



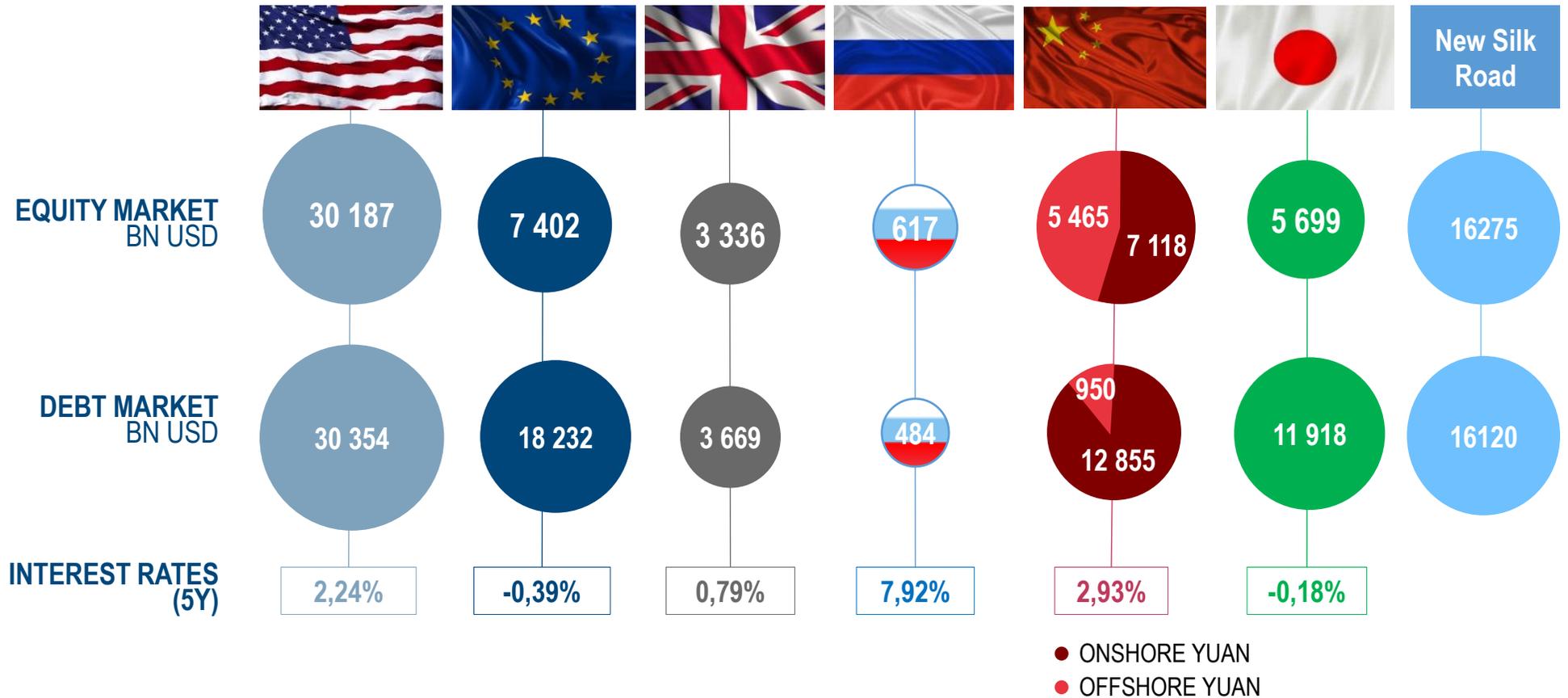
VIII Cbonds Emerging Markets Bond Conference

