



FINANCIAL GROUP
FUTURE

IR Presentation

PJSC FG FUTURE

Moscow Exchange Forum 2017 April 05 - 07, Moscow

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Company overview



Financial Group FUTURE was founded in 2016 to unite the management system of Non-State Pensions Funds (NPFs) that form a part of the holding O1 Group



Financial Group FUTURE unites the pension funds taking the leading positions in their segments and servicing about **4.62 mln people**



Total volume of the assets managed by the Financial Group FUTURE amounts to **RUB 291.8 bln**

STRUCTURE OF FINANCIAL GROUP FUTURE¹

NPF
FUTURE



NPF
OBRAZOVANIYE



NPF
TELECOM-SOYUZ



General information

Assets under management (RUB bln) ²	291.8
Operating result (RUB bln) ³	17.4
Net profit (RUB bln) ³	5.4
RAEX Rating Outlook	A (III) Stable

Figures of the Group funds

Quantity of offices (units)	51
Quantity of personnel (people) ⁴	690

Compulsory pension insurance (CPI)

Pension savings (RUB bln) ²	263.3
Quantity of insured people (mln)	4.1

Non-state pension provision (NPP)

Pension reserves (RUB bln) ²	28.5
Quantity of insured people (thousand)	552.4

¹ as at 31.12.2016

² according to RAS as of 31.12.2016

³ according to Management Accounting data as at 31.12.2016

⁴ Company's data as at 31.12.2016

Development history

May – O1 Group acquired **NPF Telecom-Soyuz**

December – O1 Group acquired **NPF StalFond**

June – **NPF BLAGOSOSTOYANIYE OPS** (compulsory pension insurance) was renamed into **NPF FUTURE**. The stake of the funds of O1 Group at the compulsory pension insurance market has achieved 13% as to the volume of savings and 12% as to the quantity of insured people

August – the M&A of **NPF StalFond** and **NPF FUTURE** was launched

January – O1 Group acquired **NPF Social Development**¹
February – Financial Group FUTURE was put on the list of RIA-rating TOP-100 most expensive public companies of Russia-2016 (MCAP: USD 981 mln)

¹ at the present time the restructuring process of the ownership scheme is being implemented to transfer 100% of the fund's shares to the Financial Group FUTURE

2013

2015

2017

1996-2012

2014

2016

1996 – **NPF TELECOM-SOYUZ** was founded
2003 – the connection to the fund of **NPF Rostelecom-Gatantiya**
2005 – the connection to the fund of **NPF Svyazist**
2009 – **NPF TELECOM-SOYUZ** ranks among the market leaders: there are RUB 15 bln of the pension reserves in governance, the number of the participants of the corporate pension programs is > 460K

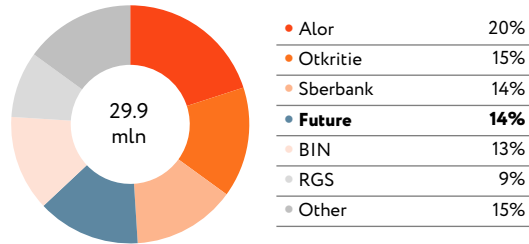
O1 Group acquired **NPF StalFond**

March – completion of the connection procedure of NPF StalFond and NPF FUTURE. O1 Group acquired **NPF Uralsib**
June – O1 Group acquired **NPF Obrazovaniye**
July – O1 Group acquired **NPF Russkiy Standart**
August – start of the connection procedure of NPF Uralsib and NPF Russkiy Standart to NPF FUTURE.
PJSC FG FUTURE is founded to unite the government system of NPFs forming a part of holding O1 Group
October – PJSC FG FUTURE carried out **IPO** at MOEX having placed **20% of shares**, and attracted **RUB 11.7 bln**

