



MOSCOW  
EXCHANGE

December 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



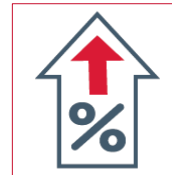
Operates in one of the worlds' largest economies and covers all major asset classes



Commitment to transparency and high standards of corporate governance



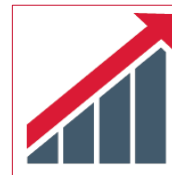
Uniquely diversified and vertically-integrated business model



Established track record of solid financial performance and attractive dividend policy



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

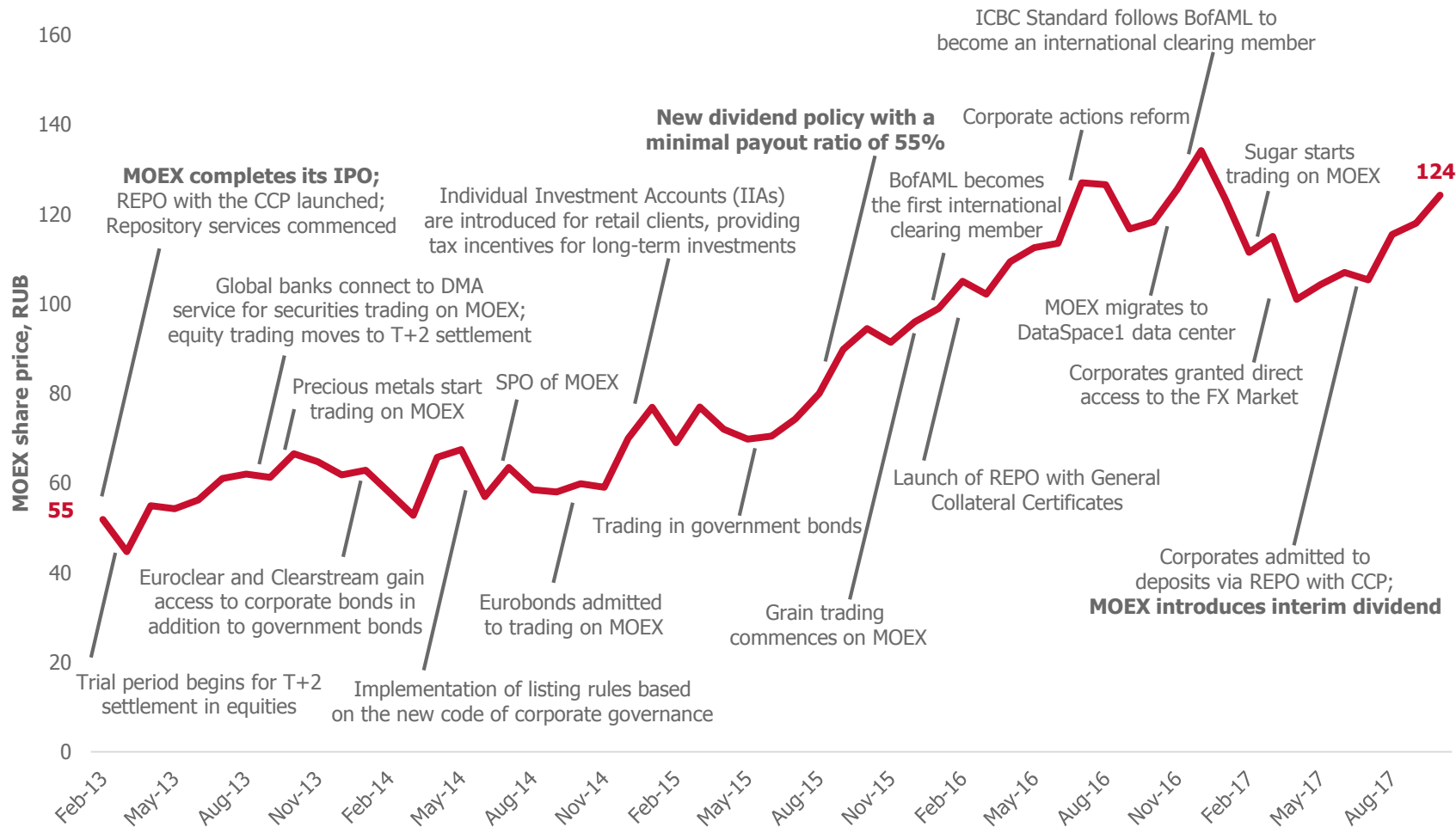


Successfully implemented infrastructure and regulatory reforms put MOEX on par with global peers



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# MOEX share price performance and financial market reforms



Share prices up to 30 November 2017



Business overview

2

Corporate governance and dividends

3

Market position and competitive strategy

4

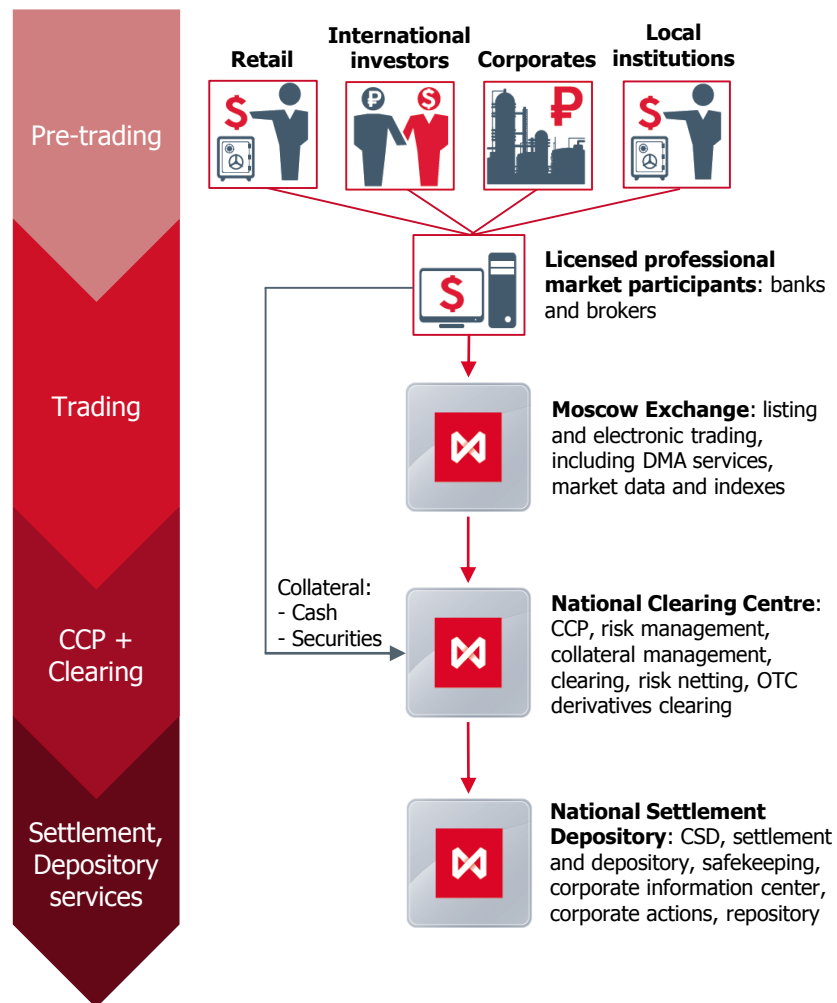
Financial track record

5

3Q 2017 update



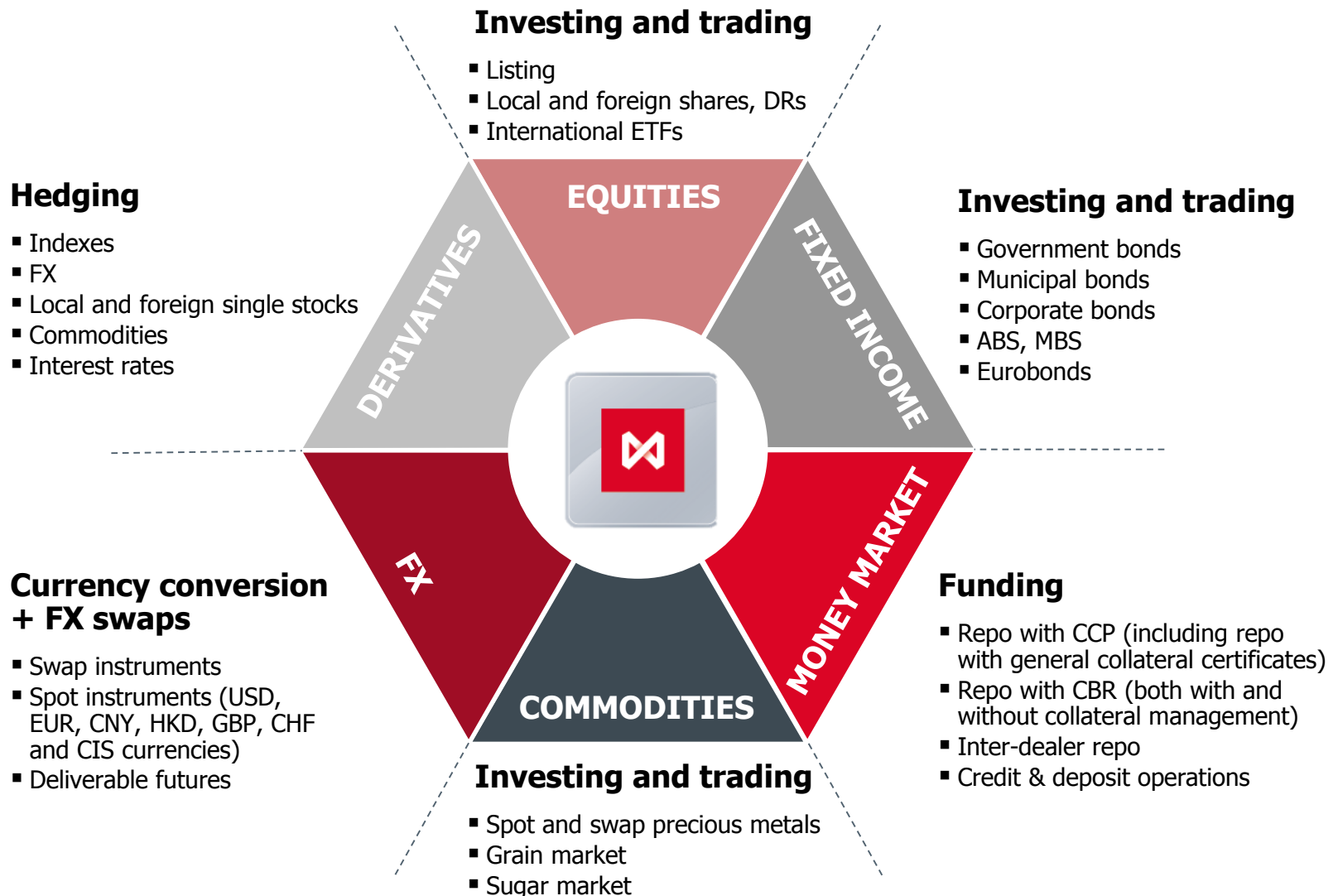
# On-exchange market: capturing the entire value chain



- ✓ 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

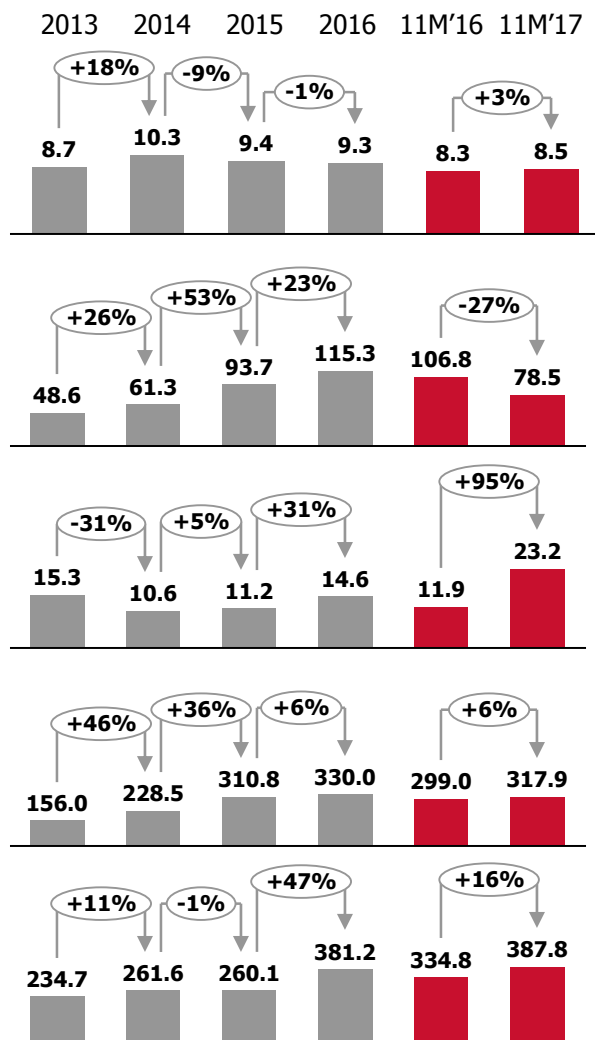
Derivatives Market  
RUB trn

Fixed Income Market  
RUB trn

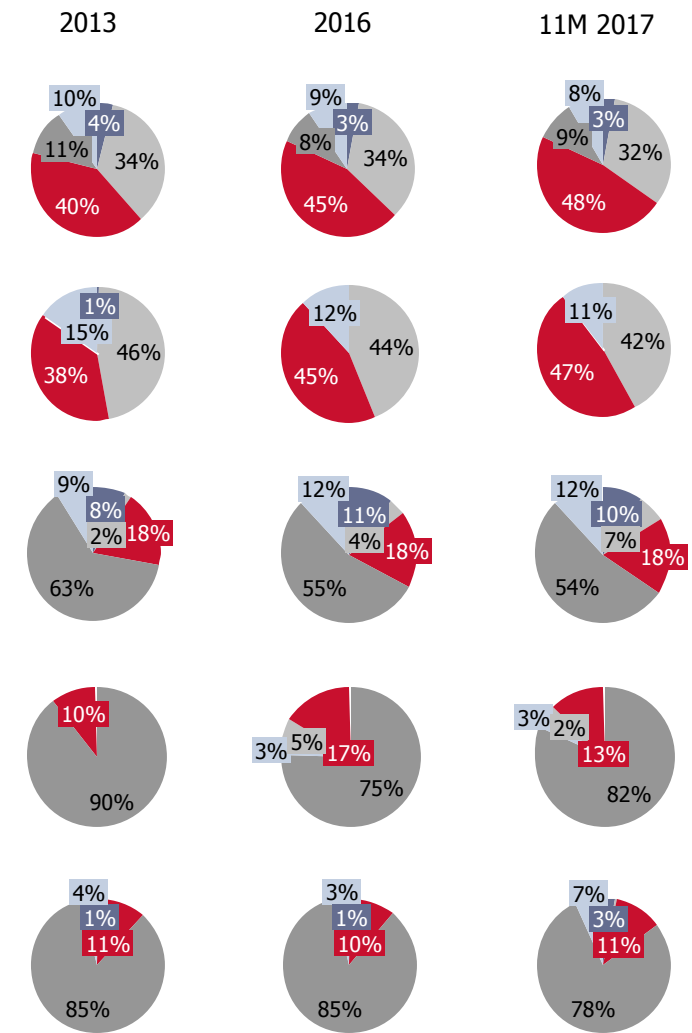
FX Market  
RUB trn

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



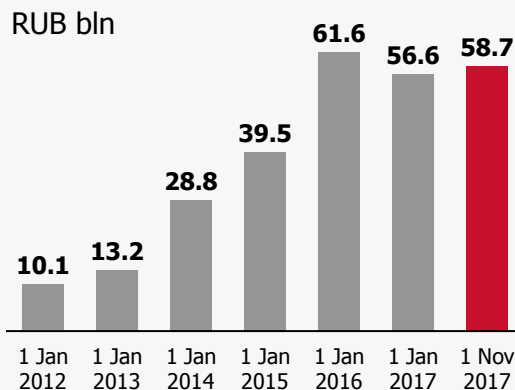
Source: Moscow Exchange data  
 1 Trading volumes include repo with collateral management through NSD.  
 Investor structure is based on on-exchange repo trading volumes only

