

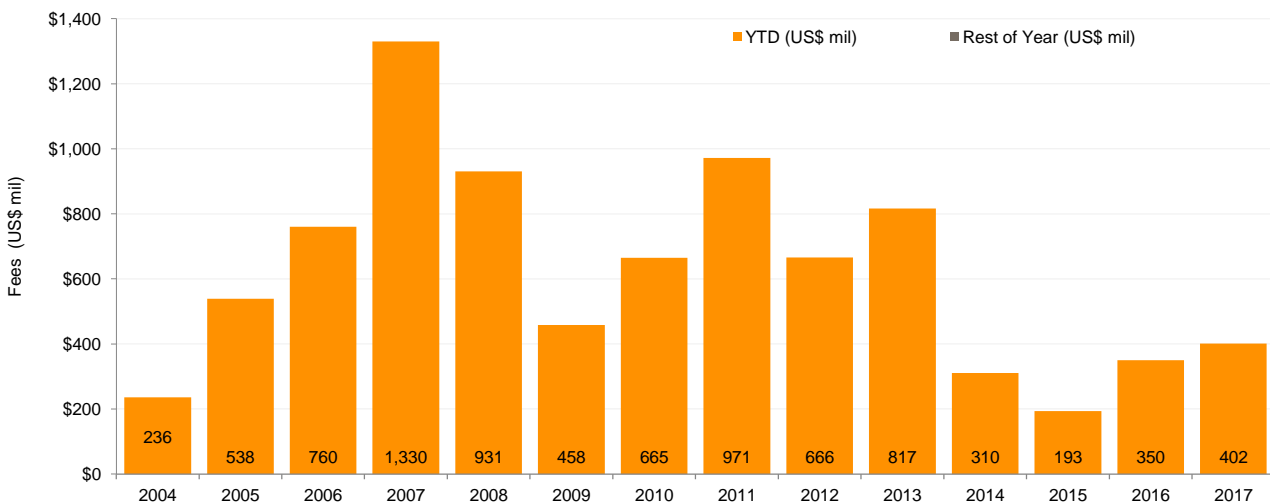
DEAL MAKING IN RUSSIA

HEADLINES

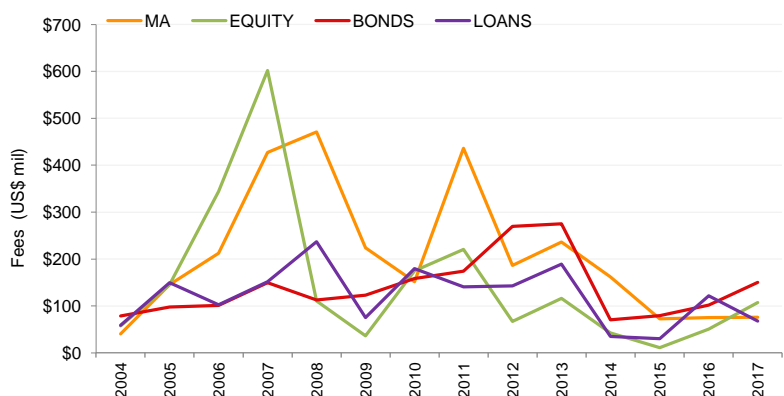
INVESTMENT BANKING FEES – Investment banking fees in Russia reached an estimated US\$401.6 million during 2017, up 15% compared to the same period in 2016 and the best year since 2013. Fees generated from equity capital markets underwriting totaled US\$107.6 million, 111% more than the value recorded during 2016 and a four year high. Fees from debt capital markets underwriting increased 47% year-on-year to US\$150.2 million, while syndicated lending fees totaled US\$68 million, 44% less than the amount registered during 2016. Completed M&A advisory fees increased 1% from last year to US\$75.8 million, marking the best year since 2014. VTB Capital earned the most Russian investment banking fees during 2017 and topped the fee league table with US\$98.5 million or a 24.5% share of the fee pool.

MERGERS & ACQUISITIONS – Announced M&A transactions involving Russian targets reached US\$31.4 billion during 2017, boosted by CEFC China Energy's US\$9.1 billion stake purchase in Russian state-controlled oil company Rosneft in September. The strong second half of 2017 represented 78% of the total M&A activity during 2017, totaling US\$24.5 Bn, and pushing Russian target M&A to US\$31.4 Bn, down 22% from the same time last year. Russian inbound M&A decreased 30% year-on-year to US\$15 billion, while outbound M&A involving a Russian acquirer and a foreign target fell from US\$16.9 billion last year to just US\$442 million during 2017, the lowest full year since 2001. Domestic deals totaled US\$16.4 billion during 2017, down 12% from the same time last year. Deals in the Energy & Power and Materials sectors together accounted for 42% of Russian target M&A activity, followed by Financials (26%) and Materials (12.1%). VTB Capital took first place in the announced Any Russian Involvement M&A ranking during 2017 with a 36.3% share of the market.