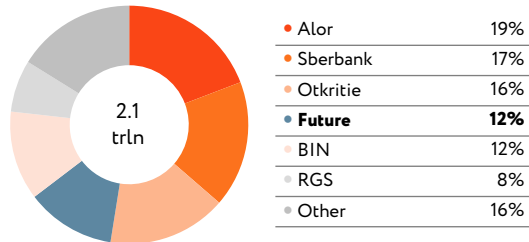
Pension market survey

Structure of the compulsory pension insurance market

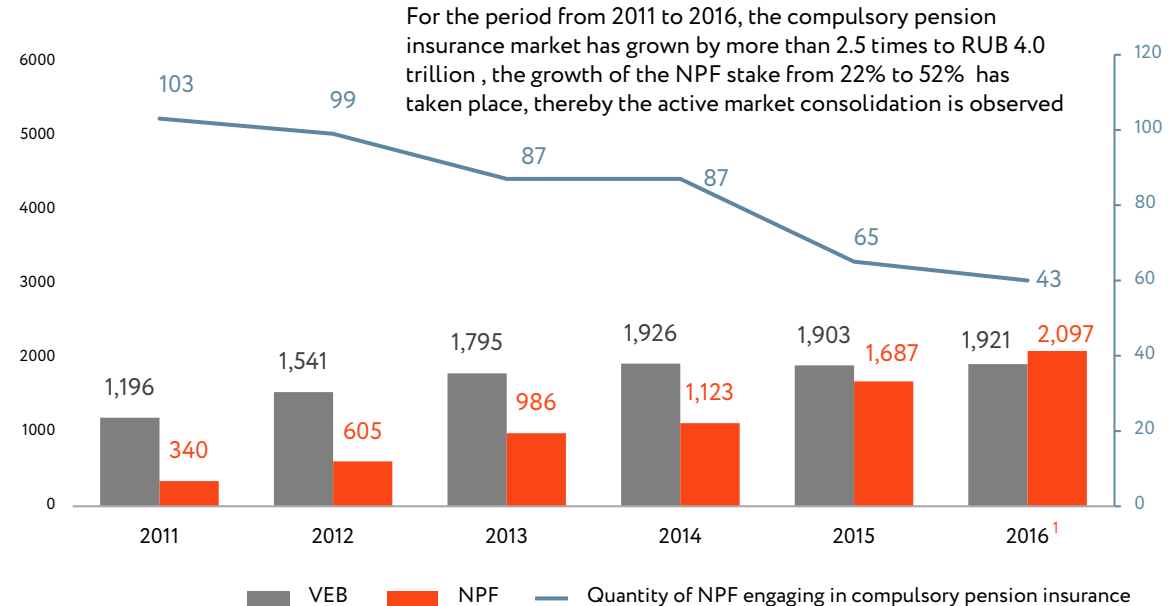
Pension accounts, pcs.



Volume of the monetary assets, RUB



Dynamics of the pensions savings volume (RUB bln) and NPF engaging in compulsory pension insurance



¹ according to the data of RIA Rating as at the end of the 3d quarter of 2016

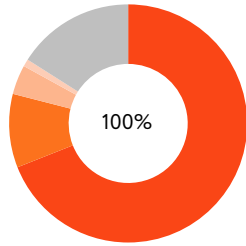
Our business model



~ 90%
Compulsory pension insurance
CPI

~ 10%
Non-state pension insurance
NPI


Sales network / 4 NPFs, 51 offices



• Future	69%
• Telecom-Soyuz	10%
• Social development	4%
• Obrazovaniye	1%
• Partner's network	16%

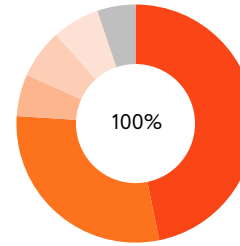
Partner banks network

- Uralsib
- Promsvayzbank
- Asian-Pacific Bank
- OTP bank
- Zapsibkombank
- Metallinvest
- other banks

 4.62 mln customers / legal entities and individuals

Investment process

Investment portfolio




• Corporate bonds	47%
• Shares	29%
• Deposits	6%
• Balance of accounts	7%
• ISU	6%
• Other	5%

All assets are subdivided into three portfolios:

- proprietary funds
- pensions savings
- pension reserves

Assets management is implemented on the principles of ensuring safekeeping and integrity, rate of return and diversification of risks

 291.8 RUB bln / Investment portfolio

Funds' expenses

- Compulsory contributions to ACB on pension savings
- SG&A¹ and other expenses
- Expenses for promotion, retention of customers and sales

Funds' incomes

15% success fee²

100% income from PF³ investments

Shareholders

Distribution of the Group's net profit not less than 70%⁴

¹ Selling, General and Administrative Expenses

² from results of investments of pension savings and reserves

³ proprietary funds not earlier than 2019

Development strategy

PJSC FG FUTURE



Leadership at the Russian pension market

- The funds are implementing the stable low-risk business model
- Large market with a significant cost potential in the future.
- Funds are ones of the largest with the total market share of 12.4% in compulsory pension insurance and 2.7% in non-state pension insurance



