



**MOSCOW
EXCHANGE**

18 May 2018

1Q 2018 Earnings Presentation

Delivery on strategic initiatives in 2018 YTD

- New Products -

- MOEX continued to develop GCC repo, introducing two new pools (OFZ and GC Expanded) in addition to the two existing GCC pools (GC Bonds and GC Shares). It is now also possible to settle GCC repo trades in USD.
- Trading began in futures and options on Light Sweet Crude Oil.
- Trading of grain swaps surged, as they have become a convenient funding tool for grain producers.
- X5 Retail Group, Russia's largest food retail chain, obtained a secondary equity listing on MOEX.
- Two new ETFs – on the RTS Index and Russian Eurobonds – were launched, bringing the total number of ETFs to 14.
- Trading in TRY/RUB started in the spot segment of the FX Market, with swap trading to follow.

- New Services -

- The cross margining phase of the strategic UCP project is ready for launch at the end of May 2018.
- Indicative Quotation System (IQS) was launched on the Derivatives Market.
- Debt capital markets activity surged, with 38 issuers raising over RUB 2.6 trln (up 3.6x YoY, excluding overnight bonds) in new placements and refinancing transactions, reflecting ongoing bondization.
- MOEX and the Ministry of Economic Development granted 14 innovative companies access to capital via MOEX's Innovation and Investment Market.

- New Clients & Partners -

- Retail investors opened ~139,000 new brokerage accounts, bringing the total to 2.0 mln as of the end of 1Q 2018. The number of IIAs reached 328,000 at the end of 1Q 2018 (year-end 2017: 302,000).
- Nordea Bank AB, Scandinavia's leading bank, obtained Sponsored Market Access to the FX Market.
- MOEX entered into a strategic co-operation agreement with the Kazakhstan Stock Exchange (KASE).
- MOEX signed MoUs with the Shanghai Gold Exchange and the Hanoi Stock Exchange.
- The 9th annual Moscow Exchange Forum was held in Moscow. It attracted more than 2,200 participants including government officials, investors, issuers, market participants and the media.

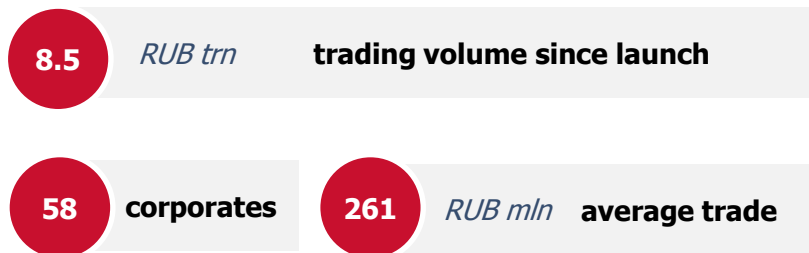


New Products: expansion of GCC repo pools range

GCC repo: developments in 1Q 2018

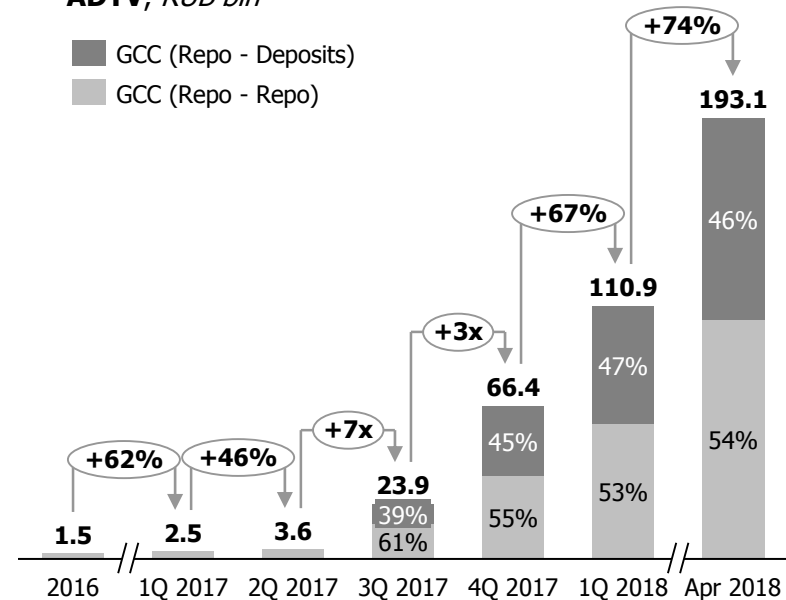
- ✓ Maximum term extended to 1 year
- ✓ USD settlement for GCC repo launched
- ✓ 2 new collateral pools (OFZ and GC Expanded) introduced in addition to pools already in place

Deposits with the CCP for corporates¹



ADTV, RUB bln

- GCC (Repo - Deposits)
- GCC (Repo - Repo)



GCC pools²

	GC Bonds	GC Shares	OFZ	GC Expanded
Number of securities accepted	181	33	41	890
Currencies accepted as general collateral	RUB, USD, EUR	RUB, USD, EUR	RUB	RUB, USD, EUR

New Products: Derivatives, Commodities and Equities

Futures and options on Light Sweet Crude Oil

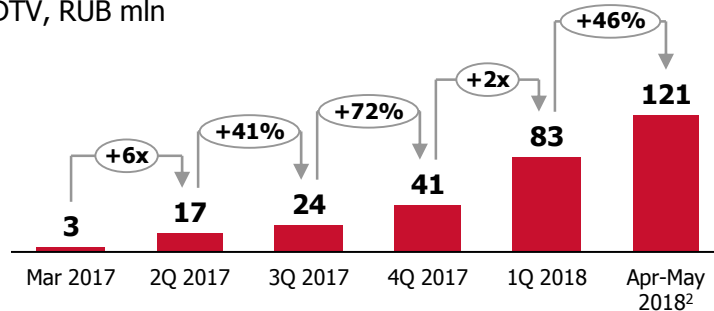
Futures on Light Sweet Crude reached an ADTV of RUB 36 mln within the first few days after the launch on 25 April 2018. A comparable ADTV of Brent futures was achieved a month after the start of trading back in October 2008.