CAPITAL MARKETS – Equity and equity-linked issuance in Russia totaled US\$6.7 billion during 2017, 117% more than the amount recorded during last year and the best year since 2013. Two out of the top three biggest deals of the year were announced in Q4. Starting with En+ Group IPO, which manages tycoon Oleg Deripaska's aluminum and hydropower business, raising a total of US\$1.5 Bn in early November, followed by Polius PJSC and Magnit PJSC follow on offerings that raised US\$893 Million and US\$730 Million, respectively. VTB Capital topped the 2017 Russian equity & equity-related ranking with a 17.6% share of the market. Goldman Sachs took second place with a 17% share. US\$43.3 billion worth of Russian underwritten debt was issued during 2017, 7% more than the US\$40.6 billion recorded during the same period in 2016 and the best year since 2013. The fourth quarter saw only US\$6.6 billion raised accounting for just 15% of the 2017 total and marking the lowest fourth quarter total for Russian bond issuance since 2014. The Russian government raised US\$3 billion in a two-tranche sovereign Eurobond at the end of June, which was followed by another US\$3.9 billion offering to meet high demand, making it the largest Russian bond sale so far this year. Bonds issued by companies in the Government sector accounted for 27.4% of the DCM market during 2017, followed by Financials (18.1%). VTB Capital took the top spot in the 2017 Russian debt ranking with US\$12.5 billion or a 29% share. Gazprombank and Sberbank CIB took second and third positions, respectively.

INVESTMENT BANKING FEES
Russian Investment Banking Fees, Annually

Russian Investment Banking: Top Banks by Fees, Full Year 2017

4Q17 Rank	4Q16 Rank	Bank	Share of Wallet	Fees (US\$ mil)
1	1	VTB Capital	24.5%	98.5
2	3	Sberbank CIB	7.4%	29.7
3	4	Gazprombank	7.2%	28.8
4	5	JP Morgan	5.8%	23.2
5	16	Goldman Sachs & Co	5.3%	21.4
6	32	Deutsche Bank	4.7%	18.7
7	24	KPMG	4.0%	16.1
8	-	Bank of America Merrill Lyn	3.4%	13.6
9	19	Citi	3.2%	12.7
10	7	Societe Generale	2.9%	11.6
Total				401.6

Full Year Russian Investment Banking Fees by Product


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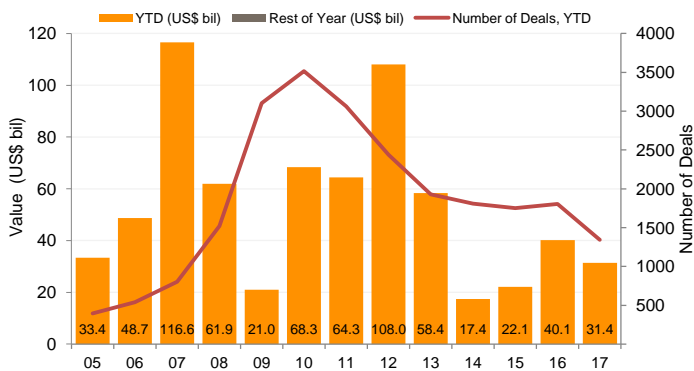
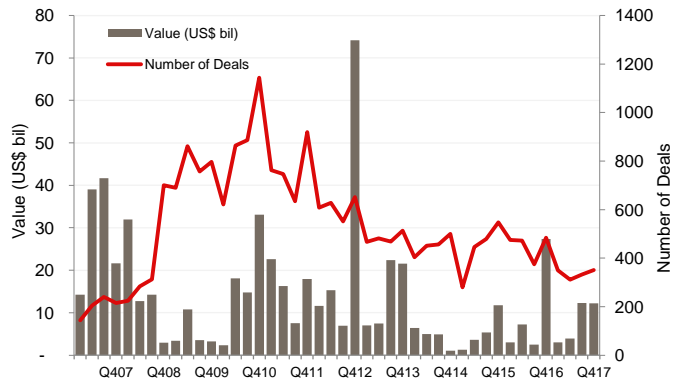
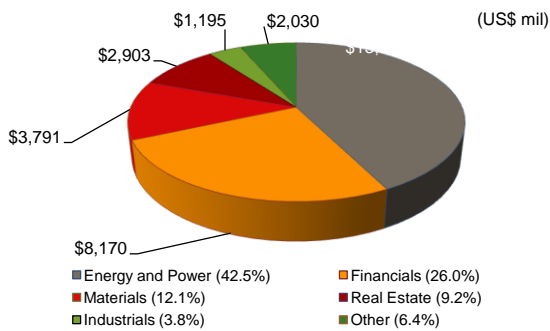
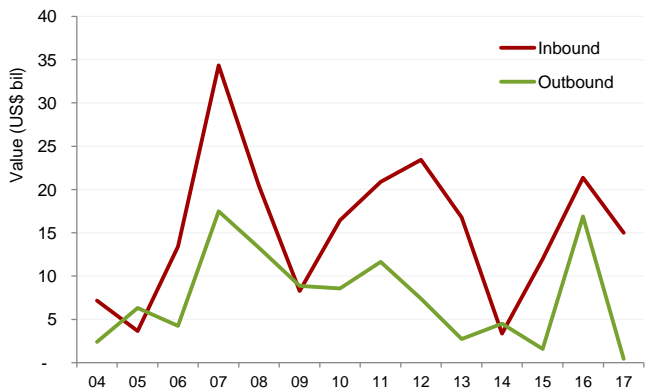
MERGERS & ACQUISITIONS
Worldwide Announced M&A: Most Targeted Nations, Full Year 2017