# 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 (11M 2017)

RUB bln

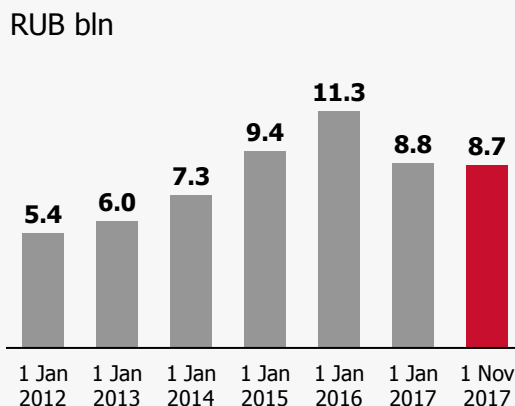
FX	1,376
Repo with CCP <sup>2</sup>	921
Derivatives	340
Fixed income	100
Equities	37
Commodities	0.5

### Comments

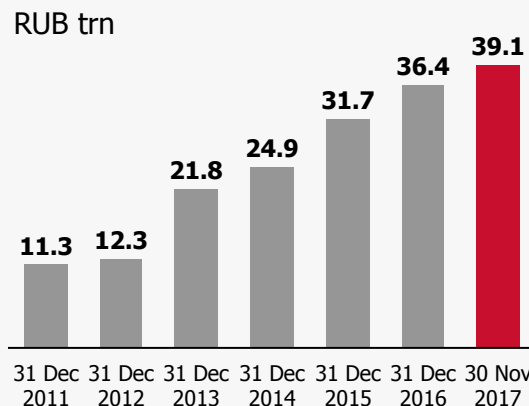
- Well-capitalized NCC acts as a CCP for all asset classes
- Solid risk management has ensured smooth operations amid high volatility
- The only qualified CCP in Russia. The status was granted by the CBR in 2013
- BBB** local currency rating from Fitch – one notch higher than Russia's sovereign rating

## SETTLEMENT & DEPOSITORY

### National Settlement Depository (NSD) proprietary capital<sup>3</sup>



### Assets on deposit<sup>4</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>5</sup>

Source: Moscow Exchange

1 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

2 Including GCC-repo

3 Figures in accordance with Russian Accounting Standards as reported to and disclosed by the CBR on a monthly basis

4 Assets in deposit based on Company's operational data

5 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**

3Q 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



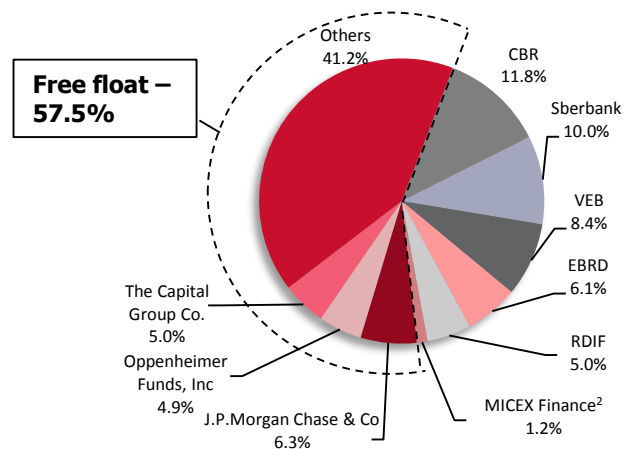
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1 According to the Listing Rules of Moscow Exchange for stocks listed in the First level of the Quotation list  
2 Technical Policy committee includes key industry IT professionals

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

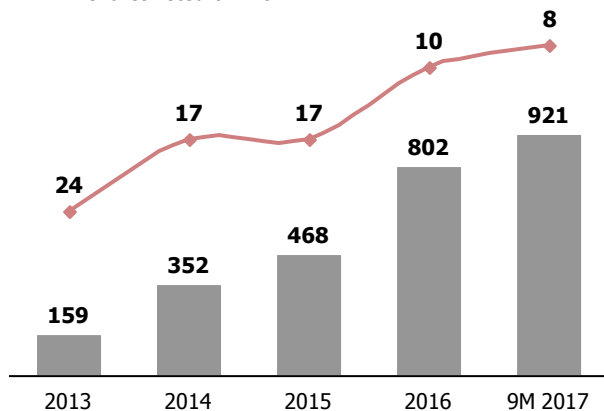
## Dispersed ownership with no controlling shareholder...

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

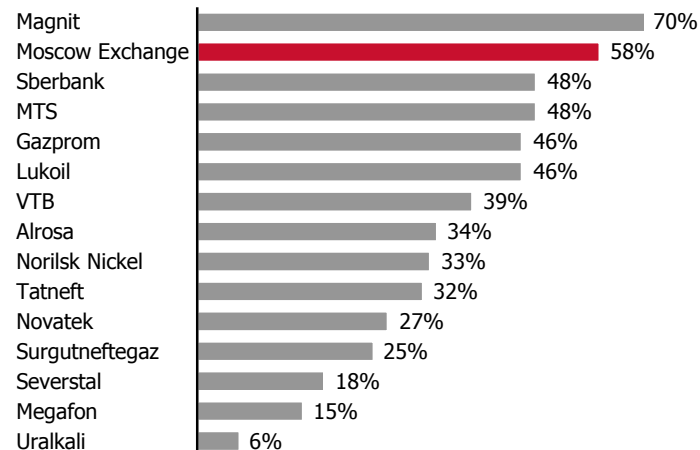


## Growing liquidity of MOEX shares<sup>4</sup>

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>



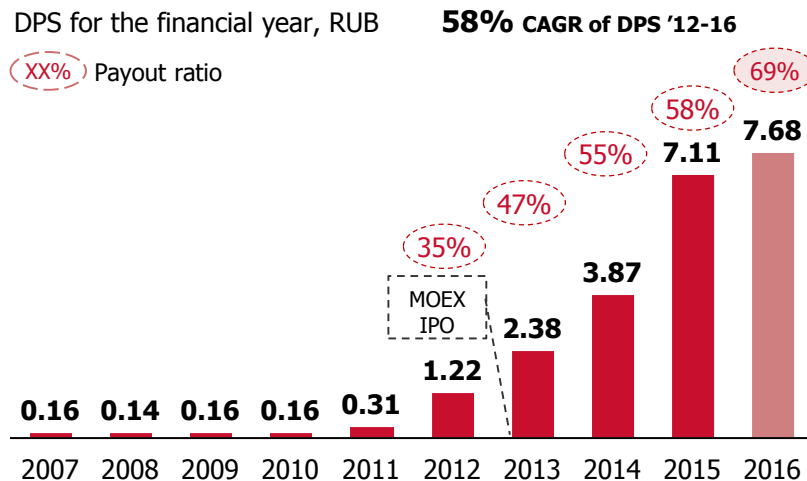
## Transparency and international recognition

- **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

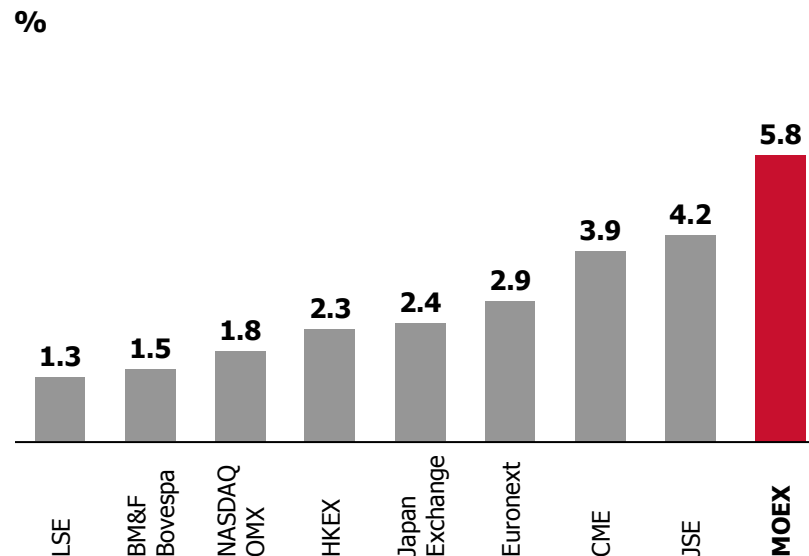
1 Capital Group's stake based on data disclosed on 18 October 2017  
 2 100% owned subsidiary of the Moscow Exchange  
 3 Largest companies by market capitalization from MICEX Index  
 4 Trading volumes in the main trading mode (T0, T+2)  
 5 Ordinary and preferred shares

# 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** 3Q 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	51.3
2	ICE&NYSE	USA	42.2
3	HKEx	Hong Kong	37.4
4	Deutsche Boerse	Germany	21.5
5	LSE Group	UK	17.7
6	BM&FBovespa	Brazil	14.6
7	CBOE	USA	14.1
8	Nasdaq OMX	USA	13.2
9	Japan Exchange	Japan	10.1
10	ASX	Australia	8.4
11	SGX	Singapore	6.0
<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 December 2017

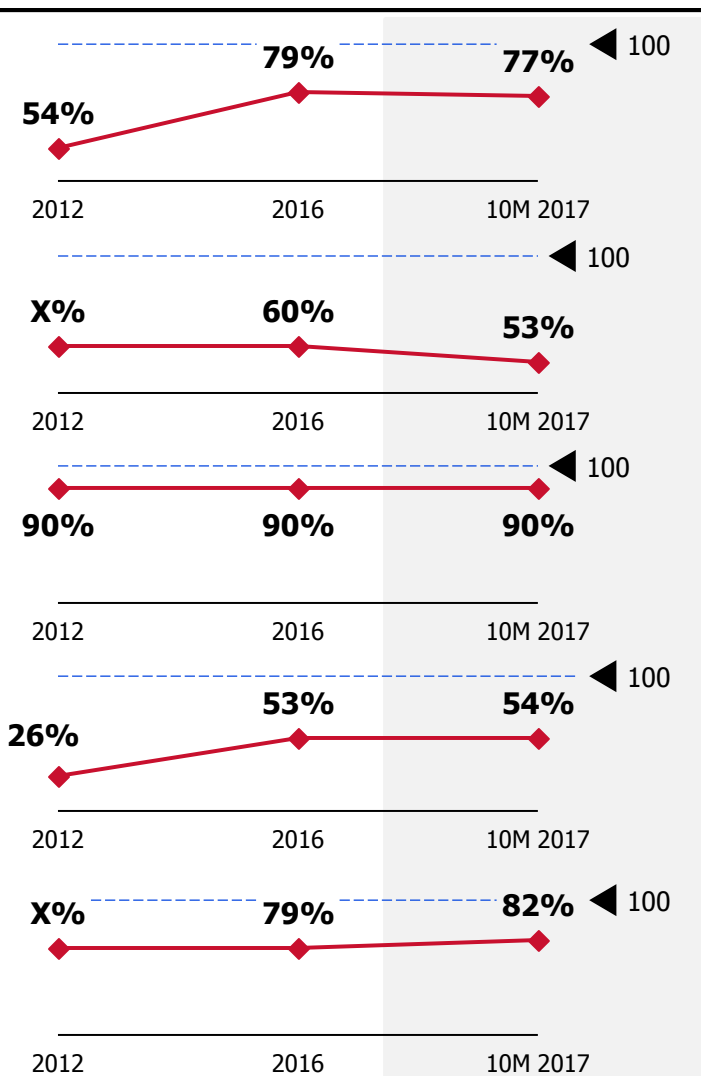


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# High and increasing market share versus OTC trading



Share on the local market



↑ +23 p.p.

↑ +28 p.p.

Source: Moscow Exchange data

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

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

# Building on the success of Strategy 2012-2015

## Key initiatives of Strategy 2012-2015 successfully implemented

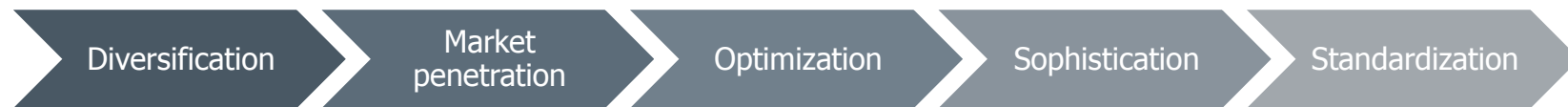
- ✓ Central Securities Depository (CSD)
- ✓ CCP across all markets
- ✓ T+ settlement cycle
- ✓ DMA across all markets
- ✓ ICSDs access to local infrastructure
- ✓ USD/RUB futures emergence as a flagship derivative contract
- ✓ Crucial regulatory reforms (corporate governance, individual investment accounts, “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



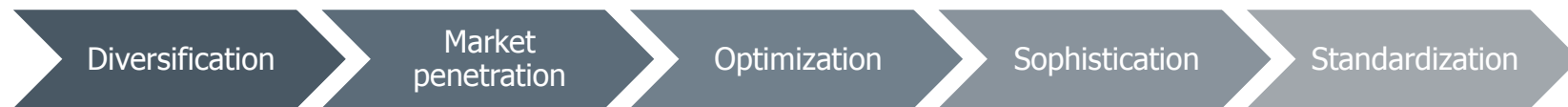


# Competitive strategy 2015-2020: key pillars (1)



	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)

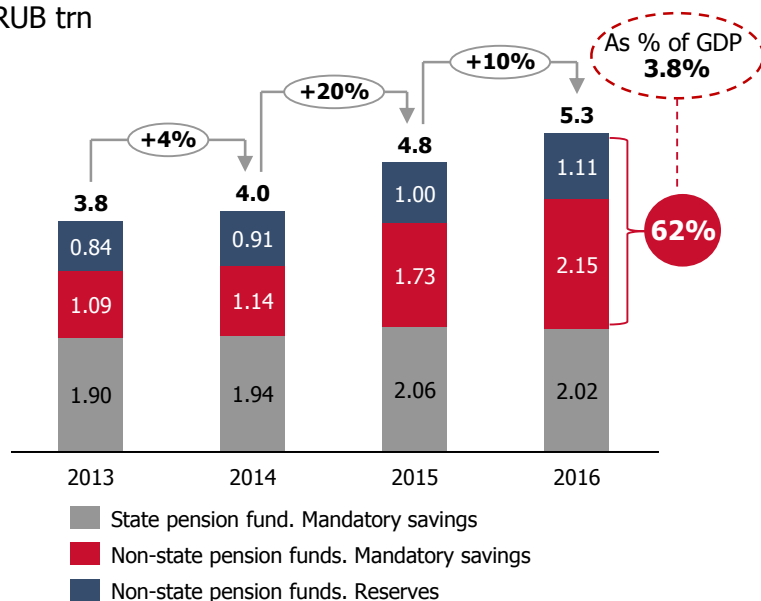


	Strategy	Drivers and initiatives
<b>FX Market</b>	Protecting market share through further expansion	<ul style="list-style-type: none"> <li>✓ Development of international clearing membership</li> <li>✓ Direct access of corporates to the market</li> <li>✓ Development of SMA services</li> </ul>
<b>Money 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>

