

**FTSE QUALITY OF MARKETS CRITERIA (EUROPE Frontier) as at March 2016**

CRITERIA	COUNTRY NAMES																FRONT WATCH	Kazakhstan	Latvia*
	DEV	ADV EMG	SEC EMG	FRONT	Bulgaria	Croatia	Cyprus	Estonia	Lithuania	Macedonia	Malta	Romania	Serbia	Slovak Republic	Slovenia				
<b>World Bank GNI Per Capita Rating, 2014</b>					Upper Middle	High	High	High	High	Upper Middle	High	Upper Middle	Upper Middle	High	High		Upper Middle	High	
<b>Credit Worthiness</b>					Speculative	Speculative	Speculative	Investment	Investment	Speculative	Investment	Investment	Speculative	Investment	Investment		Investment	Investment	
<b>Market and Regulatory Environment</b>																			
Formal stock market regulatory authorities actively monitor market (e.g., SEC, FSA, SFC)	X	X	X	X	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	X	Pass	Pass	
Fair and non-prejudicial treatment of minority shareholders	X	X			Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass		Restricted	Pass	
Non or selective incidence of foreign ownership restrictions	X	X			Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass		Pass	Pass	
No objection to or significant restrictions or penalties applied to the investment of capital or the repatriation of capital and income	X	X	X	X	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	X	Pass	Pass	
Free and well-developed equity market	X	X			Not Met	Not Met	Pass	Not Met	Not Met	Not Met	Restricted	Not Met	Not Met	Not Met	Pass		Not Met	Not Met	
Free and well-developed foreign exchange market	X	X			Not Met	Not Met	Pass	Not Met	Not Met	Not Met	Restricted	Restricted	Not Met	Not Met	Restricted		Not Met	Pass	
Non or simple registration process for foreign investors	X	X			Restricted	Restricted	Pass	Restricted	Restricted	Restricted	Restricted	Restricted	Restricted	Restricted	Pass		Restricted	Pass	
<b>Custody and Settlement</b>																			
Settlement - Rare incidence of failed trades	X	X	X	X	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	X	N/A	Pass	
Custody-Sufficient competition to ensure high quality custodian services	X	X	X		Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass		Pass	Pass	
Clearing & settlement - T + 3 , T + 5 for Frontier	X	X	X	X	T+2	T+2	T+2	T+2	T+2	T+3	T+2	T+2	T+3	T+2	T+2	X	T+0	T+2	
Stock Lending is permitted	X				Restricted	Not Met	Not Met	Not Met	Not Met	Not Met	Not Met	Not Met	Not Met	Not Met	Not Met		Not Met	Not Met	
Settlement - Free delivery available	X				Restricted	Restricted	Not Met	Pass	Pass	Restricted	Restricted	Restricted	Pass	Restricted	Restricted		Not Met	Pass	
Custody - Omnibus account facilities available to international investors	X	X			Restricted	Pass	Not Met	Not Met	Not Met	Not Met	Pass	Not Met	Not Met	Not Met	Not Met		Restricted	Pass	
<b>Dealing Landscape</b>																			
Brokerage - Sufficient competition to ensure high quality broker services	X	X	X		Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass		Pass	Pass	
Liquidity - Sufficient broad market liquidity to support sizeable global investment	X	X	X		Not Met	Not Met	Not Met	Not Met	Not Met	Not Met	Not Met	Not Met	Not Met	Not Met	Not Met		Not Met	Not Met	
Transaction costs - Implicit and explicit costs to be reasonable and competitive	X	X	X		Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Restricted	Pass		Pass	Pass	
Short sales permitted	X				Restricted	Not Met	Pass	Restricted	Not Met	Not Met	Not Met	Restricted	Not Met	Not Met	Not Met		Not Met	Not Met	
Off-exchange transactions permitted	X				Pass	Pass	Pass	Pass	Pass	Not Met	Restricted	Not Met	Pass	Pass	Pass		Not Met	Pass	
Efficient trading mechanism	X				Pass	Pass	Pass	Pass	Pass	Restricted	Pass	Pass	Pass	Pass	Pass		Not Met	Pass	
Transparency - market depth information / visibility and timely trade reporting process	X	X	X	X	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	X	Pass	Pass	
<b>Derivatives</b>																			
Developed Derivatives Market	X				Not Met	Not Met	Not Met	Not Met	Not Met	Not Met	Not Met	Restricted	Not Met	Not Met	Not Met		Not Met	Not Met	
<b>Size of Market</b>																			
Market Capitalisation \$mn (as at 31 December 2014)					6,084	20,028	4,031	2,420	3,630	2,011	12,480	22,337	7,139	4,732	7,519		22,973	1,210	
Total Number of Listed Companies (as at 31 December 2014)					372	193	94	15	33	115	41	81	944	80	51		68	29	



Shading indicates a change from September 2015

N/A - Kazakhstan operates a T+0 settlement and hence do not experience failed trades

\*Latvia to be promoted to Frontier market status from September 2016