4th

most popular underlying in the commodity segment since launch¹

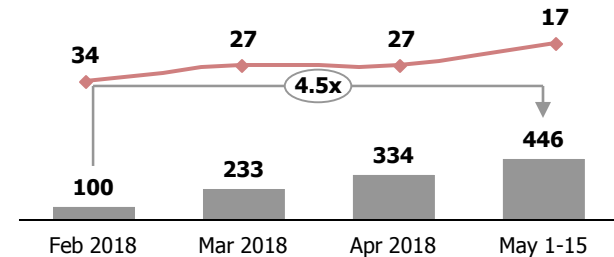
Trading in grain swaps: funding for producers

ADTV, RUB mln



X5 Retail Group: a new issuer in the Equities Market

■ ADTV, RUB mln ◆ Rank among the most liquid shares listed on MOEX



2 new ETFs

New

- ✓ **ITI Funds** RTS Equity
- ✓ **ITI Funds** Russia-Focused USD

Existing

Russian equity indices

FinEx
RTS

Russian Eurobonds

FinEx
Rus Eurobonds USD
Rus Eurobonds RUB

Foreign equity indices

FinEx
MSCI Australia
MSCI Germany
MSCI China
MSCI Japan
MSCI USA
MSCI UK
MSCI USA IT

Commodities

FinEx
Gold USD

Foreign bonds & MM

FinEx
Cash Equivalents



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1 Between 25 April 2018 and 15 May 2018
2 Between 1 April 2018 and 15 May 2018

New Services: update on the strategic UCP project

Unified Collateral Pool (UCP) phase-in schedule

☑ **Completed**

On track

Dec'17

Start of phase 1:

Single account, unification of collateral management

2Q'18

Start of phase 2:

Cross-margining bridge between spot and derivatives

End of 2018

Fully-functioning UCP



Aug'18

1st tariff revision:

- Repo with CCP
- FX swaps

Nov'18

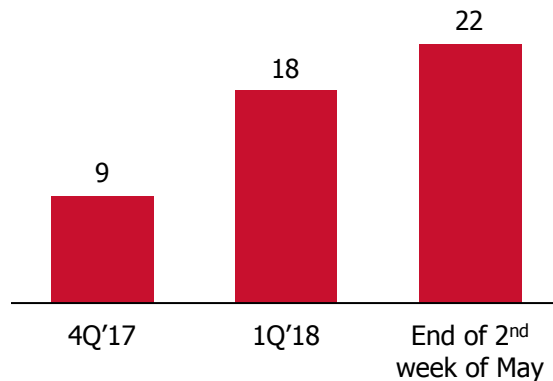
2nd tariff revision:

- Repo with CCP
- FX swaps
- Derivatives

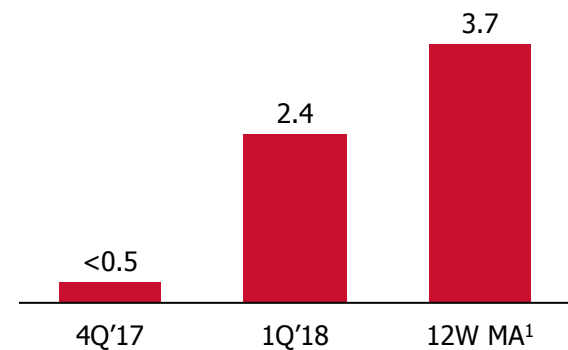
- In effect since 4 December 2017:
 - ✓ Netting of settlements
 - ✓ Unified collateral requirements
 - ✓ Single account for all markets
- Schedule for fee revisions:
 - ✓ August and November 2018 – in effect
 - ✓ July and October 2018 – previous view

