



MOSCOW  
EXCHANGE

October 2017

Investor presentation

# History of MOEX

1992  
**Moscow Interbank  
 Currency Exchange  
 (MICEX)** established

1997  
**National Settlement  
 Depository (NSD)**  
 established

2006  
**National Clearing  
 Centre (NCC)**  
 established

2012  
 Launch of **Central  
 Securities Depository  
 (CSD)**

2013  
**The Central Bank of Russia**  
 becomes mega-regulator of  
 financial markets

Currency → Government securities → REPO → Corporate securities → Derivatives



→ Commodities → ...

1995  
**Russian Trading  
 System (RTS)**  
 established

1997  
**MICEX Index**  
 launched

2011  
 Merger of **MICEX** and **RTS**  
 – **Moscow Exchange  
 (MOEX)** established

2013  
**IPO** of Moscow  
 Exchange (MOEX)

2013 & onwards  
**Persistent  
 development** of  
 financial infrastructure



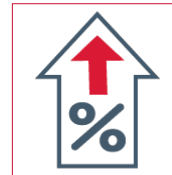
Operates in one of the worlds' largest economies and covers all major asset classes



Commitment to transparency and high standards of corporate governance



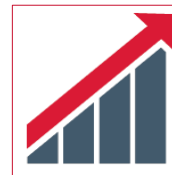
Uniquely diversified and vertically-integrated business model



Established track record of solid financial performance and attractive dividend policy



Resilient in alternating macro conditions, features low-cost product scalability

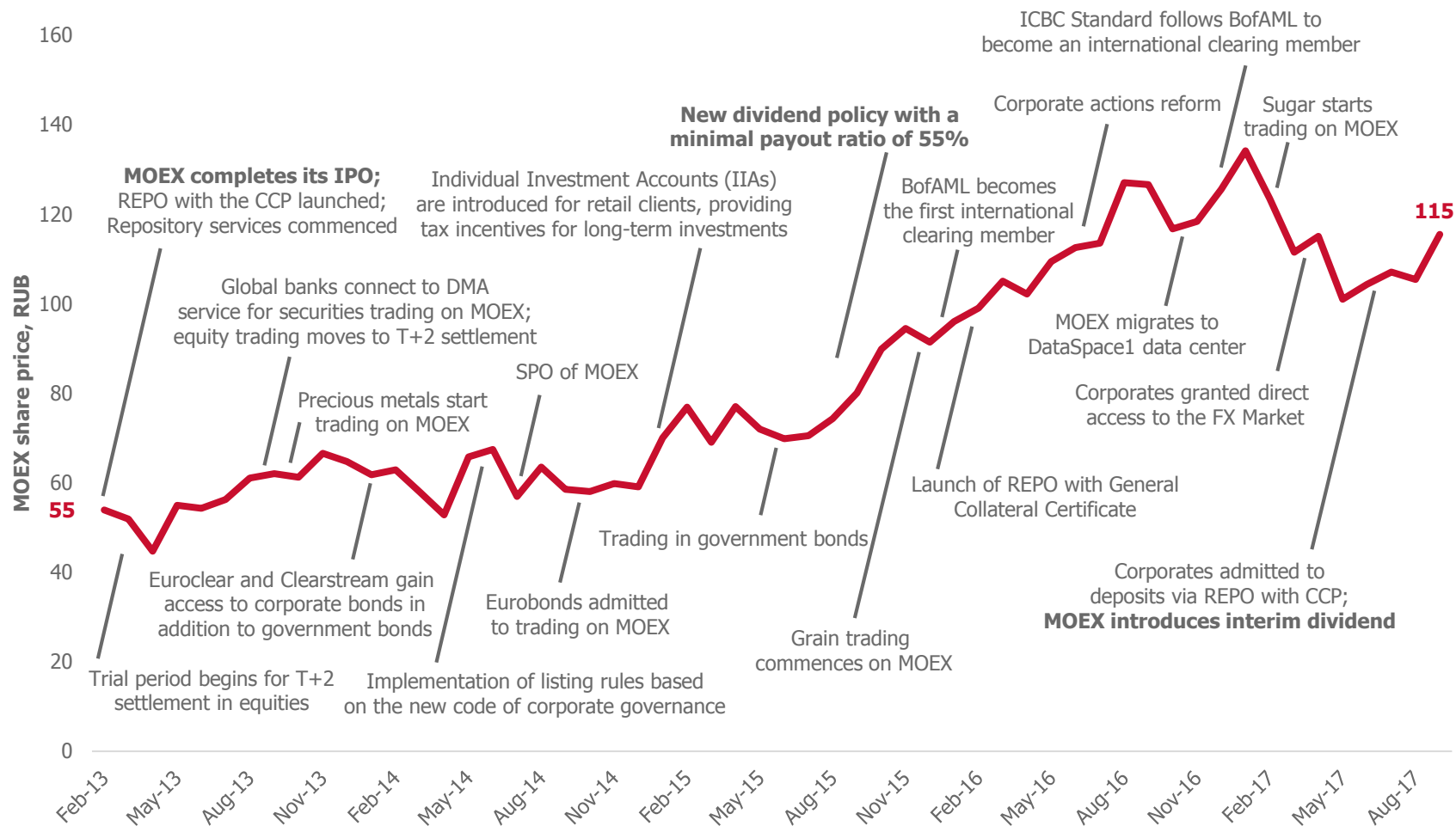


Successfully implemented infrastructure and regulatory reforms put MOEX on par with global peers



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# MOEX share price performance and financial market reforms



Share prices up to 29 September 2017



Business overview

2

Corporate governance and dividends

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Market position and competitive strategy

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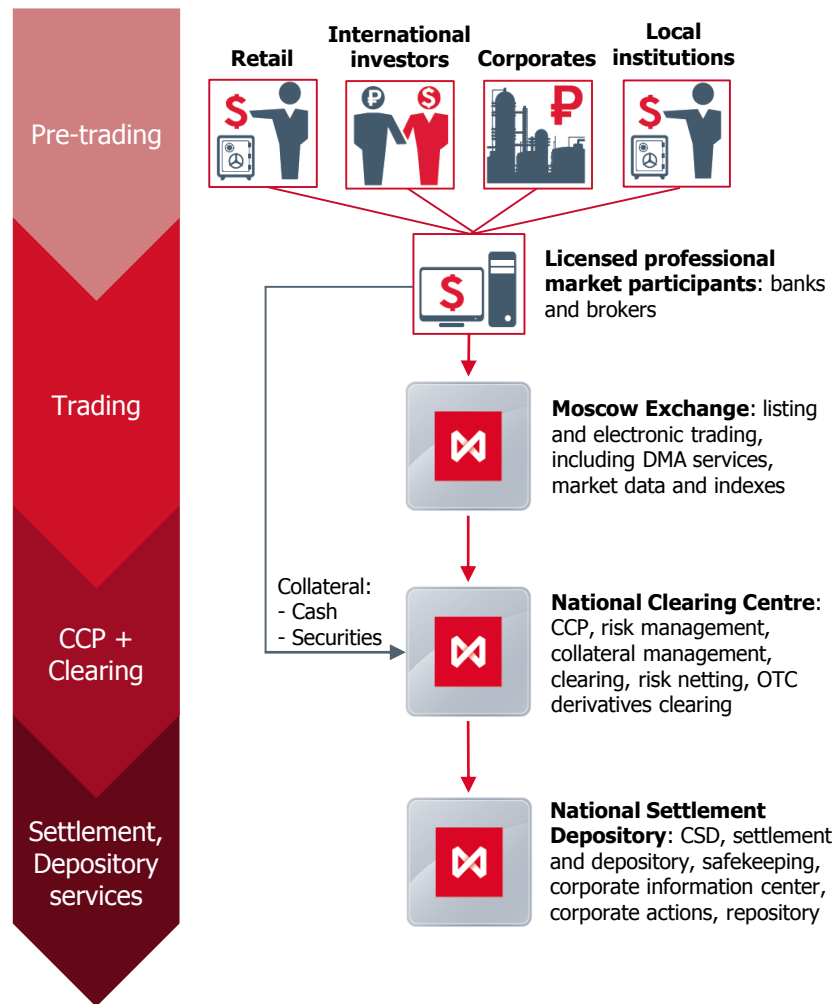
Financial track record

5

2Q 2017 update



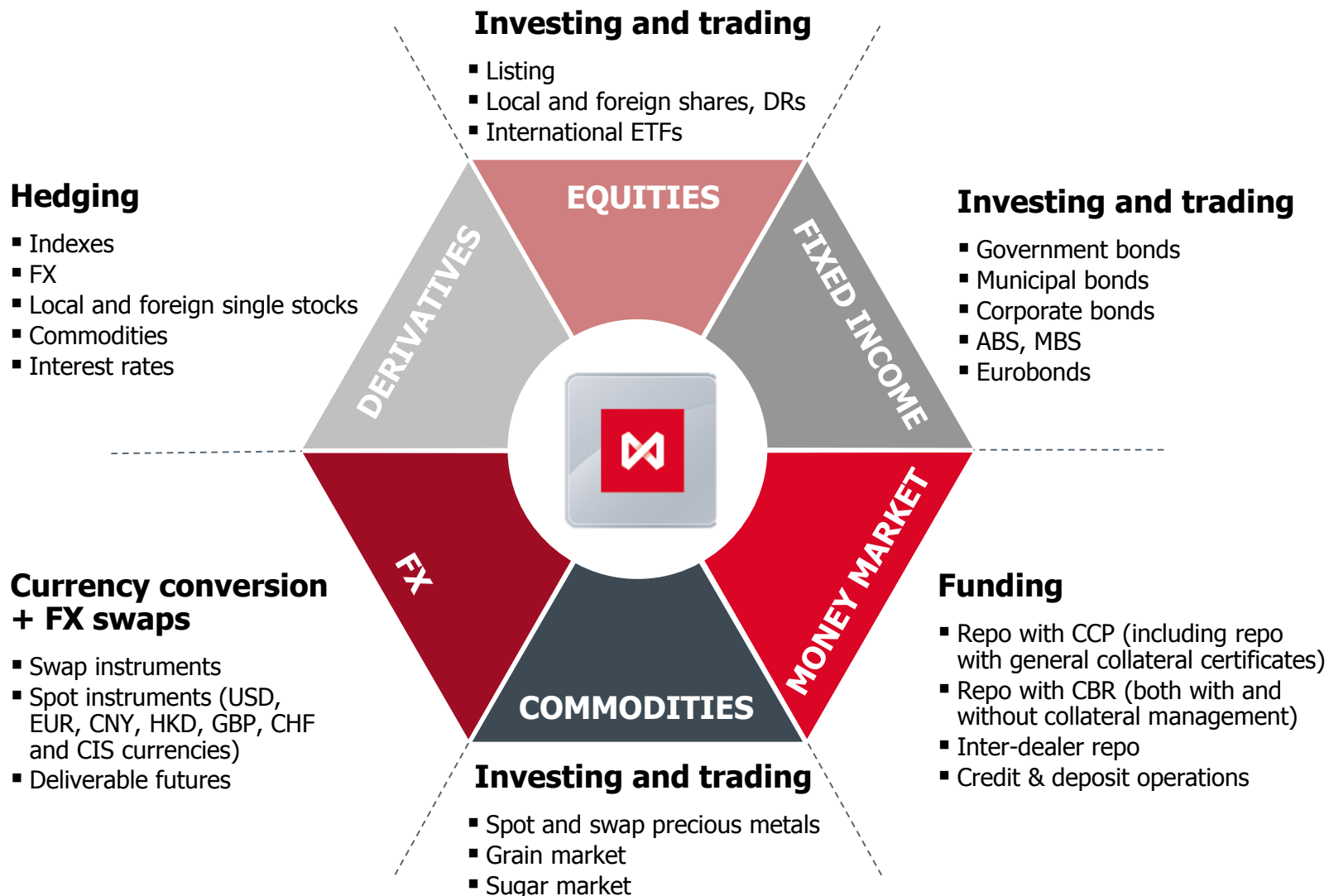
# On-exchange market: capturing the entire value chain



- ✓ MOEX captures the **entire value chain** for end-customers, offering a one-stop shop for listing, risk management, market data, multi-asset trading, clearing, settlement and custody.
- ✓ MOEX is **strategically positioned** to benefit from the development of Russia's capital markets in the coming years.
- ✓ Fully **vertically integrated infrastructure** with regulation and oversight by the Bank of Russia (CBR).
- ✓ Single-tier clearing system requires all participants to provide **eligible collateral** to trade any asset class, while pre-trade risk checks forestall any "fat fingers"/"flash crash" problems.
- ✓ The market has always been open for competition (except the CSD), but entry barriers are very high due to MOEX's post-trade infrastructure and **on-exchange market efficiency**. OTC is the key source of competition.
- ✓ Investors trade through brokers and banks, which are **licensed** locally and have access to MOEX markets. Foreign investors have **DMA and ICM services** at their disposal.



# Highly diversified product offering



# Diversified investor base across different markets

Equities Market  
RUB trn

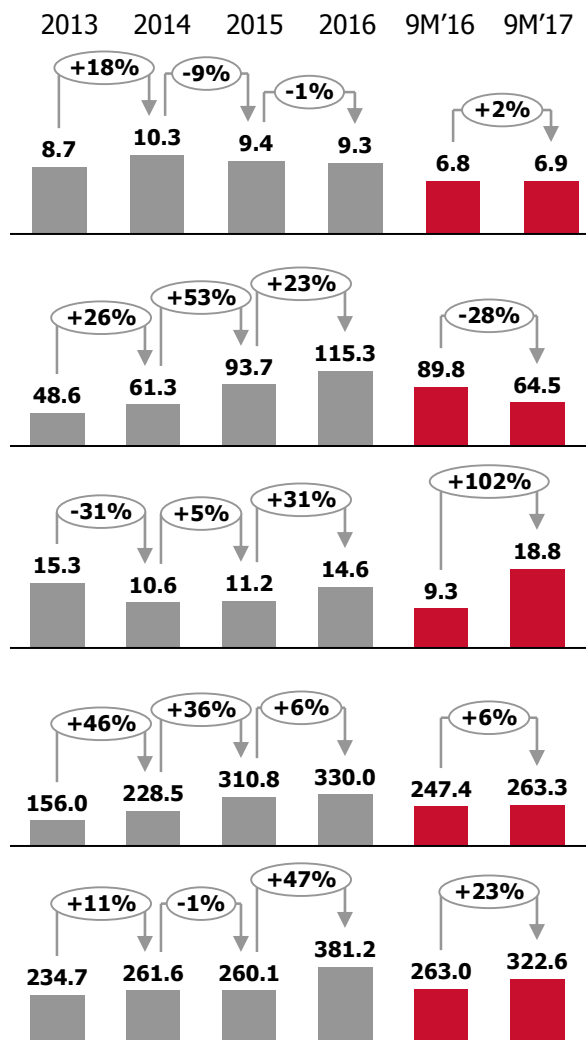
Derivatives Market  
RUB trn

Fixed Income Market  
RUB trn

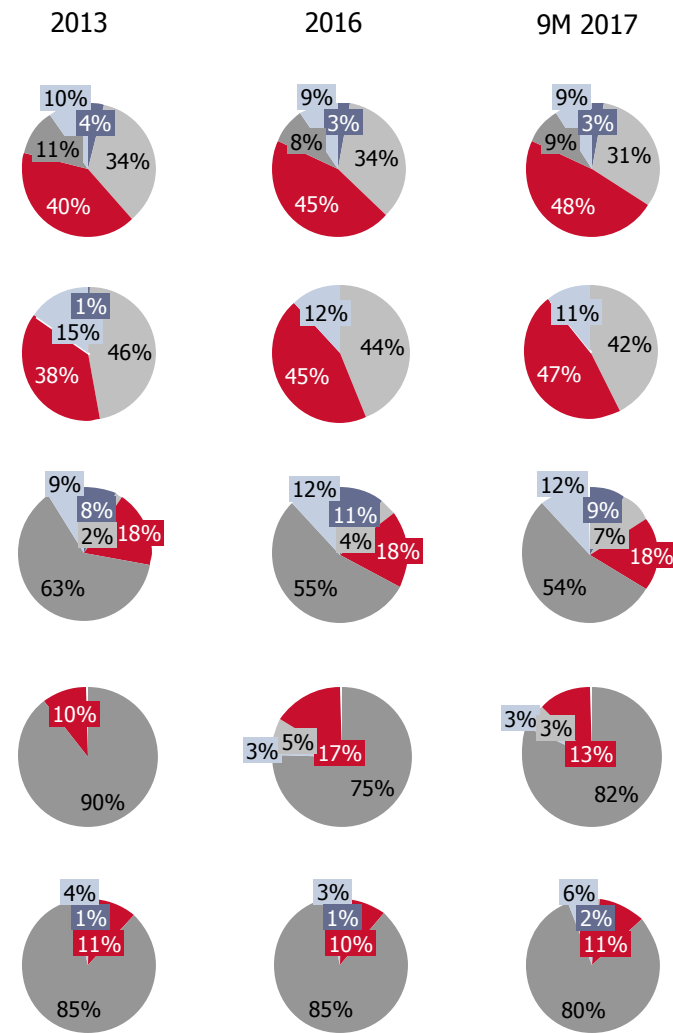
FX Market  
RUB trn

Money Market<sup>1</sup>  
RUB trn

Trading volumes



Volume breakdown by investor types



Local funds      Local banks and brokers  
 Local retail investors      Local corporates  
 Foreign investors

Source: Moscow Exchange data  
 1 Trading volumes include repo with collateral management through NSD.  
 Investor structure is based on on-exchange repo trading volumes only

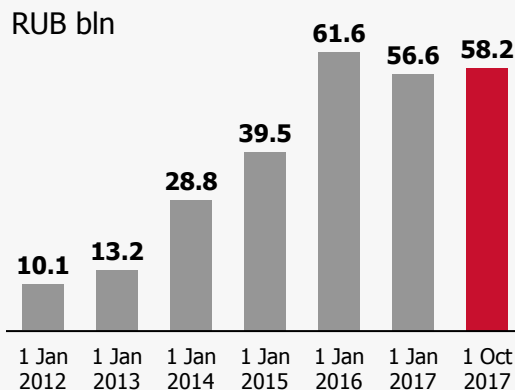


# Robust post-trade infrastructure

Central Counterparty (CCP) and Central Securities Depository (CSD)

## CLEARING

### National Clearing Centre (NCC) proprietary funds (capital)<sup>1</sup>



### CCP cleared value based on ADTV (9M 2017)

RUB bln

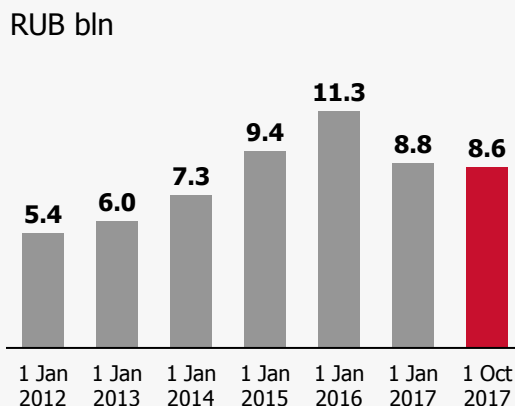
FX	1,401
Repo with CCP	901
Derivatives	343
Fixed income	100
Equities	37
Commodities	0.5

