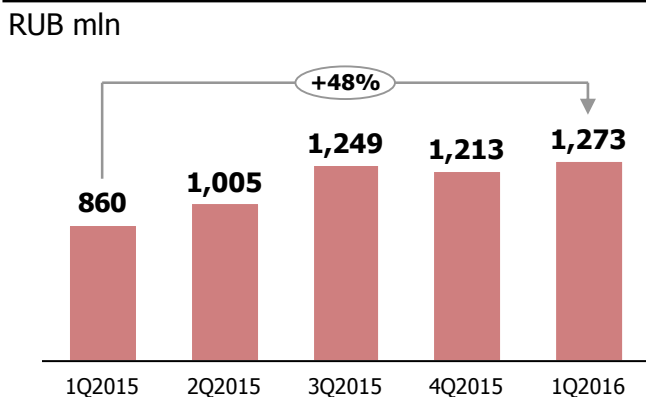


# FX Market: record fee & commission income

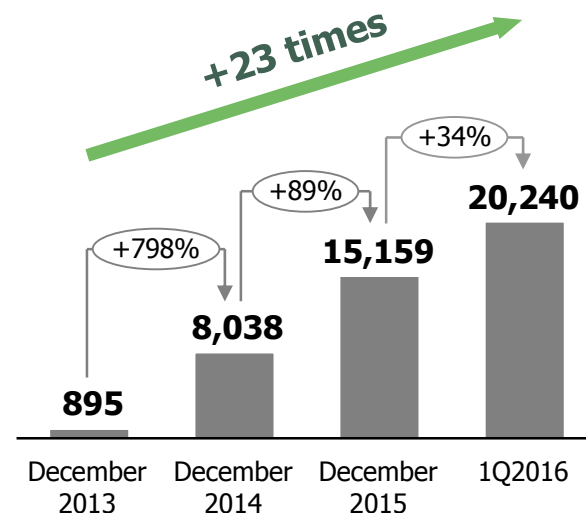
## Trading volumes



## Fee & commission income



## Number of active retail clients accounts (DMA clients)



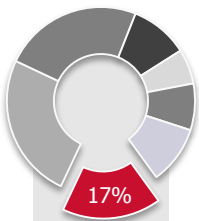
## Comments

- Free-floating ruble and increased activity on the FX spot market due to oil price volatility led to record high fees and commissions of RUB 1.3 bln (up 48%)
- Spot market trading volumes grew 69% YoY, while swap transaction volumes increased 54% YoY amid continued demand from local banks to manage liquidity positions and hedge FX risks



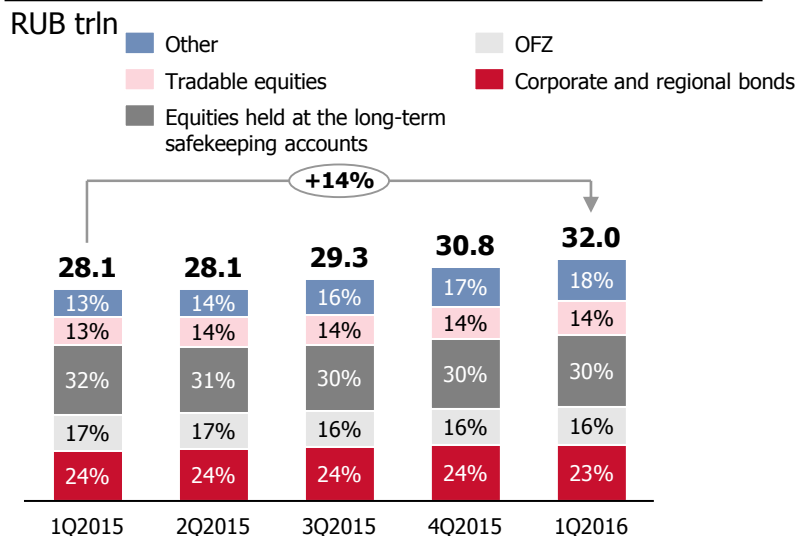
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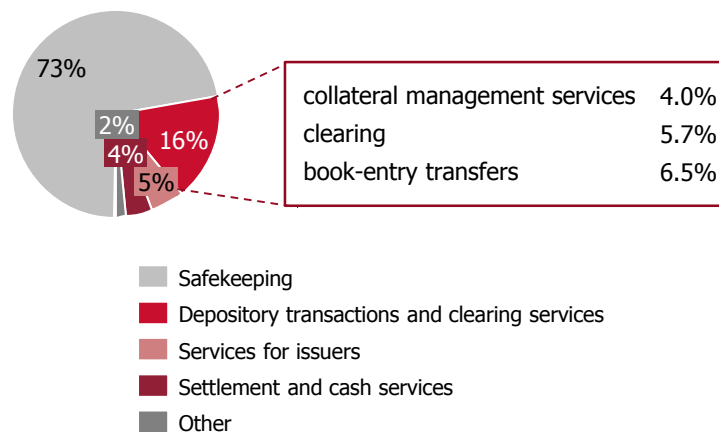
# Depository and settlement: continued growth of assets under custody