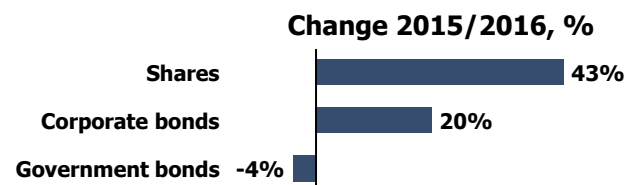
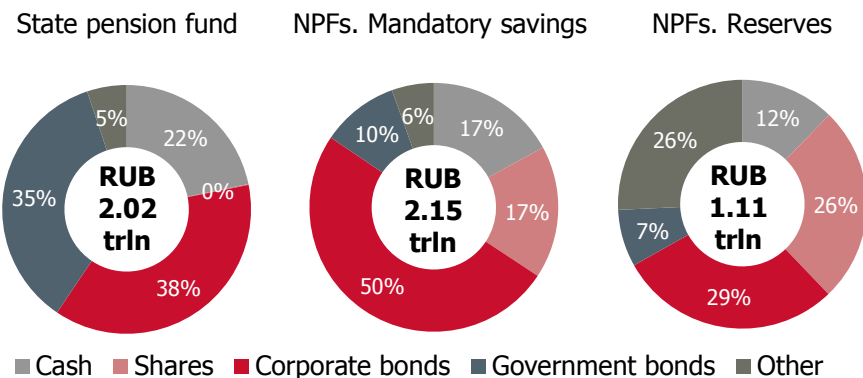
# Local institutional investors: the potential of pension funds

## 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

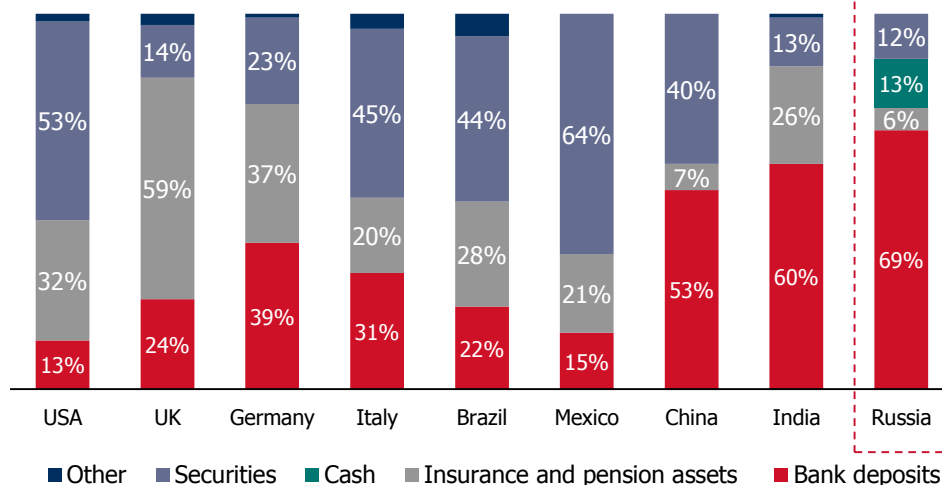
RUB **23** trn

with banks...

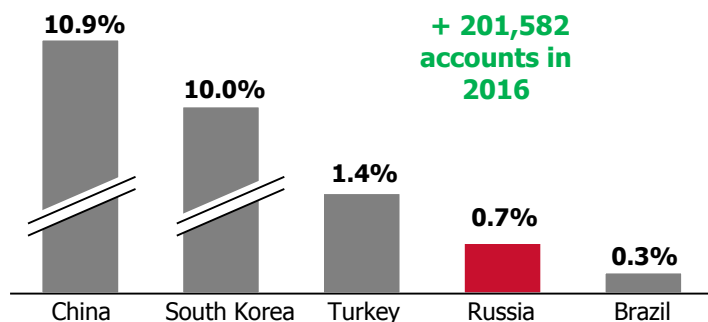
RUB **4** trn

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>

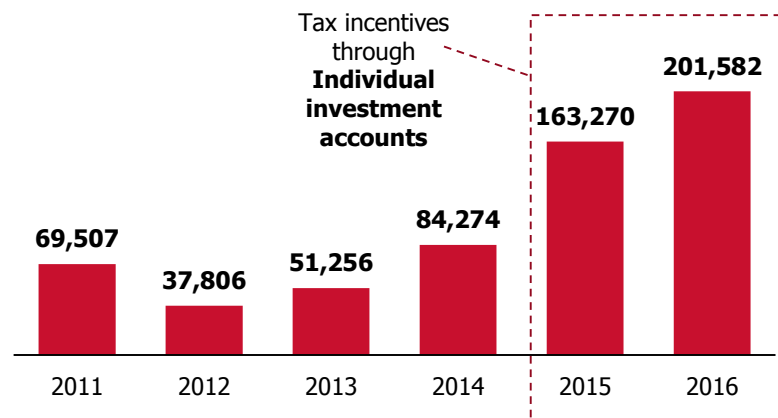


## Population's participation in the securities market<sup>2</sup>



+ 201,582 accounts in 2016

## Newly opened retail accounts

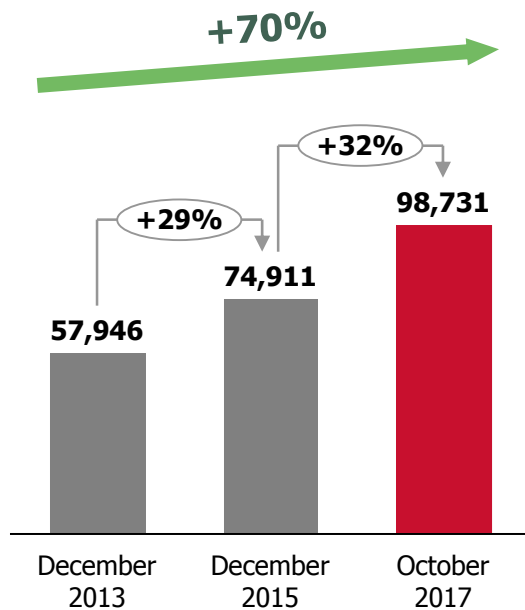


Tax incentives through Individual investment accounts

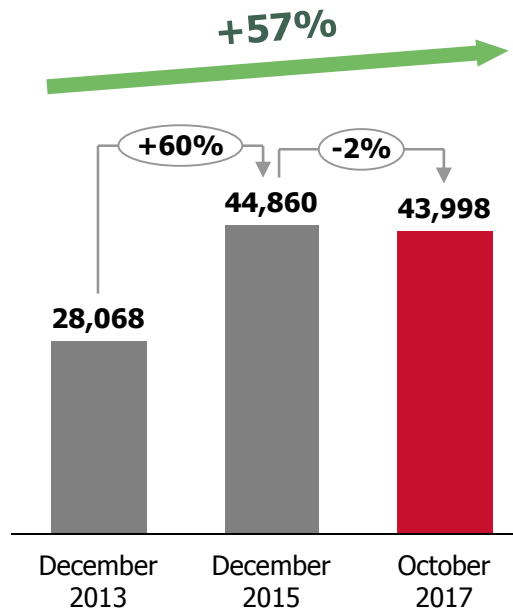
# Retail clients: a growing segment of the Russian financial market

## Number of active retail client accounts

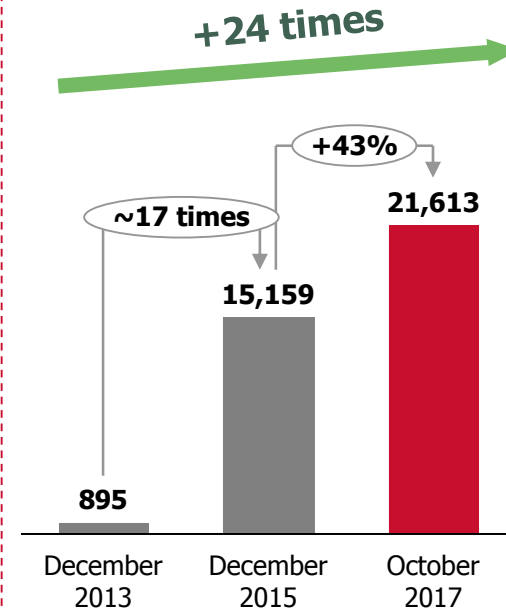
### Equities Market



### Derivatives Market



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



### Recent regulatory changes:

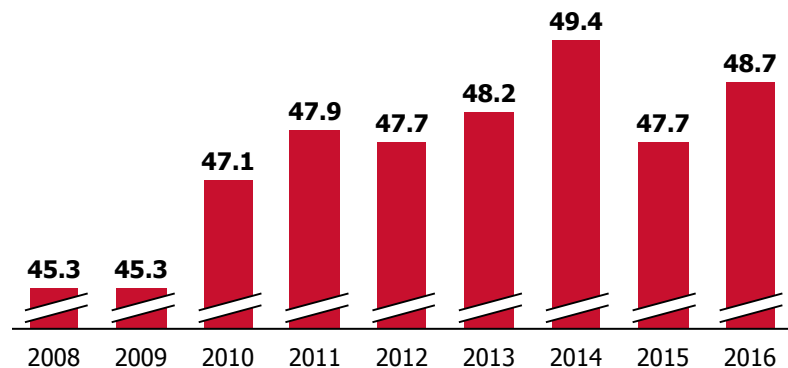
- Introduction of **individual investment accounts** for private investors since 2015: more than 279,100 accounts opened as of October 2017
- **Tax breaks** on capital gains on securities held for more than 3 years (up to RUB 9 mln for securities purchased after 1 Jan 2014)
- Retail investors allowed to **remotely open a brokerage account**. This simplifies the process for retail investors in Russia's far-flung regions



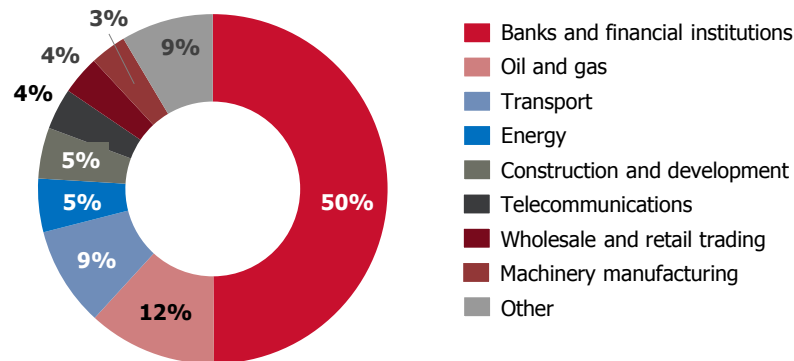
# Bond market – why we are strong believers

## Ageing fixed assets require long-term investments

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



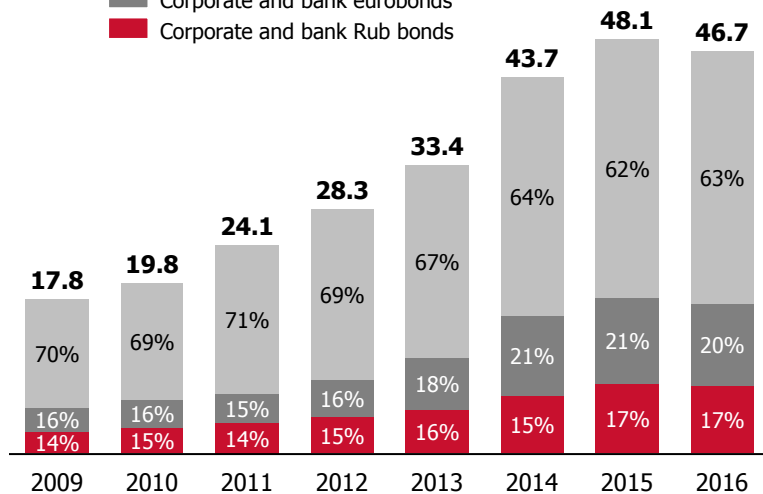
## Breakdown of bond issuers<sup>2</sup> by industry



## Corporate bonds substitute bank loans

RUB trln

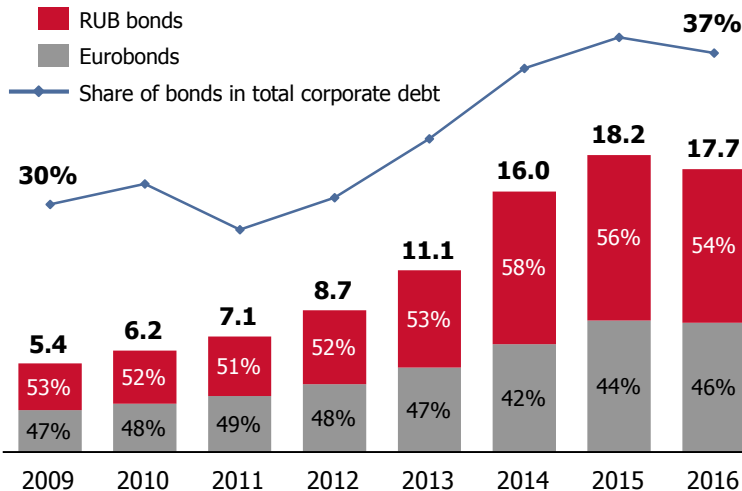
■ Bank loans to corporates, excl. interbank  
■ Corporate and bank eurobonds  
■ Corporate and bank Rub bonds



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

RUB trln

■ RUB bonds  
■ Eurobonds



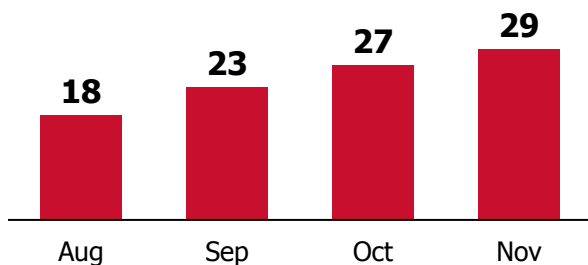
# Direct access of Russian corporates to FX and Money Markets

## Direct access to FX Market

Launched on 5 April 2017

**18** corporate participants to date

RUB bln



**209** RUB bln trading volumes since launch

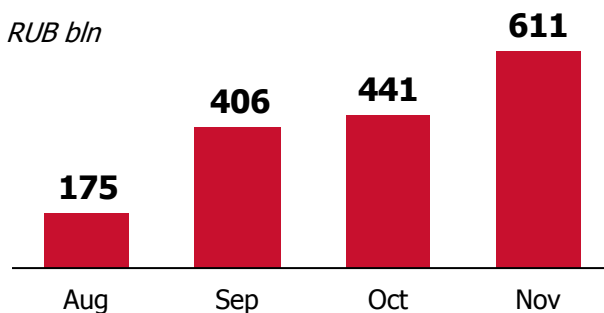
**14** RUB mln average trade size

## Deposits with the CCP for corporates

Launched on 24 July 2017

**32** corporate participants to date

RUB bln



**1.66** RUB trln trading volumes since launch

**222** RUB mln average trade size

















# Trend of local placements continued

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

Company	Sector	Date	Transaction type	Transaction value, RUB bln
<b>Europlan</b>	Leasing	December 2016	SPO	15.0
<b>RussNeft'</b>	Oil & gas	November 2016	IPO	32.4
<b>FG Future</b>	Financials	October 2016	IPO	11.7
<b>Alrosa</b>	Metals & mining	July 2016	SPO	54.4
<b>UWC</b>	Manufacturing & transportation	May 2016	SPO	5.0
<b>Promsvyazbank</b>	Financials	April 2016	SPO	2.6