Phase 1: current progress

Number of market participants with UCP accounts

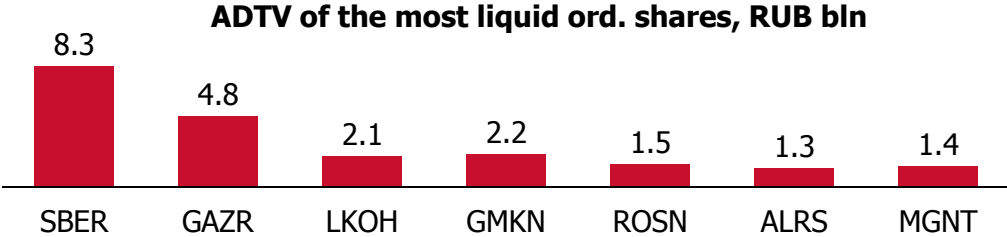


Share of F&C from UCP accounts as % of total trading F&C

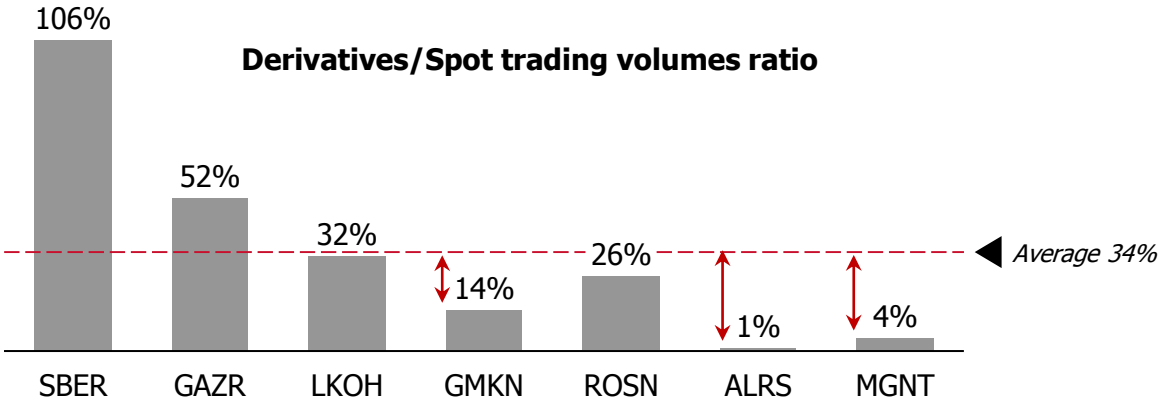


New Services: Indicative Quotation System

As the liquidity of derivatives' underlying assets gradually decreases ...



...the ratio of derivatives' volumes to spot trading volumes declines rapidly – like a gap down



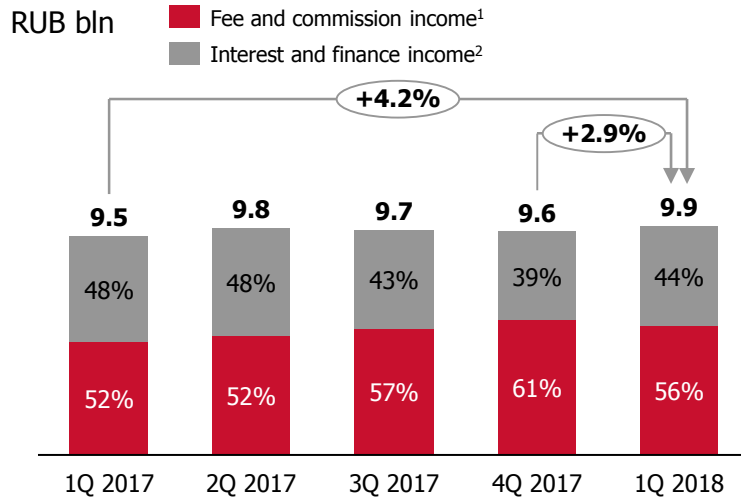
=> Trading in derivatives on a less liquid underlying can garner a greater share of this underlying's spot volumes

- ✓ Allows to trade illiquid contracts without freezing collateral before a counterparty accepts a trade order
- ✓ Seeks to improve liquidity in derivatives with liquid underlying assets
- ✓ Launched on 23 April 2018 for options only
- ✓ There are plans to introduce IQS for illiquid futures contracts

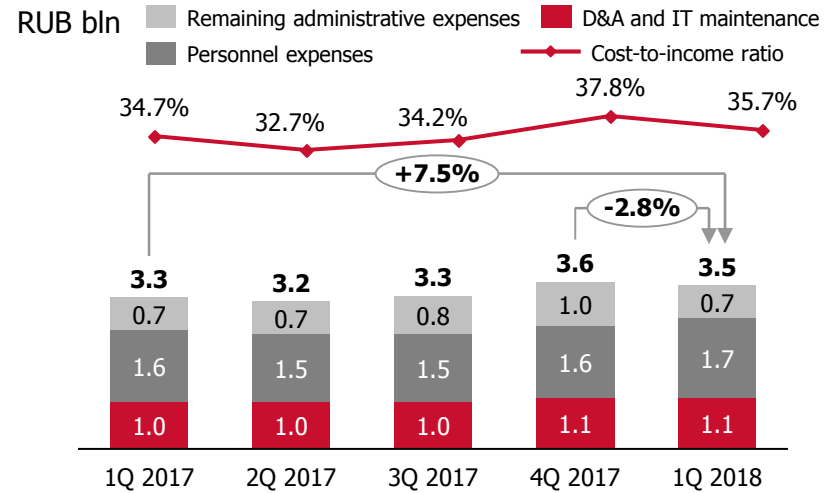
Indicative Quotation System aims to unlock the potential of less liquid contracts

