NSD Roadshow
New York – Boston
October 23-25, 2013

Maria Krasnova
Deputy Chairman of the Executive Board
National Settlement Depository

Eligible Securities Depository

NSD IS COMPLIANT WITH THE RULE 17F-7

NSD satisfies each of the conditions for ESD Status:

1. Central Handling of Securities
2. Regulated By Relevant Authority
3. Appropriate Safekeeping
4. Record Segregation and Maintenance
5. Periodic Reporting
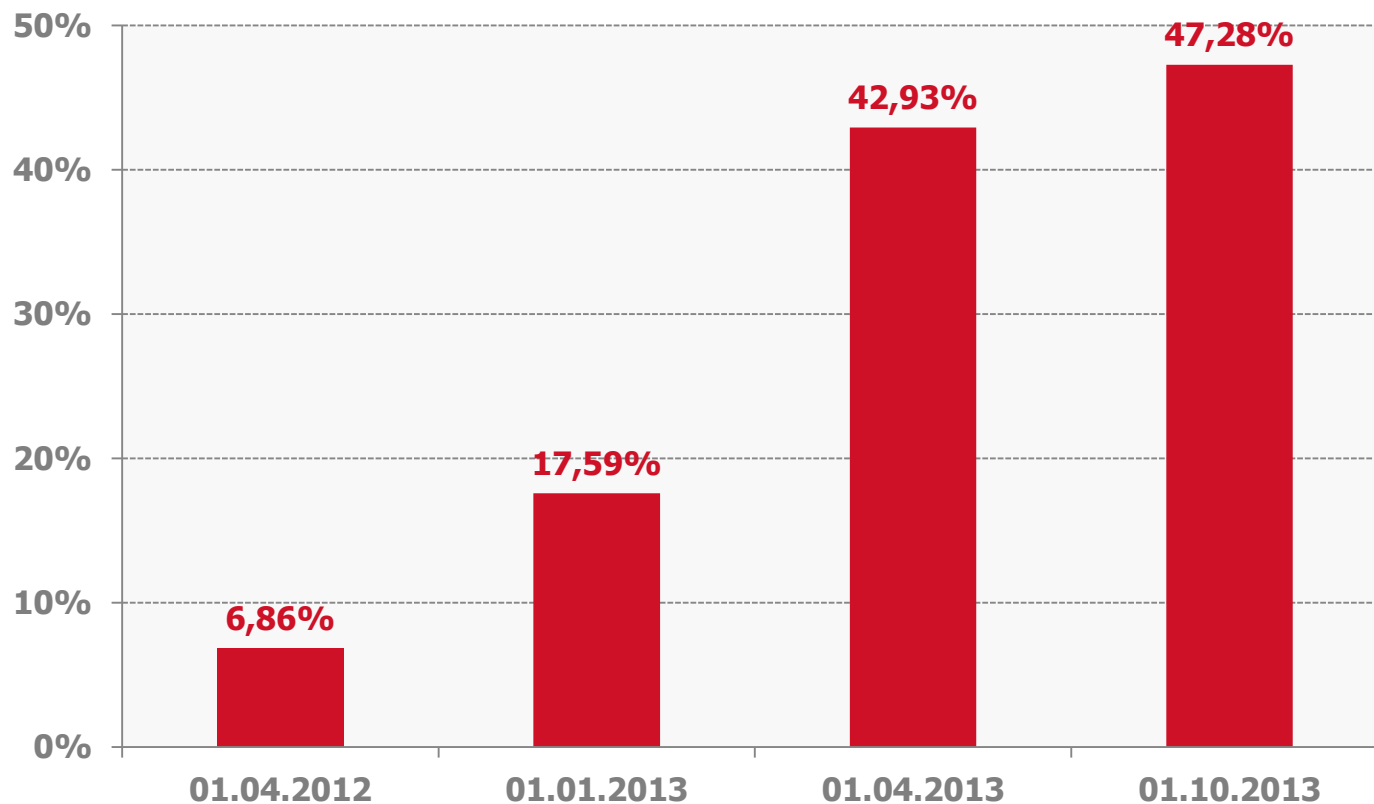6. Subject to Examination

NSD is an Eligible Securities Depository within the meaning of Rule 17f-7.

A Rule 17f-7 Analysis performed by a Primary Custodian for U.S. Funds should find that NSD meets each of the risk criteria recommended by the SEC and provides a safe and legally compliant solution to U.S. Funds seeking a reliable depository service provider in Russia.