## Assets on deposit (average for the period)



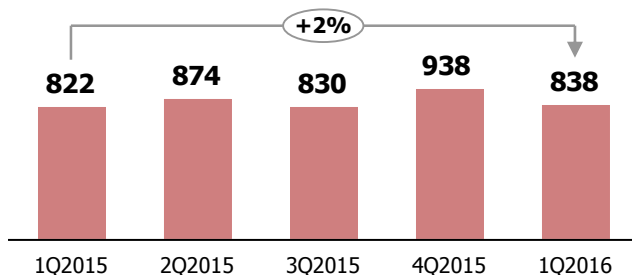
## Fee & commission income breakdown

1Q 2016



## Fee & commission income

RUB mln



## Comments

- Tariff reform effected from Jan 1, 2016 aligned NSD's safekeeping fee structure with international best practice:
  - ✓ New tariff scale with "stepped" approach
  - ✓ All entities within one group are considered as one client
  - ✓ New fees for equities held at the long-term safekeeping account and DRs.
- The increase in assets under custody was driven by inflow of Eurobonds, bonds of foreign issuers and international institutions, as well as local bond placements and expansion of equities market cap



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# NSD: crucial component of the financial infrastructure generating steady revenues

- The largest settlement depository **in Central and Eastern Europe**
- The Russian CSD and an operator of **systemically important depository, repository and payment system**
- **Links with** other CSDs and **ICSDs**
- Stable and **recurring revenue source**, which is less depended on the market environment

## CSD

- ✓ Safekeeping
- ✓ Settlement (FOP, DVP)
- ✓ Corporate actions
- ✓ Tax agent services

## Clearing & Tri-party services

- ✓ Clearing
- ✓ Collateral management (tri-party services)

## Payment service provider

- ✓ Cash settlement services
- ✓ FX services

## Repository

- ✓ OTC derivatives reporting
- ✓ Clearing, CMS and information services

## Corporate Information Center

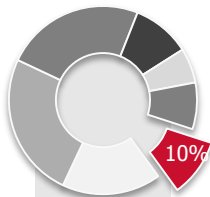
- ✓ Comprehensive source of corporate information
- ✓ Valuation center
- ✓ Pricing center

## Key initiatives

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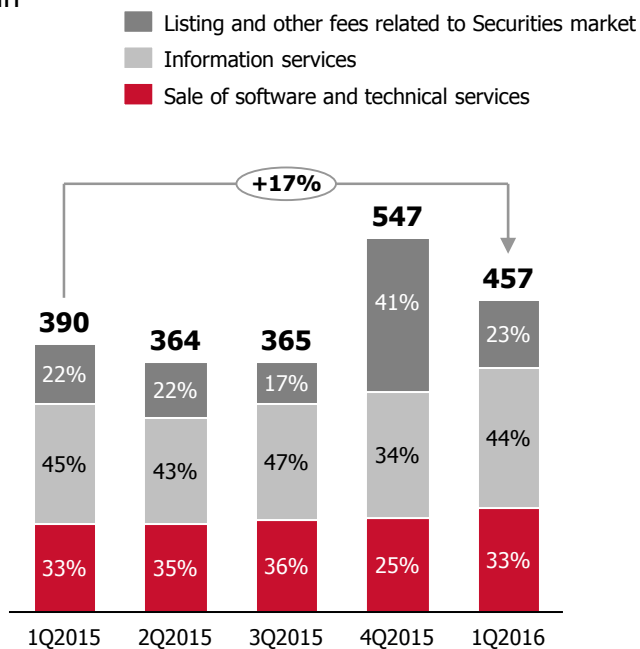
- Completion of the ongoing corporate actions reform to further simplify market access and reduce costs for market participants
- Development of the corporate information center and a recognized pricing center, which are set to become a comprehensive and authoritative source of reliable information on securities and corporate actions
- Further trade repository development to make OTC derivatives market more transparent and better understand risks associated with the market