Preservation of high growth tempos

- PJSC FG FUTURE is implementing successfully the growth strategy both due to organic development and due to successful transactions of NPF acquisition



Strategic goals of investing

- Stable investment income is higher than inflation in minimization of the portfolio risks
- Profound expert evaluation of investments management
- Participation in encouragement and support of the economic growth

FUNDS



High-quality customer base

- Over 4.6 mln customers
- High average account per one customer
- Low turnover of the customer base due to high product standards



Wide sales network

- Direct sales
- Wide network of agents in the entire territory of Russia
- Sales via partner's bank networks

THE KEY ASSETS STRATEGY

Investment strategy

- Ensuring of a stable dividend flow due to effective assets management
- Ensuring the rate of return that is higher than the market, with the effective control of an investment risk and preserving of a significant liquid standing
- Focus on the real sector and financial market assets
- High diversification of tools with a breakdown to the products, risk-portfolio etc.

Market consolidation

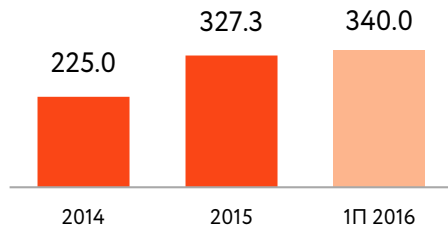
- Organic growth due to the best sales system and brand (focus on the agency and bank sales)
- Active involvement of new participants of MPI (compulsory pension insurance)
- Selective acquisitions of competing NPFs that form a part of the guaranteeing system

Operating improvements

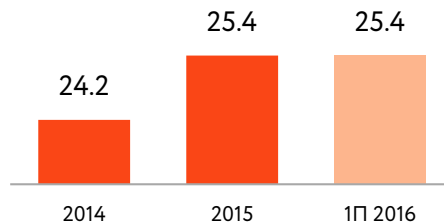
- Full integration of the funds and unified business processes
- Active development of own sales network
- Operating efficiency increase due to business processes optimization at the funds' level
- Effective system of the customer base retention