## Capital raisings on MOEX in 2017

 <b>SPO</b> (oil & gas services) <b>Date:</b> 3 Feb 2017 <b>Deal size:</b> RUB 10 bn (\$174 mn) <b>Free float:</b> up from 16% to 30%	 <b>IPO</b> (retail) <b>Date:</b> 8 Feb 2017 <b>Deal size:</b> RUB 21.1 bn (\$356 mn) <b>Free float:</b> 30.55%	 <b>SPO</b> (fertilizers) <b>Date:</b> 8 Feb 2017 <b>Deal size:</b> RUB 15 bn (\$255 mn) <b>Free float:</b> up from 20% to 25%	 <b>SPO</b> (manufacturing) <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%	 <b>SPO</b> (metals & mining) <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%
 <b>SPO</b> (financials) <b>Date:</b> 27 Jul 2017 <b>Deal size:</b> RUB 3.2 bn (\$53 mn) <b>Free float:</b> 37%	 <b>SPO</b> (retail) <b>Date:</b> 27 Jul 2017 <b>Deal size:</b> RUB 18 bn (\$300 mn) <b>Free float:</b> 42.32%	 <b>SPO</b> (metals & mining) <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%	 <b>SPO</b> (transport) <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%	 <b>SPO</b> (telecom) <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%
 <b>IPO</b> (retail) <b>Date:</b> 20 Oct 2017 <b>Deal size:</b> RUB 5.9 bn (\$103 mn) <b>Free float:</b> 41%	 <b>SPO</b> (financials) <b>Date:</b> 25 Oct 2017 <b>Deal size:</b> RUB 14.4 bn (\$250 mn) <b>Free float:</b> up from 25,38% to 27,05%	 <b>IPO</b> (transport) <b>Date:</b> 3 Nov 2017 <b>Deal size:</b> RUB 2.57 bn (\$44 mn) <b>Free float:</b> to 49,89%	 <b>SPO</b> (retail) <b>Date:</b> 15 Nov 2017 <b>Deal size:</b> RUB 43.9 bn (\$737 mn) <b>Free float:</b> up from 63% to 70.5%	



# 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



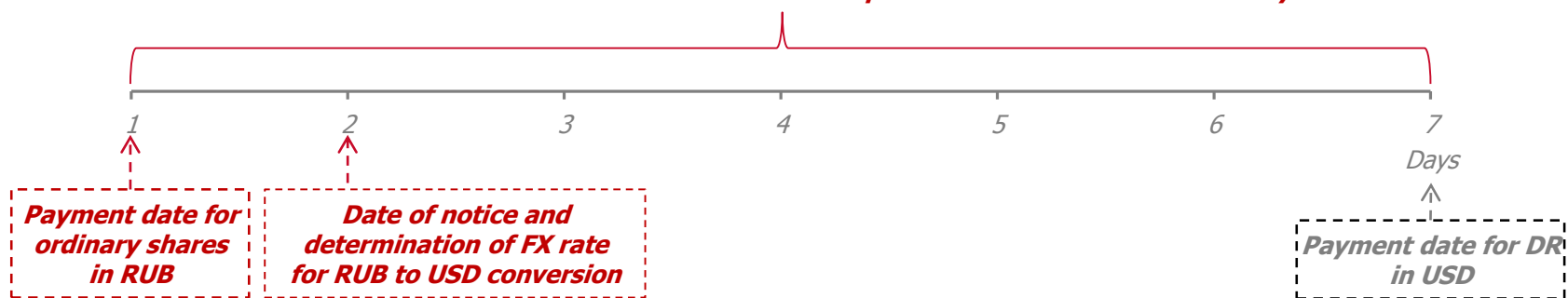
# Dividend payments for DR holders

## 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

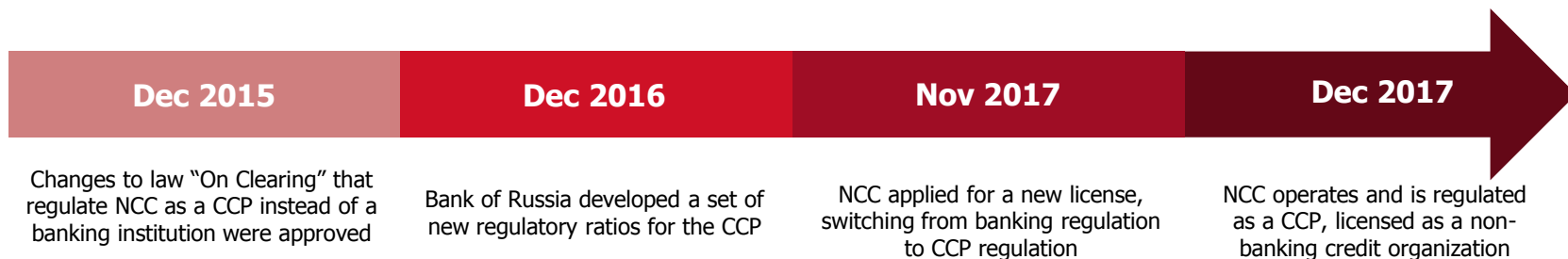
	June 2014		January 2017	
	Highest list	Standard list	Highest list	Standard list
# of Independent Directors	150	69	222	73
Issuers complying with criteria for Audit Committee	2 issuers (3.57%)	0 issuers	52 issuers (100%)	33 issuers (100%)
Issuers complying with criteria for HR and Remuneration Committee	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 came into force
- ✓ Starting January 2018, only ratings by approved rating agencies will count towards listing requirements



# NCC is now regulated as a clearing organization and a CCP



<b>Target capital</b>	Target capital in FY 2017 that complies with 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 and Blockchain implemented on Moscow Exchange

## E-voting for equity and bond holders

✓ NSD has developed **e-voting platform for shareholders: [www.e-vote.ru](http://www.e-vote.ru)**

✓ **Sberbank and MOEX** - the first Russian companies to provide shareholders with the opportunity to remotely participate in shareholder meetings (via online voting) in 2017

✓ **E-voting for bondholders** has been implemented and successfully tested

## Blockchain technology

✓ NSD used a **blockchain-based settlement platform** to complete an inaugural placement of a RUB 500 mln bond issue in 2017

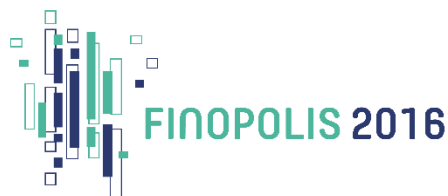


# Supporting fintech initiatives to develop the retail investor base

## 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

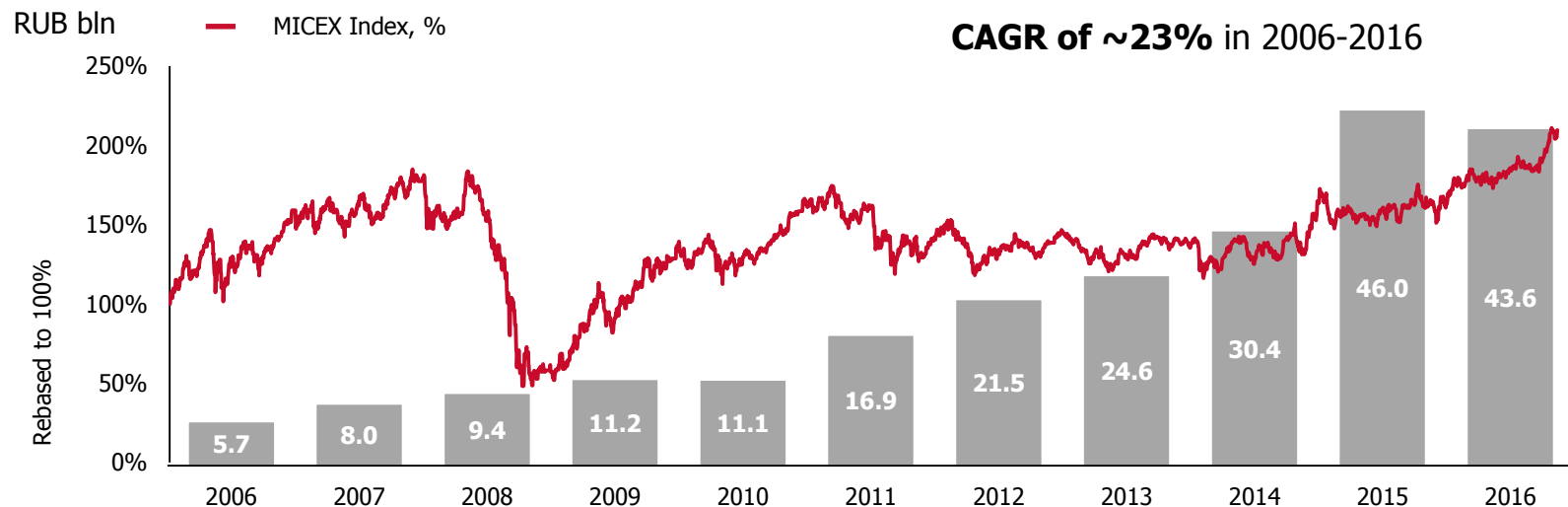
**5** 3Q 2017 update





# MOEX business model continues to deliver

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

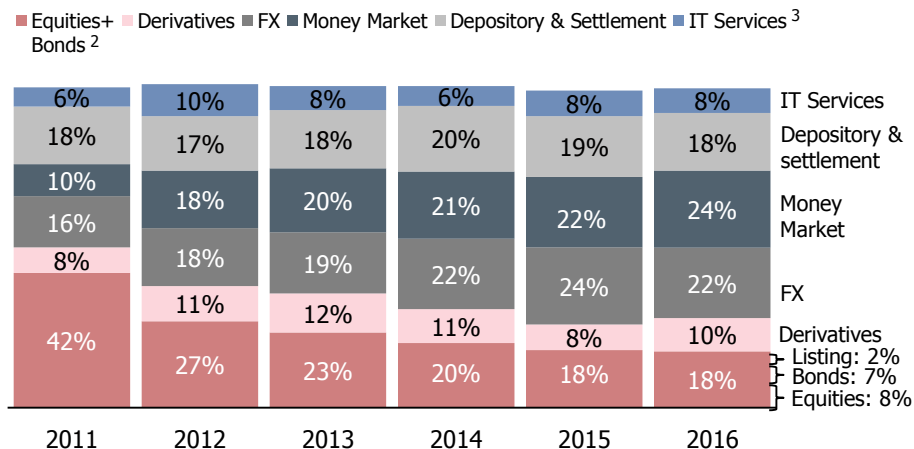


## Key highlights

**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

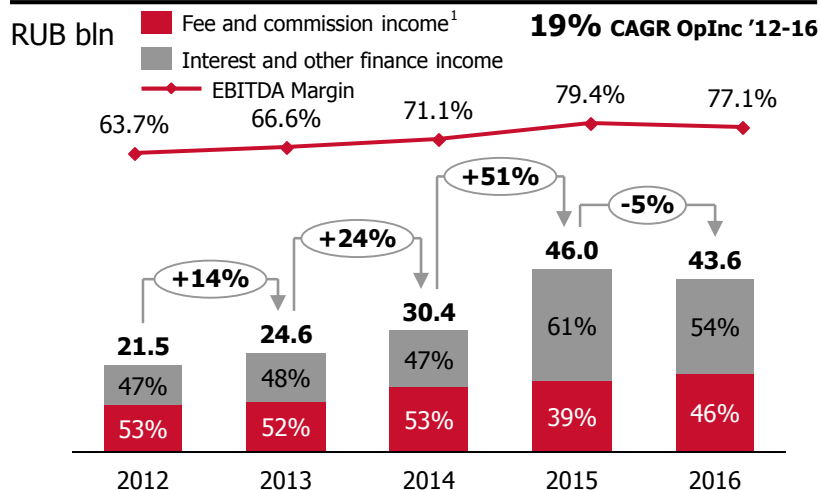
3 IT Services includes Information services, Sale of software and technical services and Other fee income



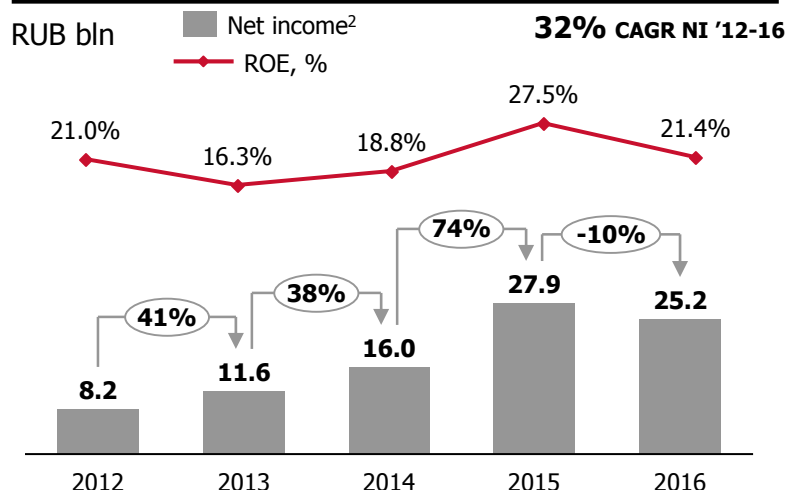
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# Strong financial performance

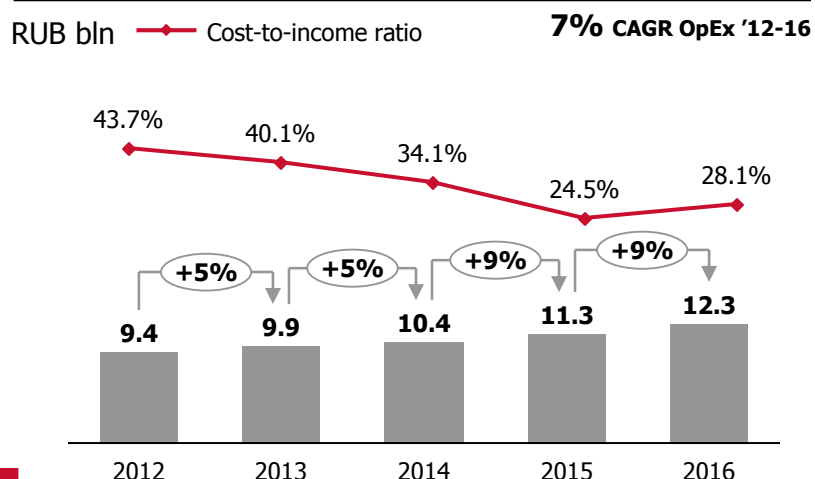
## Growing fees support the EBITDA margin