# Growth in information services fees



## Other fee & commission income<sup>1</sup>

RUB mln



## Comments

- Fees and commissions across all lines demonstrated healthy double digit growth
- Listing and other fees related to the Securities Market grew by 16.7% YoY on the back of primary bond placements
- Fees from information services and sale of software and technical services grew by 14.9% YoY and 20.1% YoY respectively, driven by expansion of the client base

**1**

Recent developments

**2**

Dividend and free float update

**3**

Business overview

**4**

Our trading markets



1Q 2016 financial results



# 1Q 2016 Key Financial Highlights

-1.1%  
YoY

**Operating  
Income**  
11.7 bln RUB

- Due to the normalization of interest rates, net interest income declined 16.6% YoY, in line with expectations. This was offset by strong 32.2% YoY growth of fee and commission income

+7.2%  
YoY

**Operating  
Expenses**  
3.1 bln RUB

- Costs grew at 7.2% YoY

+2.0 p.p.  
YoY

**Cost/Income  
ratio**  
26.2%

- Cost to income ratio remained at a level of 26.2%, up from 24.2% in 1Q 2015

-2.6%  
YoY

**EBITDA**  
9.2 bln RUB

- Strong fee income generation drove EBITDA of RUB 9.2 bln, down 2.6% YoY. EBITDA Margin remained at best-in-class level of 78.1%

-3.1%  
YoY

**Net  
Profit**  
7.0 bln RUB

- Solid operating income coupled with cost controls led to RUB 7 bln of net profit, down 3.1% YoY. EPS amounted to 3.1 RUB

-6.3p.p.  
YoY

**ROE**  
23.8%

- ROE remained at a healthy level 23.8%

-

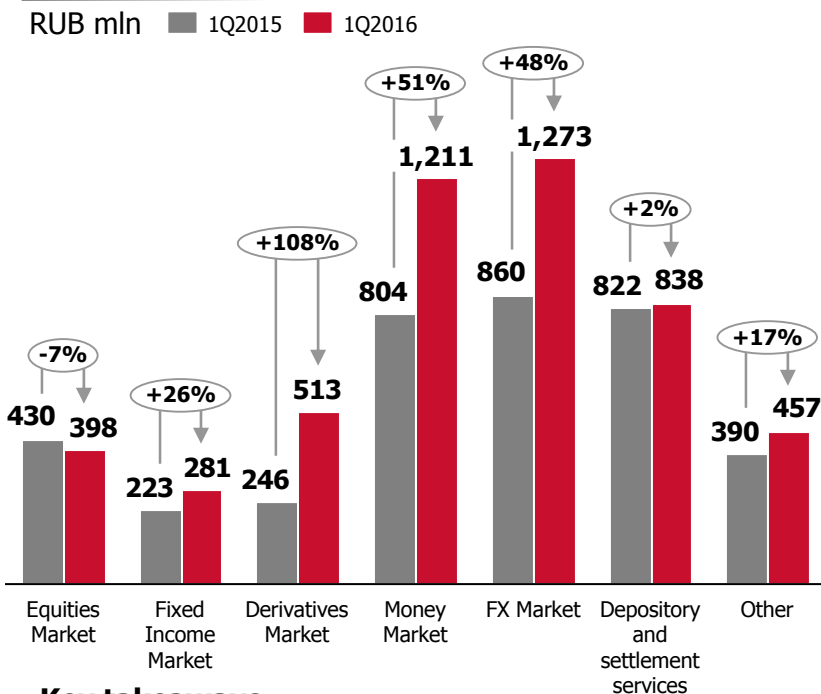
**Debt**  
0 bln RUB

- Moscow Exchange's highly cash-generative business continued to operate with no debt