1Q 2018 summary of financials

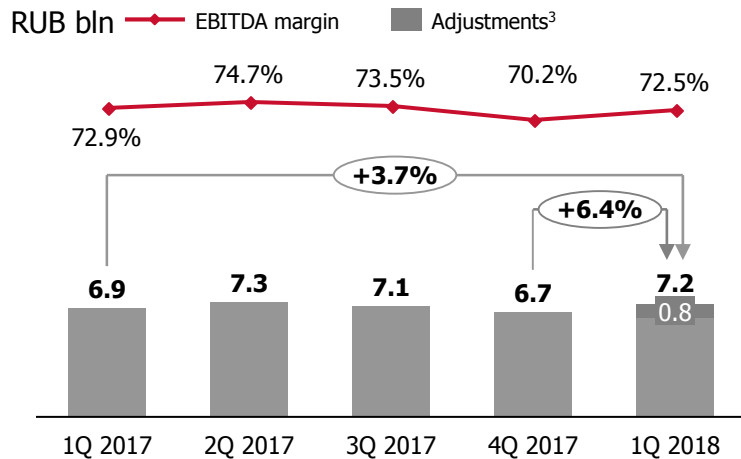
Operating income



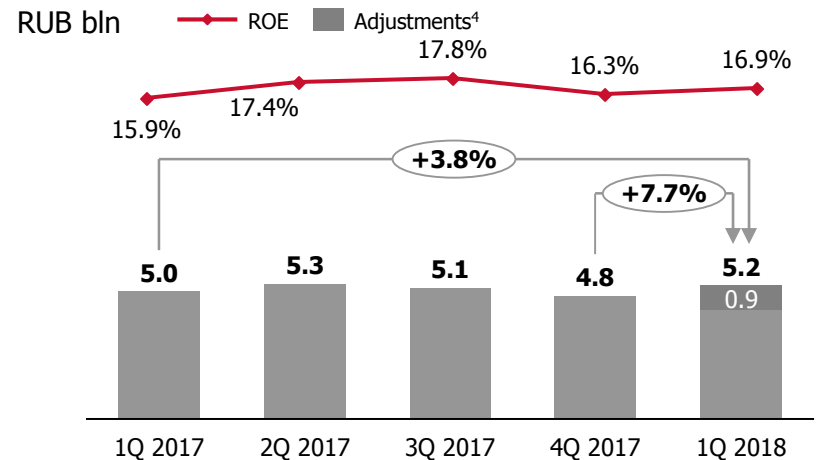
Operating expenses



EBITDA and EBITDA margin



Net income



Source: Moscow Exchange

1 Includes Other operating income

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

3 Adjustments are related to 1) IFRS 9 provisions change and 2) one-off provision

4 Adjustments are related to 1) changes in amortization schedules, 2) IFRS 9 provisions change and 3) one-off provision



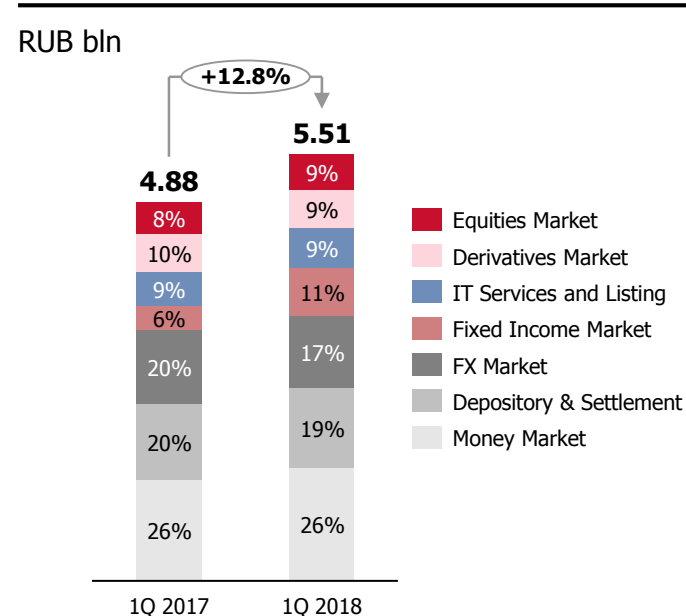
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Diversified fee and commission income

Fee & commission income performance

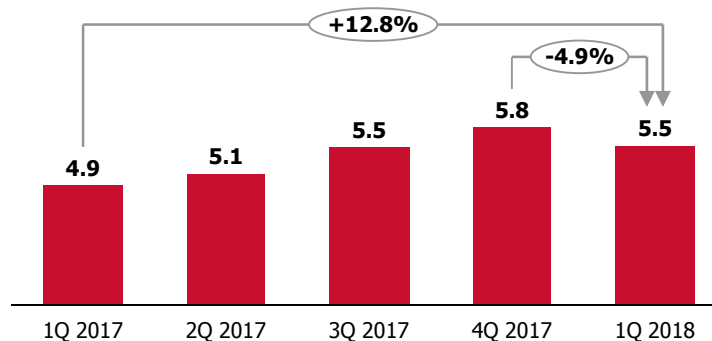
RUB mln	1Q 2017	1Q 2018	Change YoY, mln	Change YoY, %
Money Market	1282.0	1438.2	156.2	12.2%
Depository and Settlement	991.0	1046.1	55.1	5.6%
FX Market	957.0	926.2	-30.8	-3.2%
Fixed Income Market	316.9	621.6	304.7	96.2%
IT Services and Listing ¹	440.7	508.8	68.1	15.5%
Derivatives Market	497.0	494.8	-2.2	-0.4%
Equities Market	396.8	470.0	73.2	18.4%