Key financial figures

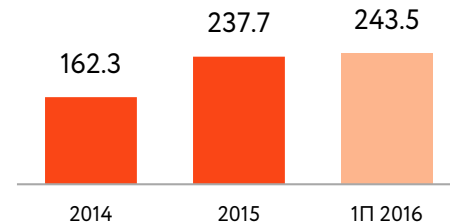
Assets
RUB bln



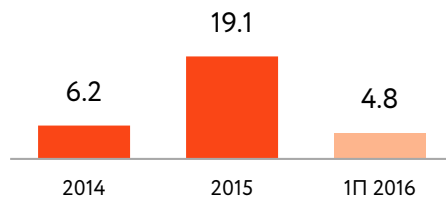
Obligations under NPI
RUB bln



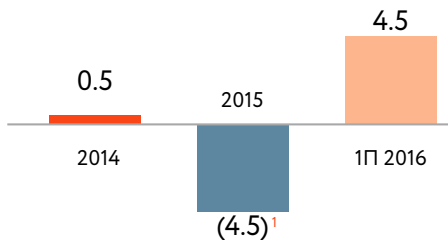
Obligations under CPI
RUB bln



Operating result
RUB bln



Net profit
RUB bln

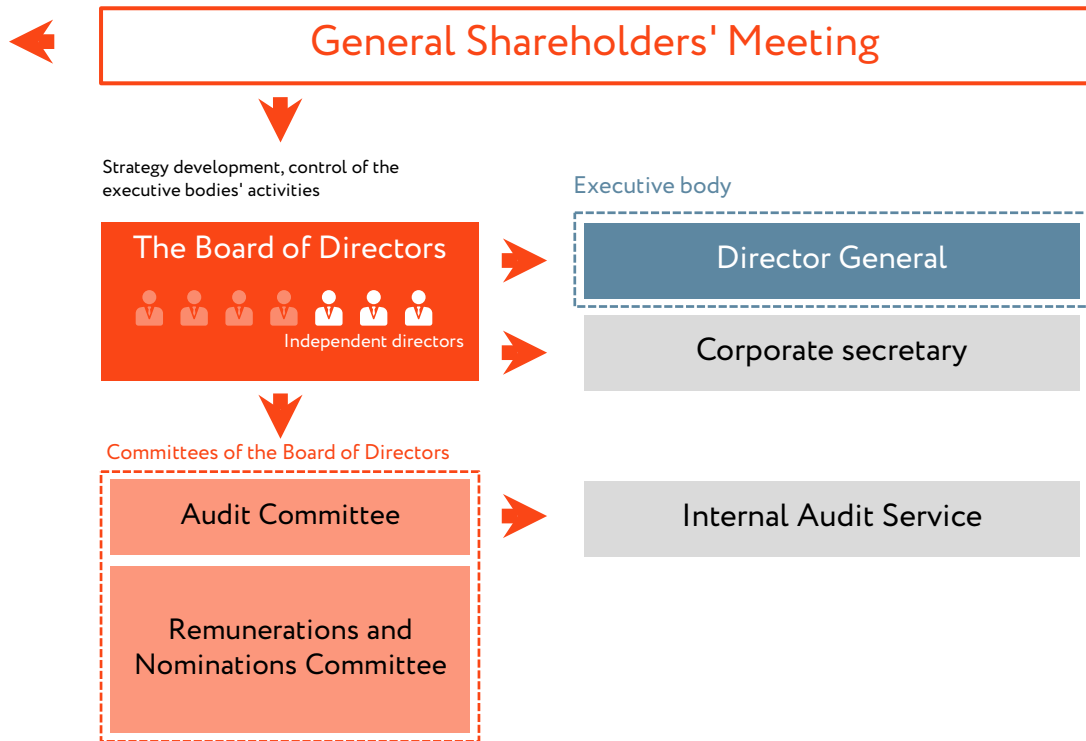
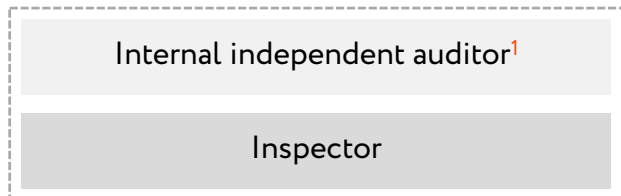


Source: the data of the condensed combined financial reporting according to IFRS standards as at 30.06.2016

¹ significant negative result in 2015 is related, first and foremost, to formation of provision for impairment in relation to the claims to Vneshprombank in the amount of RUB 7.4 bln

Corporate governance

External control bodies



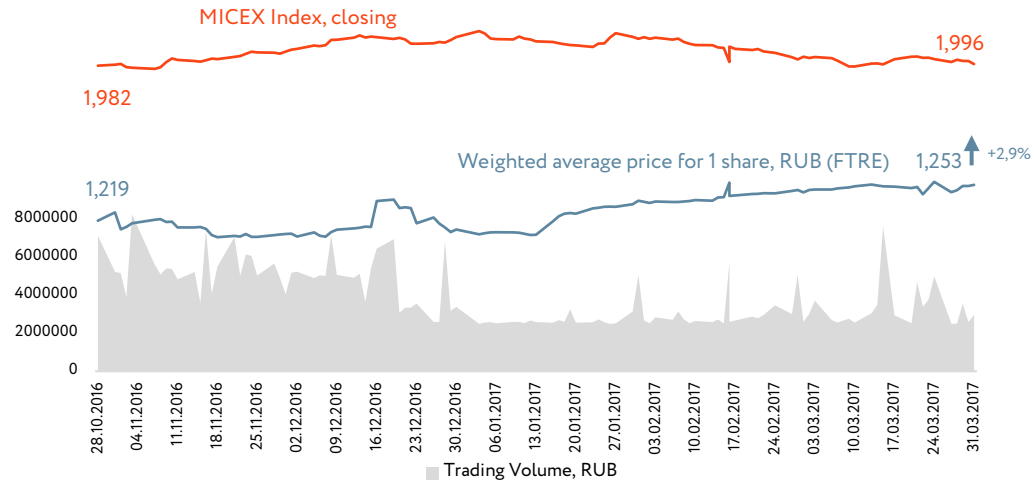
The Company tries to raise the corporate governance standards, the following documents are approved:

- The Regulation on the Board of Directors (2017)
- The Regulation on the dividend policy (2016)
- The Regulation on the corporate secretary (2016)

¹ At the General Shareholders' Meeting dd. 20.01.2017, JSC BDO Unicon was approved as the auditor of PJSC FG FUTURE to carry out an audit of the financial and economic activities of the Company

Shares and dynamics of quotations

Dynamics of the shares' quotations and trading volume at MOEX October 2016-March 2017



Main stock exchange indicators

MCap (RUB bn)¹

61.7

MCap (USD bn)²

1.1

Тикер (MOEX)

FTRE

Listing

2 level

¹ according to the data of MOEX as at 31.03.2017

² at the rate of the RF Central Bank as at 31.03.2017 for 1 USD = RUB 56.38

In October 2016, the Financial Group FUTURE carried out successfully IPO and placed about 20% of the shares at MOEX (Moscow Exchange House)

Investment appeal factors



Financial Group FUTURE is one of the largest managing company of the pensions assets in Russia



Low risk level due to a high security level of assets



High would-be growth and level of dividend rate of return



Professional managing team



Significant growth tempos of business and high rate of return from management by assets



Transparent structure of ownership and principal shareholder's commitment to the pensions business development



IR CALENDAR

5-7 April	Moscow Exchange Forum 2017	Moscow Exchange House, Sberbank CIB Moscow, the Ritz-Carlton
April	Financial results disclosure on RAS, for 2016 and for 1Q 2017	http://www.futurefg.ru/disclosure/
May	Issuance of IR-release with announcement of release of the annual consolidated financial reporting on IFRS for 2016, publication of the reporting	http://futurefg.ru/investoram/
May	Conference call holding based on the results of the reports publication on IFRS for 2016	Moscow

One can get familiar with the full version of IR-calendar at the corporate website in section "Shareholders and investors"

<http://futurefg.ru/investoram/>



БУДУЩЕЕ
ФИНАНСОВАЯ ГРУППА

APPENDICES

Appendix 1

Condensed consolidated financial reporting¹

RUB bln	2014	2015
Balance		
Assets	145,2	303,1
Monetary funds	2,3	41,3
Financial assets on fair value via profit or loss	89,9	195,0
Deposits in banks	23,2	13,2
Goodwill	29,3	41,4
Other assets	0,6	12,1
Obligations under NPO (non-state pension insurance)	-	24,8
Obligations under OPS (compulsory pension insurance)	114,6	226,9
Other obligations	30,2	5,8
Capital	0,4	45,7
Profit-and-loss statement		
Result from pension activities	(0,1)	(8,7)
Interest-bearing incomes	0,5	13,9
Operations on financial tools	(0,4)	2,5
Revaluation of financial assets	(0,1)	(6)
Net profit from operations with a foreign currency	-	0,1
Remuneration to a managing company	(0,02)	(0,6)
Remuneration to a special depository	(0,01)	(0,2)
Commission expenses	-	(0,001)
Acquisition costs	-	(0,2)
Other operating incomes /(expenses)	0	(0,1)
Operating result	0,04	9,4
General and administrative expenses	(0,04)	(1,1)
Other incomes /(expenses)	0	(6,2) ²
Result before taxation	(0,1)	(6,6)
Profit tax	0	0,3
Net profit (loss)	(0,1)	(6,3)

Notes:

¹ The data have been prepared on basis of the consolidated audited reporting under IFRS of the Financial Group FUTURE (NPF FUTURE, NPF StalFond, NPF Telecom-Soyuz).

² Other expenses have formed primarily due to creation of a provision for impairment in relation to the claims to Vneshprombank LLC, in the amount of RUB 7,370,679 ths.