Rank	Target Nation	Value (US\$ mil)	Mkt. Share (%)	Number of Deals	YoY % Change
1	United States of America	1,420,497	39.4	13,024	-16%
2	China	507,200	14.1	5,854	0%
3	United Kingdom	184,691	5.1	2,845	11%
4	Spain	123,470	3.4	962	200%
5	Germany	114,355	3.2	1,419	8%
6	Hong Kong	113,631	3.2	878	169%
7	Canada	110,063	3.1	2,698	36%
8	France	108,879	3.0	1,970	15%
9	Australia	89,993	2.5	1,587	7%
10	Japan	71,863	2.0	2,661	-13%
20	Russian Federation	31,440	0.9	1,343	-22%
Industry Total		3,601,372	100.0	49,451	0%

Announced Any Russian Involvement M&A: Advisor Ranking, Full Year 2017

4Q17 Rank	4Q16 Rank	Financial Advisor	Value (US\$ mil)	Mkt. Share (%)	Number of Deals
1	1	VTB Capital	11,616	36.3	9
2	-	China International Capital Co	9,272	29.0	1
3	16	Deutsche Bank	2,901	9.1	2
4	15	Morgan Stanley	2,552	8.0	4
5	6	Bank of America Merrill Lynch	1,170	3.7	2
6	-	VICTORIAPARTNERS GmbH	1,051	3.3	1
7	12	Citi	1,042	3.3	2
8	-	BMO Capital Markets	887	2.8	1
9	19	JP Morgan	275	0.9	2
10	14	KPMG	200	0.6	3
Industry Total			32,005	100.0	1,399

(*):tie

Announced Russian Target M&A Volumes: Annual

Announced Russian Target M&A Volumes: Quarterly

Announced Russian Target M&A: Most Targeted Industries, Full Year 2017

YTD Announced Russian M&A: Inbound vs. Outbound

Announced Any Russian Involvement M&A Top Deals, Full Year 2017

Value (US\$ mil)	Rank	Date	Status	Target	Target Nation	Target Sector	Acquirer	Target Advisors	Acquirer Advisors
9,272	08-Sep-17	Pending	Rosneft Oil Co	Russian Fed	Energy and Power	China CEFC Energy Co Ltd	-	VTB Capital China International Capital Co	-
7,710	07-Dec-17	Completed	Bank Otkritie FC PJSC	Russian Fed	Financials	Central Bank of RF	-	-	-
1,850	05-Mar-17	Completed	Severneftegazprom OAO	Russian Fed	Energy and Power	OMV AG	Deutsche Bank	-	-
1,050	13-Nov-17	Completed	Immofinanz-Russian Portfolio	Russian Fed	Real Estate	Fort Group	Deutsche Bank VICTORIAPARTNERS GmbH	Sberbank CIB	-
1,042	31-Oct-17	Completed	MegaFon	Russian Fed	Telecommunications	Gazprombank JSC	Citi Bank of America Merrill Lynch Morgan Stanley	-	-
1,017	04-Oct-17	Pending	Mosenergosbyt	Russian Fed	Energy and Power	Praktika	-	-	-
887	31-May-17	Pending	Polius PJSC	Russian Fed	Materials	Shanghai Pingju Invest Mgmt Co	BMO Capital Markets Morgan Stanley	-	-
784	11-Jul-17	Completed	GK PIK	Russian Fed	Real Estate	Sergei Gordeev	-	-	-
699	11-Apr-17	Completed	NNK AO-Kodanefit' Project	Russian Fed	Energy and Power	Rosneft Oil Co	VTB Capital	-	-
626	05-Jul-17	Completed	GK PIK	Russian Fed	Real Estate	Sergei Gordeev	-	VTB Capital	-