# Diversified fee & commission income

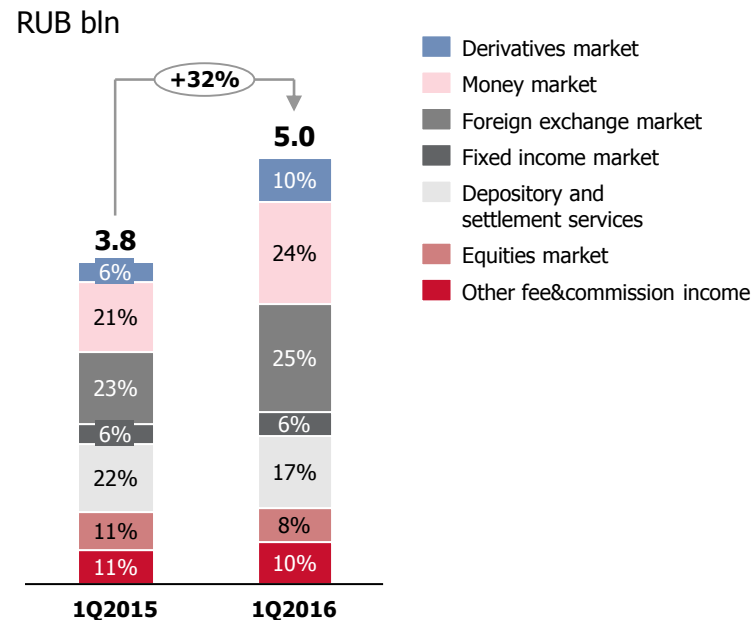
## Fee & commission income performance



### Key takeaways

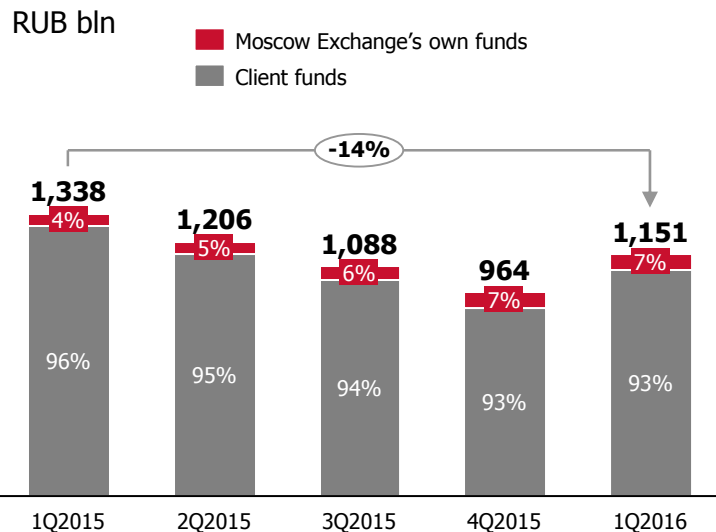
- Fee and commission income increased 32% YoY to Rub 5.0 bln, the second best result at the MOEX history
- Fee & commission income remained well-diversified, with seven segments contributing, none of which represents more than a quarter of the total
- In 1Q'16 new record fees levels reached on Money Market, FX, and derivatives