### Comments

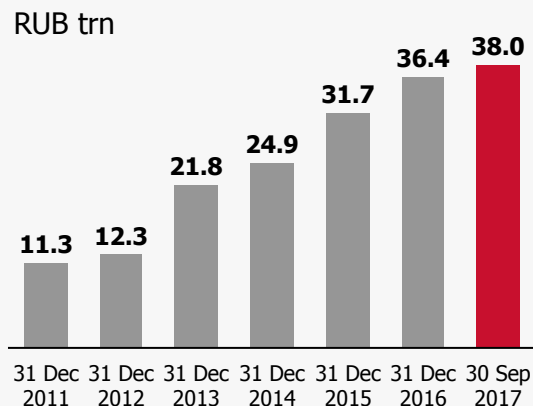
- Well-capitalized NCC acts as a CCP for all asset classes
- Solid risk management has ensured smooth operations amid high volatility
- The only qualified CCP in Russia. The status was granted by the CBR in 2013
- BBB** local currency rating from Fitch – one notch higher than Russia's sovereign rating

## SETTLEMENT & DEPOSITORY

### National Settlement Depository (NSD) proprietary capital<sup>2</sup>



### Assets on deposit<sup>3</sup>



### Comments

- NSD is the Central Securities Depository in Russia
- Safekeeping and settlement services
- Collateral management services for repo transactions
- Repository for OTC trades
- Links to Euroclear and Clearstream for Russian bonds and equities
- AA-** rating from Thomas Murray<sup>4</sup>

Source: Moscow Exchange

<sup>1</sup> Figures in accordance with Russian Accounting Standards as reported to and disclosed by the CBR on a monthly basis. Figures from the end of 2015 onwards include skin in the game and other deductions in accordance with the regulation of CCPs by the CBR

<sup>2</sup> Figures in accordance with Russian Accounting Standards as reported to and disclosed by the CBR on a monthly basis

<sup>3</sup> Assets in deposit based on Company's operational data

<sup>4</sup> Thomas Murray is the leading global agency for depository services



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**1** Business overview



Corporate governance and dividends

**3**

Market position and competitive strategy

**4**

Financial track record













**5**

2Q 2017 update



# Best-in-class corporate governance standards

- ✓ Independent directors represent 50% of the 2017-2018 Supervisory Board vs. a minimum threshold of 20%<sup>1</sup>. Five of the six Supervisory Board committees are chaired by independent directors
- ✓ MOEX was a pioneer to adopt the new criteria of Director Independence aligned with the new Corporate Governance Code
- ✓ Alexei Kudrin, a well-known and respected financial expert who was acknowledged as the best Minister of Finance in 2004 ("The Banker") and 2010 ("Euromoney"), serves as Board Chairman
- ✓ 11 out of 12 Board members are non-executive, with CEO Alexander Afanasiev the only executive Director

	Supervisory Board members	Strategy Planning	Audit	Nomination and Remuneration	Budget	Technical Policy <sup>2</sup>	Risk Management
	<b>Alexey Kudrin - Chairman</b> Chairman of the Board at the Centre for Strategic Research						
	<b>Andrey Golikov - Deputy Chairman</b> Deputy Chairman of the Supervisory Board at Moscow Exchange	✓			Chair	✓	
	<b>Alexander Afanasiev</b> CEO, Chairman of the Executive Board at Moscow Exchange						
	<b>Anatoly Braverman</b> First Deputy CEO at Russian Direct Investment Fund	✓			✓		✓
	<b>Valery Goreglyad</b> Chief Auditor at Bank of Russia				✓		✓
	<b>Bella Zlatkis</b> Deputy Chairman of the Executive Board at Sberbank of Russia						
	<b>Oleg Vyugin</b> Professor at Higher School of Economics	✓		✓			
	<b>Maria Gordon</b> Independent Director at Alrosa		✓				
	<b>Yuriy Denisov</b> Chairman of the Supervisory Board at NCC Clearing Bank	✓		✓			Chair
	<b>Anatoly Karachinsky</b> President at IBS LLC					Chair	
	<b>Duncan Paterson</b> Chairman at G. H. Financials Limited	✓	Chair				
	<b>Rainer Riess</b> Director General at Federation of European Securities Exchanges (FESE)	Chair	✓	Chair			

\* Independent directors



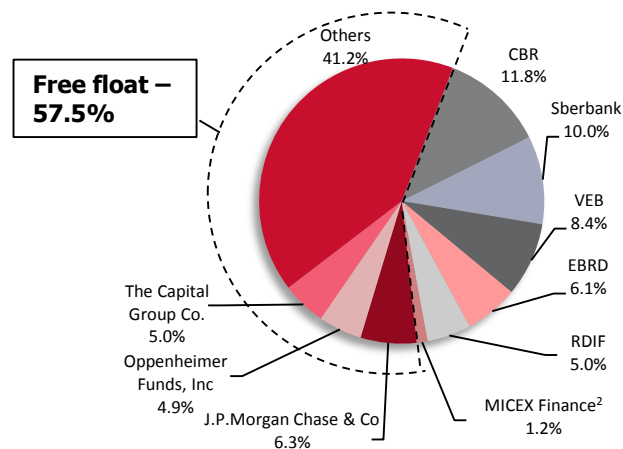
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1 According to the Listing Rules of Moscow Exchange for stocks listed in the First level of the Quotation list  
2 Technical Policy committee includes key industry IT professionals

# Dispersed ownership with one of the **highest free-floats** in Russia

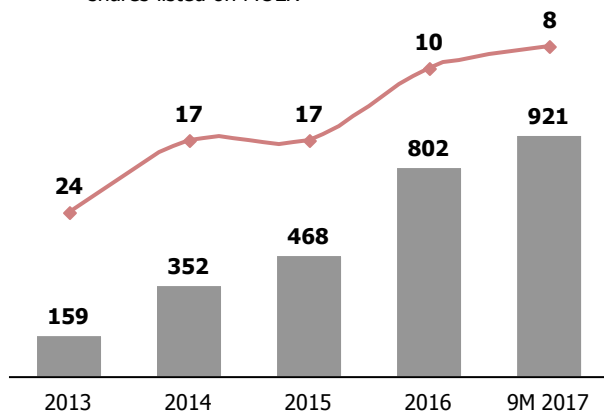
## Dispersed ownership with no controlling shareholder...

as of 30 September 2017<sup>1</sup>

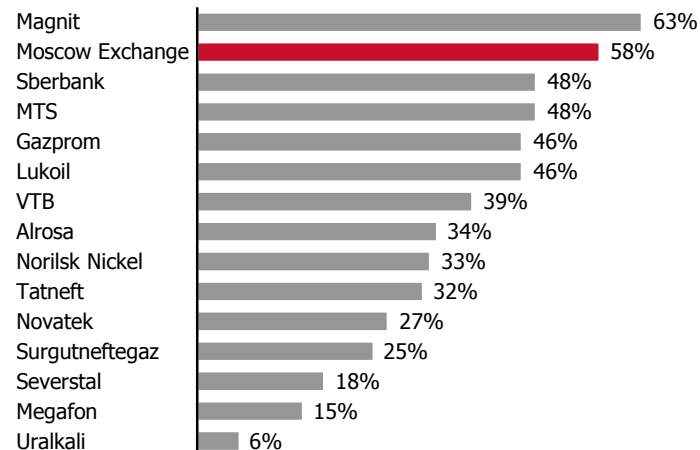


## Growing liquidity of MOEX shares<sup>4</sup>

RUB mln — Rank among the most liquid shares listed on MOEX<sup>5</sup> — Average daily trading volume



## ...and one of the highest free-floats in Russia<sup>3</sup>



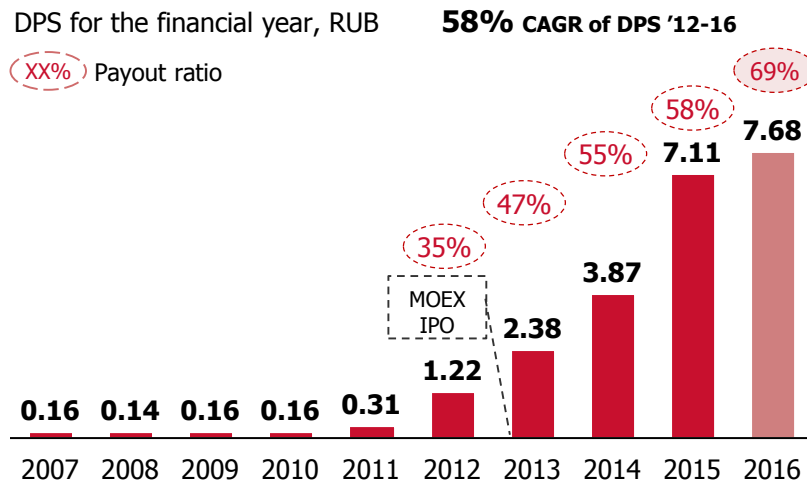
## Transparency and international recognition

- **International index providers** MSCI and MVIS include MOEX shares in their indices
- **Voluntary disclosures** and regular updates of investor materials, including monthly trading results
- Annual **MOEX Forums** in Moscow, New York, London and Shanghai have become well-known venues to maintain dialogue with international market participants
- **Robust investor relations program:**
  - ✓ 349 investor meetings in 2016
  - ✓ IR activities in Russia, the UK, Europe and the US to maintain dialogue with overseas investors
  - ✓ IR awards in Russia in 2014, 2015 and 2016

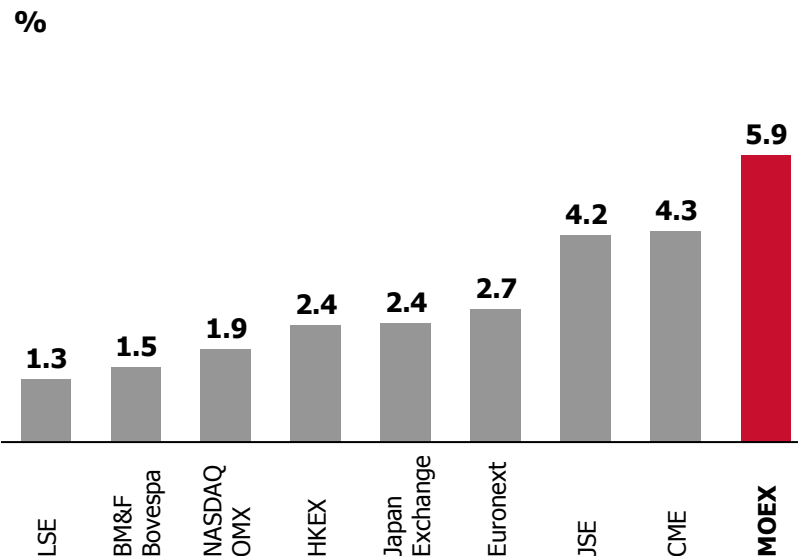
1 Capital Group's stake based on data disclosed on 18 October 2017  
 2 100% owned subsidiary of the Moscow Exchange  
 3 Largest companies by market capitalization from MICEX Index  
 4 Trading volumes in the main trading mode (T0, T+2)  
 5 Ordinary and preferred shares

# 2016 payout: 69.4% of net profit

## History of dividend growth



## Dividend yields of MOEX and exchange peers, 2017E<sup>1</sup>



## Comments

- Dividend policy approved in September 2015 sets 55% of net profit as the minimum payout
- In April 2017 MOEX's AGM voted to pay out a dividend of RUB 7.68 per share, or 69.4% of 2016 net profit
- In 2017 Moscow Exchange switched to more frequent dividend payments paying out its first ever interim dividend



**1** Business overview

**2** Corporate governance and dividends



Market position and competitive strategy

**4** Financial track record

**5** 2Q 2017 update



# Leading positions in a global context

## 3<sup>rd</sup> largest exchange in fixed income<sup>1</sup>

Rank	Exchange	Country	Trading vol. (USD bln)	Incl. REPOs
1	LSE Group	UK	5 035	×
2	BME	Spain	2 294	✓
<b>3</b>	<b>Moscow Exchange</b>	<b>Russia</b>	<b>2 239</b>	<b>✓</b>
4	Korea Exchange	Korea	1 191	×
5	Johannesburg SE	South Africa	1 009	✓
6	Nasdaq OMX	USA	828	✓
7	Oslo Borse	Norway	544	✓
8	Bolsa de Valores de Colombia	Colombia	170	×
9	Shanghai SE	China	167	×
10	Taipei Exchange	Taiwan	139	×

## 3<sup>rd</sup> largest exchange in derivatives<sup>2</sup>

Rank	Exchange	Country	Contracts traded (mln)
1	CME Group	USA	2 096
2	NSE India	India	1 134
<b>3</b>	<b>Moscow Exchange</b>	<b>Russia</b>	<b>786</b>
4	BM&FBOVESPA	Brazil	778
5	Deutsche Boerse	Germany	591
6	Nasdaq OMX	USA	550
7	Dalian Commodity Exchange	China	534
8	Korea Exchange	Korea	444
9	BSE India	India	281
10	International Securities Exchange	USA	270

## Among top 25 exchanges by equity trading volumes globally<sup>3</sup>

Rank	Exchange	Country	Mkt Cap (USD bln)	Securities listed	Trading vol. (USD bln)
1	ICE&NYSE	USA	20 659	2 303	8 032
2	Nasdaq OMX	USA	10 218	3 832	6 051
3	Shenzhen SE	China	3 348	1 995	4 162
4	Shanghai SE	China	4 537	1 302	3 439
5	Japan Exchange	Japan	5 502	3 562	2 768
6	LSE Group	UK	4 005	2 485	1 178
7	Euronext	EU	4 034	1 278	953
8	Korea Exchange	Korea	1 549	2 081	856
9	HKEx	Hong Kong	3 674	2 034	814
10	Deutsche Boerse	Germany	1 994	451	698
...	...	...	...	...	...
<b>24</b>	<b>Moscow Exchange</b>	<b>Russia</b>	<b>554</b>	<b>234</b>	<b>72</b>

## 12<sup>th</sup> largest publically listed exchange by Mkt Cap<sup>4</sup>

Rank	Exchange	Country	Mkt Cap (USD bln)
1	CME	USA	46.5
2	ICE&NYSE	USA	41.5
3	HKEx	Hong Kong	34.2
4	Deutsche Boerse	Germany	20.9
5	LSE Group	UK	17.8
6	BM&FBovespa	Brazil	16.0
7	Nasdaq OMX	USA	12.9
8	CBOE	USA	12.3
9	Japan Exchange	Japan	9.9
10	ASX	Australia	7.9
11	SGX	Singapore	5.9
<b>12</b>	<b>Moscow Exchange</b>	<b>Russia</b>	<b>4.7</b>

Sources: Moscow Exchange, WFE, Bloomberg, LSE Group (for LSE Group data)

1 Due to different methodologies applied, data on fixed income trading may not be directly comparable among exchanges. Ranking without Amman SE and Buenos Aires SE (excluded due to single large volume). Data for 1H 2017

2 Data for 1H 2017

3 Top equity trading exchanges are ranked by trading volume. Ranking without BATS (excluded due to absence of data for market capitalization and number of listed companies). Data for 1H 2017

4 Market capitalization of public exchanges based on Bloomberg data as of 4 October 2017

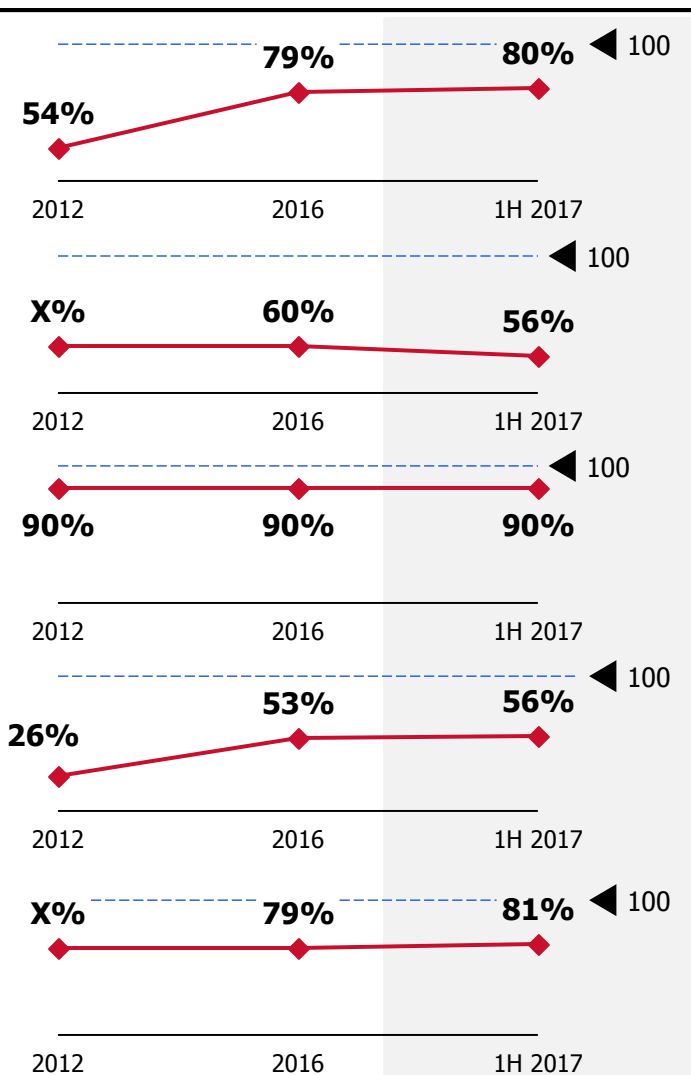


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# High and increasing market share versus OTC trading



Share on the local market



↑ +26 p.p.

↑ +30 p.p.