April 11, 2019



GAZPROMBANK

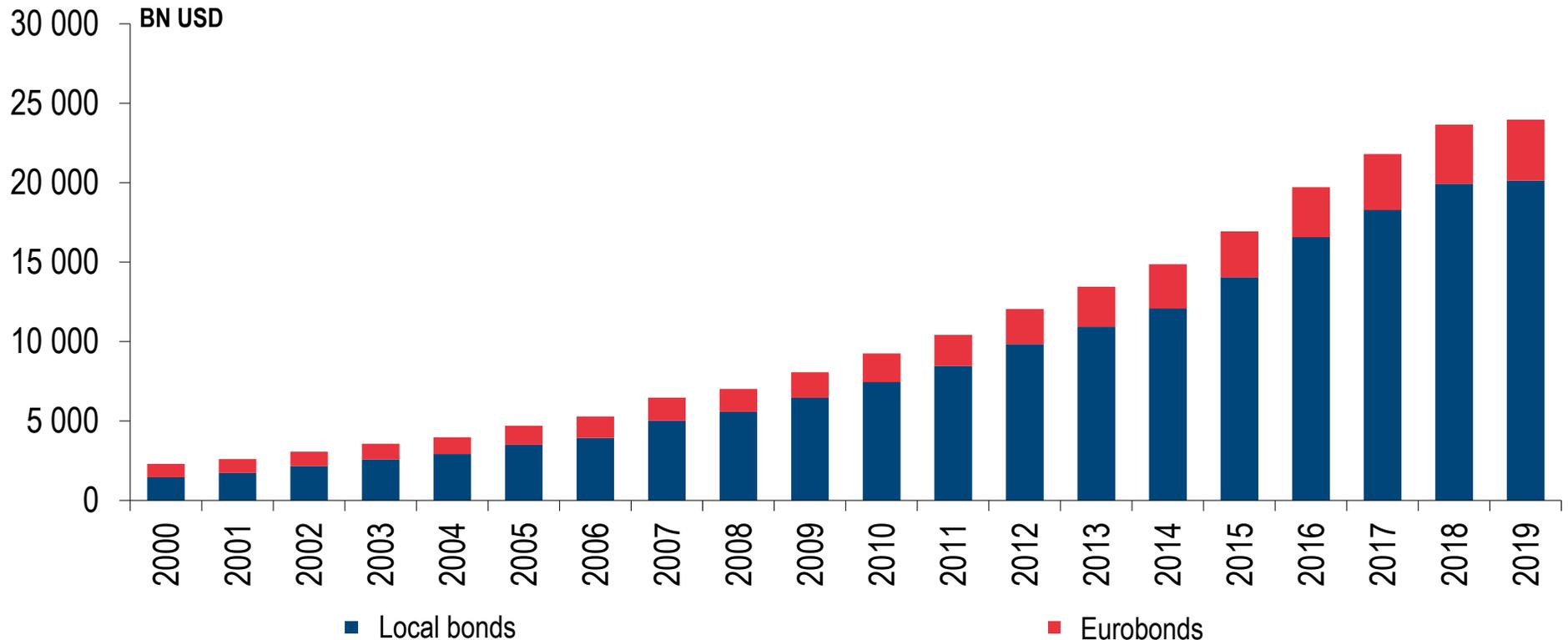




* yield on 5Y bonds denominated in local currency, issued by the state
 ** yield on 5Y bonds, issued by the German government
 *** volume of outstanding bonds placed by issuers with corresponding country risk
 **** estimate based on G-spread to benchmark curve

Source: Bloomberg, Gazprombank estimates

EM BOND MARKET GROWTH FOSTERED BY THE BOND ISSUES IN LOCAL CURRENCIES



- ▶ Volume of the outstanding bond issues in local currencies (20,1 trn USD.) by 5,3 times exceeds outstanding eurobond issues` market size (3,8 trln USD.).