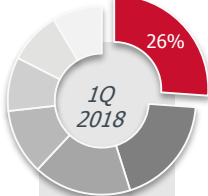
Fee & commission income breakdown



Fee & commission income dynamics

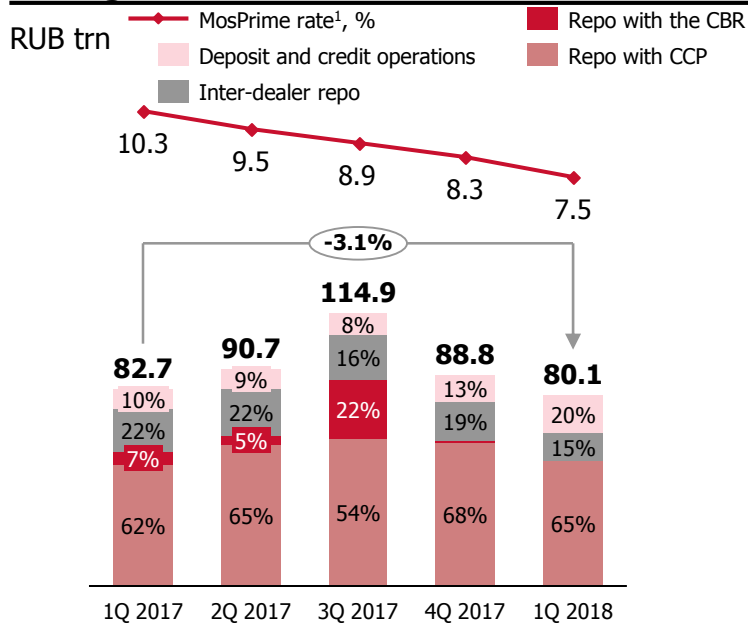
RUB bln



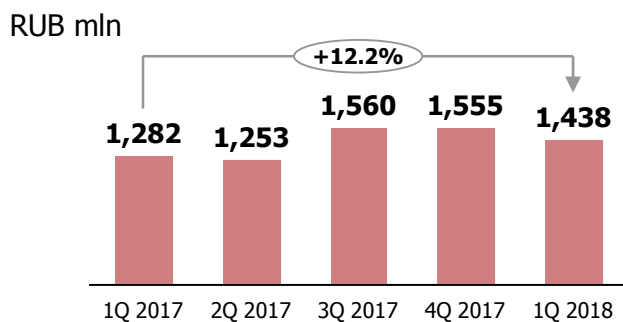


Money Market

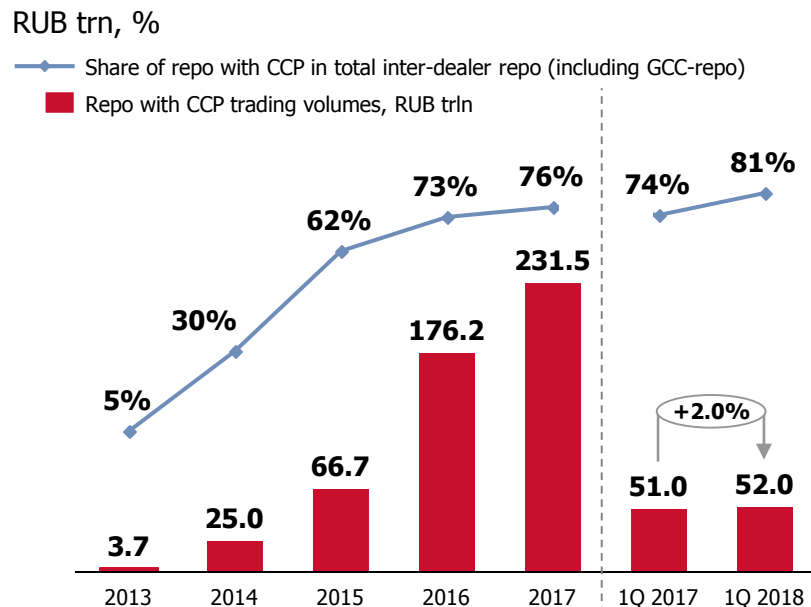
Trading volumes



Fee & commission income



Trading volumes for repo with CCP



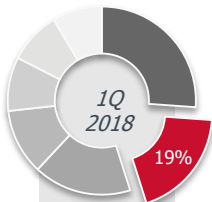
Comments

- F&C income increased 12.2% YoY thanks to a shift to higher-margin repo with CCP (including GCC repo).
- Trading volumes contracted 3.1% YoY due to lower volumes of repo with the Bank of Russia.
- The average term of on-exchange repo was 3.1 days, up from 2.8 days in 1Q 2017 and flat QoQ (4Q 2017: 3.0 days).
- Strength of effective fees was due to longer average term of repo and some accruals from longer-term deals.



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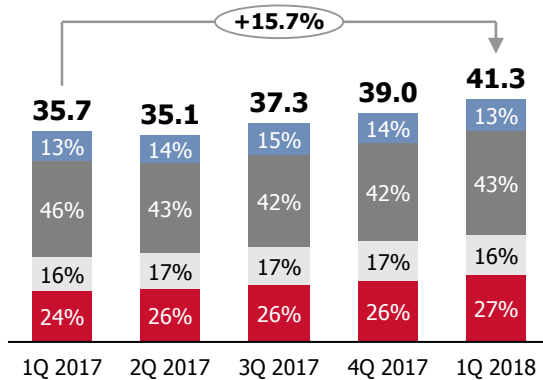
Depository and Settlement



Assets on deposit (average for the period)

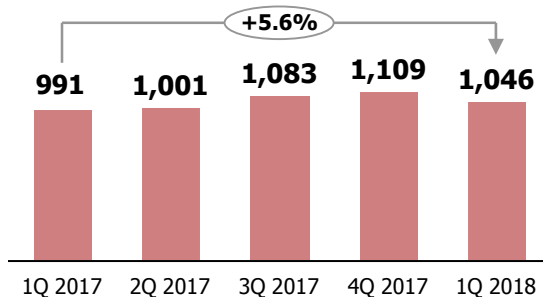
RUB trn

- Other
- OFZ
- Equities
- Corporate and regional bonds



Fee & commission income

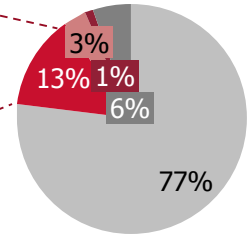
RUB mln



Fee & commission income breakdown

1Q 2018

collateral management services	0.5%
clearing	4.8%
book-entry transfers	7.9%



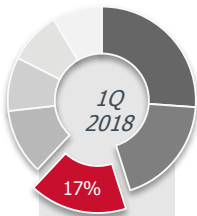
- Safekeeping
- Depository transactions and clearing services
- Services for issuers
- Settlement and cash services
- Other