Source: Moscow Exchange data

<sup>1</sup> Data before launch of obligatory reporting to repository is unavailable

<sup>2</sup> Repo trading volumes only. Data before launch of obligatory reporting to repository is unavailable

# Building on the success of Strategy 2012-2015

## Key initiatives of Strategy 2012-2015 successfully implemented

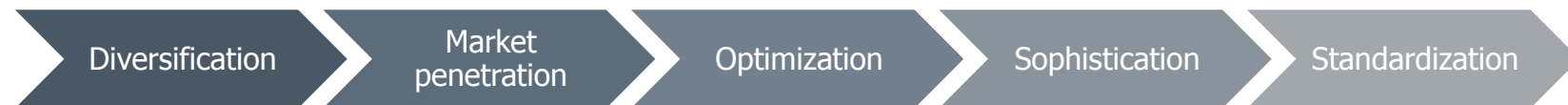
- ✓ Central Securities Depository (CSD)
- ✓ CCP across all markets
- ✓ T+ settlement cycle
- ✓ DMA across all markets
- ✓ ICSDs access to local infrastructure
- ✓ USD/RUB futures emergence as a flagship derivative contract
- ✓ Crucial regulatory reforms (corporate governance, individual investment accounts, “non-loss” rule elimination for NPFs, revival of pension savings)

- Total trading volume CAGR of ~**23%** in 2012-2015
- Operating income CAGR of ~**29%** in 2012-2015
- EPS for 2015 up **4.0 times** versus 2011 to RUB 12.5
- Dividend per share up **22.9 times** versus 2011 to RUB 7.11 with a payout ratio of 58% for 2015





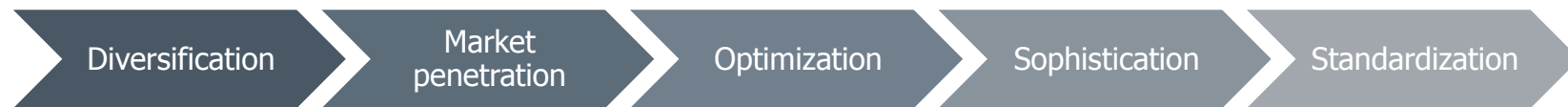
# Competitive strategy 2015-2020: key pillars (1)



	Strategy	Drivers and initiatives
<b>Equities</b>	Aggressive growth: development of the equity market	<ul style="list-style-type: none"> <li>✓ Benefits from infrastructure put in place, tax and regulatory reforms (T+2, CSD and access of ICSDs, IIA)</li> <li>✓ Growth of the retail investor base</li> <li>✓ New listings and IPOs, repatriation of capital</li> <li>✓ Further simplification of access for international investors</li> </ul>
<b>Fixed income</b>	Aggressive growth: bonds to substitute bank loans as a funding tool	<ul style="list-style-type: none"> <li>✓ Development of short-term and ultra short-term bonds, securitization</li> <li>✓ Easier access to the bond market for corporates</li> <li>✓ Growth of the retail investor base</li> <li>✓ Benefits from completed reforms (shift to T+1 for OFZs, large block auctions, ICSDs)</li> </ul>
<b>Derivatives</b>	Aggressive growth through new asset classes and tariff reform	<ul style="list-style-type: none"> <li>✓ Tariff reform to increase effective fees</li> <li>✓ Development of commodity derivatives</li> <li>✓ Approval of CFTC registration application in order to permit access for US market participants</li> <li>✓ Options market development</li> <li>✓ Synergies with spot markets via a unified collateral pool</li> <li>✓ OTC derivatives clearing</li> </ul>
<b>Market data</b>	Aggressive growth through enhancement of the product offering	<ul style="list-style-type: none"> <li>✓ Growth of market data sales</li> <li>✓ Improvement of data dissemination: development of a real-time and non-real time data platform</li> <li>✓ Development of the corporate information center</li> <li>✓ Development of the pricing center</li> <li>✓ Expansion of the repository offering</li> </ul>



# Competitive strategy 2015-2020: key pillars (2)

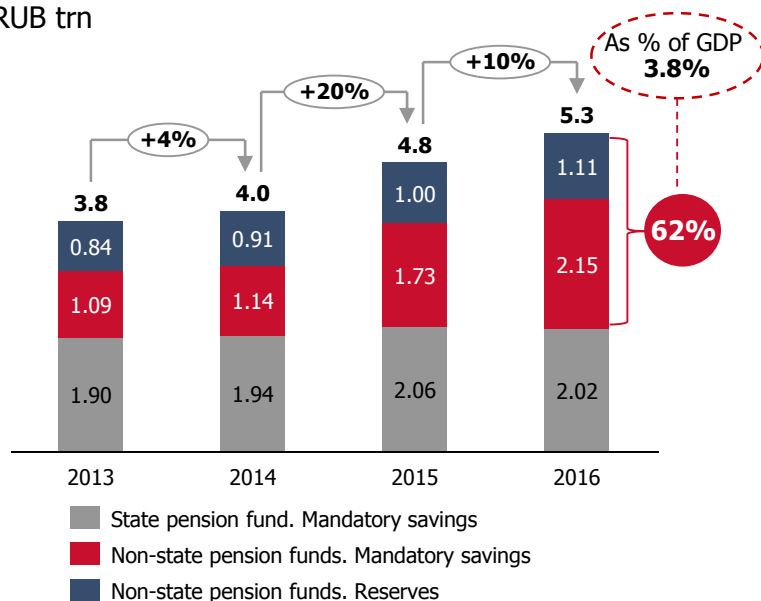


	Strategy	Drivers and initiatives
<b>FX Market</b>	Protecting market share through further expansion	<ul style="list-style-type: none"> <li>✓ Development of international clearing membership</li> <li>✓ Direct access of corporates to the market</li> <li>✓ Development of SMA services</li> </ul>
<b>Money Market</b>	Protecting market share through further product development	<ul style="list-style-type: none"> <li>✓ Further enhancement of the existing product portfolio – collateral management services, repo with the General collateral pool</li> <li>✓ Direct access of corporates to repo with CCP in the “net creditor” mode</li> </ul>
<b>Depository services</b>	Steady growth via development of new services	<ul style="list-style-type: none"> <li>✓ Corporate actions reform</li> <li>✓ Launch of the corporate information center</li> <li>✓ Expansion of the repository offering</li> </ul>
<b>Treasury business</b>	Gradual replacement of NII with F&C income	<ul style="list-style-type: none"> <li>✓ Reduction of NII’s contribution to revenue through implementation of the single collateral pool as a fee-based service, including risk netting, cross-margining and portfolio margining</li> </ul>
<b>IT</b>	Ongoing enhancement of IT systems	<ul style="list-style-type: none"> <li>✓ Focus on reliability of hardware</li> <li>✓ Improved processes of software development and installation</li> <li>✓ Corporate accelerator to foster fintech startups that develop technologies complementary to MOEX’s product offering</li> </ul>

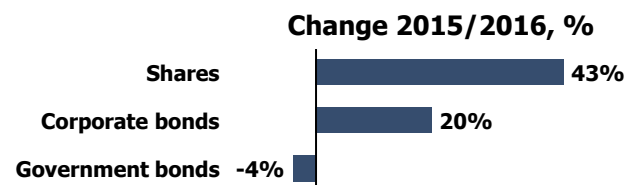
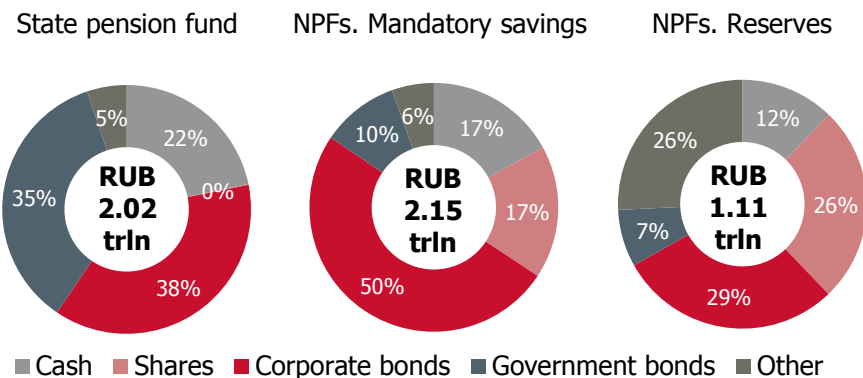
# Local institutional investors: the potential of pension funds

## Pension assets in Russia

RUB trn



## Pension system asset allocation 2016



## Key highlights of the pension reform

- Bank of Russia became a regulator of the pension system in 2013
- Adopted changes in non-state pension fund regulation:
  - "One year non-loss" rule was abolished
  - Investment horizon of NPFs was extended to 5 years
  - Customers are now incentivized to stay with the fund for not less than 5 years
  - Guarantee fund mechanism (similar to the Deposit Insurance Agency in the banking system)
  - New allocations to NPFs remained under moratorium until 2019, which reduced growth potential and left room for organic growth only



# Retail money: aiming to grow the culture of investing

## Retail investor savings

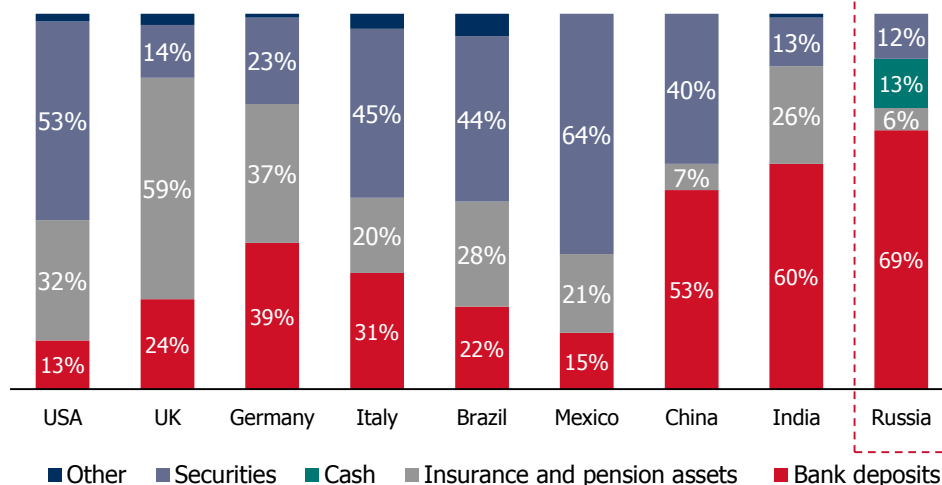
RUB **23** trn

with banks...

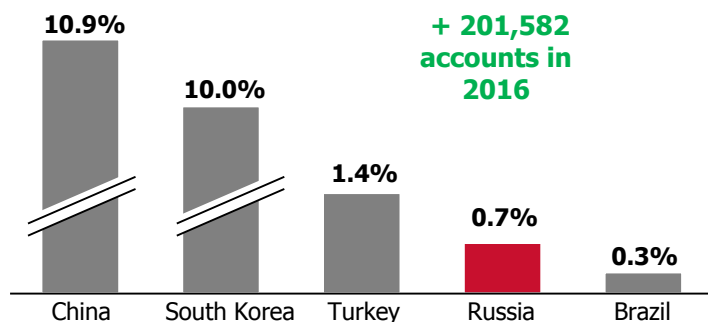
RUB **4** trn

in cash ...vs RUB **33.8** trn of the Russian equity market's market cap

## Russians hold majority of savings in banks and cash<sup>1</sup>

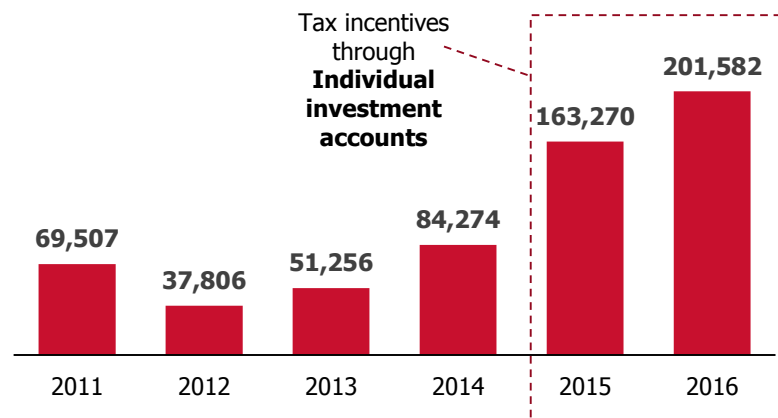


## Population's participation in the securities market<sup>2</sup>



+ 201,582 accounts in 2016

## Newly opened retail accounts

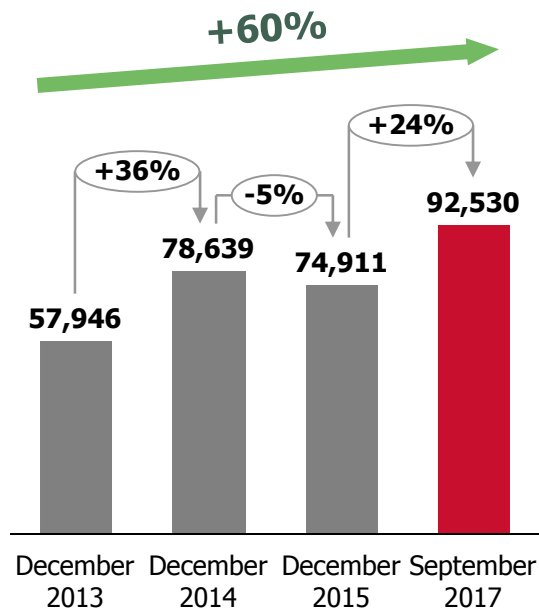


Tax incentives through Individual investment accounts

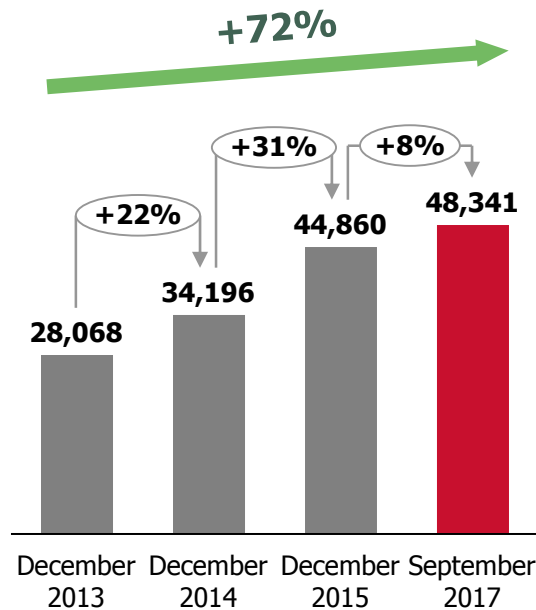
# Retail clients: a growing segment of the Russian financial market

## Number of active retail client accounts

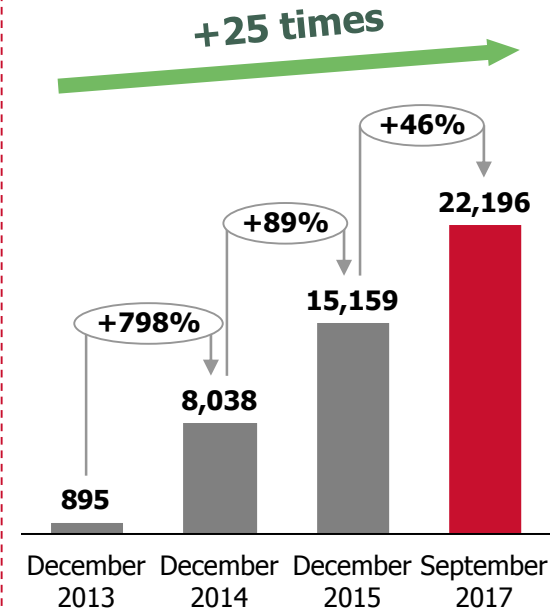
### Equities Market



### Derivatives Market



### FX Market<sup>1</sup>



### Recent regulatory changes:

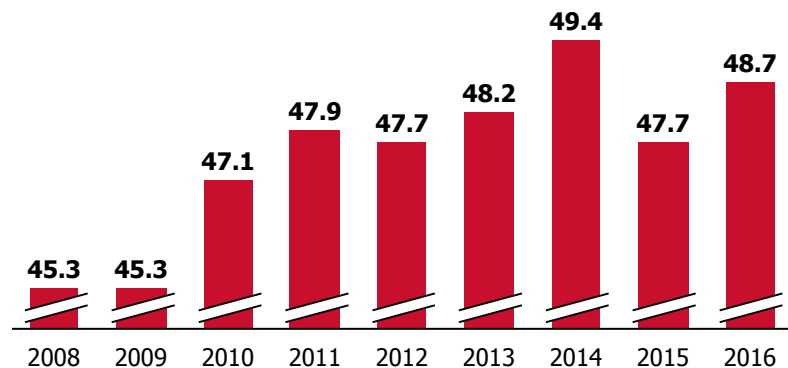
- Introduction of **individual investment accounts** for private investors since 2015: more than 269,000 accounts opened as of September 2017
- **Tax breaks** on capital gains on securities held for more than 3 years (up to RUB 9 mln for securities purchased after 1 Jan 2014)
- Retail investors allowed to **remotely open a brokerage account**. This simplifies the process for retail investors in Russia's far-flung regions



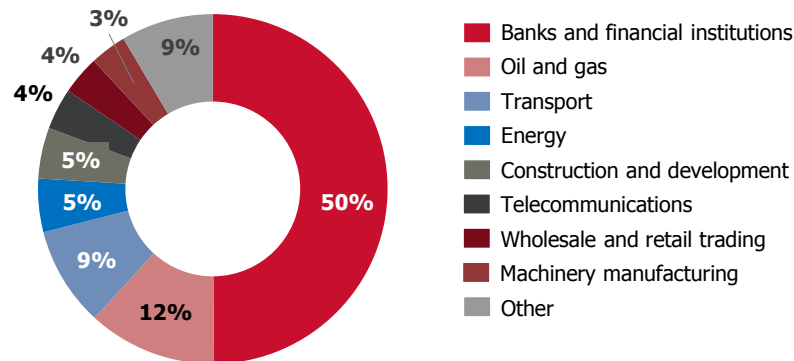
# Bond market – why we are strong believers

## Ageing fixed assets require long-term investments

Accumulated depreciation as % of fixed assets<sup>1</sup>



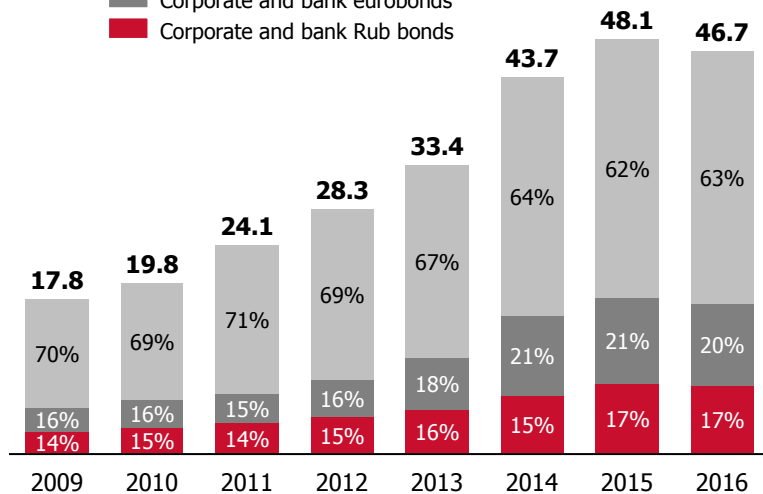
## Breakdown of bond issuers<sup>2</sup> by industry



## Corporate bonds substitute bank loans

RUB trln

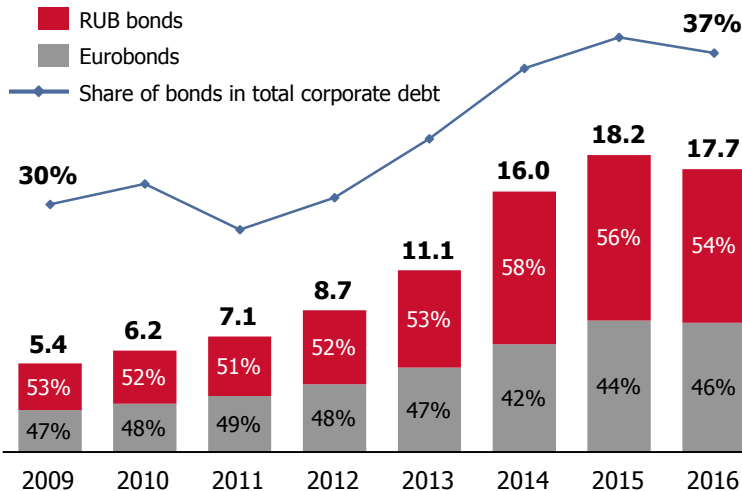
■ Bank loans to corporates, excl. interbank  
■ Corporate and bank eurobonds  
■ Corporate and bank Rub bonds