CSD LAW ADDRESSES
HISTORIC CONCERNS OF AGC

AGC Concern	CSD Law and Current Market Practices
Legislation-based CSD Mandate	• NSD has been legally recognized as CSD • Regulatory control and supervision of CSD
CSD License	• CSD legal status was officially awarded by the Financial Regulator
Partial Systemic Evolution	• Centralized system for handling of securities • Mandatory electronic data interchange between CSD and all its counterparts
Finality	• CSD records prevail over registrar records • Mandatory reconciliation between CSD and registrars: daily, and after each transaction
Multiple settlement bridges	"Russian spaghetti" is banned
De-centralized settlement	Mandatory settlement at CSD: CSD is the only nominee at registrars
Risk limiting safeguards	Mandatory high risk management standards at CSD

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NSD CUSTODY: MICEX INDEX

Date	Value
01.04.2012	6,86%
01.01.2013	17,59%
01.04.2013	42,93%
01.10.2013	47,28%

NSD CUSTODY: BLUE CHIPS

Gazprom Lukoil Sberbank

	01.04.2012	01.01.2013	01.04.2013	01.10.2013
Gazprom	6,5%	8,2%	12,5%	39,0%
Lukoil	6,3%	12,4%	81,1%	91,6%
Sberbank	8,0%	12,7%	47,6%	47,7%
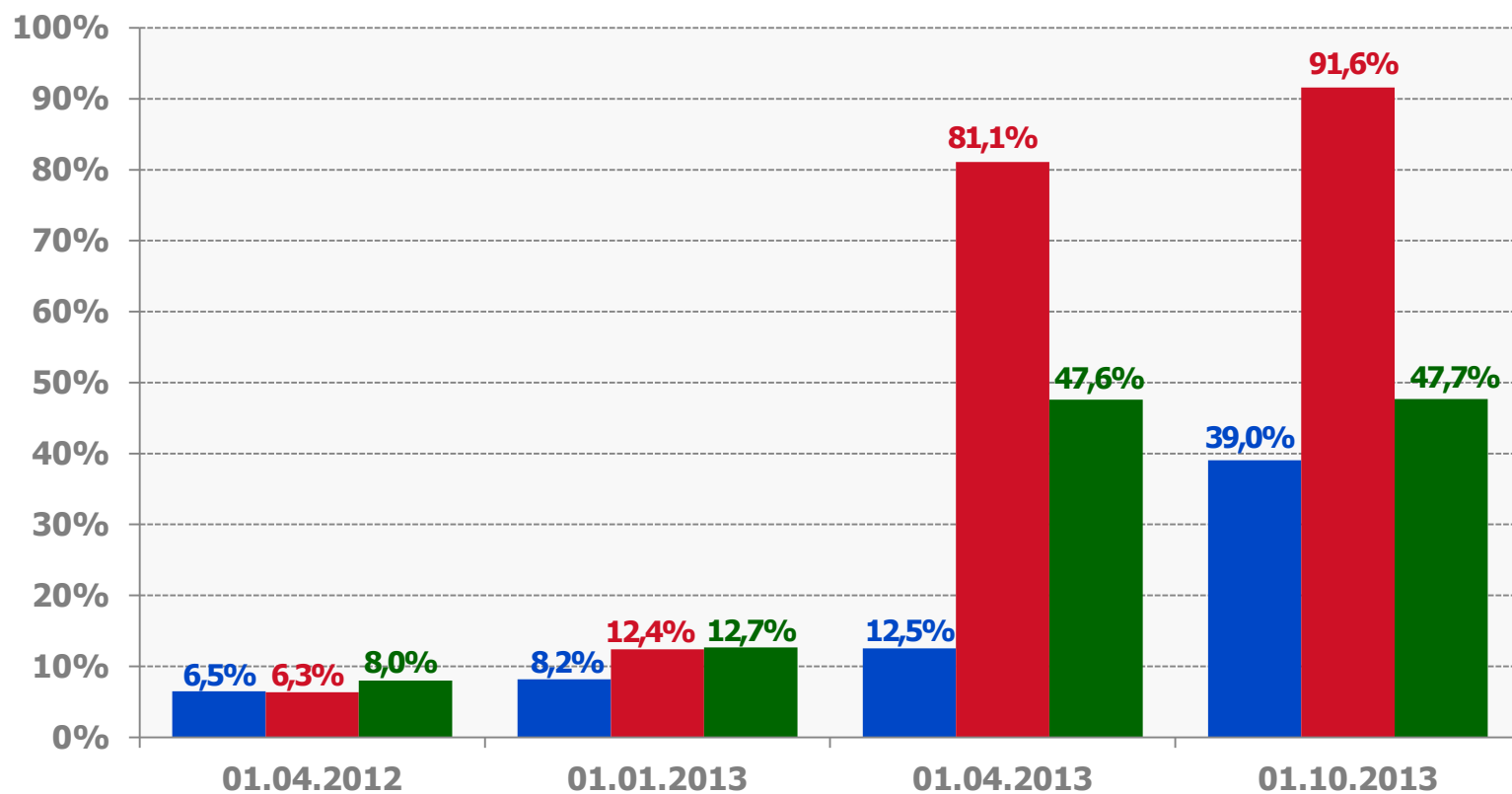
FINALITY OF SETTLEMENT