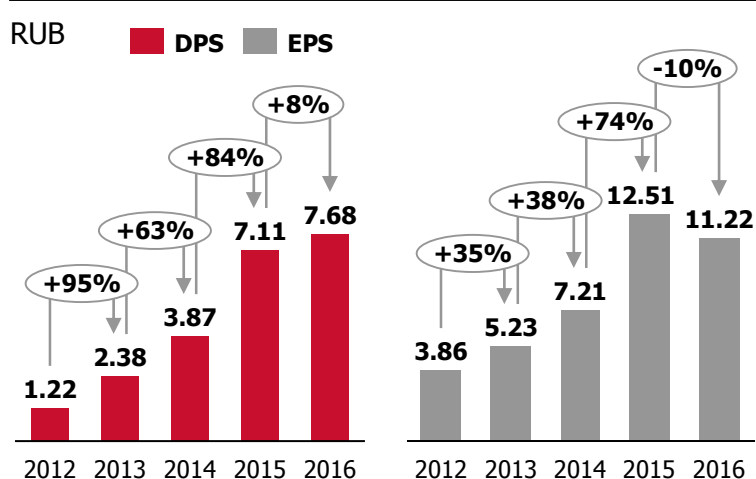
## Strong ROE generation



## Tight control over expenses



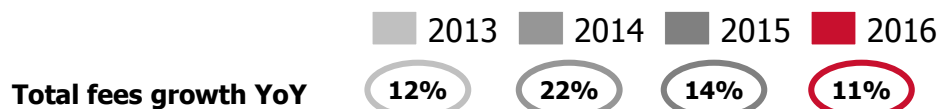
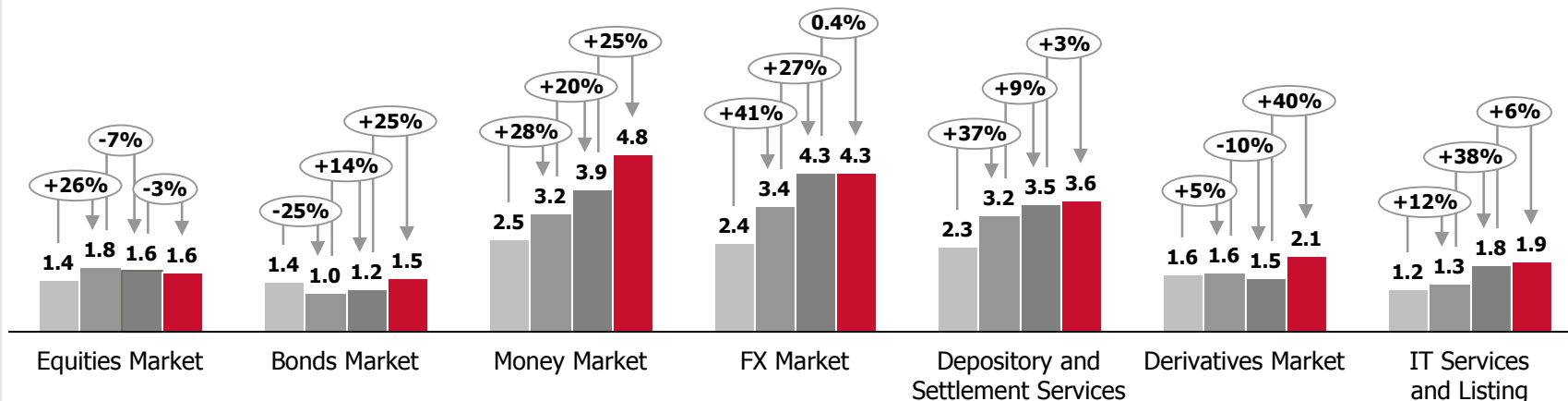
## DPS growth outperforming EPS



# Well-diversified and growing fee income

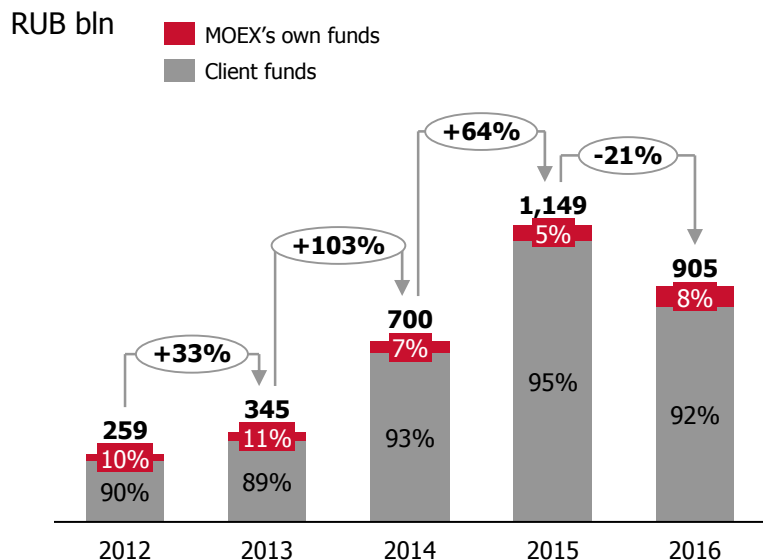
## Fee and commission income

RUB bln

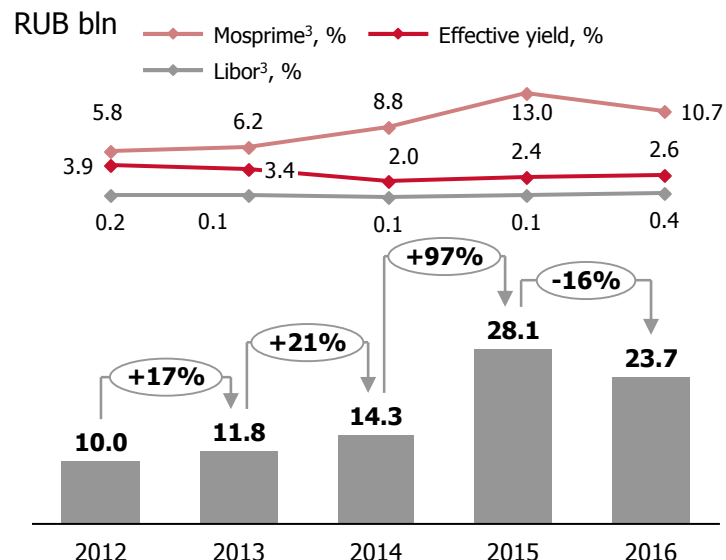


# Interest and finance income

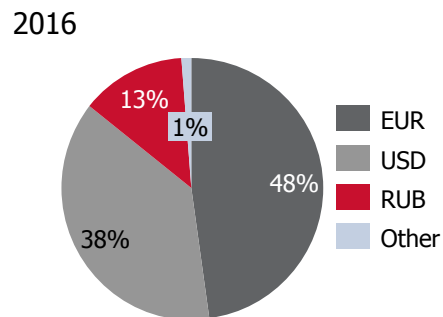
## Investment portfolio<sup>1</sup>



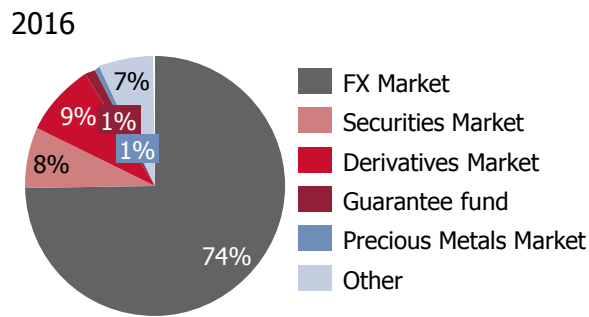
## Interest income<sup>2</sup>



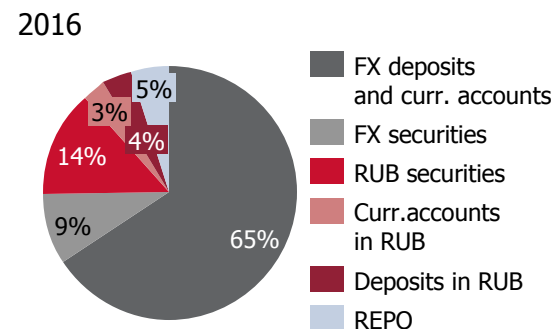
## Client funds by currency



## Client funds by source



## Investment portfolio by type of asset



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

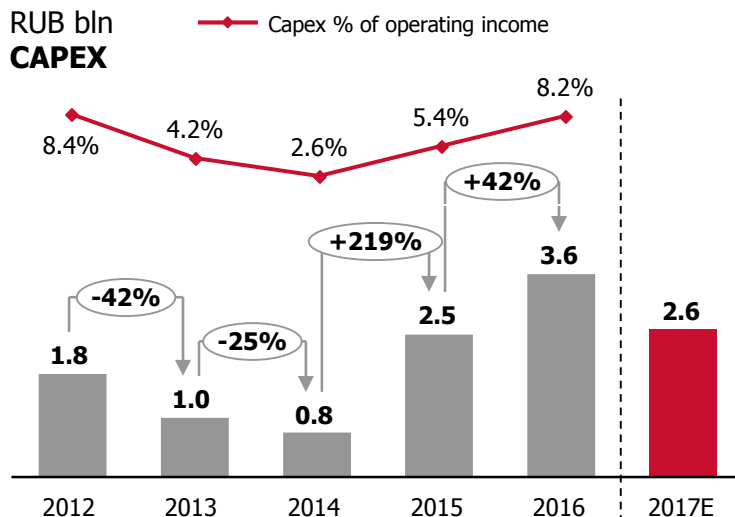
1 Based on average daily investment portfolio for the period according to management accounts

2 Interest income includes Interest and other finance income, Interest expense, Net loss on financial assets available-for-sale, Foreign exchange gains less losses

3 Average daily rate for the period

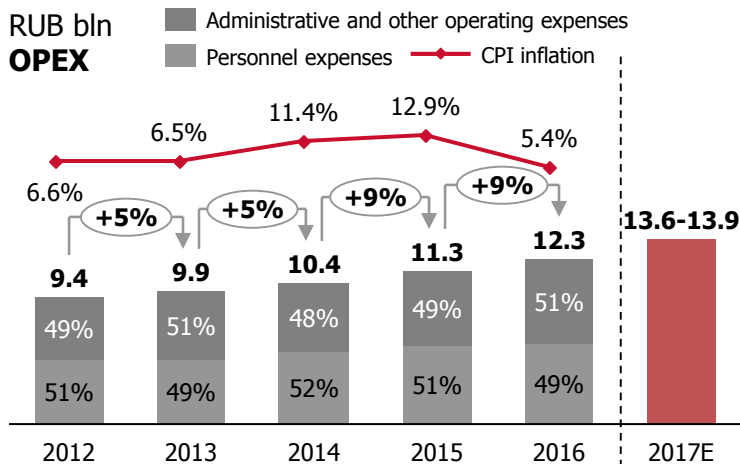
# CAPEX and OPEX 2017

## 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 11-13% (updated from 15-17% given earlier).**
- The cost growth estimate assumes 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



**1** Business overview

**2** Corporate governance and dividends

**3** Market position and competitive strategy

**4** Financial track record



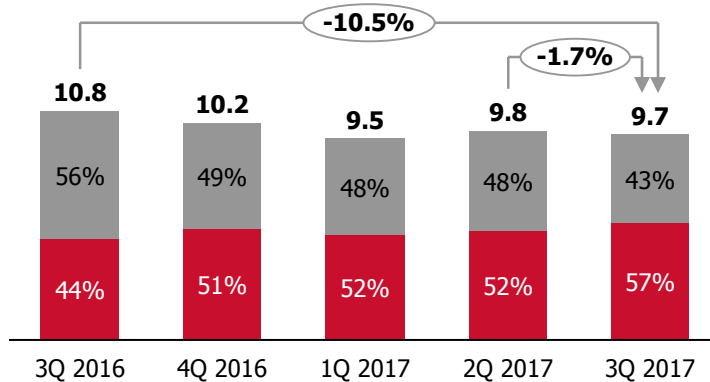
3Q 2017 update

# 3Q 2017 summary of financials

## Operating income

RUB bln

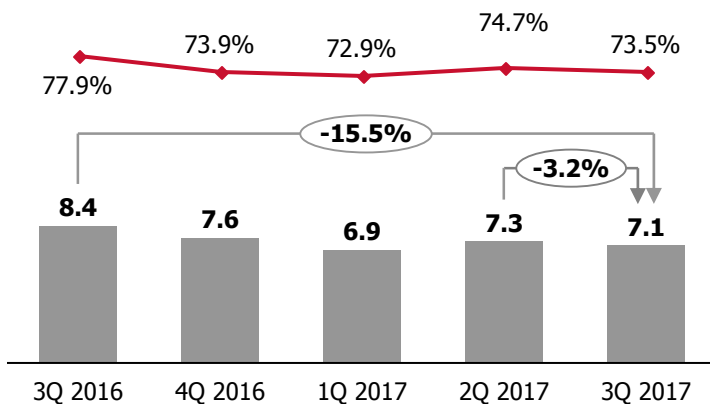
- Fee and commission income<sup>1</sup>
- Interest and finance income<sup>2</sup>



## EBITDA and EBITDA margin

RUB bln

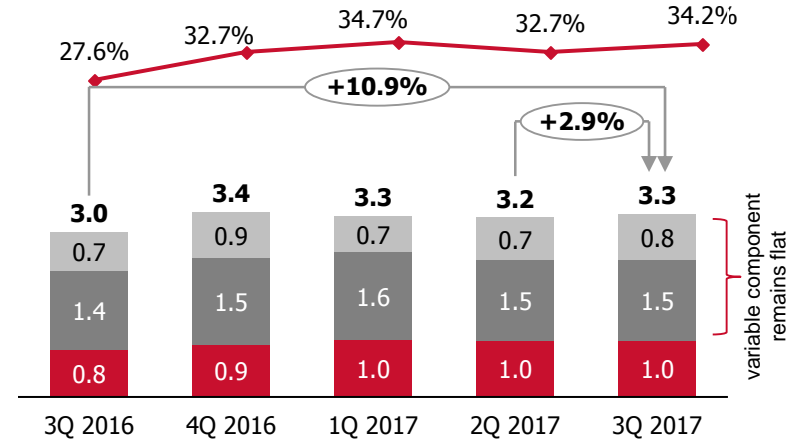
- EBITDA margin
- EBITDA



## Operating expenses

RUB bln

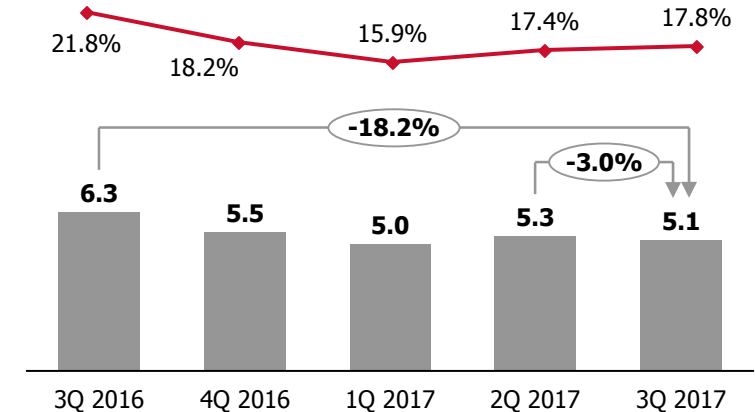
- Remaining administrative expenses<sup>3</sup>
- Personnel expenses
- D&A and IT maintenance
- Cost-to-income ratio



## Net income

RUB bln

- ROE
- Net income



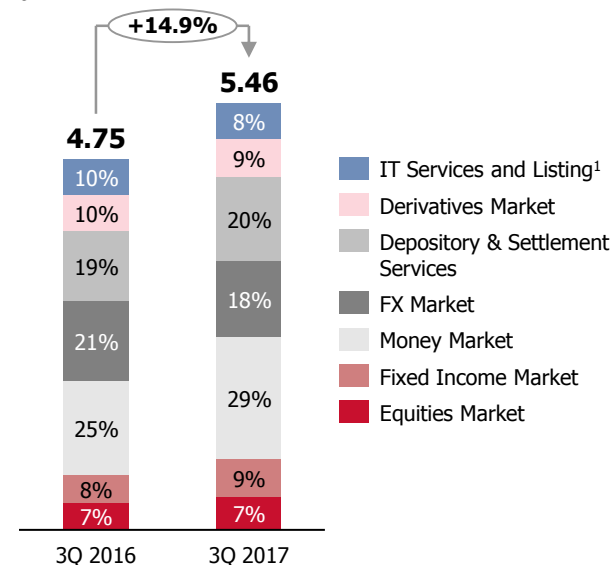
# Diversified fee and commission income

## Fee & commission income performance

RUB mln	3Q 2016	3Q 2017	Change YoY, mln	Change YoY, %
Money Market	1192.4	1560.1	367.7	30.8%
Depository and Settlement Services	895.0	1083.4	188.4	21.1%
Fixed Income Market	363.4	494.8	131.4	36.2%
Equities Market	341.0	408.5	67.5	19.8%
Derivatives Market	472.8	494.5	21.7	4.6%
IT Services and Listing <sup>1</sup>	468.1	457.4	-10.7	-2.3%
FX Market	1016.7	959.8	-56.9	-5.6%