## Fee & commission income breakdown

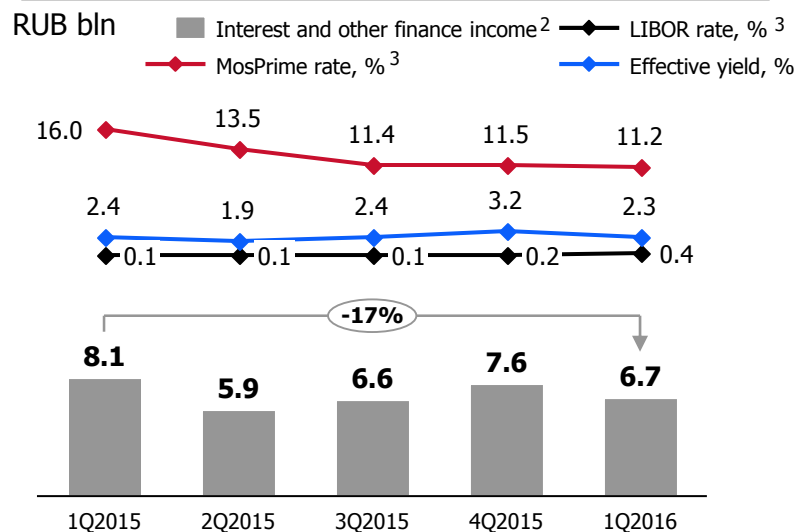


# 1Q 2016 Interest income

## Investment portfolio<sup>1</sup> (average daily volume)

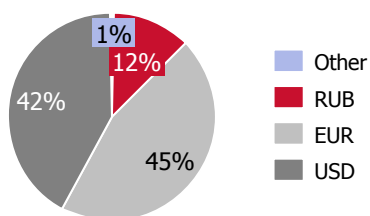


## Interest income



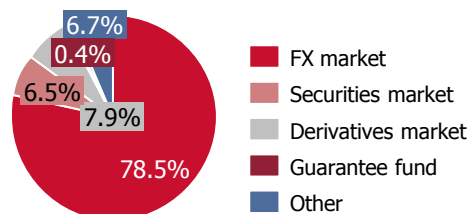
## Clients funds by currency

1Q2016



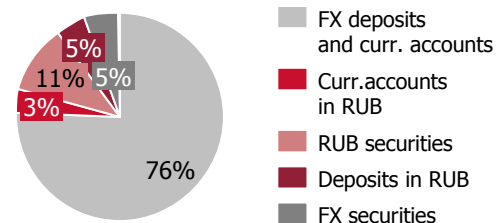
## Clients funds by source

1Q2016



## Investment portfolio by type of asset

1Q2016



Source: NFEA, Bloomberg, Moscow Exchange operational information and Consolidated Financial Statements

1 Based on average daily investment portfolio according to management accounts

2 Interest and other finance income includes interest and other finance income, interest expense, net loss on financial assets available-for-sale, foreign exchange gains less losses

