



Thomas Murray Affirms the Central Securities Depository Rating for the Depository Clearing Company at 'A+' with Stable Outlook

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PRESS ANNOUNCEMENT

LONDON - Thomas Murray, the specialist custody rating, risk management and research firm has affirmed The Depository Clearing Company's (DCC) rating as 'A+', which translates as 'low Overall Risk'. The rating is made up of the following components:

CSD Rating	Overall Rating	Asset Commitment Risk	Liquidity Risk	Counterparty Risk	Financial Risk	Operational Risk	Asset Servicing Risk
	A+	AA-	A+	A+	AA-	AA-	AA-

The overall rating of 'A+' reflects the significant effort made by DCC during the past year in minimising risk. As a result, two of the six risk components have been upgraded, being Asset Commitment Risk and Operational Risk which have both been upgraded from 'A+' to 'AA-'.

DCC's rating of 'A+' relates to a low risk exposure profile and a 'Stable' outlook has been assigned by Thomas Murray. The outlook indicates there is unlikely to be any change in the Overall Risk in the near future. However, DCC has a number of projects in progress that should help to mitigate risk once completed. There has been a launch of ESSS DVP although it is too early to tell how successful this service will be. RTS plans to issue an IPO in 2011 which through the raising of 20% additional capital (around USD200m) will strengthen the parent and may provide more financial resources for the development of DCC. The DCC/RTS Settlement Chamber merger is planned with completion expected by the end of 2011. However, the key unknown in assessing the changing environment for DCC is the ongoing discussions regarding the proposed CSD Law.

Key developments which have contributed to a change in the ratings have been as follows:

On the RTS Standard market, the deadline for instructions moved from 9am to 5.00pm on T+4 which should help reduce the incidence of fails due to late instructions. DCC has developed FOP Online and DCC DVP Online which allow for the real-time transfer of securities and cash upon matched settlement instructions reducing settlement time and increasing efficiency. DCC's new system, DEPO/X, was successfully introduced on 14 December 2009 placing DCC software on a modern platform and allowing for a number of internal operations and external interfaces to be fully or partially automated. DCC commissioned an update of their Type-1 SAS70 audit of 2007 through all DCC departments including IT, which confirmed that the controls had been satisfactorily designed and implemented. RTS purchased the National Depository Centre's (now called the National Settlement Depository) 37.29% stake in DCC, resulting in RTS holding a 97.75% stake in DCC. This provided RTS with more autonomy over the direction of DCC and eliminated the direct influence of a competitor at DCC Board level.

Simon Thomas, CEO and Chief Ratings Officer of Thomas Murray, said, "Thomas Murray has noted that the introduction of the new DEPO/X platform has enabled DCC to make tangible improvements to its internal operations and external interfaces. DCC has endeavoured to continue to provide solutions to support clients' developing operations and to reduce their costs in a difficult trading environment".

Mikhail Laufer, President of The Depository Clearing Company, said, "The Depository Clearing Company values the continued relationship with Thomas Murray in providing an objective assessment of our operations and risk controls. The rating process involved a thorough review of DCC's clearing and settlement processes and gave particular focus to the improvements implemented over the past year. We are pleased to see that our efforts have resulted in improvements in the ratings given to Asset Commitment Risk and Operational Risk".

The CSD rating assesses the risk exposures for investors associated with the processes the CSD has in place to facilitate the safekeeping and the clearing and settlement of securities, where applicable. It assesses six key risks. The methodology considers the capabilities of the depository and the quality and effectiveness of its operational infrastructure. It also assesses the depository's willingness and ability to protect its participants or clients from losses. As part of the rating, the scope and quality of the depository's services is assessed. The ratings are on a consistent global scale, using the familiar AAA to C ratings scale. Once the rating is assigned there is an ongoing surveillance process to monitor the depository.

Separately, Thomas Murray maintains proprietary assessments of over 130 CSDs globally as part of the Thomas Murray Depository Risk Assessment services. These reports are available via Thomas Murray at www.thomasmurray.com.

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About Thomas Murray

Thomas Murray is a specialist custody rating, risk management and research firm specialising in the global securities services industry. Thomas Murray was established in 1994. The Company tracks and analyses over 250 custodians globally and monitors the risk of over 100 capital market infrastructures. The Company has a strong position as a provider of public and private ratings and risk assessments on global custodians, domestic custodian banks and capital market infrastructures.

www.thomasmurray.com

About the Depository Clearing Company (DCC)

DCC was established on 29 October 1993 under the Federal Commission on Securities Market project sponsored by US AID. It began operations in 1993. DCC provides depository, settlement and some clearing services for equities traded on the RTS Classic Market, RTS Stock Exchange and the MICEX Stock Exchange. It is supervised by the Federal Service for Financial Markets of the Russian Federation.

www.dcc.ru