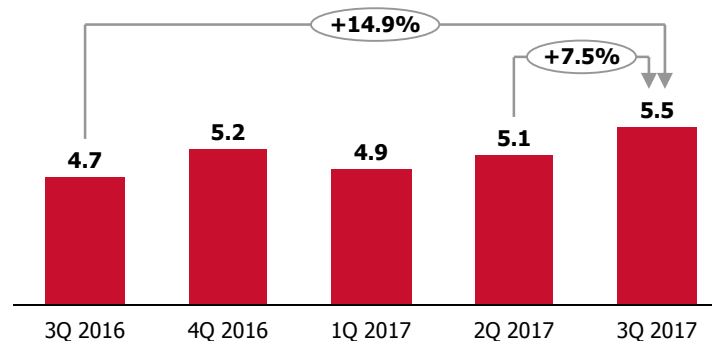
## Fee & commission income breakdown

RUB bln



## Fee & commission income dynamics

RUB bln



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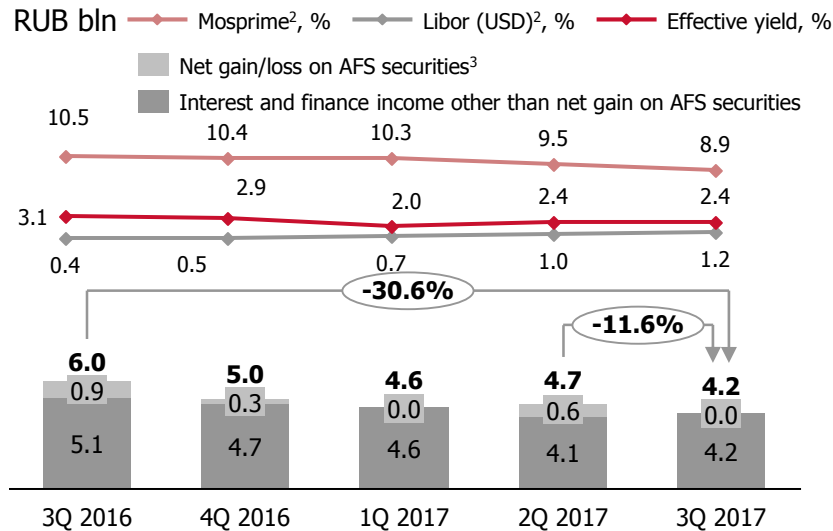
Source: Consolidated Financial Statements

<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

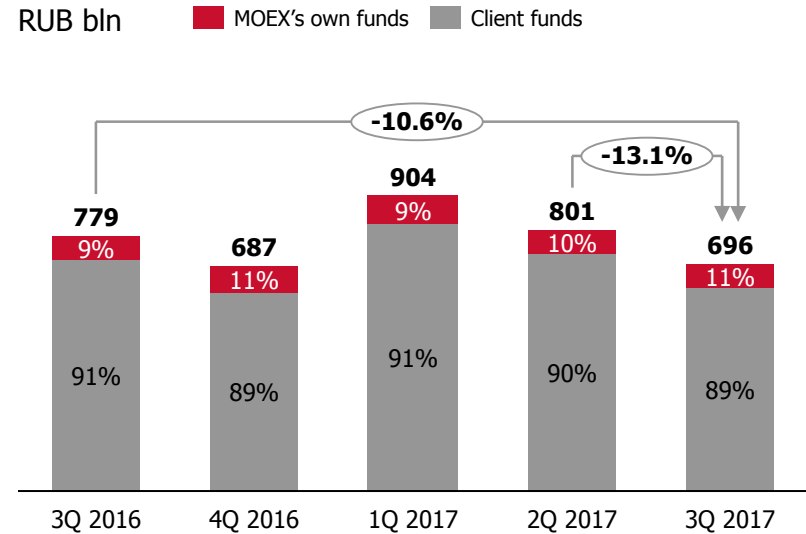


# Interest and finance income

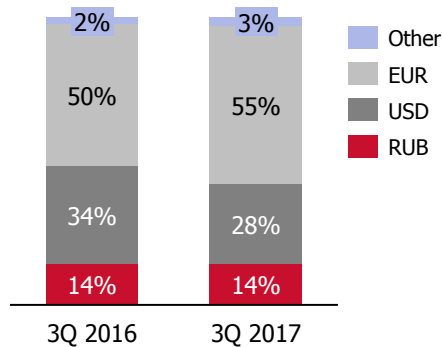
## Interest and finance income<sup>1</sup>



## Investment portfolio sources<sup>4</sup>

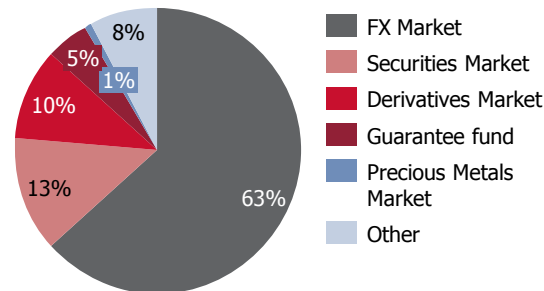


## Client funds by currency



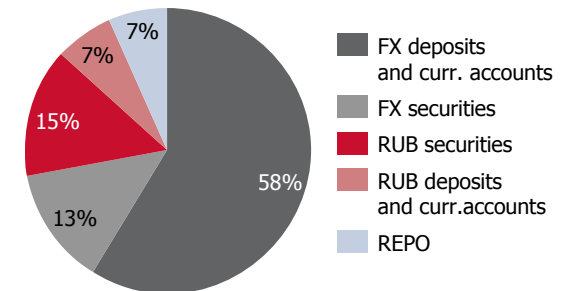
## Client funds by source

3Q 2017



## Investment portfolio by type of asset

3Q 2017



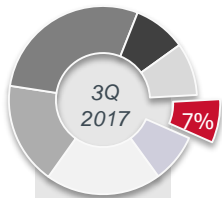
Source: NFEA, Bloomberg, Moscow Exchange operational information and Consolidated Financial Statements

1 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

2 Average daily rate for the period

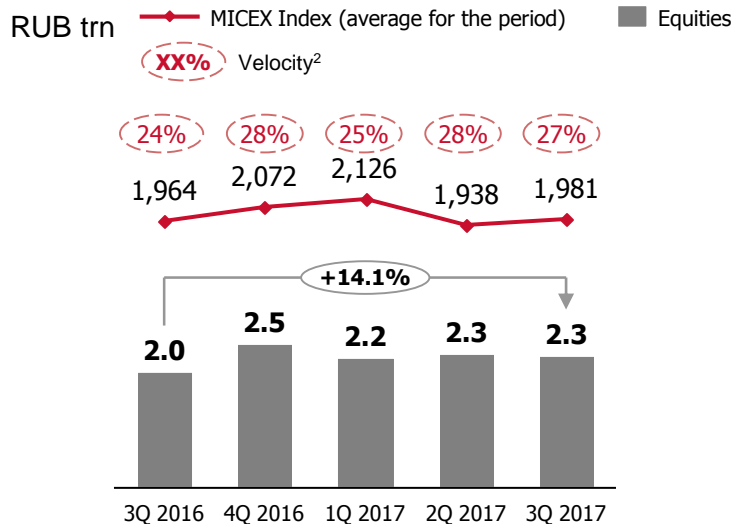
3 IFRS Net gain on financial assets available-for-sale

4 Based on average daily investment portfolio sources for the period according to management accounts



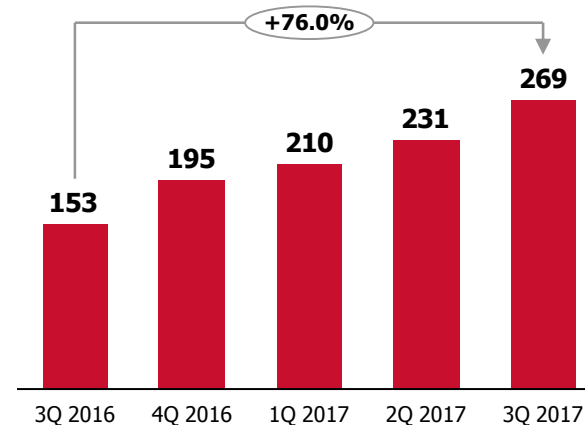
# Equities Market: solid growth in fees and volumes

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

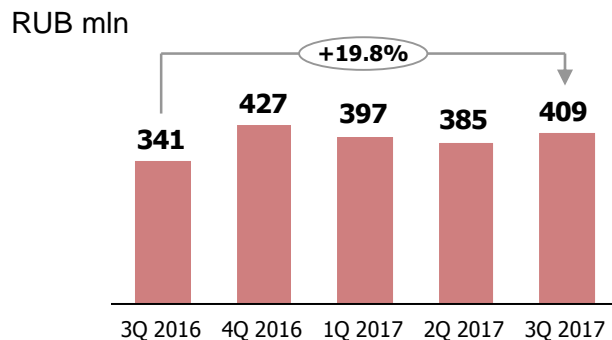


## Increasing popularity of Individual Investment Accounts

Individual Investment Accounts, thousands, end-of-period



## Fee & commission income



## Comments

- Equities trading volumes grew by 14.1% YoY. 3Q 2017 featured the highest trading volume in equities among third quarters since the Moscow Exchange's IPO year of 2013.
- Trading volumes generated by retail investors increased by 4.7% YoY. The number of active retail accounts increased to 92,500 in September 2017 (up 19% YoY from 78,000 in September 2016).
- Fee and commission income increased by 19.8% YoY.
- In 2H 2017 to date 8 companies held IPOs/SPOs on MOEX, raising a combined RUB 89 bln.
- The share of international investors in equities trading volumes increased by 1.3 pp YoY to 46.2%.

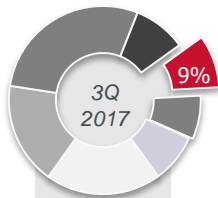


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Source: Moscow Exchange operational information and Consolidated Financial Statements, WFE

1 Volumes of both primary and secondary markets

2 Velocity is calculated as annualized trading volumes for the period divided by the average market capitalization

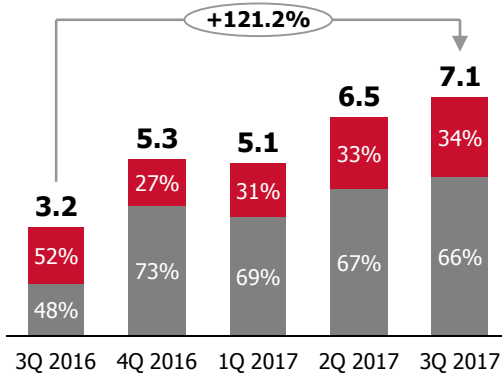


# Fixed Income Market: continued growth in secondary trading and strong placements

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

RUB trn

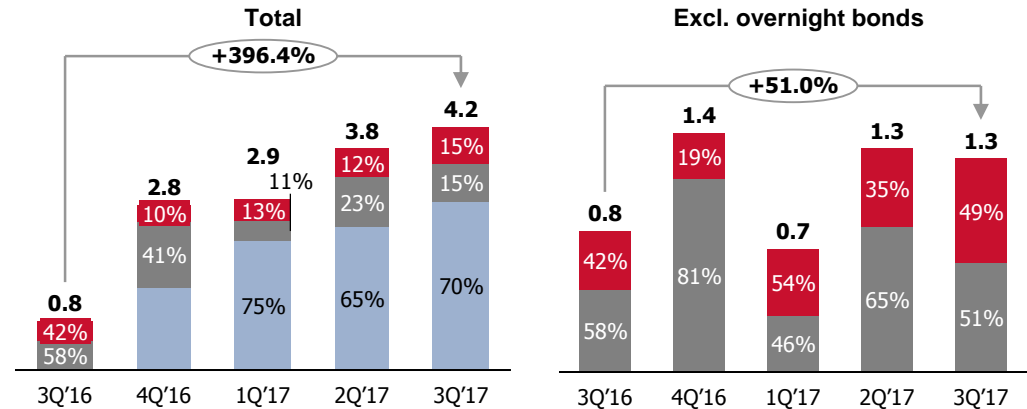
- Government and CBR bonds (OFZ, OBR)
- Corporate, municipal and other bonds



## Primary market

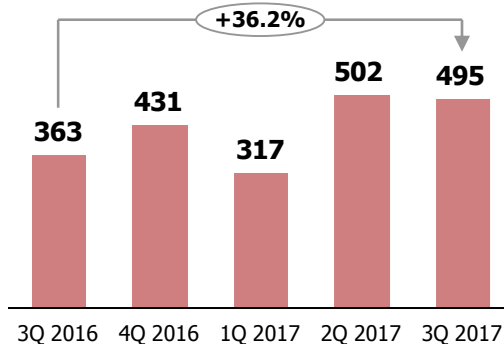
RUB trn

- Government and CBR bonds (OFZ, OBR)
- Corporate, municipal and other bonds (excl. overnight)
- Overnight bonds



## Fee & commission income

RUB mln

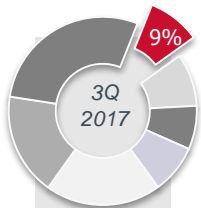


## Comments

- Performance of the Fixed Income Market continues to accelerate through 2017. Interest rates' environment remains favorable for issuers, while infrastructural upgrades aimed to ease the placement process work as a supportive factor.
- Total primary placements excluding overnight bonds were up 51.0% YoY. Placements of government and CBR bonds grew by 78.8% YoY, while placements of corporate, municipal and other bonds, excluding overnight bonds, rose by 31.1% YoY.
- Secondary trading volumes increased 24.6% YoY, with trading in government and CBR bonds growing the most rapidly, up 36.1% YoY.
- Total trading volumes, excluding overnight bonds, grew by 31.5% YoY. Fee and commission income increased by 36.2% YoY thanks to high activity in the primary market as well as growth in secondary trading.