## Local bonds vs Eurobonds of Russian corporates<sup>3</sup>

RUB trln

■ RUB bonds  
■ Eurobonds



# Direct access of Russian corporates to FX and Money Markets: update on activity

## Corporates on FX Market

**Direct access to FX Market**  
*Launched on 5 April 2017*

**13** corporate participants to date



**153** RUB bln trading volumes since launch

**15** RUB mln average trade size

## Corporates on Money Market

**Deposits with the CCP for corporates**  
*Launched on 24 July 2017*

**15** corporate participants to date



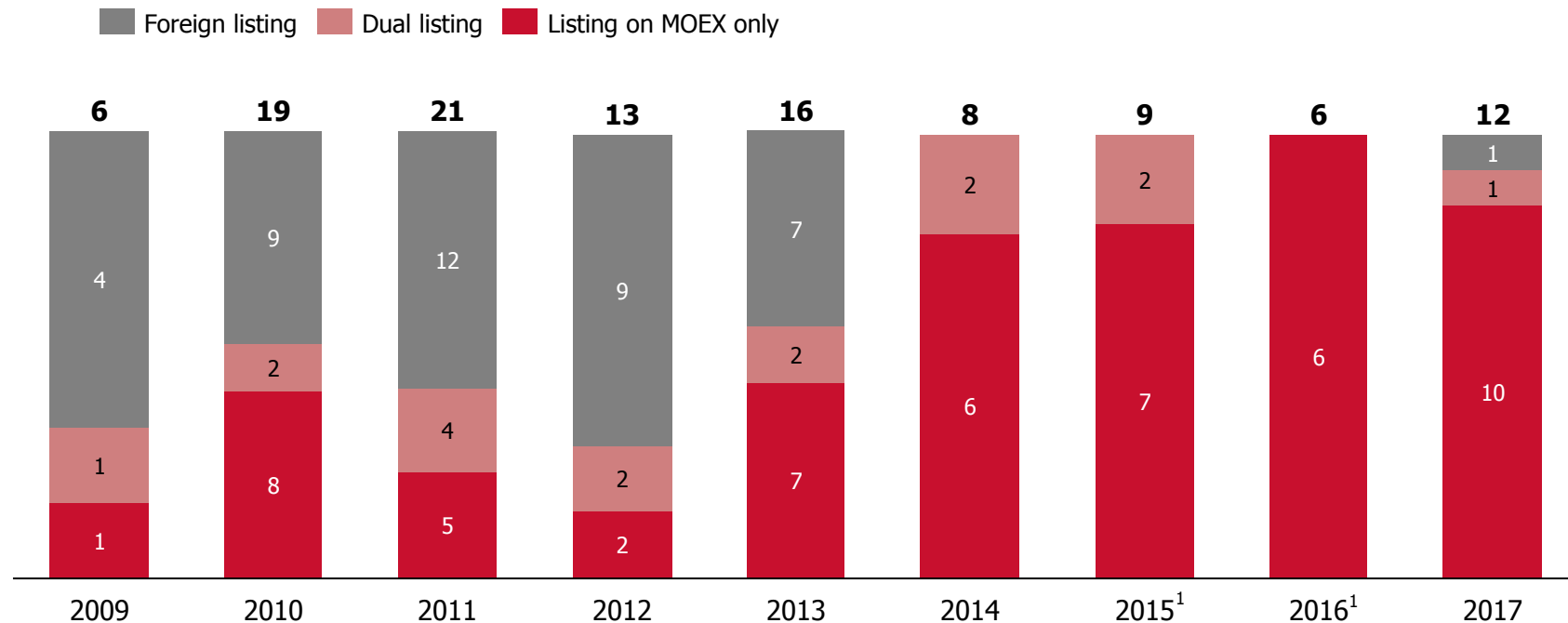
**632** RUB bln trading volumes since launch

**227** RUB mln average trade size

Trading volume and trade size data up to 2 October 2017

# Shift towards local capital raisings

## IPOs/SPOs/listings by Russian issuers



Despite a challenging macro environment that impacted Russian equity capital markets

- In 2016, 6 Russian issuers held IPOs/SPOs that raised a total of ~RUB 121 bln, including Alrosa's privatisation transaction in July 2016
- Nearly all ECM transactions in 2015-2016 were held exclusively on MOEX
- During January-October 2017 the IPOs of Detsky Mir and Obuv Rossii and the SPOs of TMK, Phosagro, UWC, Polyus, Bank Saint Petersburg, M.Video, MMK, Aeroflot and Megafon were held on MOEX, raising more than RUB 172 bln












# Trend of local placements continued

Major public capital raisings by Russian companies in 2016 were held exclusively on MOEX

Company	Sector	Date	Transaction type	Transaction value, RUB bln
 europian	Leasing	December 2016	SPO	15.0
 RusNefte	Oil & gas	November 2016	IPO	32.4
 FUTURE	Financials	October 2016	IPO	11.7
 ALROSA	Metals & mining	July 2016	SPO	54.4
 UWC UNITED WAGON COMPANY	Manufacturing & transportation	May 2016	SPO	5.0
 Promsvyazbank	Financials	April 2016	SPO	2.6

## Capital raisings on MOEX in 2017

 <p><b>SPO</b> (oil &amp; gas services)</p> <p><b>Date:</b> 3 Feb 2017 <b>Deal size:</b> RUB 10 bn (\$174 mn) <b>Free float:</b> up from 16% to 30%</p>	 <p><b>IPO</b> (retail)</p> <p><b>Date:</b> 8 Feb 2017 <b>Deal size:</b> RUB 21.1 bn (\$356 mn) <b>Free float:</b> 30.55%</p>	 <p><b>SPO</b> (fertilizers)</p> <p><b>Date:</b> 8 Feb 2017 <b>Deal size:</b> RUB 15 bn (\$255 mn) <b>Free float:</b> up from 20% to 25%</p>	 <p><b>SPO</b> (manufacturing)</p> <p><b>Date:</b> 5 May 2017 <b>Deal size:</b> RUB 1.9 bn (\$32 mn) <b>Free float:</b> up from 19.83% to 21.05%</p>	 <p><b>SPO</b> (metals &amp; mining)</p> <p><b>Date:</b> 30 Jun 2017 <b>Deal size:</b> RUB 52.3 bn (\$800 mn) <b>Free float:</b> up from 6.8% to 16%</p>	 <p><b>SPO</b> (financials)</p> <p><b>Date:</b> 27 Jul 2017 <b>Deal size:</b> RUB 3.2 bn (\$53 mn) <b>Free float:</b> 37%</p>
 <p><b>SPO</b> (retail)</p> <p><b>Date:</b> 27 Jul 2017 <b>Deal size:</b> RUB 18 bn (\$300 mn) <b>Free float:</b> 42.32%</p>	 <p><b>SPO</b> (metals &amp; mining)</p> <p><b>Date:</b> 5 Sept 2017 <b>Deal size:</b> RUB 13 bn (\$230 mn) <b>Free float:</b> up from 12.7% to 15.7%</p>	 <p><b>SPO</b> (transport)</p> <p><b>Date:</b> 19 Sept 2017 <b>Deal size:</b> RUB 9.8 bn (\$180 mn) <b>Free float:</b> up from 41% to 45.8%</p>	 <p><b>SPO</b> (telecom)</p> <p><b>Date:</b> 2 Oct 2017 <b>Deal size:</b> RUB 22.5 bn (\$389 mn) <b>Free float:</b> up from 14.6% to 20.8%</p>	 <p><b>IPO</b> (retail)</p> <p><b>Date:</b> 20 Oct 2017 <b>Deal size:</b> RUB 5.9 bn (\$103 mn) <b>Free float:</b> 41%</p>	



# DR holders pay substantial **EXTRA FEES** to depositary banks

## Fees to be paid to depositary banks for some of the DR programs of Russian companies

DR program	Depositary bank	Depositary Service Fee <sup>1</sup> (DSF), USD per DR	Dividend Fee <sup>2</sup> , USD per DR	DSF + Dividend Fee as % of dividend amount <sup>3</sup>	DRs cancellations fee, USD per DR
VTB Bank	BoNY Mellon	0.03	0.005	84%	0.05
RusHydro	BoNY Mellon	0.02	0.009	38%	0.05
TMK	BoNY Mellon	0.01	0.016	20%	0.05
Sberbank	JP Morgan	0.01	0.015	16%	0.05
MMK	BoNY Mellon	0,00	0.020	7%	0.05
Phosagro	Citi	0.02	-	7%	0.05
Megafon	BoNY Mellon	0.03	-	7%	0.05
Rostelecom	JP Morgan	0.01	0.030	7%	0.05
Gazprom	BoNY Mellon	-	0.020	7%	0.05
Norilsk Nickel	BoNY Mellon	0.01	0.020	4%	0.05
Magnit	JP Morgan	0.01	-	4%	0.05
NLMK	DB	0.02	-	4%	0.05
Tatneft'	BoNY Mellon	0.02	0.020	2%	0.05
Rosneft	JP Morgan	0.003	-	2%	0.05
Severstal	DB	-	0.020	2%	0.05
Novatek	BoNY Mellon	-	0.020	2%	0.05
Lukoil	Citi	-	0.020	2%	0.05
Surgutneftgaz	BoNY Mellon	-	-	0%	0.05
AFK Sistema	Citi	0.02	-	NA <sup>5</sup>	0.05
Lenta	DB	0.03	-	NA <sup>5</sup>	0.05
<b>Average</b>		<b>0.012</b>	<b>0.011</b>	<b>12%</b>	<b>0.05</b>

### Gross DSF and dividend fees calculated for Top-3 international funds holding DRs of Russian companies<sup>4</sup>

<b>Fund A</b>	3,638,226 USD
<b>Fund B</b>	3,824,222 USD
<b>Fund C</b>	1,033,754 USD

### Cost of cancellations of all DRs in portfolios to local shares for Top-3 funds

<b>Fund A</b>	7,778,206 USD
<b>Fund B</b>	11,599,090 USD
<b>Fund C</b>	2,036,640 USD

- A depositary service fee and a dividend fee are to be paid by the DR holders to the depositary bank while there are no such fees for holders of local shares
- Majority of DR cancellations are also charged 0.05 USD per DR



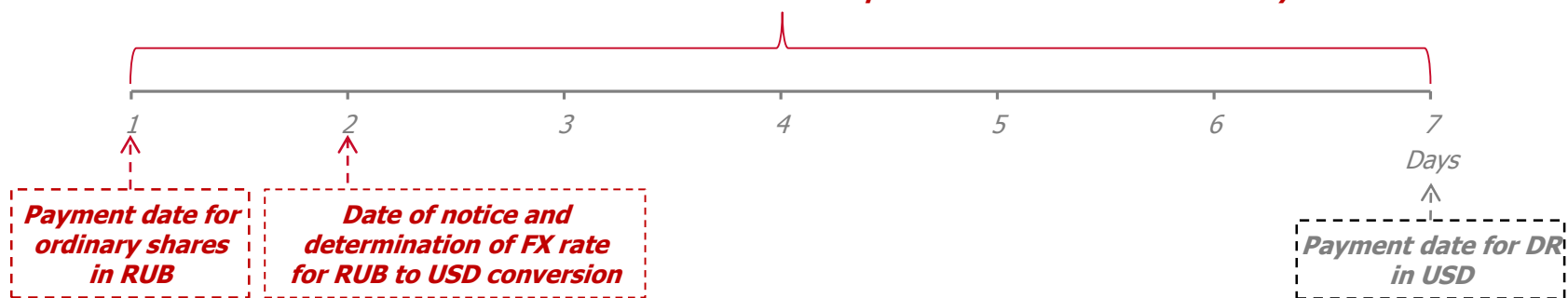
# Dividend payments for DR holders

## FX rate determination for dividends

- FX rates for conversion of dividends are determined in a non-transparent manner
- According to information from notices for DR holders<sup>3</sup>:
  - Custodian - DR issuer has no obligation to obtain the "best price" for any FX Trade
  - The conversion rate reflects a foreign currency transaction ("FX Trade") executed by the Custodian - DR issuer as principal counterparty and not as agent, fiduciary or broker

Issuer	Record date	Local Shares		DR		Diff.
		Payment date	FX rate <sup>1</sup>	Payment date	FX rate <sup>2</sup>	
PhosAgro	26 Jan 16	15 Feb 16	76.7	22 Feb 16	78.0	1,7%
MMK	11 Jun 17	21 Jun 17	59.6	28 Jun 17	60.2	1,0%
Akron	11 Jul 17	18 Jul 17	59.1	25 Jul 17	59.7	1,0%
MTS	10 Jul 17	25 Jul 17	59.5	1 Aug 17	60.0	1,0%
NCSP	30 May 17	22 Jun 17	59.6	29 Jun 17	60.0	0,7%
Novatek	2 May 17	23 May 17	56.3	30 May 17	56.7	0,7%
Norilsk Nickel	23 Jun 17	10 Jul 17	60.3	17 Jul 17	60.7	0,7%
Tatneft	7 Jul 17	26 Jul 17	59.5	2 Aug 17	59.8	0,5%

**DR holders received their dividends one week later compared with holders of the ordinary shares**



# Corporate actions reform in Russia: From paper to market-leading digital technology

From 1 July 2016

New approach to corporate actions processing

## LOWER COSTS

- ✓ Power of attorney no longer necessary for corporate actions
- ✓ No mailing costs and hard copies needed for investors to participate in corporate actions
- ✓ CSD's service pricing based on principles of covering costs, simplicity and fairness

## LOWER RISKS

- ✓ Creation of a single source of reliable and comprehensive information on corporate actions at the Russian CSD
- ✓ Unified electronic ISO-based standards for corporate actions
- ✓ Control over assets and settlement oversight by the Russian CSD

## BETTER CORPORATE GOVERNANCE

- ✓ Direct electronic access to AGMs for investors
- ✓ Standardized electronic meeting convocations, nomination of directors, participation in corporate actions through custodians
- ✓ No more special requirements set for holders' incorporation



# Improved corporate governance as a result of higher listing standards

## Completion of the 1<sup>st</sup> stage of the listing reform

Following adoption of Russia's new Corporate Governance Code in 2014, MOEX initiated a program to bring listing requirements into line with global standards and the Code:

- ✓ **Listing structure simplified:** 3 quotation lists (Premium, Standard, Off-the-list) replaced the previous six
- ✓ **Stricter criteria for inclusion in the Premium (Highest) list:** at least 3 Independent Directors, 3-year history of IFRS accounts (vs. 1-year previously), free float of at least 10%, requirement to have internal audit department and Board-approved policy on internal audit, etc
- ✓ **Issuers are eligible to list in any section at IPO.** This allows pension funds and insurance companies (that are authorised to buy only the highest-level stocks) to invest at the IPO stage
- ✓ **Stricter requirements for Directors to be considered independent**
- ✓ **Creation of Listing committee at MOEX of more than 30 market experts to monitor special listing situations**

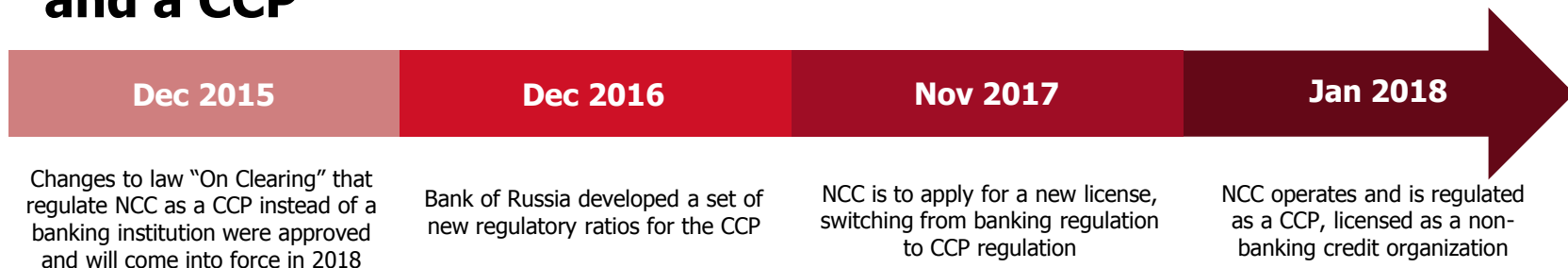
## Results of the 1<sup>st</sup> stage: higher listing quality, approved dividend policies, increased number of INEDs

	June 2014		January 2017	
	Highest list	Standard list	Highest list	Standard list
# of Independent Directors	150	69	222	73
Issuers complying with criteria for Audit Committee	2 issuers (3.57%)	0 issuers	52 issuers (100%)	33 issuers (100%)
Issuers complying with criteria for HR and Remuneration Committee	1 issuer (1.79%)	n/a	52 issuers (100%)	n/a
Issuers with approved dividend policies	45 issuers (80.3%)	n/a	52 issuers (100%)	33 issuers (100%)

## What's next?

- ✓ On 1 October 2017 the Corporate Governance Code's requirements for INEDs will fully come into force
- ✓ Starting January 2018, only ratings by approved rating agencies will count towards listing requirements

# From 2018 NCC will be regulated as a clearing organization and a CCP



<b>Target capital</b>	Target capital in financial year 2017 that suits new regulatory requirements: <b>RUB 55.2 bln</b>
<b>New regulation requires:</b>	
<b>Capital adequacy</b>	At all times NCC's own capital shall exceed the sum of "skin in the game", the minimum capital to maintain 11% of RWA and a reserve of 75% of annual operating expenses
<b>Adequacy of total resources</b>	At all times the sum of "skin in the game" and the guarantee fund shall exceed potential losses in the event of default of the two largest counterparties
<b>Adequacy of initial margin</b>	Price fluctuations of each asset shall not exceed the initial margin amount in at least 99% of cases of price changes
<b>Liquidity ratio</b>	The amount of liquid assets of the CCP at any time shall exceed the amount of potential losses in the event of default of the two largest counterparties
<b>Collateral concentration</b>	A certain type of asset is eligible as collateral as long as its addition does not exceed 25% in total assets placed as collateral by market participants

# E-voting via Blockchain successfully tested at NSD

## Blockchain: E-voting for bondholders

### E-voting for bondholders

Prototype version successfully tested in 2016

**Open source code**

**80**  
transactions per second

**Pilot version**  
to be launched in 2017

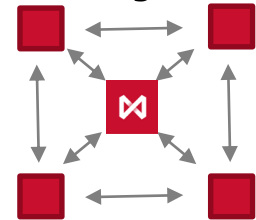
**Bondholder**



Set of voting instructions and digital signature

Verification

**Distributed Ledger**



### Changing the environment of the financial market...

- ✓ Participation in the development of unified standards for e-voting based on distributed ledger technology in BRICS
- ✓ Membership in **Hyperledger**, a leading consortium aimed at developing and promoting blockchain technology, as well as the working group of the Bank of Russia, and the **Post-Trade Distributed Ledger (PTDL) Group**, an initiative of 37 member financial institutions aiming to determine the best way for the post-trade industry to benefit from distributed ledger technology.
- ✓ Support of hackathons and sponsorship of **FinTech Pilotbed**, a blockchain start-up accelerator

### ...while studying areas of potential implementation

Issuance and trading of commercial bonds

Trading repository

Mutual investment funds

KYC, AML

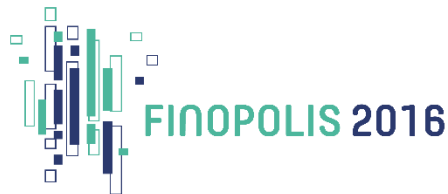


# Supporting fintech initiatives to develop the retail investor base

## Platforms:



**MOEX** is an industry partner of the **Finance & Banking Technologies** track of the largest accelerator for technology start-ups in Russia and Eastern Europe in 2016. The track is organized by the Bank of Russia and combines projects in the area of financial technologies, services and e-commerce. The best projects selected via a multi-stage assessment received intensive development as well as opportunities to attract major new investment



**MOEX** is the general partner of the **Forum of Innovative Financial Technologies** (Finopolis), the largest fintech forum in Russia organized by the Bank of Russia to disseminate innovation technologies in the financial sector in 2016. Five start-ups presented services in robo-advising, financial marketplaces, access interfaces and crypto-security during a MOEX roundtable

## Products and Services:

**MOEX** launched the first annual **"Innovations in Investing"** contest among professional market participants and independent developers to support and develop products and services complimentary to MOEX technologies:

Selected contest participants:



- ✓ Automated stock and bond trading app
- ✓ Robo-advising with online recommendations driven by fundamental analysis
- ✓ Personal approach based on the client's risk profile



- ✓ Mobile App for buying bonds
- ✓ One-click investment without threshold limit
- ✓ Blockchain to decrease operating risk and to protect against fraud
- ✓ Robo-advising to help create a fixed-income portfolio



- ✓ An easy way to start investing
- ✓ Personalization of the investment process
- ✓ Gamification to learn and strengthen investment skills
- ✓ Link to the client's bank card