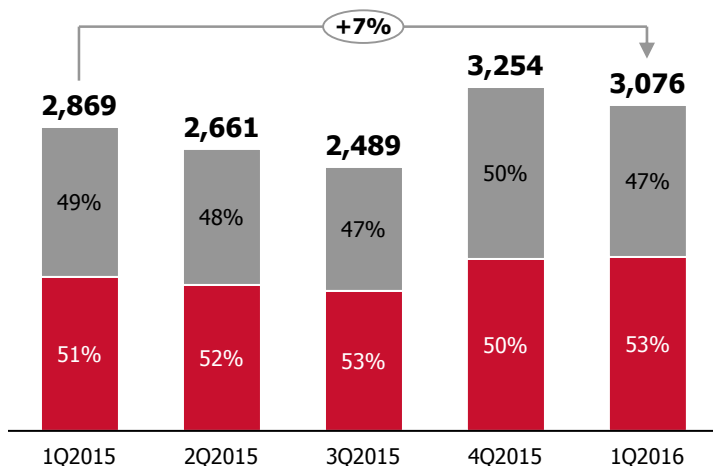
3 Average daily rate for the period

# Operating expenses

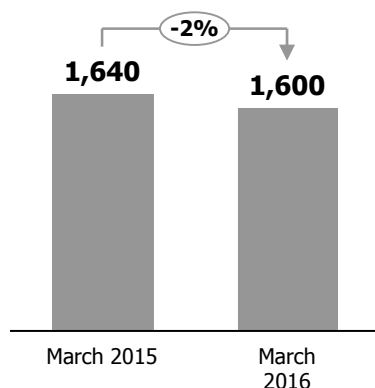
## Operating expenses

RUB mln

- Administrative and other operating expenses
- Personnel expenses



## Headcount



## Major expense items

RUB mln	1Q2015	1Q2016	Change YoY
<b>Personnel expenses</b>	<b>1,457</b>	<b>1,637</b>	<b>12.4%</b>
<b>Administrative and other operating expenses, including</b>	<b>1,412</b>	<b>1,438</b>	<b>1.8%</b>
Amortisation of intangible assets	295	307	3.8%
Equipment and intangible assets maintenance	132	236	78.8%
Depreciation of property and equipment	109	197	80.8%
Rent and office maintenance	137	116	-15.1%
Market maker fees	62	116	87.4%
Taxes other than income tax	116	102	-12.2%
Professional services	79	69	-12.3%
<b>Total</b>	<b>2,869</b>	<b>3,076</b>	<b>7.2%</b>
<b>Cost income ratio</b>	<b>24.2%</b>	<b>26.2%</b>	<b>-</b>

## Comments

- Cost control remained strict with 7.2% growth YoY, which is below Russia's inflation rate
- Administrative expenses grew by only 2% YoY
- Personnel costs grew 12% YoY mostly due to higher social tax spending and execution of vested rights to purchase shares granted to the management. Headcount declined 2% YoY

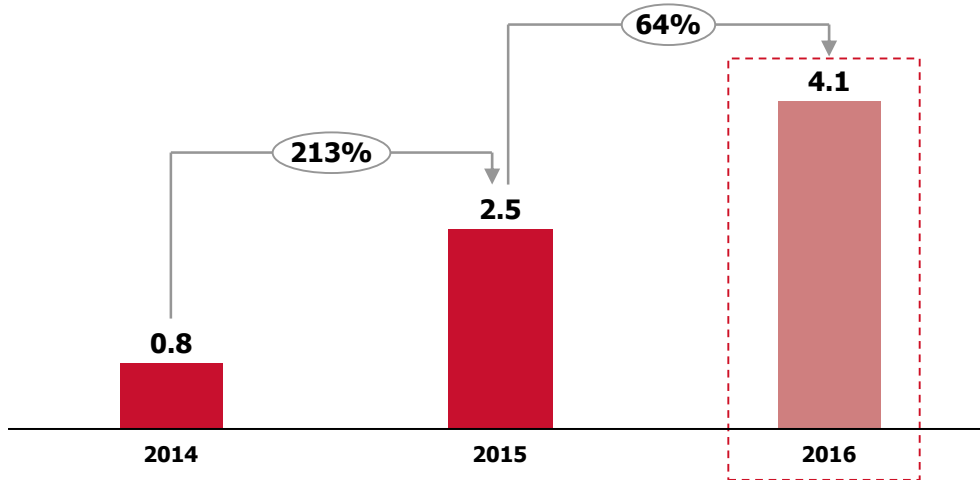




# CAPEX and OPEX Guidance

## CAPEX 2015-2016

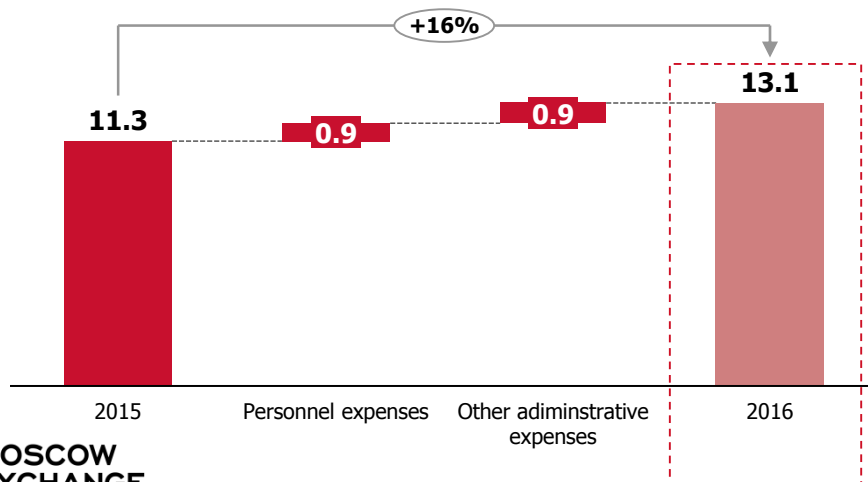
RUB bln



- Capex 2016 is expected to exceed normalized mid-term forecasted level of RUB 2.5-3.0 bln due to the partial shift of expenditures from 2015 to 2016
- **Capex scope remained the same:**
  - New IT architecture
  - New data-center
  - Hardware upgrade and implementation of advanced quality assurance practices
  - Other projects, including grain market and corporate actions reform