RUSSIAN MARKET

Open platform with international standards

Clearing at NSD with access to Euroclear and Clearstream

No restrictions on capital export

Ruble and 5 other currencies denominated bonds for Non-residents & Residents

Not a single Chinese bond issuer in Russia yet



CHINESE MARKET

Two modes of market regulation

Onshore Market – via Bond Connect/ CIBM Direct

**Capital control
(QDII / RQDII)**

RMB-denominated – Dim Sum/Panda bonds for Residents and Non-residents

Seven Russian issues of dim sum and one issue of Panda bonds in China

- ✓ Direct market access through the Euroclear / Clearstream
- ✓ Fully convertible Russian Ruble (no currency control)
- ✓ Transparency (IOSCO signing)
- ✓ Market infrastructure complies to the highest international standards
- ✓ High level of flexibility: multicurrency issues programme available to the bond issuers

**Market
Capitalization**

617 bn USD,
(244 listed companies on Moscow
Exchange)

**FX market
daily turnover**

38 bn USD

**Russian
Debt capital
market**

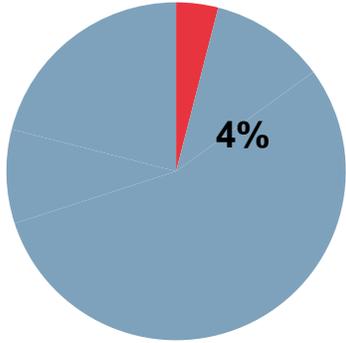
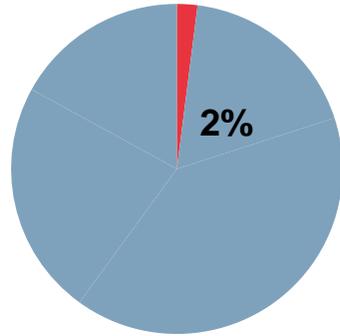
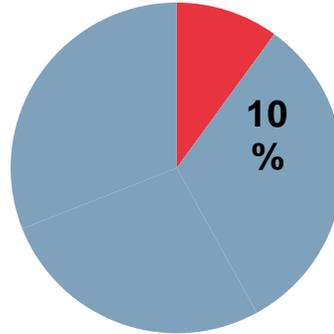
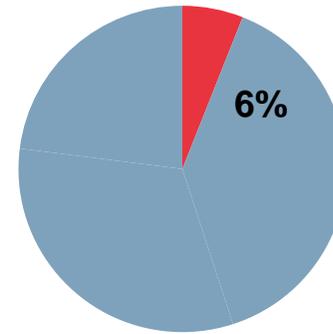
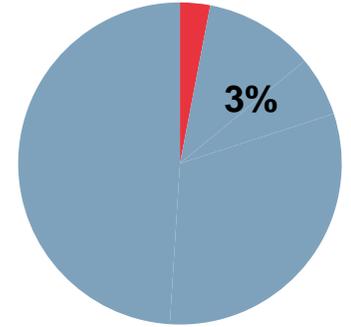
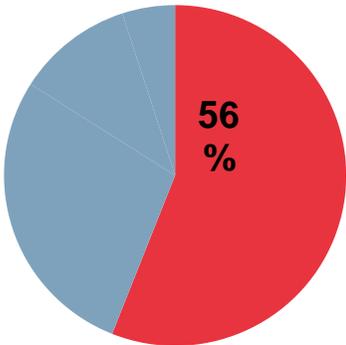
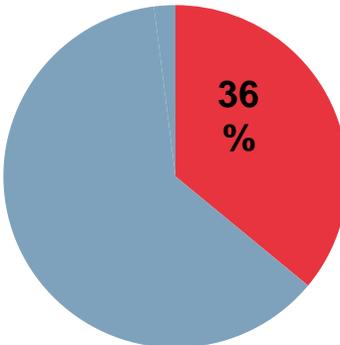
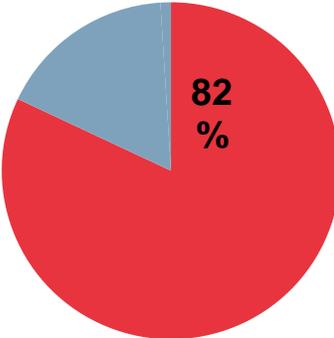
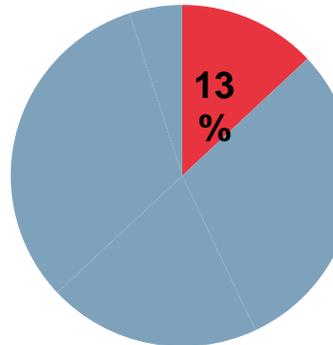
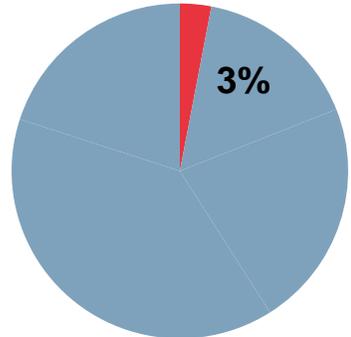
484 bn USD
(Incl sovereign 172 bn USD)