Comments

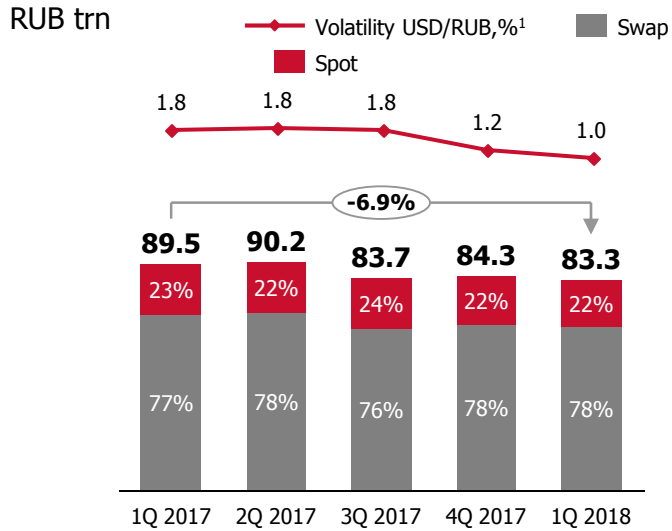
- F&C increased 5.6% YoY, primarily due to growth in average assets on deposit (+15.7% YoY).
- The growth in assets on deposit was universal across all asset classes. Corporate bonds on deposit grew by 29.4% YoY, OFZs (federal government bonds) grew by 17.1% YoY and equities grew by 8.4% YoY.
- While income from safekeeping remained strong, fees from repo with collateral management services through NSD declined due to lower volumes.



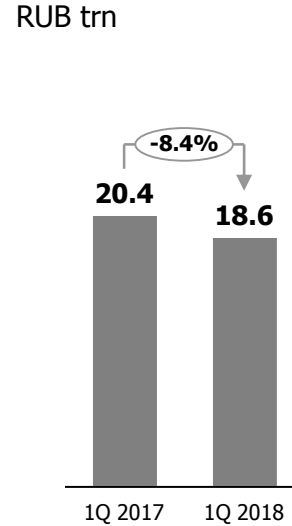
FX Market



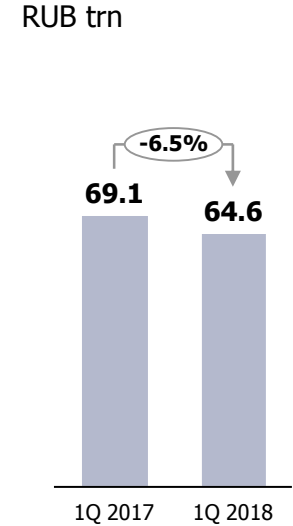
Trading volumes



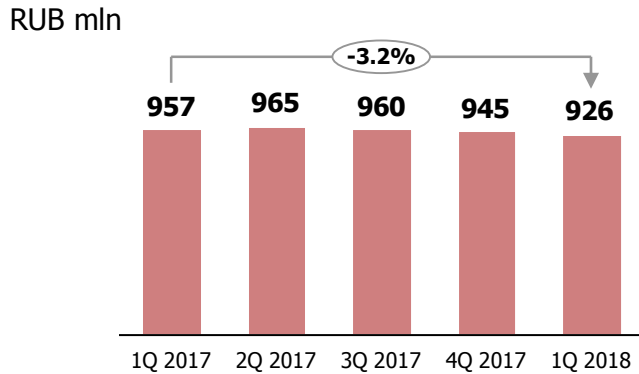
Spot trading volumes



Swap trading volumes



Fee & commission income



Comments

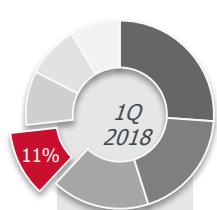
- F&C was down 3.2% YoY due to a contraction of trading volumes (-6.9% YoY).
- Swap trading volumes declined 6.5% YoY, spot trading declined 8.4% YoY.
- Sponsored Market Access to the FX Market continues to develop, with six participants to date.



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

1 Calculated as daily standard deviation for the period divided by the average value for the period

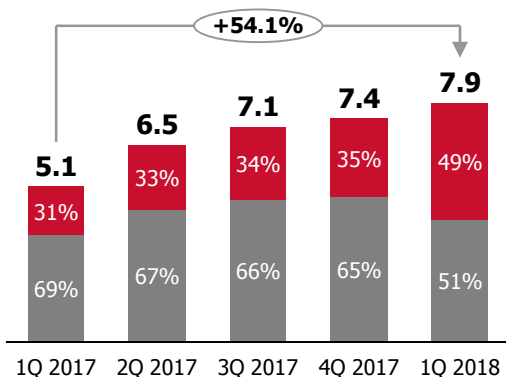


Fixed Income Market

Trading volumes¹

RUB trn

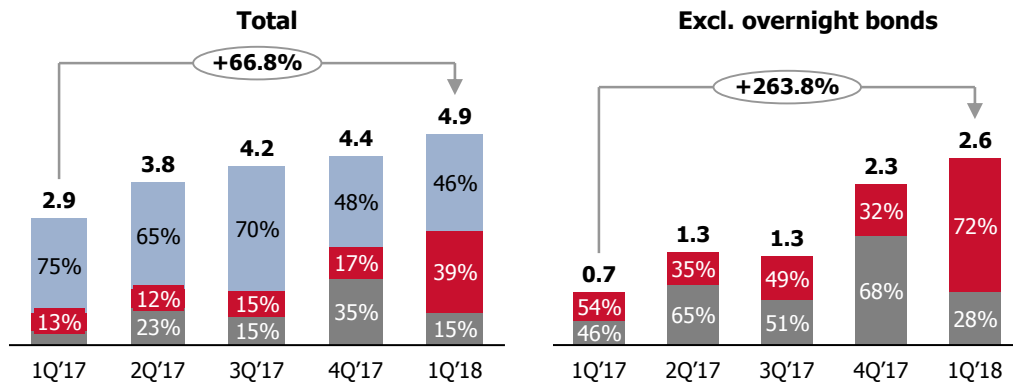
- Government and CBR bonds (OFZ, OBR)
- Corporate, municipal and other bonds