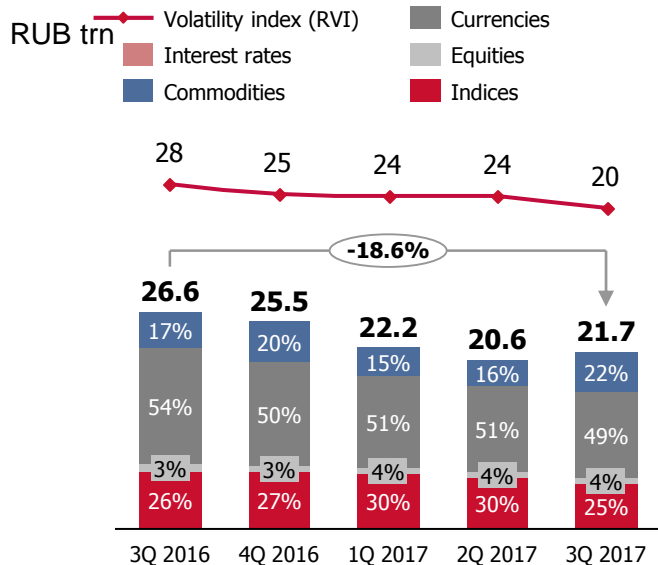


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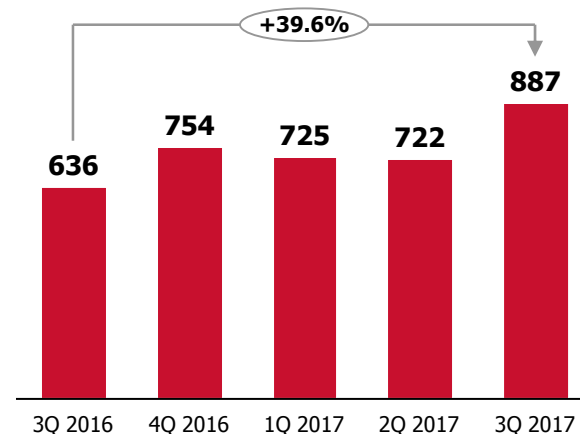
# Derivatives Market: growth of the options segment

## Trading volumes



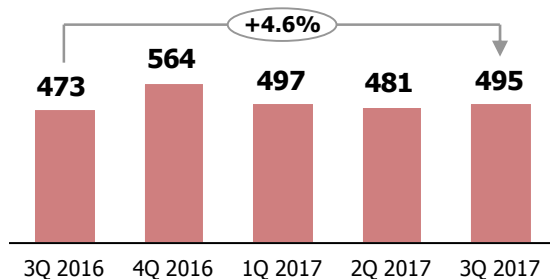
## Open interest

RUB bn, daily average



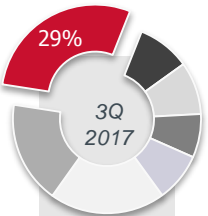
## Fee & commission income

RUB mln



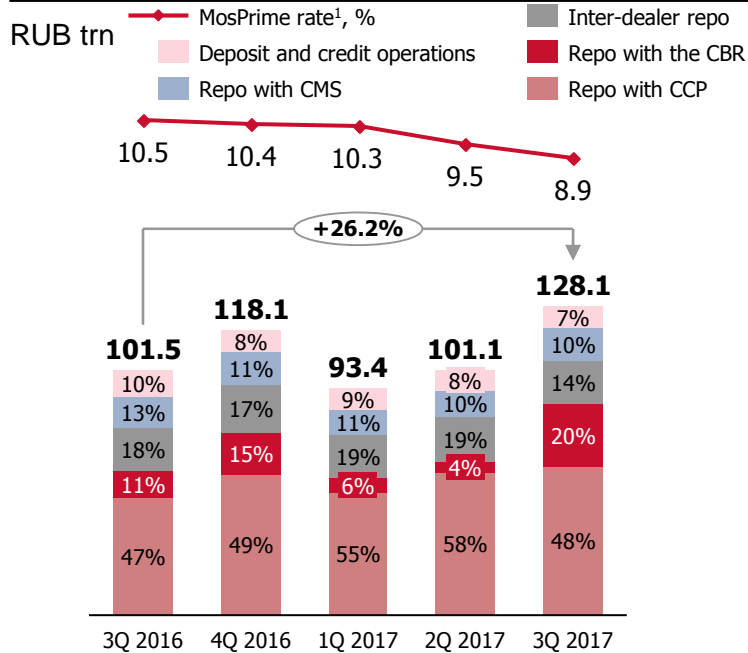
## Comments

- As a result of muted volatility, Derivatives Market trading volumes declined by 18.6% YoY. However, average open interest increased by 39.6% YoY during the quarter.
- Futures trading volumes decreased by 20.9% YoY due to less active trading in FX and index futures. Trading in commodity futures continued its growth and was up by 7.8% YoY.
- Options trading volumes were up by 26.5% YoY. Options on indices and commodities were the fastest growing types of instruments in the options segment (+35.1% and 150.6% YoY, respectively).
- As a result, fees and commissions rose by 4.6% YoY due to the product mix shift.

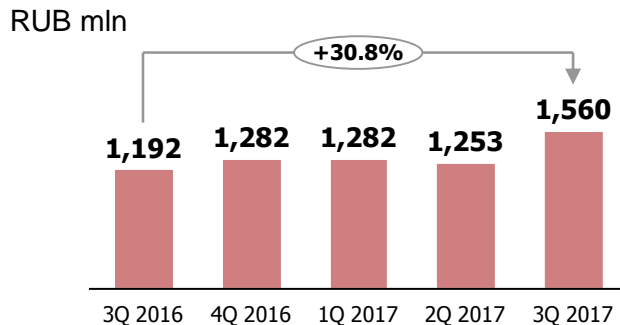


# Money Market: the new record high achieved in 3Q 2017

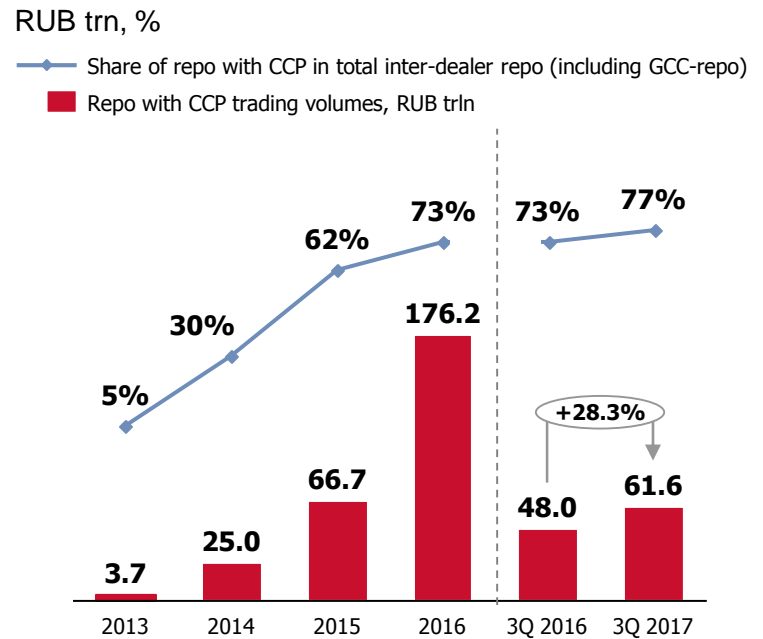
## Trading volumes



## Fee & commission income



## Trading volumes for repo with CCP



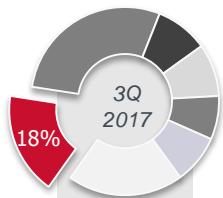
## Comments

- Fee and commission income increased by 30.8%, in line with the growth in trading volumes (+30.5% excl. repo with CMS through NSD), reaching a new record high.
- Due to liquidity imbalances in the banking system in 3Q 2017, volumes of repo with the CBR increased more than two-fold compared to 3Q 2016. Repo through CCP strengthened its position versus direct inter-dealer repo: its share advanced to 77.1% from 72.8% in 3Q 2016.
- Volumes of GCC repo increased over 14x times YoY, making it the most dynamic segment of the Money Market. It is becoming a visible component of on-exchange repo volumes.



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Source: Moscow Exchange operational information and Consolidated Financial Statements  
1 Overnight rate, average for the period

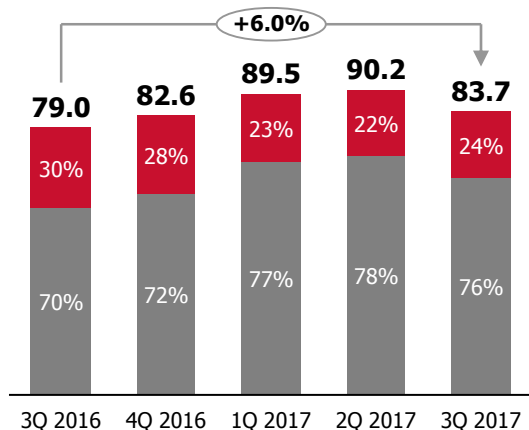


# FX Market: continued growth in swaps

## Trading volumes

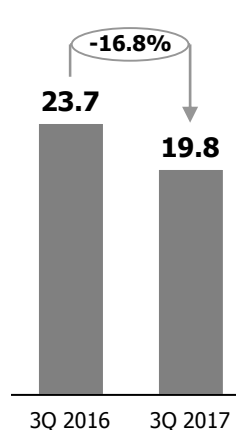
RUB trn

■ Spot ■ Swap



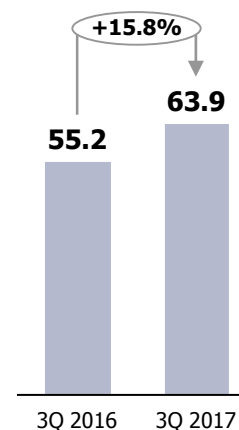
## Spot trading volumes

RUB trn



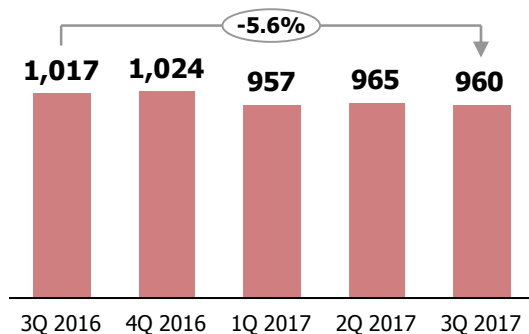
## Swap trading volumes

RUB trn



## Fee & commission income

RUB mln



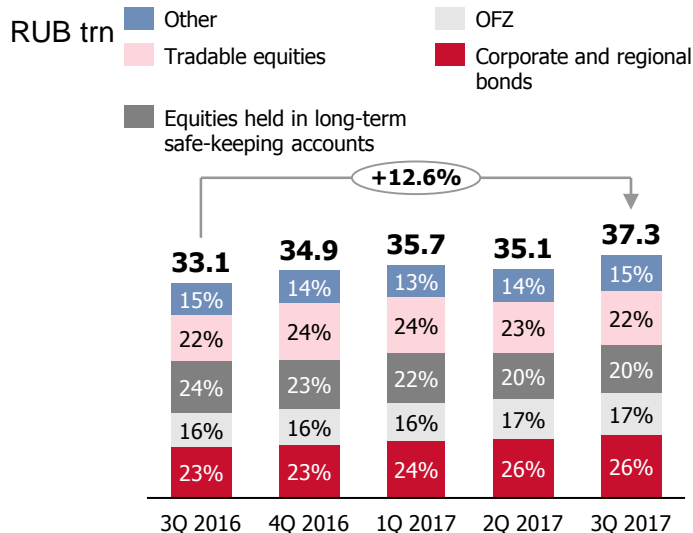
## Comments

- Trading volumes grew by 6.0% YoY thanks to an increase in swap trading volumes (+15.8% YoY). Spot trading decreased by 16.8% YoY. Fee and commission income was lower by 6% YoY than in 3Q 2016 due to a shift in the structure of trading towards swaps.
- Number of corporates with access to the FX Market increased from 9 at the beginning of 3Q 2017 to 16 at the start of November.
- Fixing deals were launched on the FX Market. They allow market participants to enter FX trades at MOEX 12:30 fixing rates.



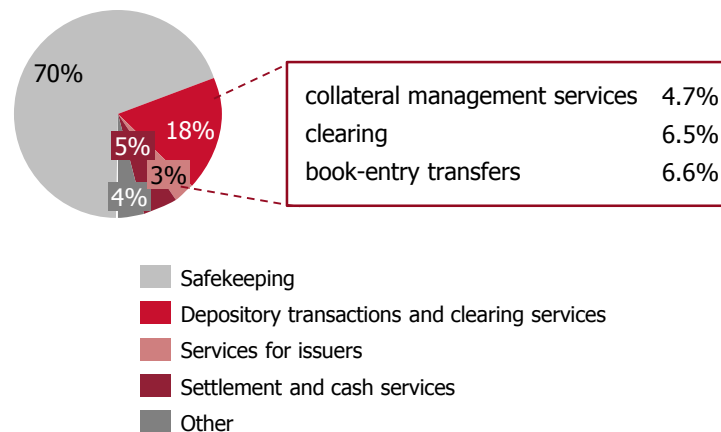
# Depository and settlement: increasing assets under custody

## Assets on deposit (average for the period)



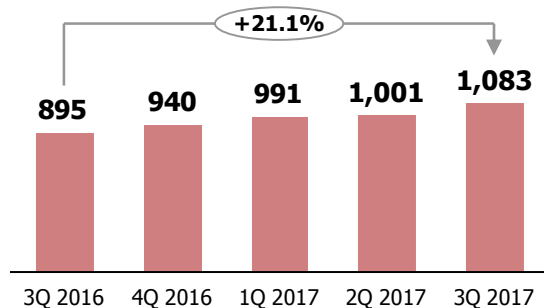
## Fee & commission income breakdown

3Q 2017



## Fee & commission income

RUB mln



## Comments

- The segment continues to be a steady performer, climbing to second place among business lines by revenue generated in Q3 2017.
- Fees and commissions increased by 21.1% YoY. The main driving factor behind fee growth was an increase in average assets under custody (up 12.6% YoY). Assets under custody surpassed RUB 38 trln at the end of 3Q 2017.
- The growth in assets under custody was primarily due to increases in corporate and regional bonds (+25.3% YoY) and government bonds (OFZ, +20.0% YoY).
- NSD used a blockchain-based settlement platform to complete an inaugural placement of RUB 500 mln bond issue.



**MOSCOW  
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Source: Moscow Exchange operational information and Consolidated Financial Statements

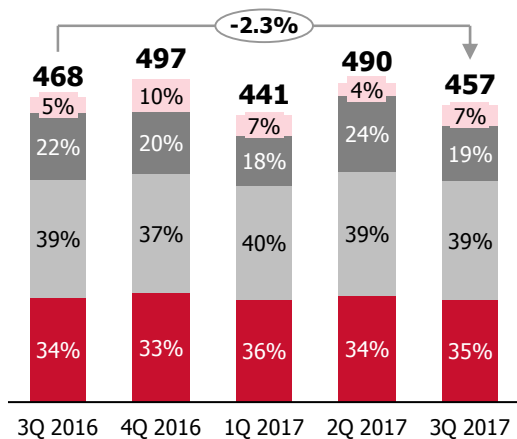


# IT Services and Listings: stable fee and commission income

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

RUB mln

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



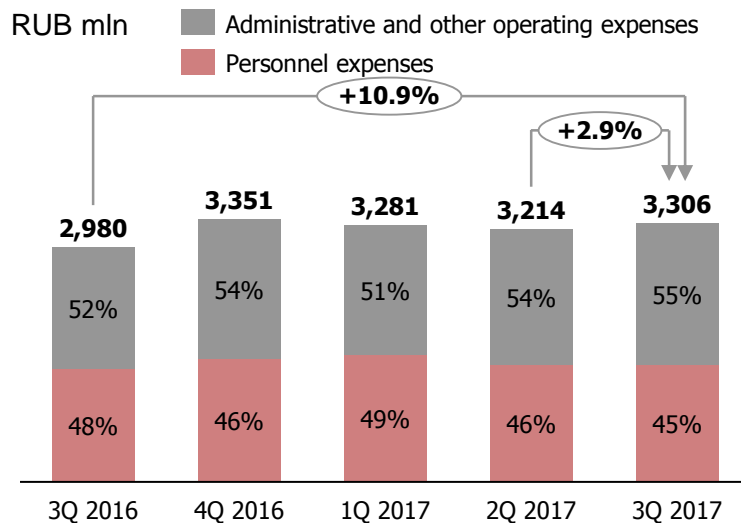
## Comments

- Listing and other fees related to the Securities Market were RUB 88.1 mln, down 13.6% YoY in spite of active placements happening in the Fixed Income Market, owing to the higher share of large issues.
- Sales of software and technical services were RUB 158.7 mln, down 1.4% YoY.
- Sales of information services were RUB 179.5 mln, down 1.0% YoY.
- The stronger RUB was a factor behind YoY moderation in the segment's revenues.