Appendix 2

Condensed combined financial reporting¹

RUB bln	2014	2015	1H 2016
Balance			
Assets	225.0	327.3	340.0
Monetary funds and their equivalents	4.7	41.9	24.0
Financial assets on fair value via profit or loss	150.8	199.7	214.6
Deposits in banks	30.4	16.1	27.0
Investments into subsidiary branches and funds	38.1	58.4	63.3
Other assets	1.0	11.2	11.1
Obligations under NPO (non-state pension insurance)	24.2	25.4	25.4
Obligations under OPS (compulsory pension insurance)	162.3	237.7	243.5
Other obligations	22.4	2.1	2.5
Capital	16.1	62.1	68.6
Profit-and-loss statement			
Net result from pension activities	(4.7)	(14.3)	0.9
Interest-bearing incomes	11.7	20.6	9.3
Operations on financial instruments	(3.6)	4.2	(0.01)
Revaluation of financial assets	(1.4)	(5.4)	(1.2)
Net profit from operations with foreign currency	1.2	3.5	(1.6)
Remuneration to a managing company	(0.8)	(1.2)	(0.04)
Remuneration to a special depository	(0.2)	(0.3)	(0.06)
Commission expenses	(0.2)	(0.01)	(0.04)
Acquisition expenses	(0.5)	(2.5)	(1.6)
Operating result	6.2	19.1	4.8
General and administrative expenses	(1.1)	(2.1)	(1.1)
Other incomes / (expenses)	(0.1)	(7.8) ²	(0.3)
Result before taxation	0.4	(5.0)	4.2
Profit tax	0.1	0.5	0.3
Net profit (loss)	0.5	(4.5)	4.5

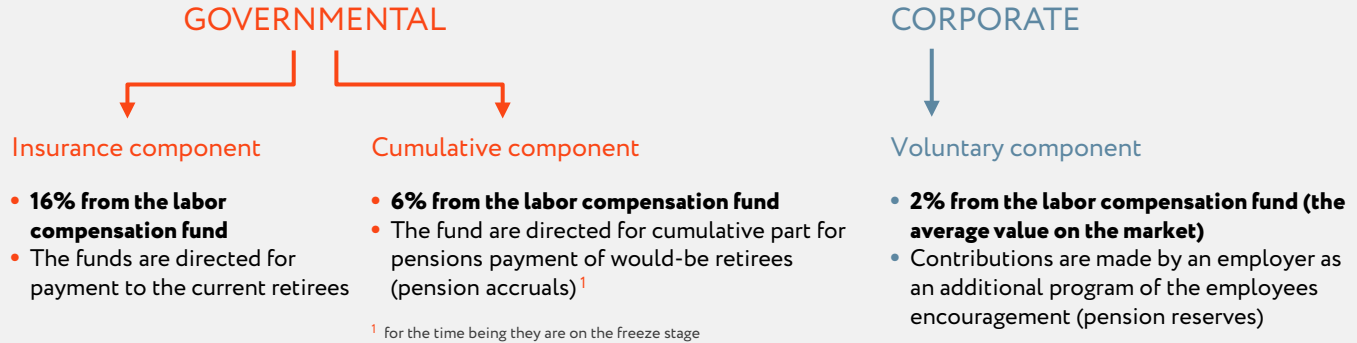
Notices:

¹ The data have been prepared on basis of the combined non-audited reporting under IFRS of the Financial Group FUTURE. The combined reporting includes NPF FUTURE, NPF Telecom-Soyuz, NPF Obrazovaniye, NPF Uralsib, NPF Our future (earlier - NPF Russkiy Standart). ² Other expenses have formed primarily due to creation of a provision for impairment in relation to the claims to Vneshprombank LLC, in the amount of RUB 7,370,679 ths.

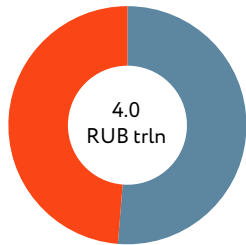
Appendix 3

Pension system of RF

The pension system of RF is characterized by availability of the governmental and corporate components



Pension accruals volume, RUB trillion



• NPF	RUB 2.1 trln
• Pension Fund of Russia	RUB 1.9 trln

- From 2004, the cumulative pension scheme has been demonstrating a vigorous growth, the following are the preconditions for it:
 - receipt of insurance contributions at the level of 6% from the labor compensation fund
 - absence of large-scale payments till 2022
- Permanent replenishment due to the "frozen" insurance contributions receipt from 2014 to 2017, within this period all the funds received by the RF Pension Fund are meant for the pensions payment to the current retirees
- Currently they discuss the future of the pension system. The largest market players together with the National Association of the non-state pensions funds (NAPF) and Association of the non-state pensions funds (ANPF) are implementing the active lobbying of the resolution passing on liquidation of "freeze" and preserving of the compulsory cumulative component.
- The RF Ministry of Finance and the RF Central Bank have developed the conception of the Individual pension capital plan. Now this conception is on the discussion stage.

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