Primary market

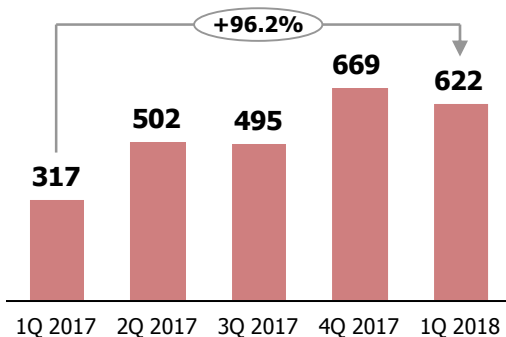
RUB trn

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



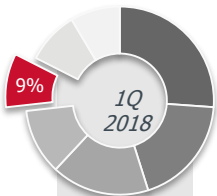
Fee & commission income

RUB mln



Comments

- Trading volumes were up by 54.1%.
- F&C rose 96.2% on the back of strong growth in placements.
- Primary placements grew 3.6x YoY (excl. overnight bonds).
- Placements of government bonds expanded 4.9x YoY.

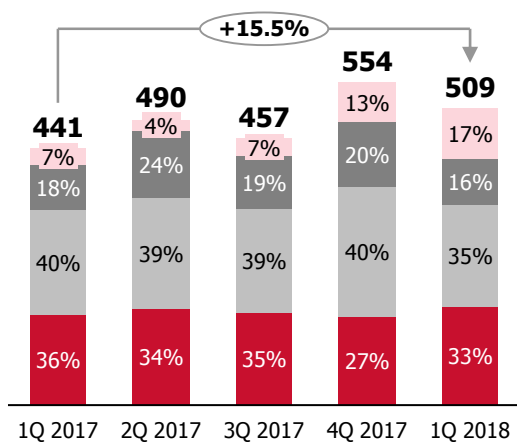


IT Services and Listings

IT Services and Listings¹

RUB mln

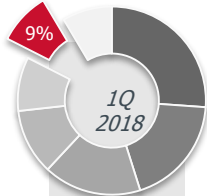
- Other fee and commission income
- Listing and other fees related to Securities Market
- Information services
- Sale of software and technical services



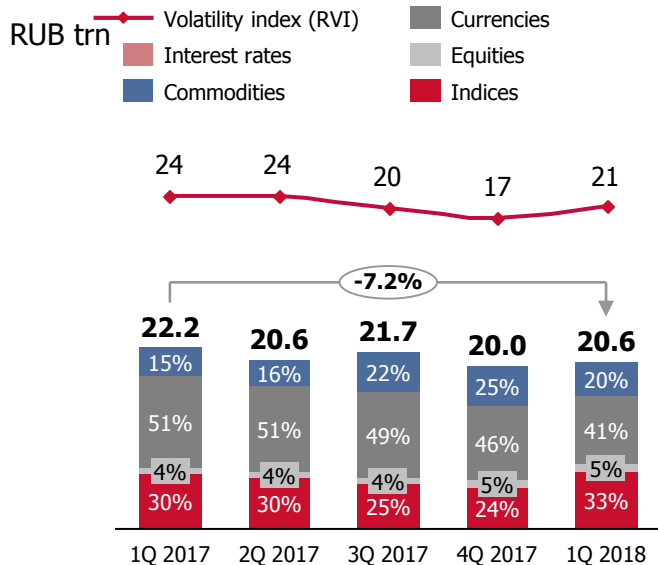
Comments

- Listing and other service fees were RUB 79.2 mln, up 0.4% YoY.
- Sales of data and information services contributed to RUB 176.3 mln of fee income, flat YoY.
- Income from sales of software and technical services was RUB 169.2 mln, up 8.1% YoY.
- Other fee and commission income was RUB 84.1 mln, up 2.9 times YoY. This line includes contribution from the Commodities Market.

Derivatives Market

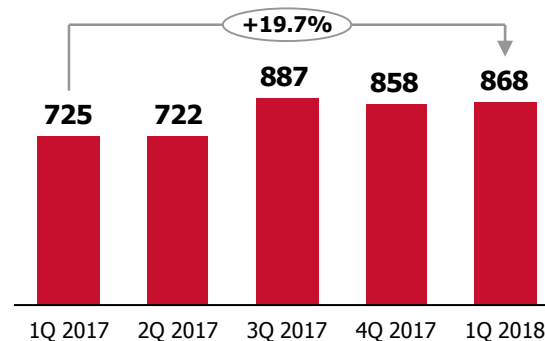


Trading volumes



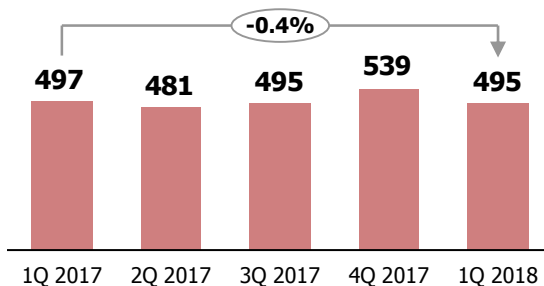
Open interest

RUB bn, daily average



Fee & commission income

RUB mln



Comments

- F&C was flat YoY, while trading volumes declined 7.2%.
- Trading volumes of FX derivatives declined 25.7% due to lower exchange rate volatility.
- Trading volumes of equity and index contracts grew 35.1% and 4.6% YoY, respectively, despite the decline in volatility.
- Trading volumes of commodity contracts were up 21.6% YoY.
- Options turnover increased 20.8% YoY.
- Shift to higher fee contracts (single equity and commodity futures, options) supported the average fee per ruble of trading volumes.