**1** Business overview

**2** Corporate governance and dividends

**3** Market position and competitive strategy



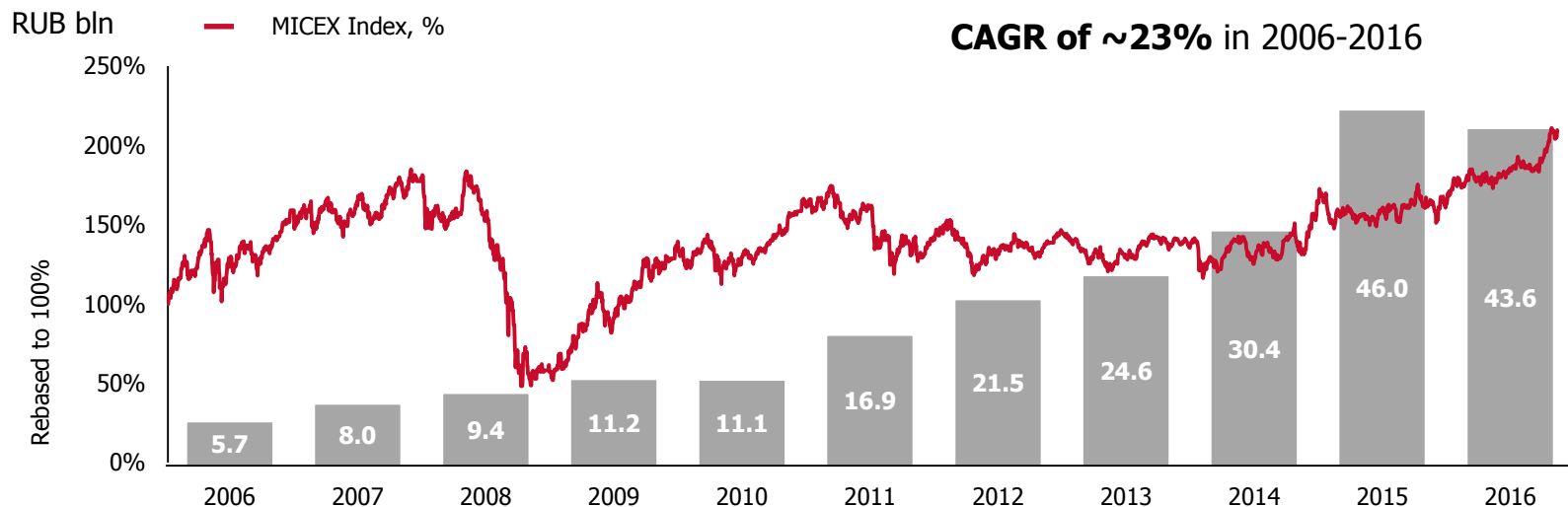
Financial track record

**5** 2Q 2017 update



# MOEX business model continues to deliver

## Operating income<sup>1</sup>

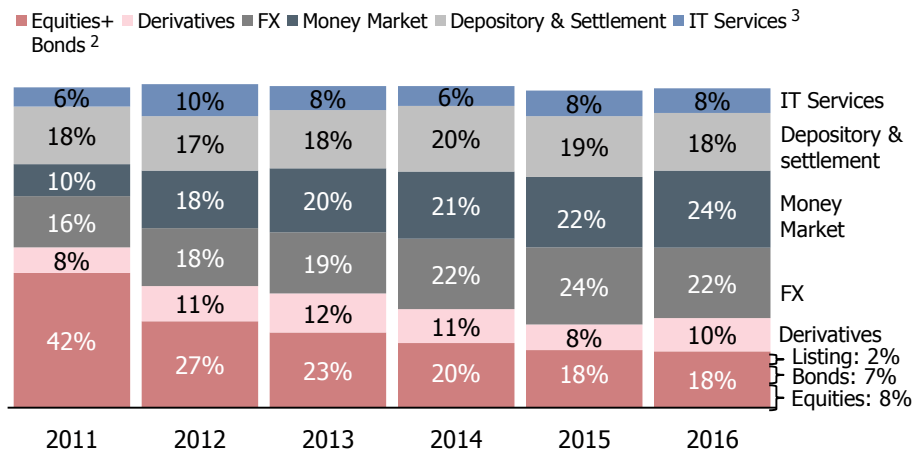


## Key highlights

**Unique business model** allows MOEX to increase operating income regardless of the stage of the economic cycle:

- **Business lines** are diversified, while markets have limited growth correlation
- **Growth drivers differ** across markets and products

## Fee & commission income evolution<sup>1</sup>



According to Moscow Exchange Consolidated Financial Statements for the relevant period

1 RTS data is consolidated from 29 June 2011

2 Includes Listing and other service fees related to the Securities Market

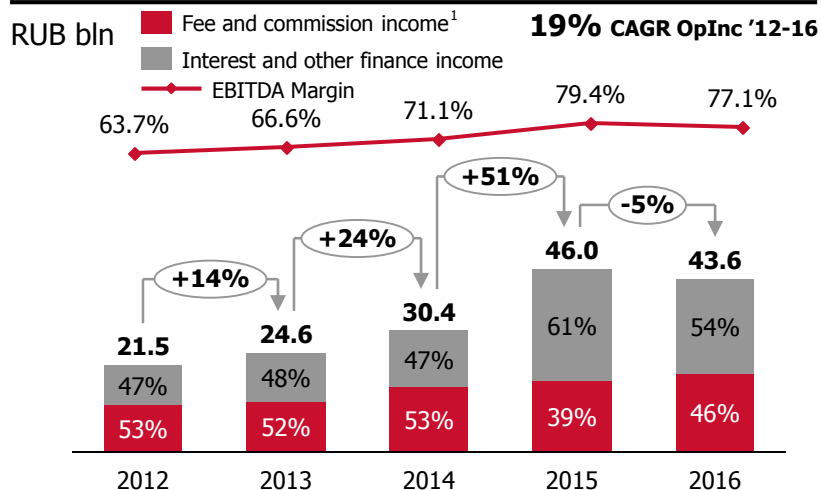
3 IT Services includes Information services, Sale of software and technical services and Other fee income



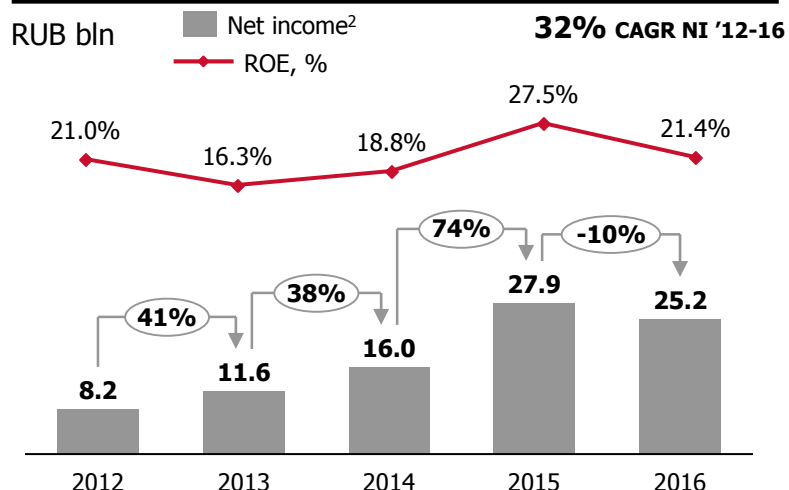
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# Strong financial performance

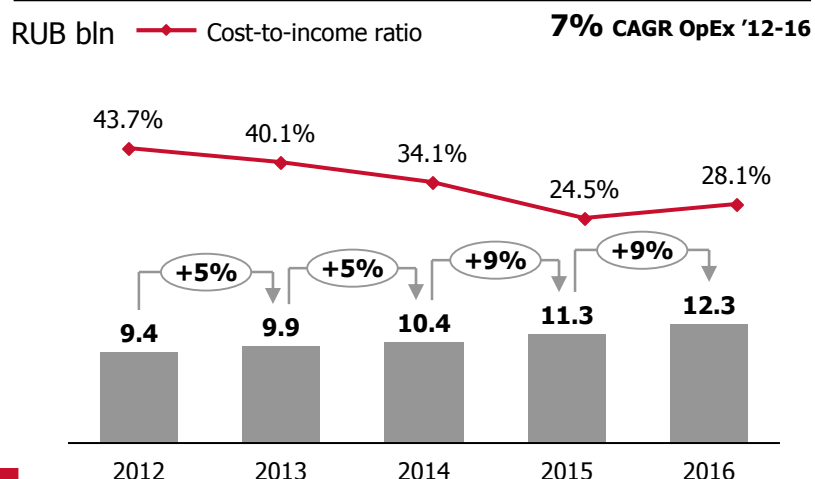
## Growing fees support the EBITDA margin



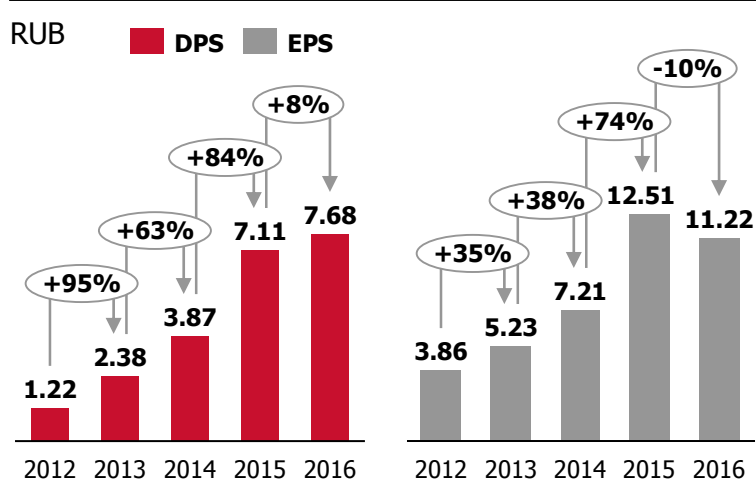
## Strong ROE generation



## Tight control over expenses



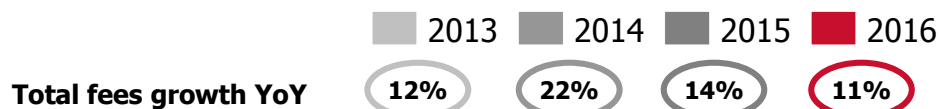
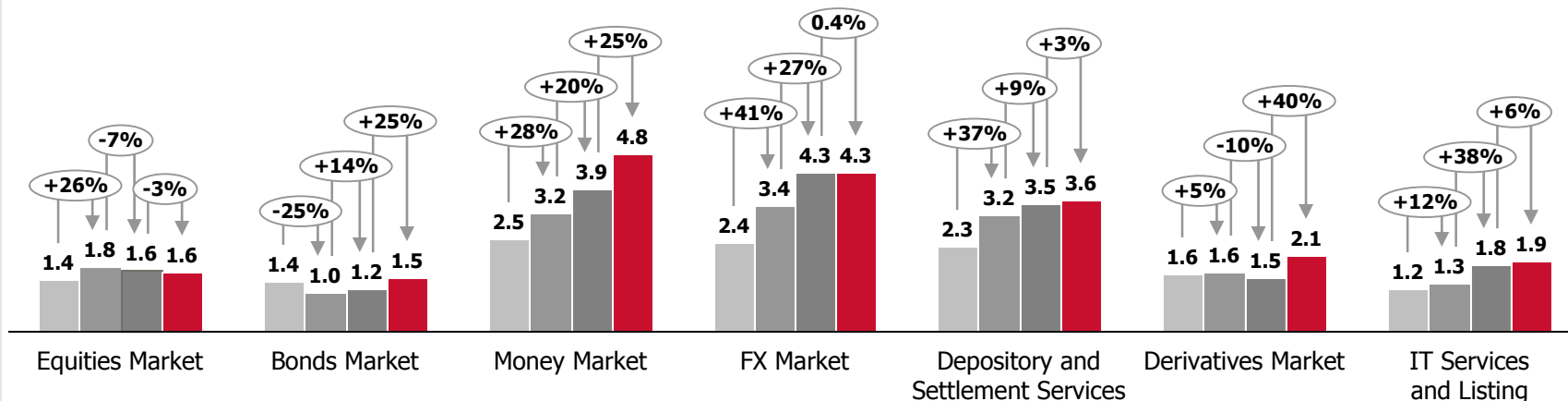
## DPS growth outperforming EPS



# Well-diversified and growing fee income

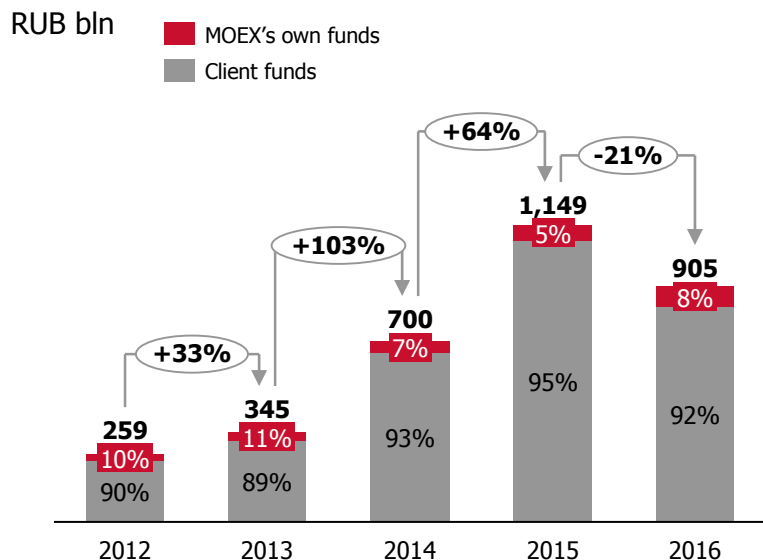
## Fee and commission income

RUB bln

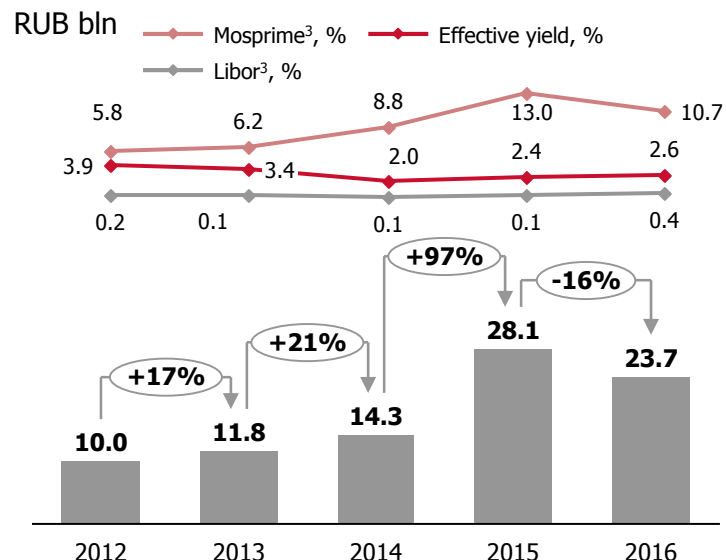


# Interest and finance income

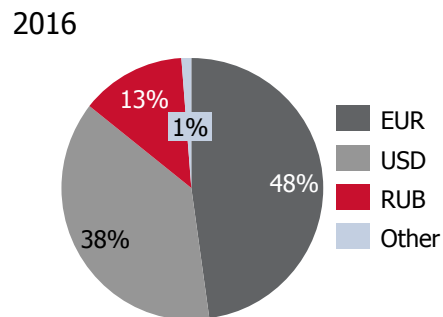
## Investment portfolio<sup>1</sup>



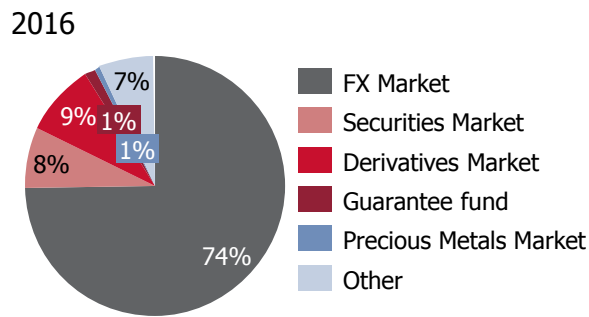
## Interest income<sup>2</sup>



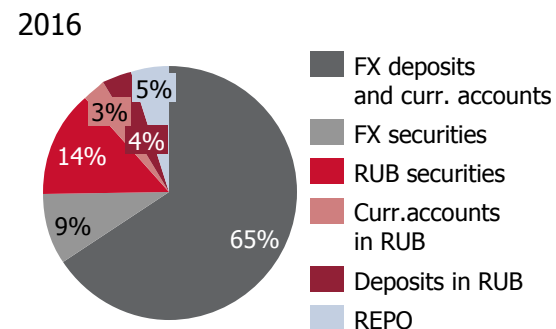
## Client funds by currency



## Client funds by source

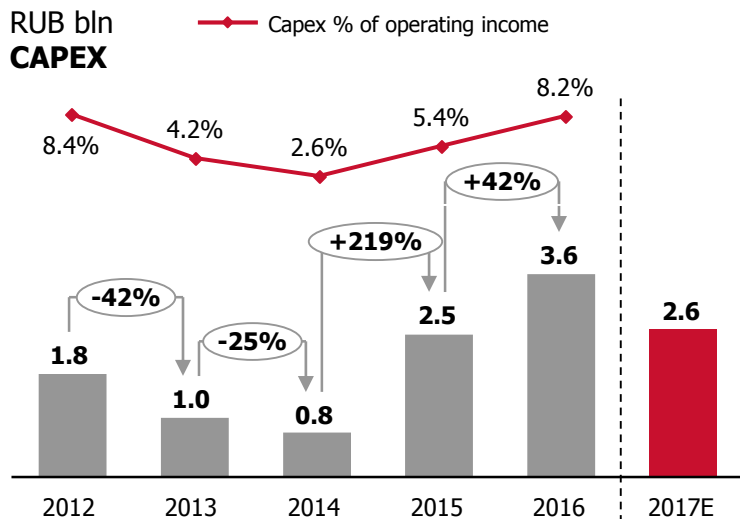


## Investment portfolio by type of asset



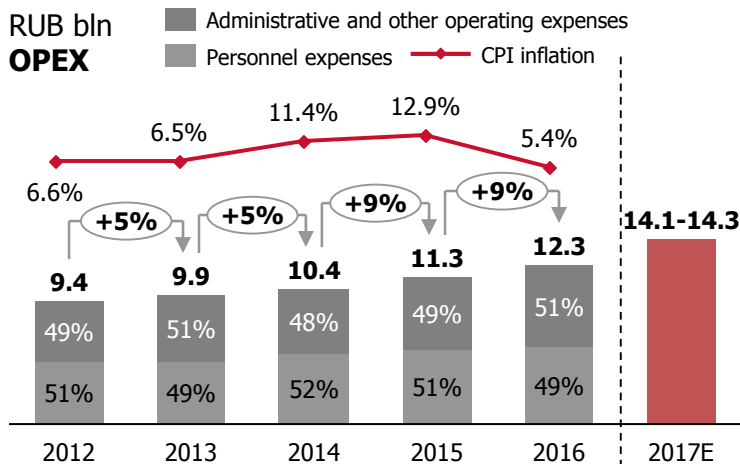
# CAPEX and OPEX 2017

## Moderate capital intensity in spite of operating a technology-based business



- Capex 2016 peaked, and amounted to RUB 3.6 bln, in line with guidance
- In 2017 and onwards capex is expected to normalize at RUB 2.5-3.0 bln/year
- The scope of key capital expenditures includes:
  - New IT architecture to add functionality of the single collateral pool
  - Hardware upgrade
  - Corporate actions reform