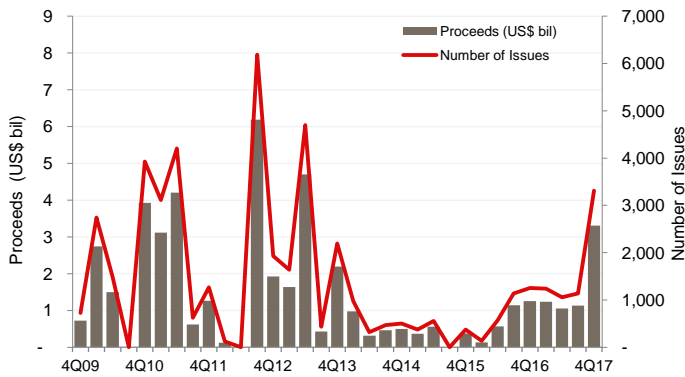
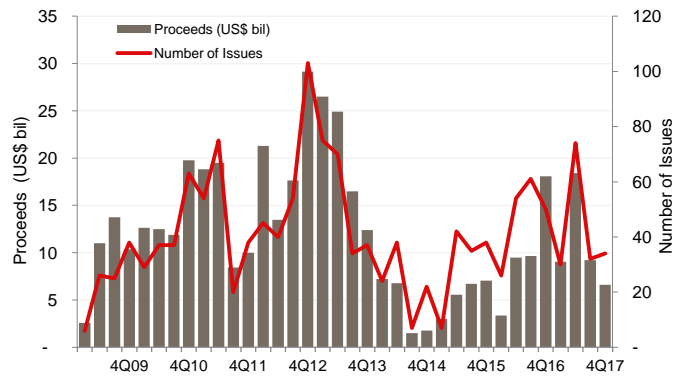
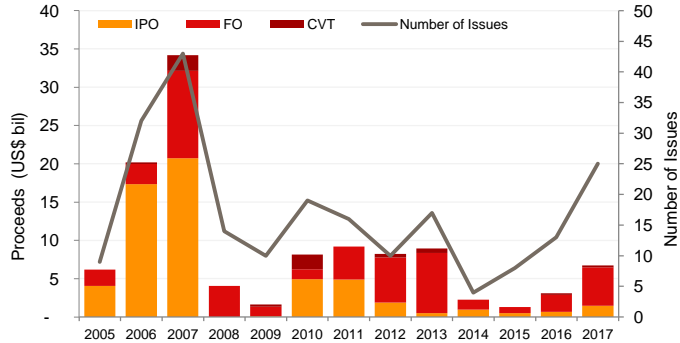
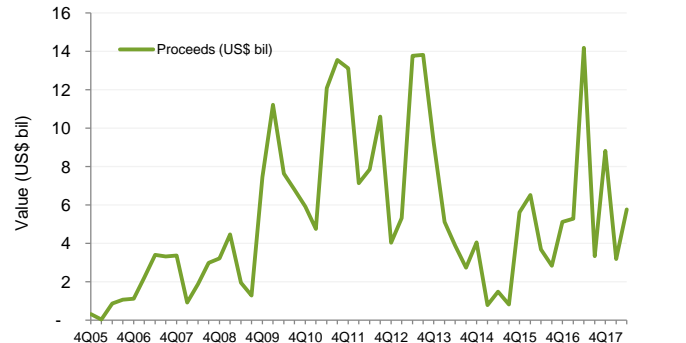
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CAPITAL MARKETS
Russian Domiciled ECM: Bookrunner Ranking, Full Year 2017

4Q17 Rank	4Q16 Rank	Bookrunner	Proceeds (US\$ mil)	Mkt. Share (%)	Number of Issues
1	1	VTB Capital	1,188	17.6	10
2	3	Goldman Sachs & Co	1,144	17.0	10
3	-	Bank of America Merrill Lynch	648	9.6	4
4	10*	Deutsche Bank	463	6.9	2
5	7	JP Morgan	441	6.5	7
Industry Total			6,747	100.0	25