**Derivatives
market
turnover**

10,3 bn USD

TOP-20 INVESTORS IN LOCAL BONDS*
TOP-20 INVESTORS IN EUROBONDS

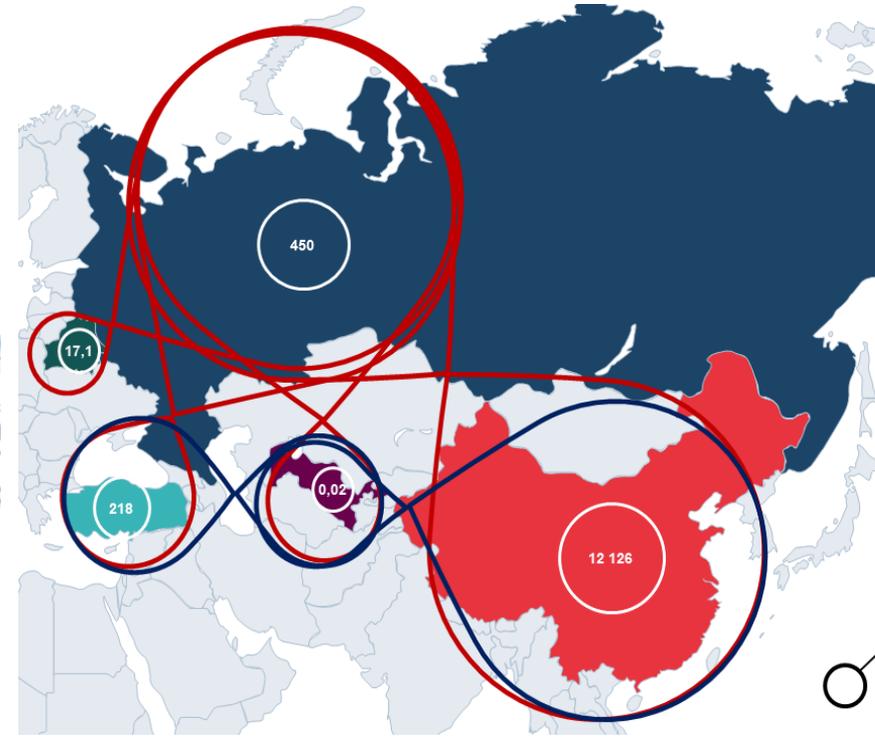
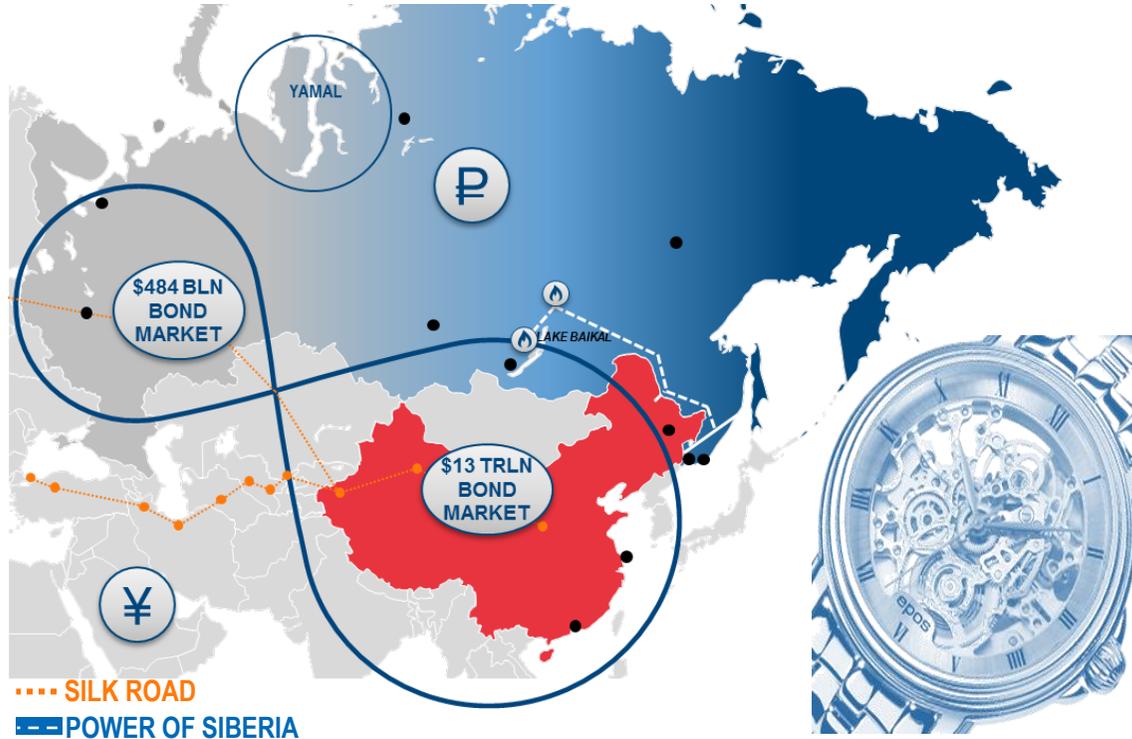
	BlackRock Inc
	Intesa Sanpaolo SpA
	Pictet Funds SA
	Vanguard Group Inc
	Royal Bank of Canada
Legg Mason Inc	FMR LLC
GAM Holding SA	Sun Life Financial Inc
Western AM Co LLC	TCW Group Inc
Prudential PLC	Teachers Insurance & Annuity Association
Allianz SE	JP Morgan Chase & Co
State of California	Legal & General Group PLC
Stone Harbor Investment Partners LP	Mizuho Financial Group Inc
SEI Investment Co	Goldman Sachs Group Inc
Jupiter Investment Management Group Ltd	UBS AG
Capital Group Cos Inc	NN Group NV
T Rowe Price Group Inc	Aviva PLC
Van Eck Associates Corp	Grantham Mayo Van Otterloo & Co
Mediolanum Gestione Fondi SGR pA/Italy	Wellington Management Group LLC
Payden & Rygel	Neuberger Berman Group LLC
Nikko AM Co Ltd	Credit Agricole Group

2019
RUSSIA USD 16Y

RUSSIA EUR 6Y

UZBEKISTAN USD 10Y*

UZBEKISTAN USD 5Y*

GAZPROM USD 3Y*

2018
RUSHYDRO RUB 3Y 1 TR

RUSHYDRO RUB 2Y 2 TR

RUSHYDRO CNH 3Y

RUSAL USD 5Y

POLUS GOLD USD 5Y*


*Asia+MENA

➤ Issuance of bonds in national currencies to complement international capital markets

➤ International rules + local practice and regulation harmonization



FINANCIAL CENTERS...

...COMBINE THEIR CAPITAL MARKETS...

... TO FINANCE JOINT PROJECTS AND DEVELOP MUTUAL TRADE



- ▶ **Issuance of bonds in national currencies by respective sovereigns will create credit benchmarks in those currencies and reference points for corporate issues operating in these markets.**
- ▶ **Interest rate differentials for local EM currencies will have market benchmark to refer too.**
- ▶ **Capital markets are very disciplined area of finance requiring transparency to operate efficiently.**
- ▶ **Local capital markets may only develop by adopting international rules and best practices and by entwining & intertwining with them and each other.**