## Effective cost management



- **In 2017 operating expenses growth is expected to be in the range of 15-17% (updated from 17-19%)** driven by:
  - ✓ Double-digit administrative expenses growth as a result of higher D&A and IT maintenance costs following migration to the new data center and increased IT footprint
  - ✓ Personnel expenses growth above inflation mostly due to selective salary increases and approval of the new share-based compensation scheme



**1** Business overview

**2** Corporate governance and dividends

**3** Market position and competitive strategy

**4** Financial track record



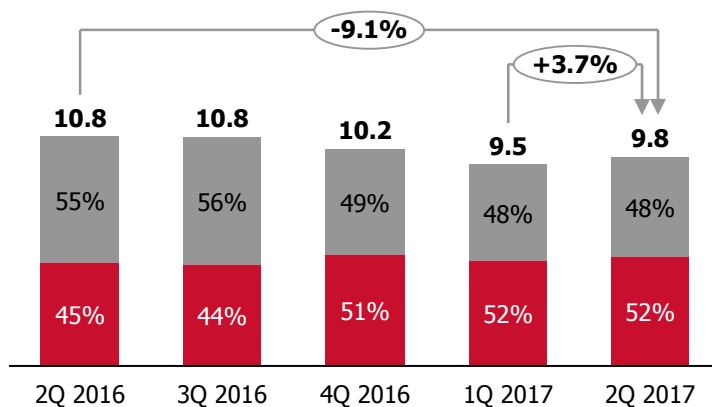
2Q 2017 update

# 2Q 2017 summary of financials

## Operating income

RUB bln

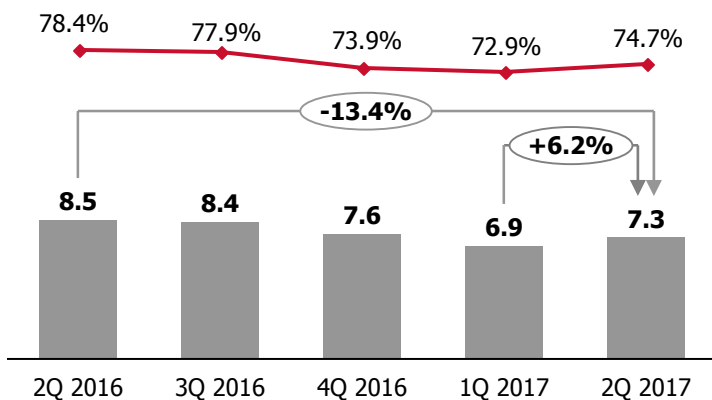
- Fee and commission income<sup>1</sup>
- Interest and finance income<sup>2</sup>



## EBITDA and EBITDA margin

RUB bln

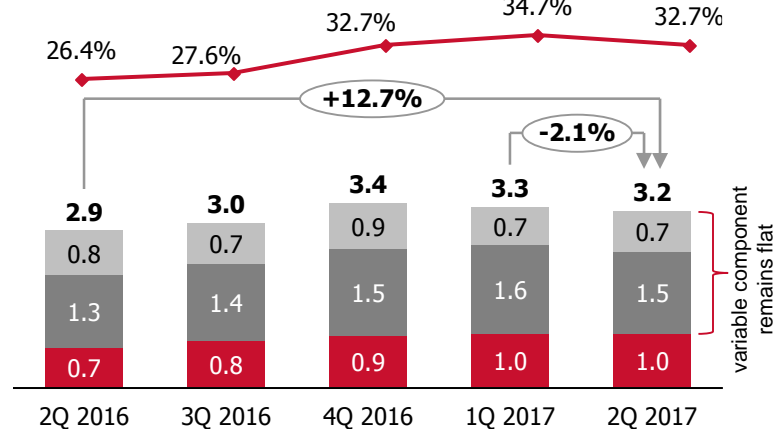
- EBITDA margin
- EBITDA



## Operating expenses

RUB bln

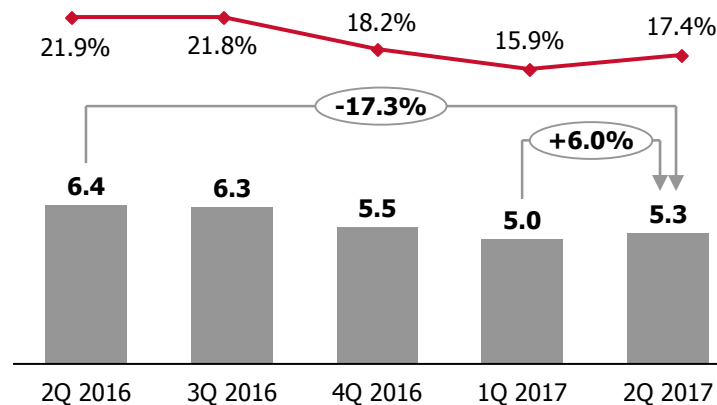
- Remaining administrative expenses<sup>3</sup>
- Personnel expenses
- D&A and IT maintenance
- Cost-to-income ratio



## Net income

RUB bln

- ROE
- Net income



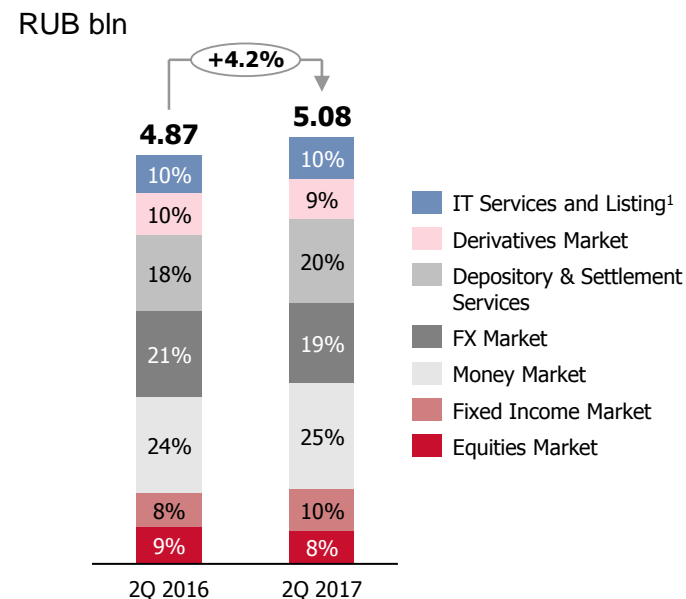


# Diversified fee and commission income

## Fee & commission income performance

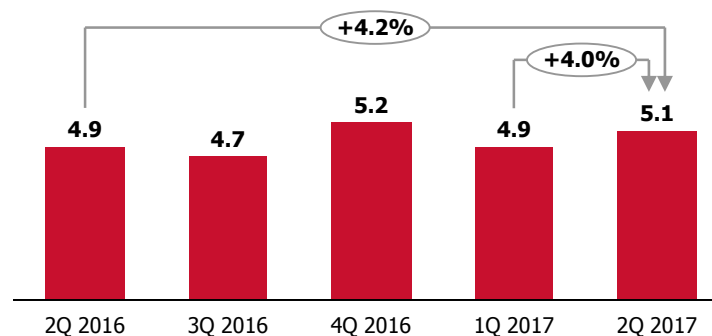
RUB mln	2Q 2016	2Q 2017	Change YoY, mln	Change YoY, %
Depository and Settlement Services	890	1,001	111	12.4%
Money Market	1,151	1,253	102	8.8%
Fixed Income Market	408	502	94	23.1%
IT Services and Listing <sup>1</sup>	467	490	23	4.9%
Derivatives Market	502	481	-21	-4.2%
Equities Market	422	385	-37	-8.8%
FX Market	1,031	965	-67	-6.4%

## Fee & commission income breakdown



## Fee & commission income dynamics

RUB bln



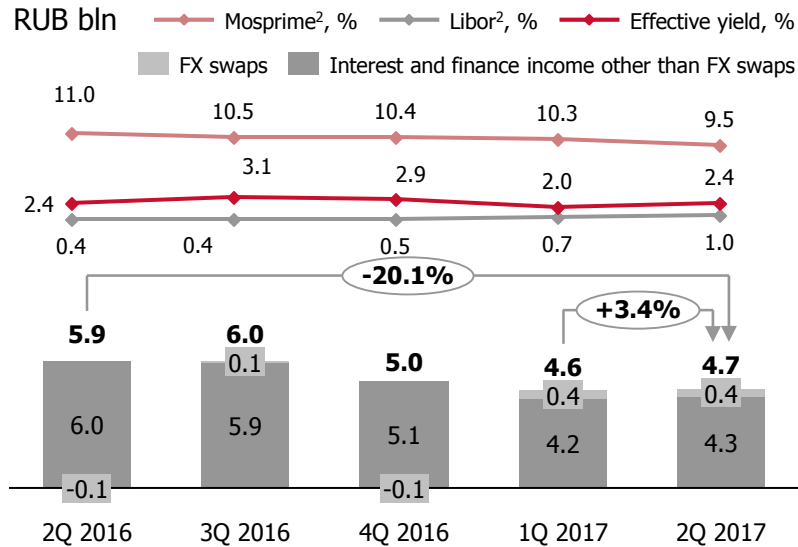
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Source: Consolidated Financial Statements

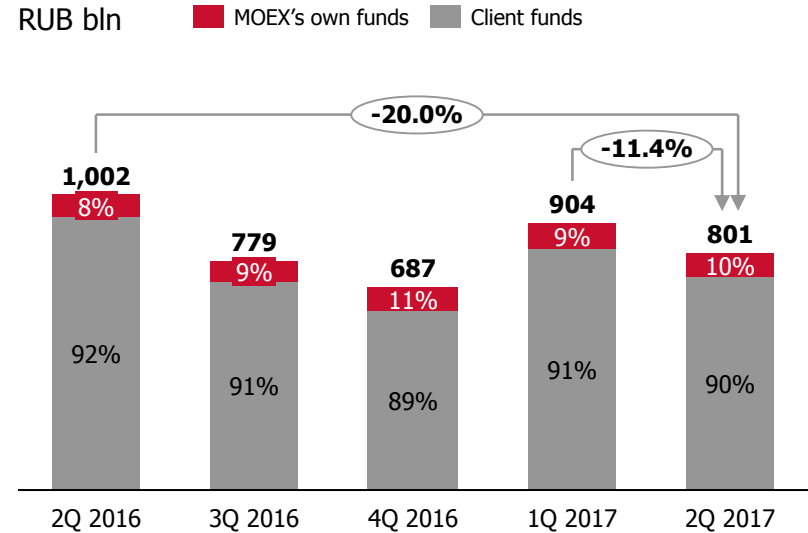
<sup>1</sup> IT Services and Listing includes Information services, Sale of software and technical services, Listing and other service fees and Other fee income

# Interest and finance income

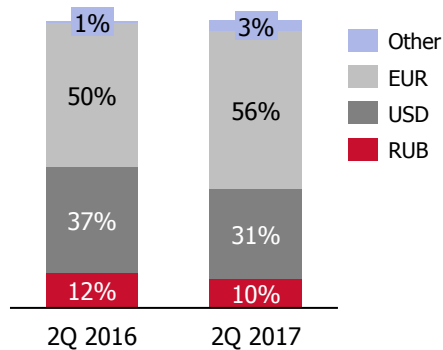
## Interest and finance income<sup>1</sup>



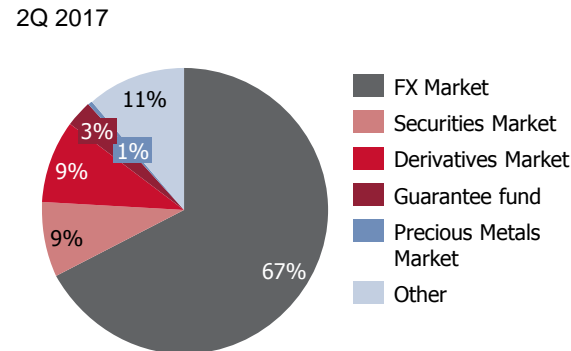
## Investment portfolio<sup>3</sup>



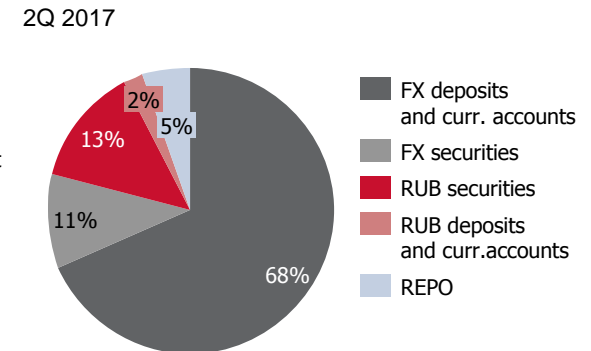
## Client funds by currency



## Client funds by source



## Investment portfolio by type of asset

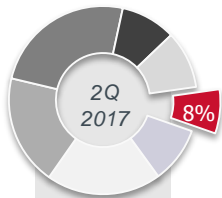


Sources: NFEA, Bloomberg, Moscow Exchange operational information and Consolidated Financial Statements

<sup>1</sup> Interest and finance income includes Interest and other finance income, Interest expense, Net loss on financial assets available-for-sale, Foreign exchange gains less losses

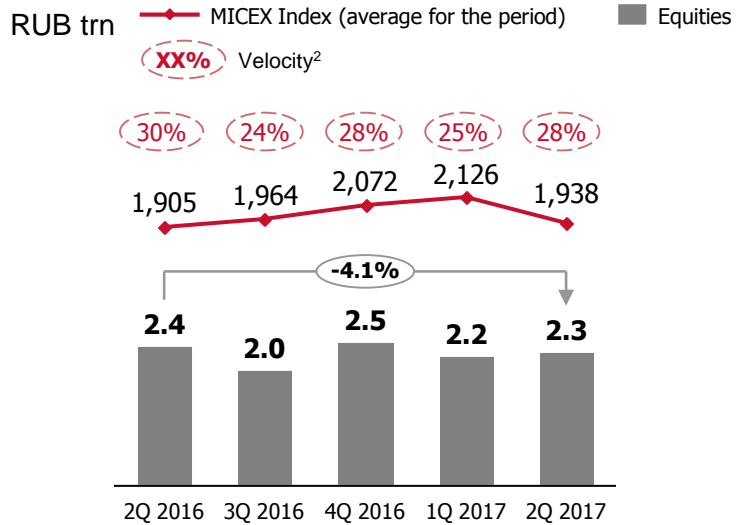
<sup>2</sup> Average daily rate for the period

<sup>3</sup> Based on average daily investment portfolio for the period according to management accounts



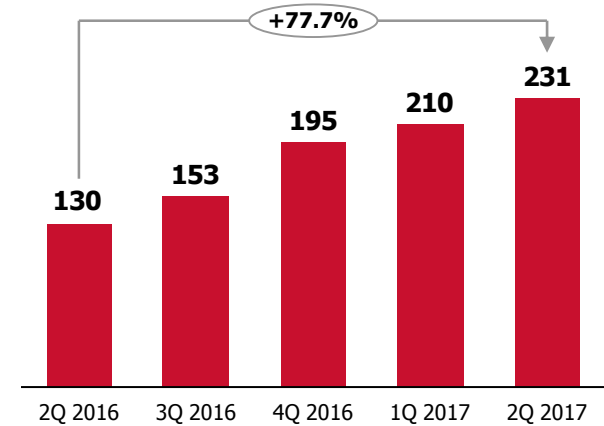
# Equities Market: growing retail interest

## Trading volumes<sup>1</sup>

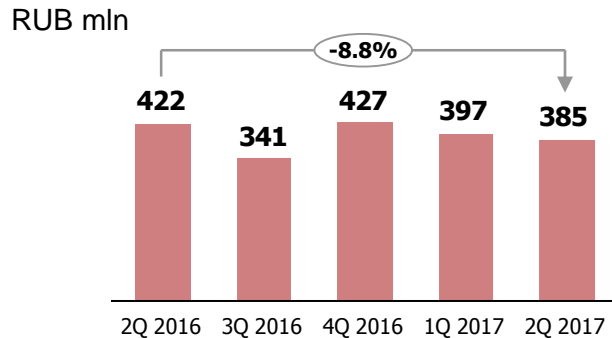


## Increasing popularity of Individual Investment Accounts

Individual Investment Accounts, thousands



## Fee & commission income



## Comments

- Volatility of the Equities Market (as measured by RVI) was down by 30% YoY. On the back of lower volatility, trading volumes in the Equities Market declined by 4% YoY. Velocity decreased from 30% in 2Q 2016 to 28% in 2Q 2017. Fee and commission income declined by 9% YoY concurrently with trading volumes.
- As of 30 June 2017 there were 89,000 active retail accounts (+24% YoY) in the Equities Market.
- In the second quarter of 2017 two MOEX-listed companies, United Wagon Co. and Polyus, held SPOs totaling more than RUB 49 bln.



**MOSCOW  
EXCHANGE**

Sources: Moscow Exchange operational information and Consolidated Financial Statements, WFE

1 Volumes of both primary and secondary markets

2 Velocity is defined as total annualized trading volumes for the period divided by the average market capitalization of the Equities Market

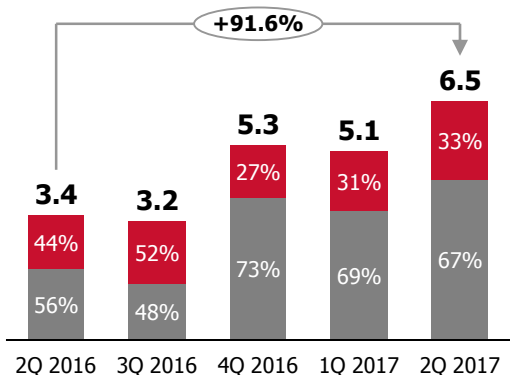


# Fixed Income Market: strong primary placements and growth in secondary trading

## Trading volumes<sup>1</sup>

RUB trn

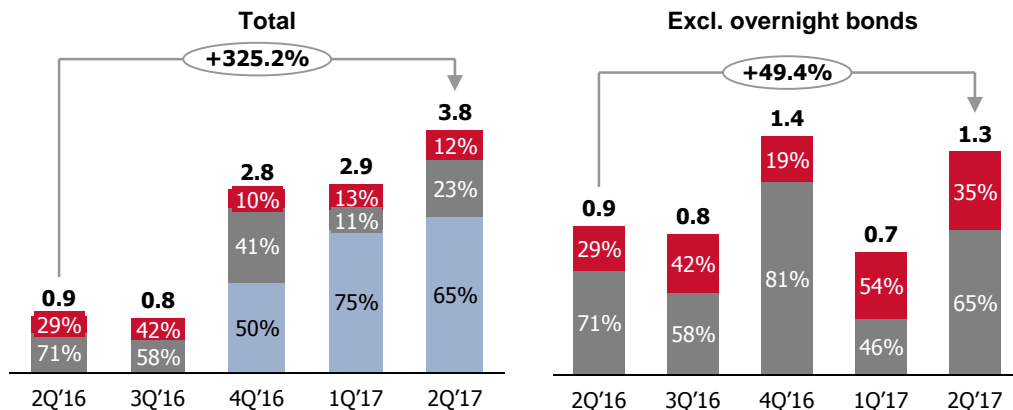
- Sovereign bonds
- Corporate, municipal and other bonds



## Primary market

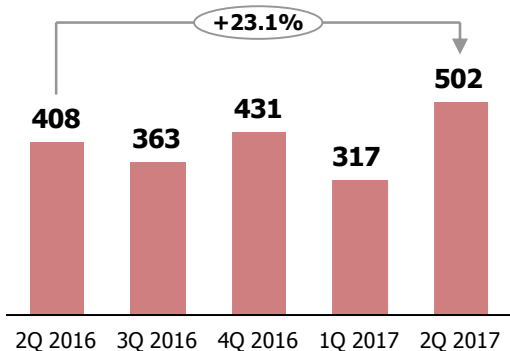
RUB trn

- Sovereign bonds
- Corporate, municipal and other bonds (excl. overnight)
- Overnight bonds



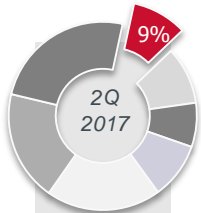
## Fee & commission income

RUB mln



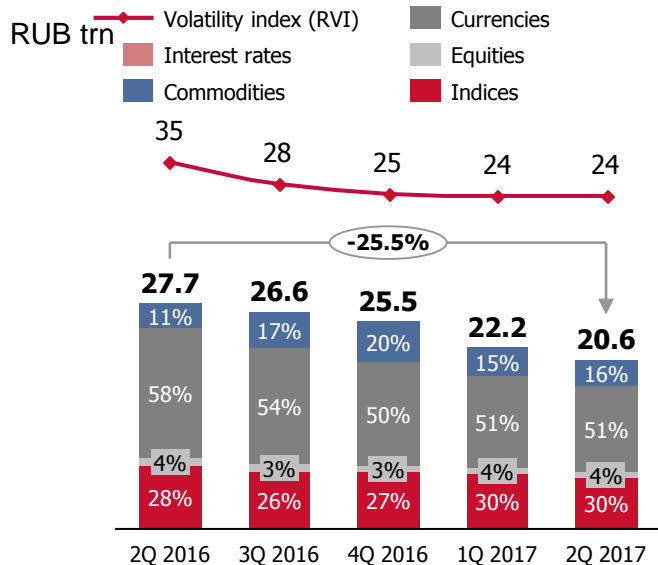
## Comments

- Volumes of primary placements excluding placements of overnight bonds increased by 49% YoY. Placements of government bonds increased by 78%YoY, and corporate bond placements (excl. placements of overnight bonds) rose by 38% YoY. Overnight bonds comprised 65% of total new placements. Secondary trading increased by 9% YoY thanks to active trading in government bonds.
- Fees and commissions increased by 23% YoY, primarily as a result of strong primary placements.
- A law introducing tax exemption of coupons on corporate bonds for retail investors was adopted. The law effectively removes differences in tax treatment between corporate bonds and deposits for individual investors.