Russian DCM: Bookrunner Ranking, Full Year 2017

4Q17 Rank	4Q16 Rank	Bookrunner	Proceeds (US\$ mil)	Mkt. Share (%)	Number of Issues
1	1	VTB Capital	12,555	29.0	72
2	2	Gazprombank	6,790	15.7	47
3	3	Sberbank CIB	6,545	15.1	54
4	12	Sovco Holding BV	2,375	5.5	33
5	4	JP Morgan	2,323	5.4	20
Industry Total			43,336	100.0	169

Russian Domiciled ECM Volumes: Quarterly

Russian DCM Volumes: Quarterly

Russian Domiciled ECM Volumes: YTD by Issue Type

Russian Rouble Denominated DCM: Quarterly

Russian Domiciled ECM: Top Deals, Full Year 2017

Proceeds (US\$ mil)	Issue Date	Issuer	Domicile	Sector	Issue Type	Currency	Bookrunners
1,500	03-Nov-17	EN+ Group PLC	Russian Fed	Materials	IPO	U.S. Dollar	Citigroup Global Markets Ltd Credit Suisse Securities JP Morgan Securities Plc Merrill Lynch Intl Ltd SIB Cyprus VTB Capital BMO Capital Markets Gazprombank (Schweiz) AG Societe Generale UBS Ltd Aton
*893	30-Jun-17	Polyus *Moscow share sale + London GDR	Russian Fed	Materials	Follow-On	U.S. Dollar	Goldman Sachs International JP Morgan Cazenove Sberbank CIB VTB Capital BMO Capital Markets Gazprombank (Schweiz) AG Morgan Stanley & Co. Intl plc
730	15-Nov-17	Magnit PJSC	Russian Fed	Retail	Follow-On	Russian Rouble	Merrill Lynch Intl Ltd VTB Capital

Russian DCM: Top Deals, Full Year 2017

Proceeds (US\$ mil)	Issue Date	Issuer	Domicile	Sector	Currency	Bookrunners
3,951	20-Sep-17	Russian Federation	Russian Fed	Government and Agencies	U.S. Dollar	Gazprombank Sberbank CIB VTB Capital
3,000	20-Jun-17	Russian Federation	Russian Fed	Government and Agencies	U.S. Dollar	VTB Capital
1,057	29-Mar-17	Gaz Capital SA	Russian Fed	Energy and Power	British Pound	Deutsche Bank Gazprombank JP Morgan VTB Capital

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CONTACTS

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GLOSSARY

* M&A- The Thomson Reuters Mergers & Acquisitions database tracks changes in economic ownership at ultimate parent level in going business concerns. All deals involving a purchase of at least a 5% stake, or 3% with a value of at least US\$1 million are tracked, subject to criteria. League tables include rank eligible mergers, acquisitions, repurchases, spin-offs, self-tenders, minority stake purchases and debt restructurings. League tables, commentary, and charts citing announced activity are based on Rank Date and include intended, pending, partially complete, completed, pending regulatory, and unconditional transactions. Rank Date is defined as the earliest public announcement of when a value can be applied to a transaction.

* ECM- The Thomson Reuters Equity Capital Markets database covers domestic and international placements of equity offerings in addition to domestic and international equity-related transactions. This includes IPOs, follow-on offerings, accelerated bookbuilds and block trades (with certain restrictions) and convertible bonds. Convertible Bonds with a minimum life of less than 360 days are excluded. Minimum life defined as the difference between the settlement date and the earliest maturity date or first call/put option.

* DCM- The Thomson Reuters Debt Capital Markets database covers underwritten debt with an issue size of over US\$1 million, that matures in at least 360 days from settlement. It includes all internationally offered underwritten debt transactions in all currencies, Domestic issuance, Preferred Securities, High Yield and Emerging Market transactions that are offered in US and Globally, Asset Backed Securities, Mortgage Backed Securities, Collateralized Debt Obligations (CDOs), MTN takedowns and Certificate of Deposits, except in UK. Primary offerings only. All league tables are based on deal proceeds (total issue amount multiplied by the issue price) unless otherwise stated. Full credit is given to the bookrunner, equal if joint books. In cases of underwriter consolidation, credit is given to the surviving/parent firm. Non-US dollar denominated transactions are converted to the US dollar equivalent at the time of announcement. From 4Q 2016, Russian DCM volumes and league tables in this report include issuance from both Russian domiciled companies, and Russian Issuers.

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