## Operating expenses 2015-2016

RUB bln



- Personnel expenses are expected to grow 16% in 2016 on the back of employment of new IT specialists and higher spending on social taxes
- Administrative and other expense are expected to increase 16% driven by higher IT spending and depreciation & amortization.



**MOSCOW  
EXCHANGE**

Source: Moscow Exchange

# Consolidated Statement of **Comprehensive Income**

<i>In million rubles</i>	<i>March 31, 2016</i>	<i>March 31, 2015</i>	<i>% chg. 1Q 2016/ 1Q 2015</i>
Fee and commission income	5 010	3 790	+32%
Interest and other finance income <sup>1</sup>	6 715	8 053	-17%
Other operating income	14	29	-54%
<b>Operating Income</b>	<b>11 739</b>	<b>11 872</b>	<b>-1,1%</b>
Administrative and other operating expenses	1 438	1 412	1,8%
Personnel expenses	1 637	1 457	12,4%
<b>Operating Expense</b>	<b>3 076</b>	<b>2 869</b>	<b>7,2%</b>
<b>Operating Profit</b>	<b>8 664</b>	<b>9 003</b>	<b>-4%</b>
Share of profit/(loss) of associates	-	3	
<b>Profit before Tax</b>	<b>8 664</b>	<b>9 006</b>	<b>-4%</b>
Income tax expense	1 685	1 804	-7%
<b>Net Profit</b>	<b>6 978</b>	<b>7 203</b>	<b>-3%</b>
<b>Earnings per share</b>			
Basic earnings per share, rubles	3,12	3,25	-4%
Diluted earnings per share, rubles	3,10	3,23	-4%

# Consolidated Statement of **Financial Position**

<i>In million rubles</i>	<i>March 31, 2016</i>	<i>March 31, 2015</i>	<i>% chg. 1Q 2016/ 1Q 2015</i>
<b>Assets:</b>			
Cash and cash equivalents	675 551	992 696	-32%
Central counterparty financial assets	939 309	518 509	81%
Financial assets <sup>1</sup>	306 350	211 877	45%
Property and equipment and intangible assets	6 643	6 796	-2%
Goodwill	15 971	15 971	0%
Other assets <sup>2</sup>	20 018	20 469	-2%
<b>Total Assets</b>	<b>1 963 842</b>	<b>1 766 318</b>	<b>-11%</b>

<i>In million rubles</i>	<i>March 31, 2016</i>	<i>March 31, 2015</i>	<i>% chg. 1Q 2016/ 1Q 2015</i>
<b>Liabilities:</b>			
Balances of market participants	885 736	1 119 098	-21%
Central counterparty financial liabilities	939 309	518 509	81%
Distributions payable to holders of securities	8 440	6 138	38
Other liabilities <sup>3</sup>	8 754	8 963	-2%
<b>Total Liabilities</b>	<b>1 842 239</b>	<b>1 652 708</b>	<b>11%</b>
<b>Total Equity</b>	<b>121 603</b>	<b>113 610</b>	<b>7%</b>
<b>Total Liabilities and Equity</b>	<b>1 963 842</b>	<b>1 766 318</b>	<b>11%</b>

Source: Moscow Exchange, Consolidated Financial Statements

1 Financial assets at fair value through profit or loss, Due from financial institutions, Investments available-for-sale

2 Current tax prepayments, Assets held for sale, Deferred tax asset, Other assets

3 Margin account under reverse repo, Liabilities related to assets held for sale, Deferred tax liability, Current tax payables, Other liabilities