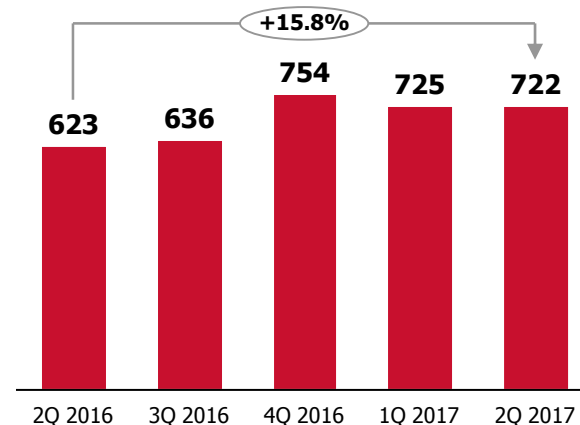
# Derivatives Market: continued growth of options and commodity derivatives

## Trading volumes



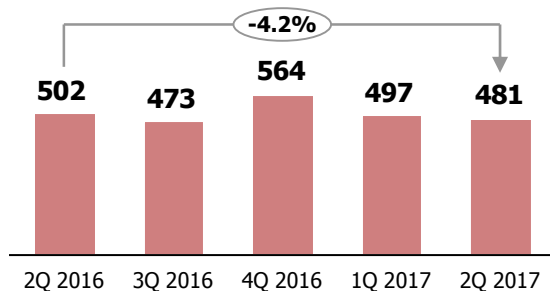
## Open interest

RUB bn, daily average



## Fee & commission income

RUB mln



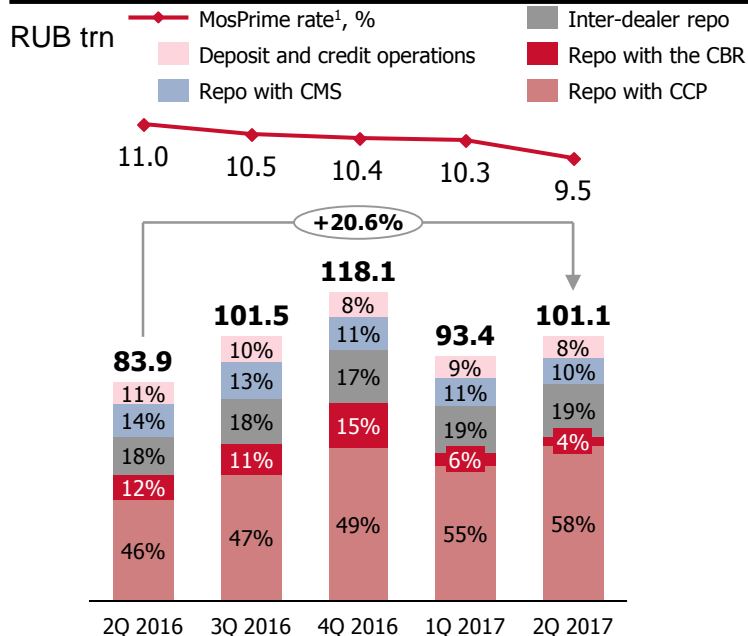
## Comments

- Fee and commission income from the Derivatives Market declined by 4% YoY, while trading volumes decreased by 25% YoY in RUB terms.
- The decline in derivatives trading volumes was mostly due to lower trading in FX and index futures (down 36% and 29% YoY, respectively), consistent with muted or even subsiding volatility in both USD/RUB and equities.
- Options trading volumes were up by 39% YoY, with growth driven by index options (up 53% YoY).
- Commodity derivatives continued to grow (up 10% YoY).

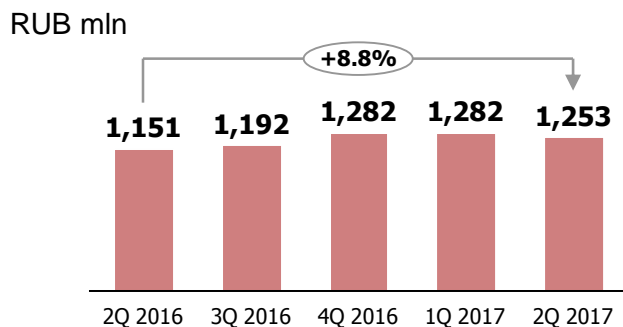


# Money Market: growing repo volumes support fees

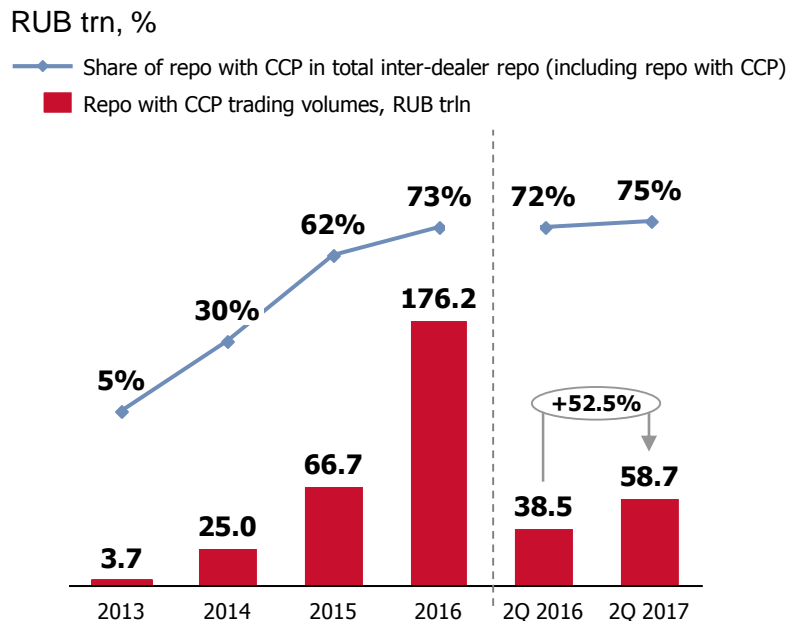
## Trading volumes



## Fee & commission income

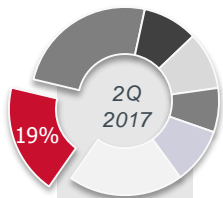


## Trading volumes for repo with CCP



## Comments

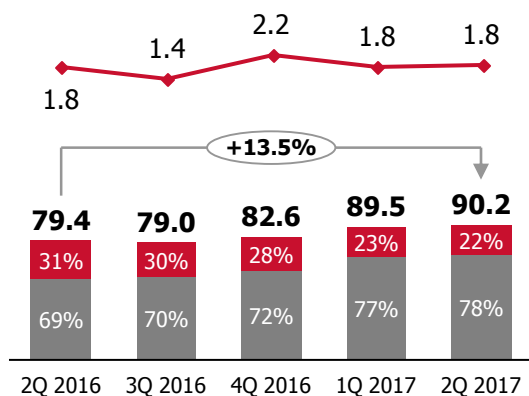
- Fee and commission income grew by 9% YoY, driven by continued strong demand for repo with CCP (trading volumes grew by 52% YoY).
- The share of repo with CCP in total inter-dealer repo volumes reached 75% (vs 72% a year ago), reflecting the economy-wide liquidity surplus. Volumes of repo with the CBR decreased by 57% YoY as a result of the decreased need to provide liquidity.
- On 24 July 2017 Russian corporates were given access to deposits with the CCP. Corporates can deposit money at repo market rates.



# FX Market: higher share of swap trading volumes amid continued demand for liquidity management

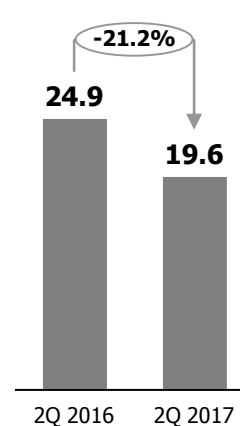
## Trading volumes

RUB trn ■ Spot ■ Swap — Volatility USD/RUB<sup>1</sup>



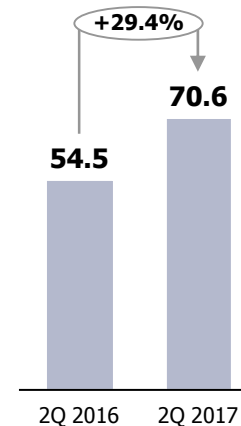
## Spot trading volumes

RUB trn



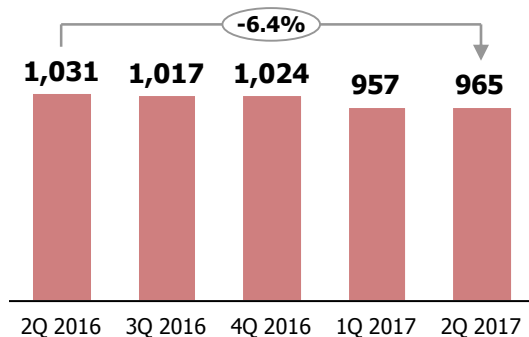
## Swap trading volumes

RUB trn



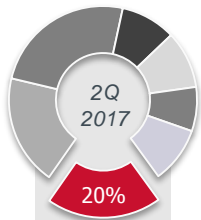
## Fee & commission income

RUB mln



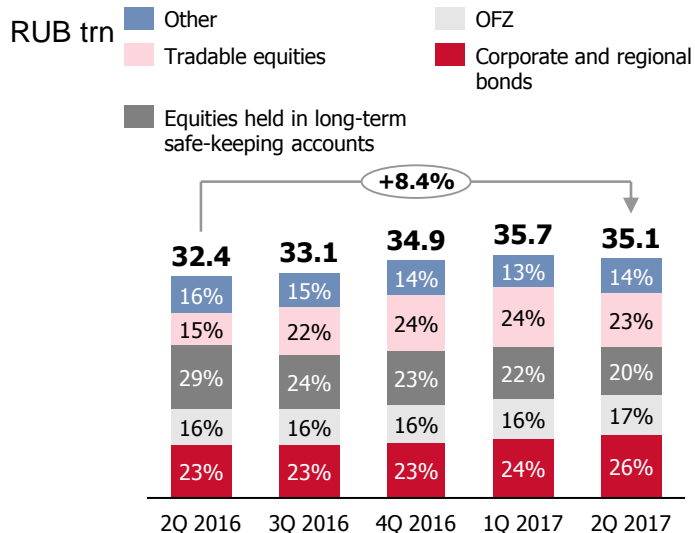
## Comments

- FX Market's trading volumes increased by 14% YoY. Fee and commission income declined by 6% YoY, driven by a higher share of swaps in the total FX Market's volumes.
- Spot trading volumes declined by 21% YoY as volatility remained relatively muted. Trading volumes in the swap segment grew by 29% YoY due to demand for liquidity management instruments.
- MOEX's market share vs OTC in 2Q 2017 was 54%, roughly at the same level as in 2Q 2016.
- 12 Russian corporates obtained direct access to MOEX FX Market and have executed trades totaling USD 2 bln YTD<sup>2</sup>.



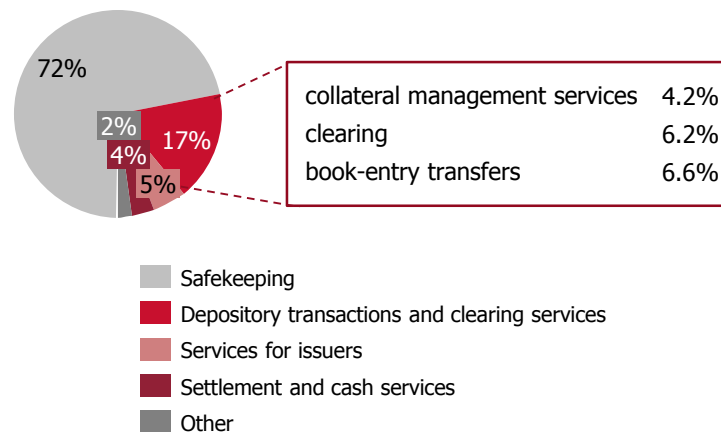
# Depository and settlement: growing assets under custody

## Assets on deposit (average for the period)



## Fee & commission income breakdown

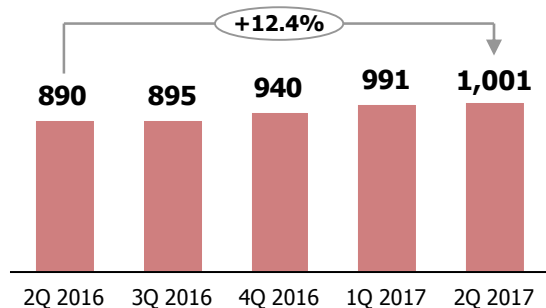
2Q 2017



## Fee & commission income

RUB mln

4Y CAGR (2Q'13-2Q'17): +16.9%



## Comments

- Assets under custody grew by 8% YoY. The fastest growing asset classes were government and corporate bonds (growth rates of 15% and 19% YoY, respectively), driven by new bond placements.
- Fees and commissions from depository and settlement services were up by 12% YoY, driven primarily by safekeeping fees.







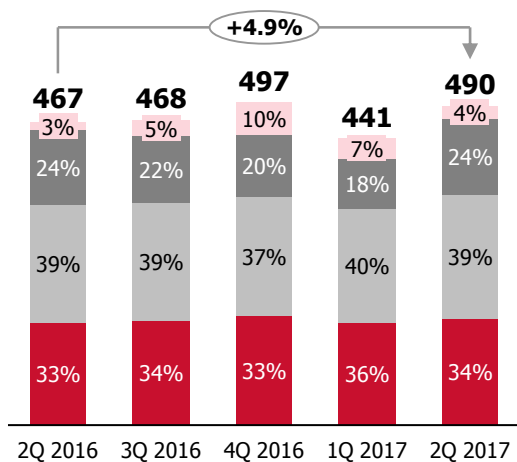
# IT Services and Listings: growth across the board

## IT Services and Listings<sup>1</sup>

RUB mln

4Y CAGR (2Q'13-2Q'17): +15.1%

- Other fee and commission income
- Listing and other fees related to Securities Market
- Information services
- Sale of software and technical services



## Comments

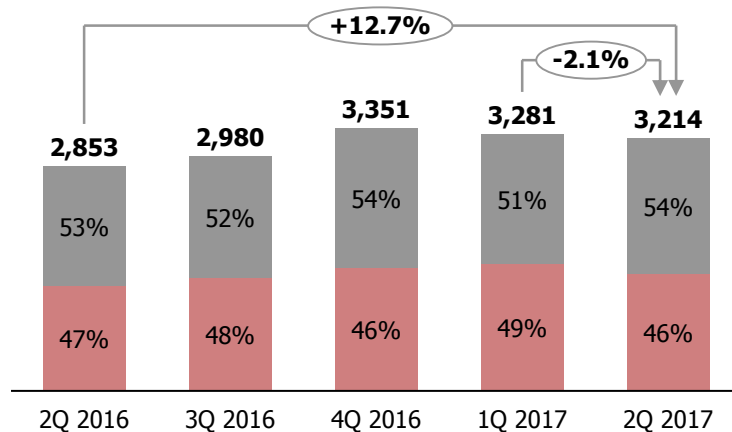
- Listing and other service fees related to the Securities Market expanded by 1% YoY as a result of increased activity on the bond primary market.
- Sales of software and technical services grew by 5% YoY.
- Fees and commissions contributed by information services increased by 4% YoY.

# Operating expenses

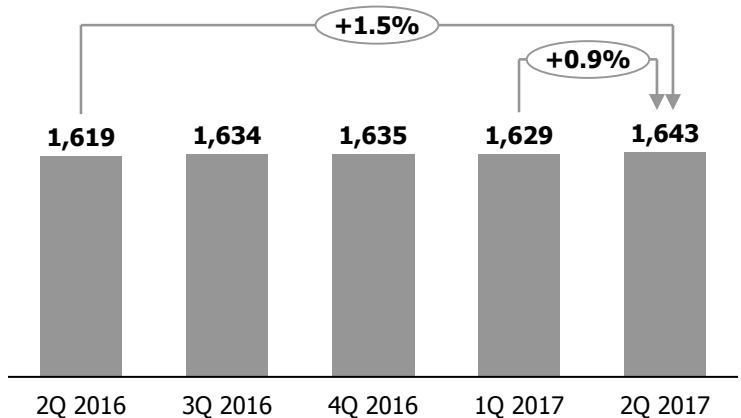
## Operating expenses

RUB mln

- Administrative and other operating expenses
- Personnel expenses



## Headcount



## Major expense items

RUB mln	2Q 2016	2Q 2017	Change YoY
Personnel expenses	1,327.7	1,477.9	11.3%
D&A and IT maintenance	732.0	997.8	36.3%
Remaining administrative expenses <sup>1</sup>	793.2	738.4	-6.9%
<b>Total</b>	<b>2,852.9</b>	<b>3,214.1</b>	<b>12.7%</b>
<b>Cost income ratio</b>	<b>26.4%</b>	<b>32.7%</b>	<b>6.3 p.p.</b>

## Comments

- In 2Q 2017 operating expenses grew by 12.7% YoY, below previous guidance.
- Administrative expenses increased by 13.8% YoY. D&A and IT maintenance growth was attributable to expenses related with the implementation of CAPEX program in 2016. Depreciation and amortisation increased by 40.7% YoY and IT maintenance expenses were up by 25.9% YoY. The remaining administrative expenses decreased by 6.9% YoY.
- Personnel costs increased by 11.3% YoY due to a lower bonus provision reversal in 2Q 2017 compared with 2Q 2016.
- Revised 2017 operating expenses growth guidance is **15-17%**.