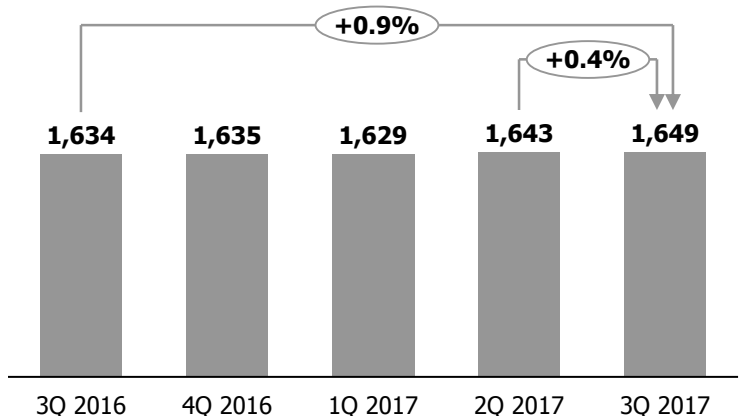


# Operating expenses

## Operating expenses



## Headcount



## Major expense items

RUB mln	3Q 2016	3Q 2017	Change YoY
Personnel expenses	1,432.7	1,475.5	3.0%
D&A and IT maintenance	839.9	1,001.3	19.2%
Remaining administrative expenses <sup>1</sup>	707.8	770.4	8.8%
Loss on disposal of PPE & intangible assets	0.0	59.0	n. m.
<b>Total</b>	<b>2,980.4</b>	<b>3,306.2</b>	<b>10.9%</b>
<b>Cost income ratio</b>	<b>27.6%</b>	<b>34.2%</b>	<b>6.6 pp</b>

## Comments

- Operating expenses grew by 10.9% YoY, below the full-year guidance of 15-17% due to lower than expected personnel expenses.
- Administrative expenses increased by 18.3% YoY. 57% of the increase was attributable to D&A and IT equipment maintenance that resulted from last year's CAPEX program. In 3Q 2017 CAPEX amounted to RUB 557.8 mln and CAPEX for 9M 2017 was RUB 1.37 bln.
- Personnel expenses rose by 3.0% YoY, below the full-year guidance due to less active hiring compared to expectations.
- Based on the performance to date, we are updating FY 2017 OPEX growth guidance to 11-13% YoY.**

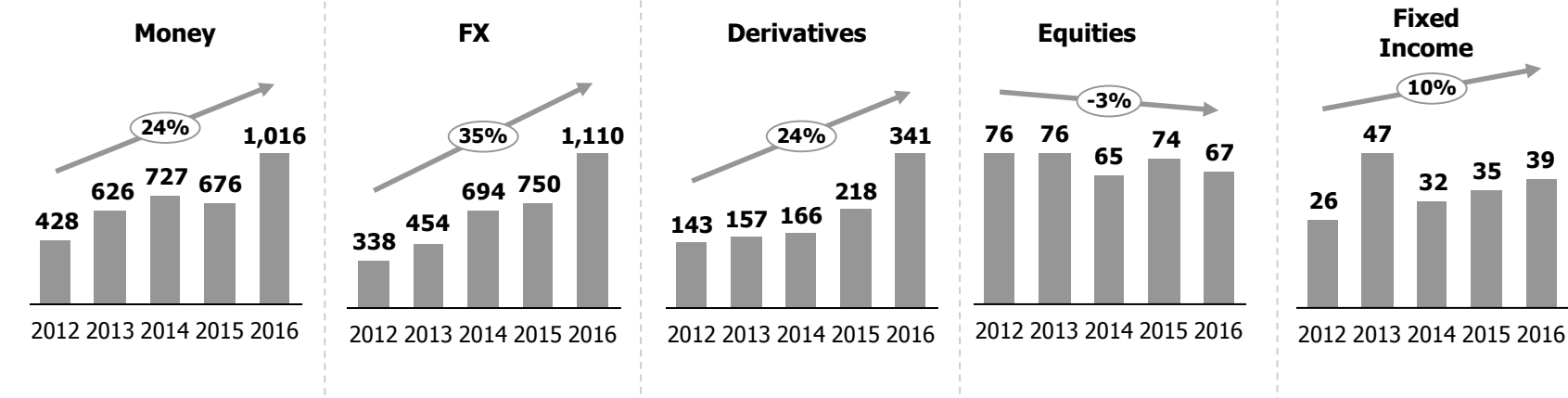
# Appendix

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

X% → CAGR '12-16

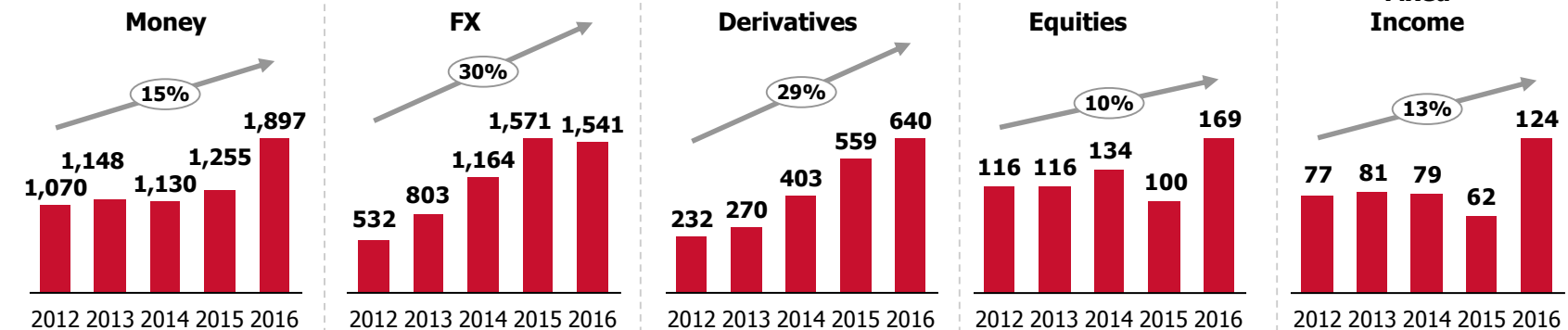
## ADTV in the month of the year with the lowest volumes

RUB bln



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

RUB bln

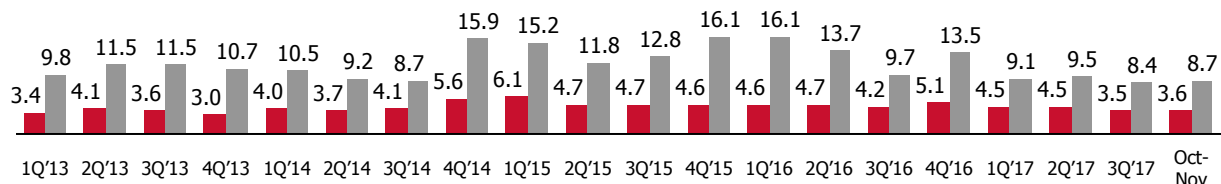


# Dual listed stocks virtual index spread dynamics

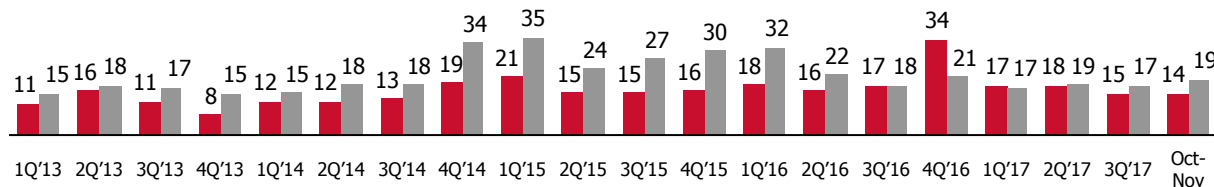
Analysis provided by  
LiquidMetrix

MICEX  
Virtual  
index<sup>2</sup>

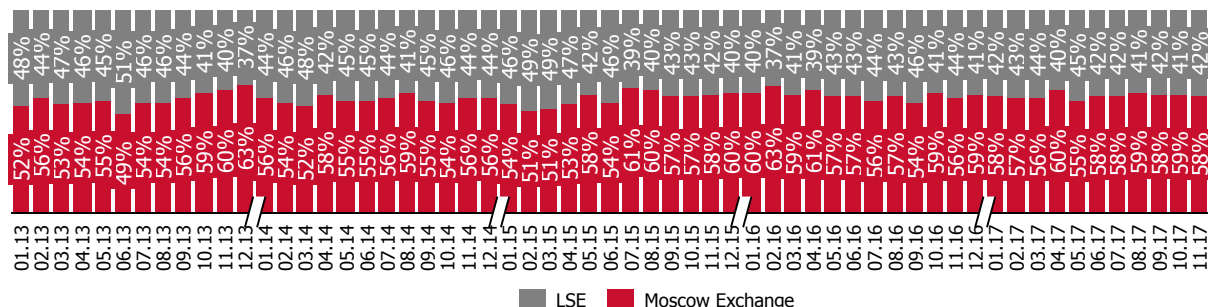
Bid - ask spread 1 Contract (b.p.<sup>1</sup>)



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



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



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

- 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

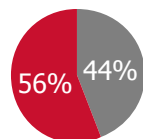
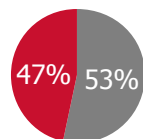
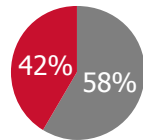
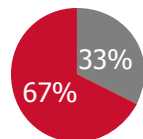
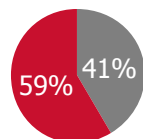
1 The value for the spread is quoted in basis points (0.01%)  
 2 MICEX Virtual Index – index calculated based on prices and EOB data of the most liquid Russian dual listed stocks  
 3 Data since Dec 2015 includes trading auctions on MOEX  
 Source: LiquidMetrix

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

Analysis provided by  
LiquidMetrix

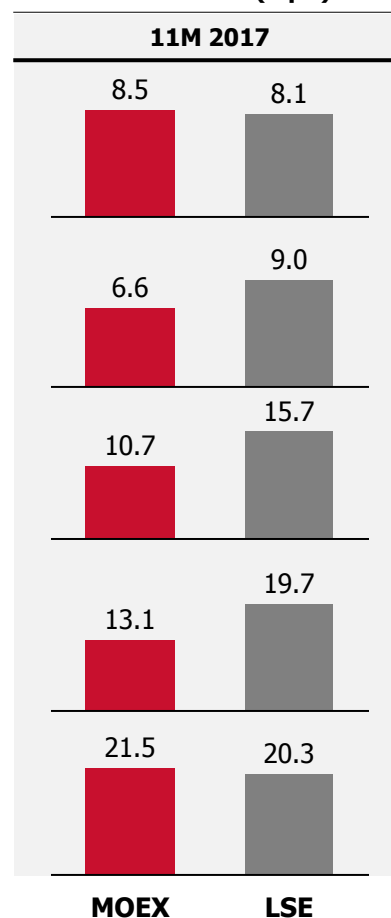


Market share<sup>1</sup>  
11M 2017



■ LSE ■ Moscow Exchange

Average Bid - ask spread  
50k EUR deal (b.p.<sup>2</sup>)



Bid-ask spreads for majority of the Russian “Blue Chips” are also substantially lower on Moscow Exchange than on other trading venues

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

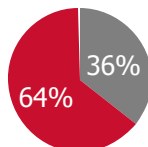
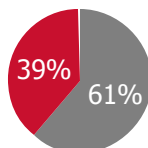
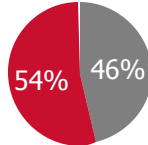
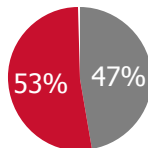
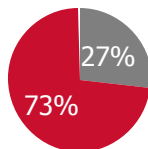
# Blue Chips bid - ask spread dynamics for 50k EUR deal (2)

Analysis provided by  
LiquidMetrix



Market share<sup>1</sup>

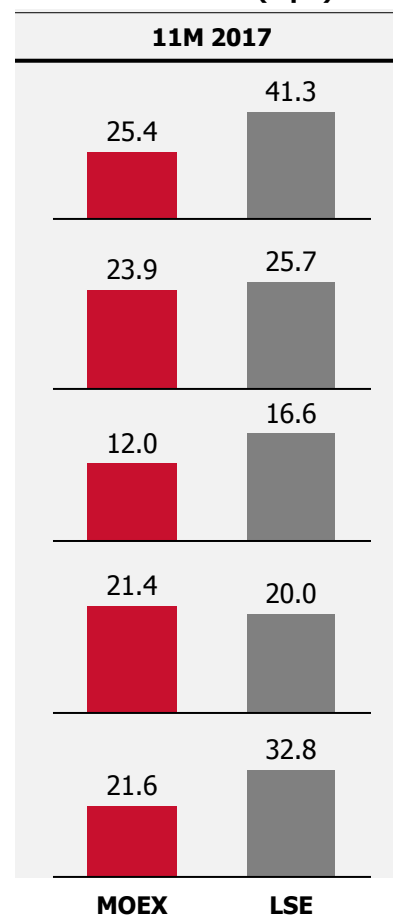
11M 2017



■ LSE ■ Moscow Exchange

Average Bid - ask spread  
50k EUR deal (b.p.<sup>2</sup>)

11M 2017



Bid-ask spreads for majority of the Russian “Blue Chips” are also substantially lower on Moscow Exchange than on other trading venues

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

# Consolidated Statement of **Profit or Loss**

<i>RUB mln</i>	<i>9M 2017</i>	<i>9M 2016</i>	<i>% chg. 9M 2017/ 9M 2016</i>
Fee and commission income	15,416.8	14,632.5	5%
Interest and finance income <sup>1</sup>	13,499.9	18,672.1	-28%
Other operating income	30.8	26.4	17%
<b>Operating Income</b>	<b>28,947.5</b>	<b>33,331</b>	<b>-13%</b>
Administrative and other operating expenses	-5,246.1	-4,511.1	16%
Personnel expenses	-4,555.6	-4,397.7	4%
<b>Operating Expense</b>	<b>-9,801.7</b>	<b>-8,908.8</b>	<b>10%</b>
<b>Operating Profit Before Tax</b>	<b>19,145.8</b>	<b>24,422.2</b>	<b>-22%</b>
Income tax expense	-3,705.1	-4,745.2	-22%
<b>Net Profit</b>	<b>15,440.7</b>	<b>19,677.0</b>	<b>-22%</b>
<b>Earnings per share</b>			
Basic earnings per share, rubles	6.87	8.78	-22%
Diluted earnings per share, rubles	6.84	8.72	-22%



# Consolidated Statement of Financial Position

<i>RUB mln</i>	<i>30 September 2017</i>	<i>31 December 2016</i>	<i>% chg. 30 September 2017/31 December 2016</i>
<b>Assets:</b>			
Cash and cash equivalents	302,618.3	380,516.6	-20%
Central counterparty financial assets	2,385,658.3	1,733,263.8	38%
Financial assets <sup>1</sup>	277,785.0	282,339.3	-2%
Property and equipment and intangible assets	25,156.0	26,064.3	-3%
Goodwill	15,971.4	15,971.4	0%
Other assets <sup>2</sup>	2,645.1	3,782.5	-30%
<b>Total Assets</b>	<b>3,009,834.1</b>	<b>2,441,937.9</b>	<b>23%</b>

<i>RUB mln</i>	<i>30 September 2017</i>	<i>31 December 2016</i>	<i>% chg. 30 September 2017/31 December 2016</i>
<b>Liabilities:</b>			
Balances of market participants	491,054.3	574,590.1	-15%
Central counterparty financial liabilities	2,385,658.3	1,733,263.8	38%
Distributions payable to holders of securities	4,713.1	2,952.3	60%
Other liabilities <sup>3</sup>	12,316.7	7,748.1	59%
<b>Total Liabilities</b>	<b>2,893,742.4</b>	<b>2,318,554.3</b>	<b>25%</b>
<b>Total Equity</b>	<b>116,091.7</b>	<b>123,192.4</b>	<b>-6%</b>
<b>Total Liabilities and Equity</b>	<b>3,009,834.1</b>	<b>2,441,937.9</b>	<b>23%</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.

•Forward-looking statements speak only as of the date of this presentation and we expressly disclaim any obligation or undertaking to release any update of, or revisions to, any forward-looking statements in this presentation as a result of any change in our expectations or any change in events, conditions or circumstances on which these forward-looking statements are based. Past performance should not be taken as an indication or guarantee of future results, and no representation or warranty, express or implied, is made regarding such future performance.