# DR holders pay substantial **EXTRA FEES** to depositary banks

## Fees to be paid to depositary bank for some of DR programs of the Russian companies

DR program		Depository Service Fee <sup>1</sup> (DSF), USD per DR	Dividend Fee <sup>2</sup> , USD per DR	Dividend Fee as % of dividend amount <sup>3</sup>	DRs cancellations fee, USD per DR
RusHydro	BoNY Mellon	0.02	0.003	12%	0.05
TGK-1	BoNY Mellon	0.02	0.002	12%	0.05
VTB Bank	BoNY Mellon	0.03	0.005	12%	0.05
TMK	BoNY Mellon	0.02	0.003	11%	0.05
MMK	BoNY Mellon	0.02	0.013	11%	0.05
Sberbank	BoNY Mellon	0.02	0.004	12%	0.05
Gazprom	BoNY Mellon	0.02 <sup>5</sup>	0.02	7%	0.05
Surgutneftgaz	BoNY Mellon	0.02	0,012	12%	0.05
Surgutneftgaz-p	BoNY Mellon	0.02	0.02	2%	0.05
Russian Grids	BoNY Mellon	0.02	0.02	10%	0.05
Lukoil	BoNY Mellon	0.02 <sup>5</sup>	0.02	1%	0.05
Norilsk Nickel	BoNY Mellon	0.01	0.02	2%	0.05
Uralkali	BoNY Mellon	0.02	0.02	6%	0.05
Acron	Deutsche Bank	0.02	0.02	8%	0.05
MTS	JP Morgan	0.01 <sup>6</sup>	0.03	5%	0.05
Rosneft	JP Morgan	0.01 <sup>6</sup>	-	0%	0.05
Magnit	JP Morgan	0.01 <sup>6</sup>	-	0%	0.05
Phosagro	Citi	0.02	0.01	1%	0.05
<b>Average</b>		<b>0.02</b>	<b>0.01</b>	<b>7%</b>	<b>0.05</b>

## Gross DSF and dividend fees calculated for Top-3 international funds holding DRs of Russian companies<sup>4</sup>

Fund A	6 304 777 USD
Fund B	2 089 864 USD
Fund C	4 843 087 USD

## Cost of cancellations all DR in portfolios to local shares for Top-3 funds

Fund A	8 963 463 USD
Fund B	3 015 388 USD
Fund C	6 022 079 USD

- Depository service fee and Dividend fee are to be paid by DR holder to the depositary bank while there are no such fees for holders of local shares
- All DRs cancellations operations are also charged 0.05 USD per DR

(1) Service fees are charged annually, in arbitrary date. Calculated based on number of DR on client account on the record date

(2) Dividend fees are charged when dividends are paid

(3) As % of dividend amount after tax

(4) Calculations based on Thomson Reuters data as of June 2015

(5) Data on depository service fees for these companies are not available. Indicative numbers based on average level of depository service fee for DR of Russian companies are used for the purposes of this presentation


(6) Depository service fee which is applicable for 0%, 5%, 10% withholding tax rates

Source: BNY Mellon, Deutsche Bank, JP Morgan, Citi, Thomson Reuters



# Foreign investors acquired more than 50% of sizeable ECM transactions on MOEX, 2013-2015

## Foreign investors' participation in IPO/SPO's on Moscow Exchange

Company name	Date	Type	Placement size	Share acquired by foreign investors
 United Wagon Company	April 2015	IPO	RUB 9 bln	~55%
 MOSCOW EXCHANGE	July 2014	SPO	RUB 16 bln	~60%
 АЛРОСА ALROSA	October 2013	IPO	RUB 41 bln	~85%
 MOSCOW EXCHANGE	February 2013	IPO	RUB 15 bln	~85%

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–volatility (a) of the Russian economy and the securities market and (b) sectors with a high level of competition that the Company and its subsidiaries operate;

–changes in (a) domestic and international legislation and tax regulation and (b) state policies related to financial markets and securities markets;

–competition increase from new players on the Russian market;

–the ability to keep pace with rapid changes in science and technology environment, including the ability to use advanced features that are popular with the Company's and its subsidiaries' customers;

–the ability to maintain continuity of the process of introduction of new competitive products and services, while keeping the competitiveness;

–the ability to attract new customers on the domestic market and in foreign jurisdictions;

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