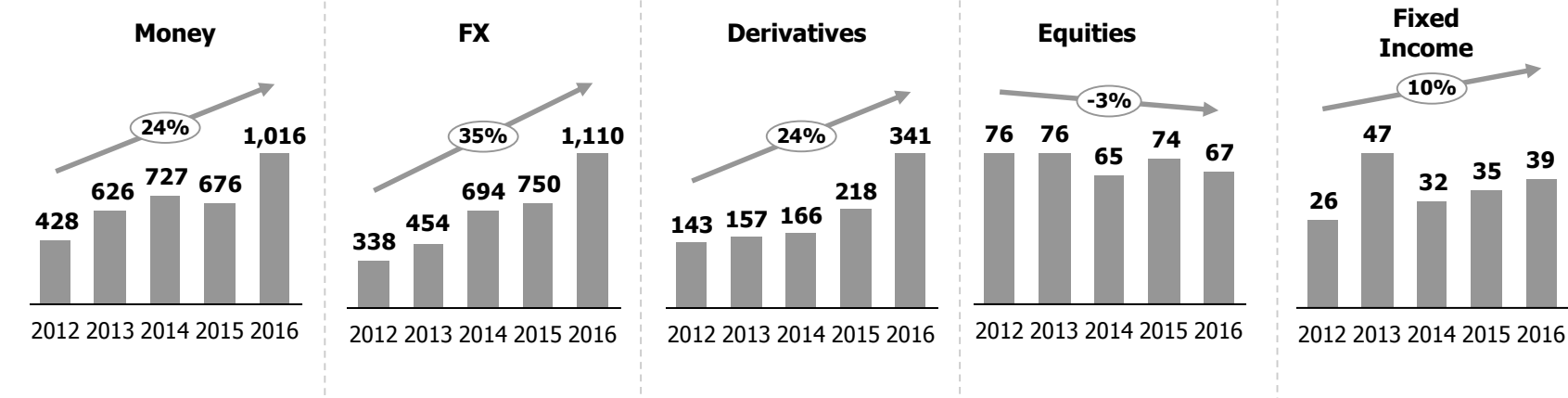
# Appendix

# Trading volumes demonstrate growth both in highly liquid and less liquid periods

X% → CAGR '12-16

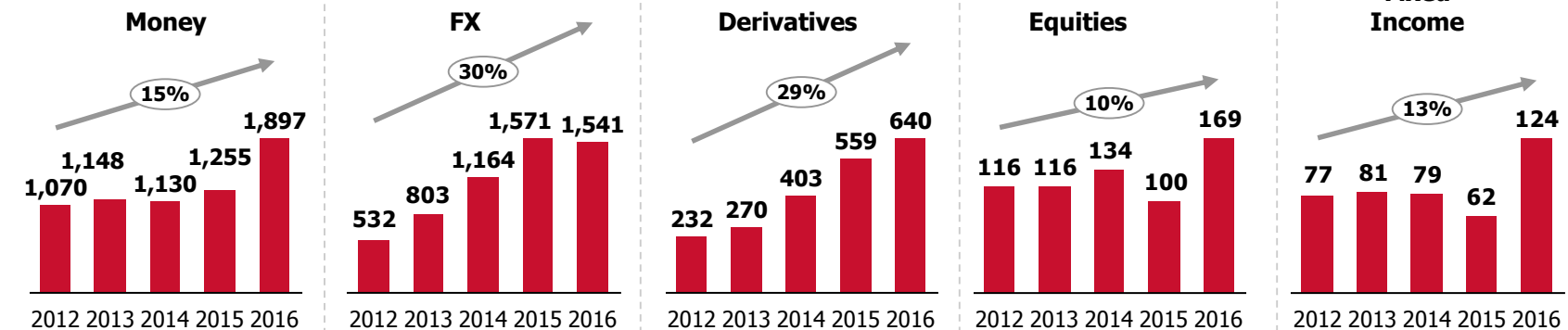
## ADTV in the month of the year with the lowest volumes

RUB bln



## ADTV in the month of the year with the highest volumes

RUB bln

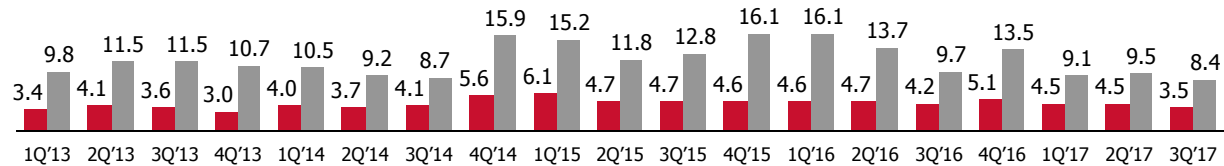


# Dual listed stocks virtual index spread dynamics

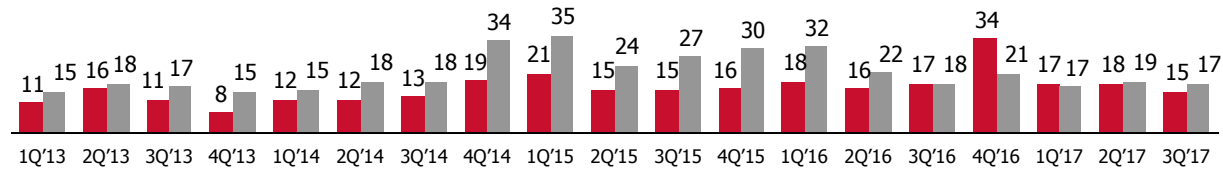
Analysis provided by  
LiquidMetrix

MICEX Virtual index<sup>2</sup>

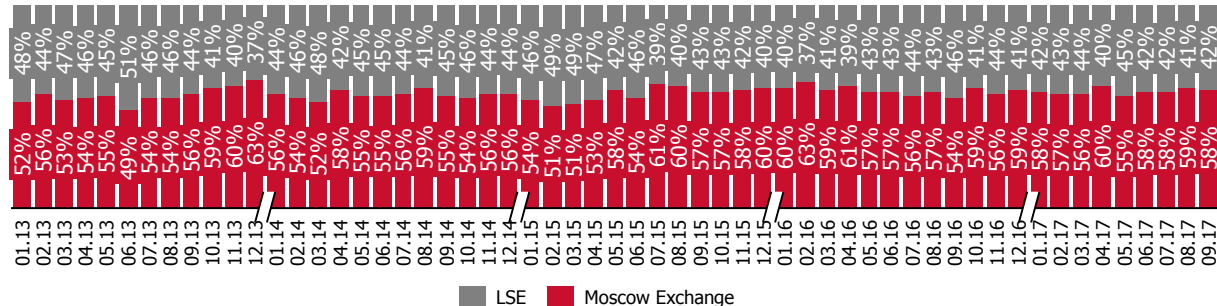
**Bid-ask spread 1 Contract (b.p.<sup>1</sup>)**



**Bid-ask spread 50k EUR deal (b.p.)**



**Market share<sup>3</sup> (most liquid Russian dual listed stocks)**



- Moscow Exchange is the liquidity center for Russian securities with more than 55% market share in total trading volume
- Aggregated spreads for most liquid dual listed stocks are substantially lower in Moscow and implies lower all-in trading costs

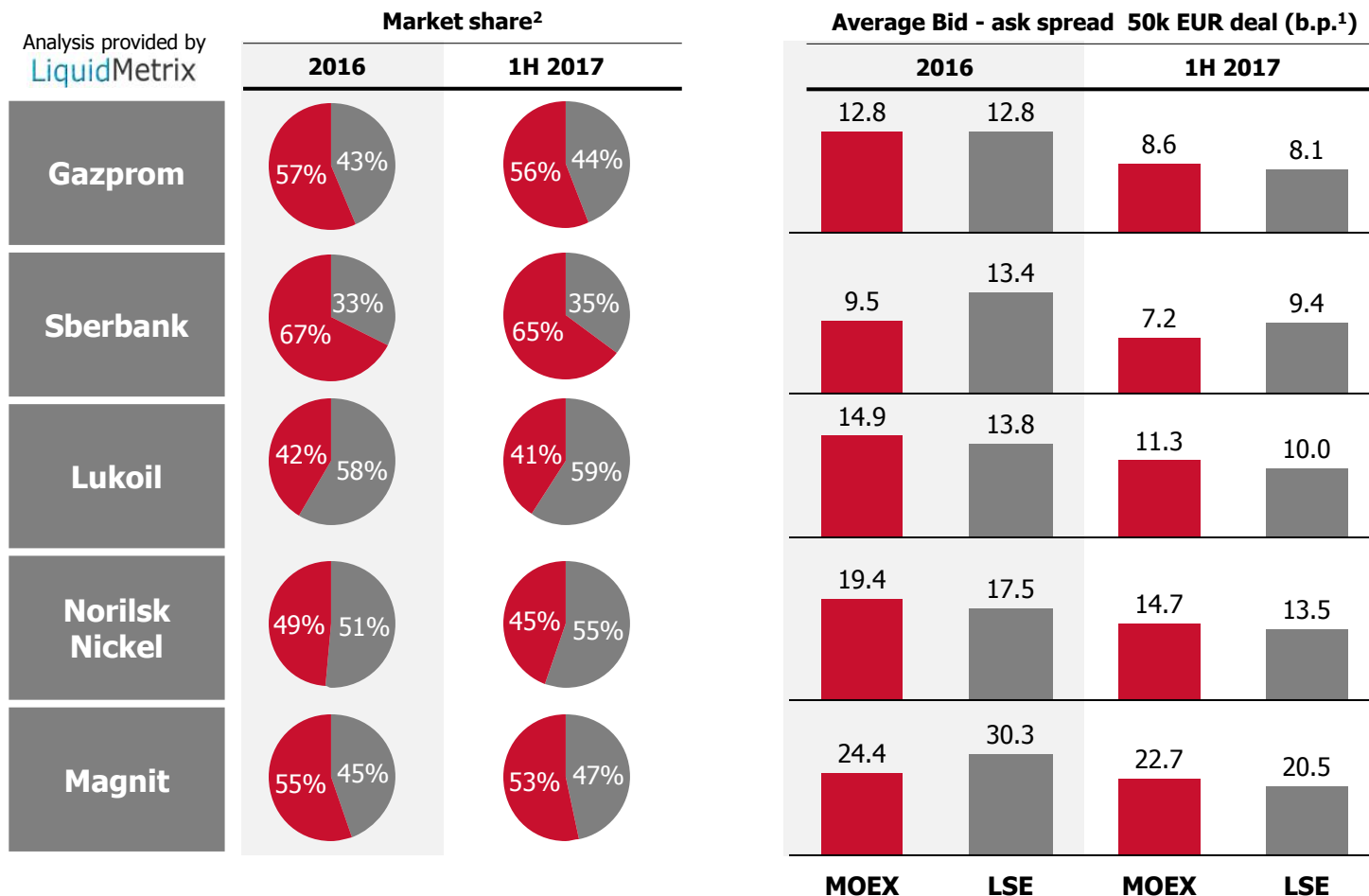
Notes:

**Spreads** measure the bid to offer spread of the best visible orders in the book, the result based on measurements of the order books every 30 seconds

1 The value for the spread is quoted in basis points (0.01%)  
 2 MICEX Virtual Index – index calculated based on prices and EOB data of the most liquid Russian dual listed stocks  
 3 Data since December 2015 includes trading auctions on MOEX  
 Source: LiquidMetrix

# Blue Chips bid - ask spread dynamics for 50k EUR deal (1)

Analysis provided by  
LiquidMetrix

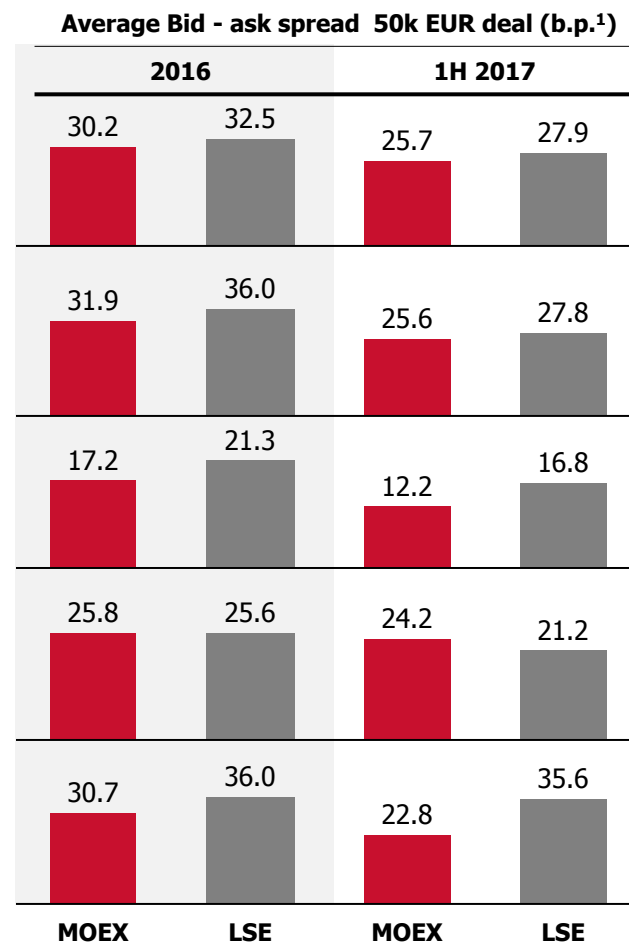
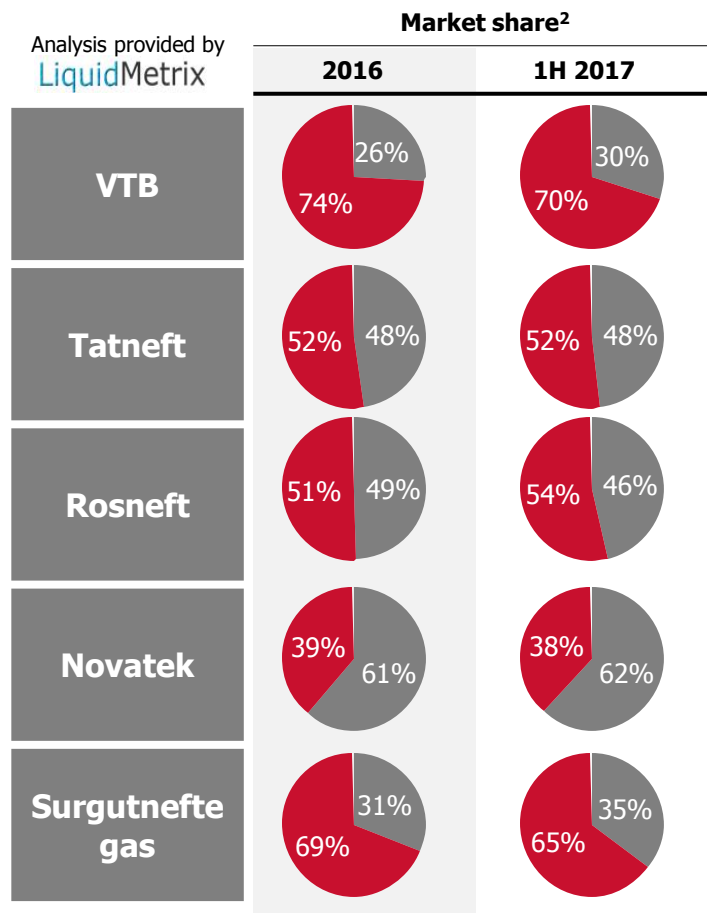


Bid-ask spreads for the Russian “Blue Chips” are fully competitive with those on other trading venues

<sup>1</sup> The value for the spread is quoted in basis points (0.01%)  
<sup>2</sup> Data since December 2015 includes trading auctions on MOEX  
 Source: LiquidMetrix

# Blue Chips bid - ask spread dynamics for 50k EUR deal (2)

Analysis provided by  
LiquidMetrix



Bid-ask spreads for the Russian "Blue Chips" are fully competitive with those on other trading venues

# Consolidated Statement of **Profit or Loss**

<i>RUB mln</i>	<i>1H 2017</i>	<i>1H 2016</i>	<i>% chg. 1H 2017/ 1H 2016</i>
Fee and commission income	9,958.3	9,883.1	1%
Interest and finance income <sup>1</sup>	9,314.8	12,643.2	-26%
Other operating income	17.2	20.3	-15%
<b>Operating Income</b>	<b>19,290.3</b>	<b>22,546.6</b>	<b>-14%</b>
Administrative and other operating expenses	-3,415.4	-2,963.4	15%
Personnel expenses	-3,080.1	-2,965.0	4%
<b>Operating Expense</b>	<b>-6,495.5</b>	<b>-5,928.4</b>	<b>10%</b>
<b>Operating Profit Before Tax</b>	<b>12,794.8</b>	<b>16,618.2</b>	<b>-23%</b>
Income tax expense	-2,497.2	-3,231.0	-23%
<b>Net Profit</b>	<b>10,297.6</b>	<b>13,387.20</b>	<b>-23%</b>
<b>Earnings per share</b>			
Basic earnings per share, rubles	4.58	5.98	-23%
Diluted earnings per share, rubles	4.56	5.94	-23%



# Consolidated Statement of **Financial Position**

<i>RUB mln</i>	<i>30 June 2017</i>	<i>31 December 2016</i>	<i>% chg. 30 June 2017/ 31 December 2016</i>
<b>Assets:</b>			
Cash and cash equivalents	460,489.1	380,516.6	21%
Central counterparty financial assets	1,898,305.0	1,733,263.8	10%
Financial assets <sup>1</sup>	247,199.2	282,339.3	-12%
Property and equipment and intangible assets	25,437.2	26,064.3	-2%
Goodwill	15,971.4	15,971.4	0%
Other assets <sup>2</sup>	6,070.2	3,782.5	60%
<b>Total Assets</b>	<b>2,653,472.1</b>	<b>2,441,937.9</b>	<b>9%</b>

<i>RUB mln</i>	<i>30 June 2017</i>	<i>31 December 2016</i>	<i>% chg. 30 June 2017/ 31 December 2016</i>
<b>Liabilities:</b>			
Balances of market participants	630,272.1	574,590.1	10%
Central counterparty financial liabilities	1,898,305.0	1,733,263.8	10%
Distributions payable to holders of securities	1,608.9	2,952.3	-46%
Other liabilities <sup>3</sup>	7,161.0	7,748.1	-8%
<b>Total Liabilities</b>	<b>2,537,347.0</b>	<b>2,318,554.3</b>	<b>9%</b>
<b>Total Equity</b>	<b>115,933.5</b>	<b>123,192.4</b>	<b>-6%</b>
<b>Total Liabilities and Equity</b>	<b>2,653,472.1</b>	<b>2,441,937.9</b>	<b>9%</b>

Source: Moscow Exchange, Consolidated Financial Statements

1 Financial assets at fair value through profit or loss, Due from financial institutions, Investments available-for-sale

2 Current tax prepayments, Deferred tax asset, Other assets

3 Derivative financial liabilities, Deferred tax liability, Current tax payables, Other liabilities

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–perception of market services offered by the Company and its subsidiaries;

–volatility (a) of the Russian economy and the securities market and (b) sectors with a high level of competition that the Company and its subsidiaries operate;

–changes in (a) domestic and international legislation and tax regulation and (b) state policies related to financial markets and securities markets;

–competition increase from new players on the Russian market;

–the ability to keep pace with rapid changes in science and technology environment, including the ability to use advanced features that are popular with the Company's and its subsidiaries' customers;

–the ability to maintain continuity of the process of introduction of new competitive products and services, while keeping the competitiveness;

–the ability to attract new customers on the domestic market and in foreign jurisdictions;

–the ability to increase the offer of products in foreign jurisdictions.

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