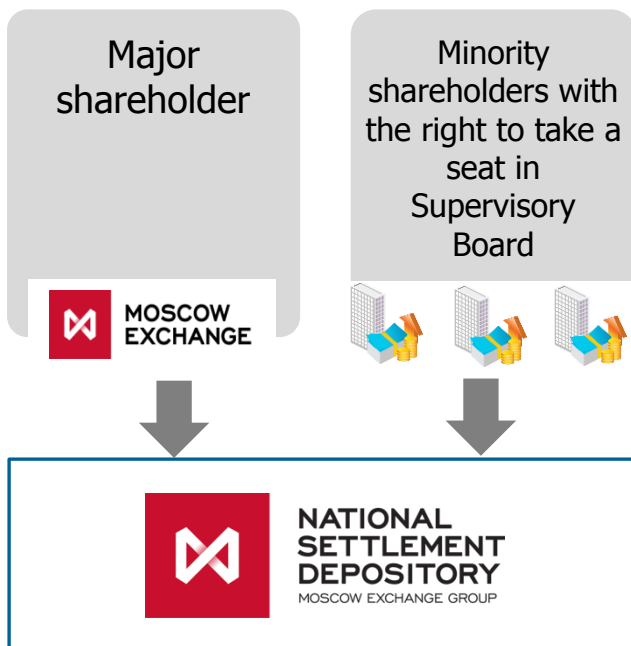|	
Transactions that are final and irrevocable:	• Transactions on the books of registrars (including transactions on the nominee account of CSD at registrars) • Transactions on the books of CSD • Transactions on the books of custodians
Hierarchy of records	Records of CSD prevail over records of registrars and custodians
Finality of settlement is ensured by daily depo reconciliation between CSD and custodians with registrars	• CSD must reconcile with registrars after each deposit/withdrawal into/from its nominee account with a registrar or daily if no intra-day activity • Custodians must reconcile with registrars on a daily basis (new requirement)
Additional measures to ensure finality of transactions on CSD nominee account with registrars	• Discrepancies discovered during CSD-registrar reconciliation cannot be rectified without CSD's consent • If no CSD-registrar reconciliation was performed, or if discrepancy was not rectified upon unsuccessful reconciliation, all deposits/withdrawals to/from CSD account with registrar are deemed invalid • Transaction settlement between CSD and a counterparty on the books of a registrar is subject to receipt by registrar of matching instructions from both sides (new requirement)

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CORPORATE **GOVERNANCE**

Shareholders			**Among members**
Shareholders ▪ Moscow Exchange (> 99%) ▪ 36 minority shareholders	**Supervisory Board** (recommended breakdown) 15 directors	• 7 directors from Moscow Exchange • 6 directors from NSD • CEO • 1 independent director	• CITI • JP Morgan • Unicredit • Computershare
Major shareholder / Minority shareholders with the right to take a seat in Supervisory Board	Committees of Supervisory Board	• Budget Committee • Audit Committee • Nomination and Remuneration Committee • Technological Policy and Development Committee	• CITI • JP Morgan • Unicredit • Computershare
	Customer Committees	• Customer Committee for Quality Control and Risk Management • Customer Committee for Settlement and Depository Services and Tariffs • Customer Committee for Registrar and Depository Relations • National Settlement Depository Customer Committee • Risk Management Committee for Paying Agent • Customer Committee for Repository Services	• Euroclear • Clearstream • BNP Paribas • CITI • DB • ING • JP Morgan • Raiffeisen • Societe Generale • Unicredit • Credit Suisse • Goldman Sachs • Morgan Stanley • Computershare

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CORPORATE GOVERNANCE
ENSURING THE BALANCE OF INTERESTS

Key Stakeholders

- Customers
- Moscow Exchange
- The Bank of Russia
- Registrars
- ICSDs & CSDs
- CIS CSDs

Ensuring the Balance of Interests

- Shareholding Structure
- Shareholders Agreement
- Supervisory Board Composition
- Supervisory Board Committees
- Customer Committees
- Policies

THANK YOU!

DISCLAIMER

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    - Perception of market services offered by the Company and its subsidiaries
    - 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
    - The ability to increase the offer of products in foreign jurisdictions
- Forward-looking statements speak only as of the date of this presentation and we expressly disclaim any obligation or undertaking to release any update of, or revisions to, any forward-looking statements in this presentation as a result of any change in our expectations or any change in events, conditions or circumstances on which these forward-looking statements are based