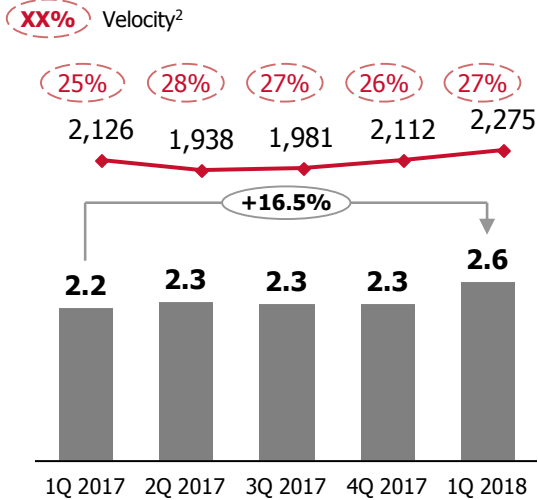


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Equities Market

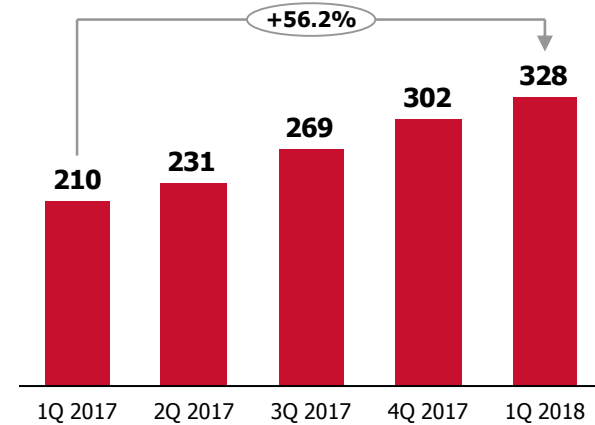
Trading volumes¹

RUB trn ■ Equities — MOEX Index (average for the period)



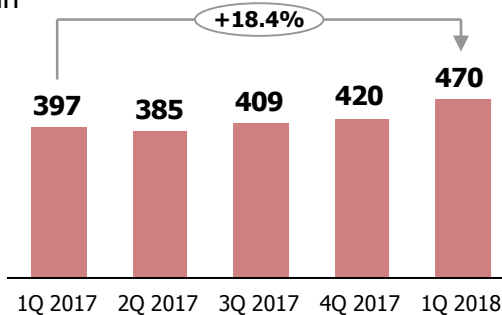
Increasing popularity of Individual Investment Accounts

Individual Investment Accounts, thousands, end-of-period



Fee & commission income

RUB mln



Comments

- Trading volumes increased 16.5% YoY, F&C rose by 18.4% YoY.
- MOEX's market share vs. LSE in trading of dual-listed Russian shares rose by 4 pp YoY and reached 61%.
- FTSE replaced 2 DRs of Russian issuers with local shares in its All-World index.
- X5 Retail Group's DRs started trading on the Equities Market in February 2018 and entered the top-20 most liquid equity instruments in May 2018.



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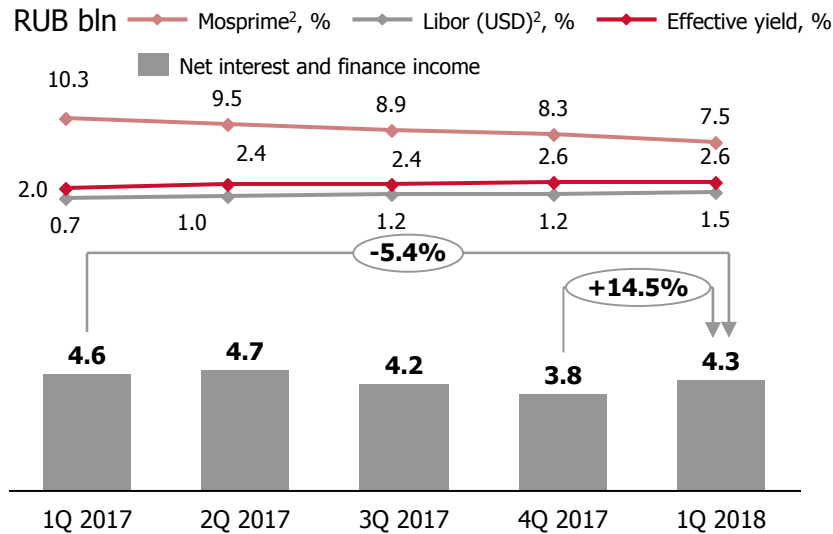
Source: Moscow Exchange operational information and Consolidated Financial Statements, WFE, Liquid Metrix, Bloomberg and Moscow Exchange data for March 2018 for MOEX vs LSE share

¹ Volumes of both primary and secondary markets

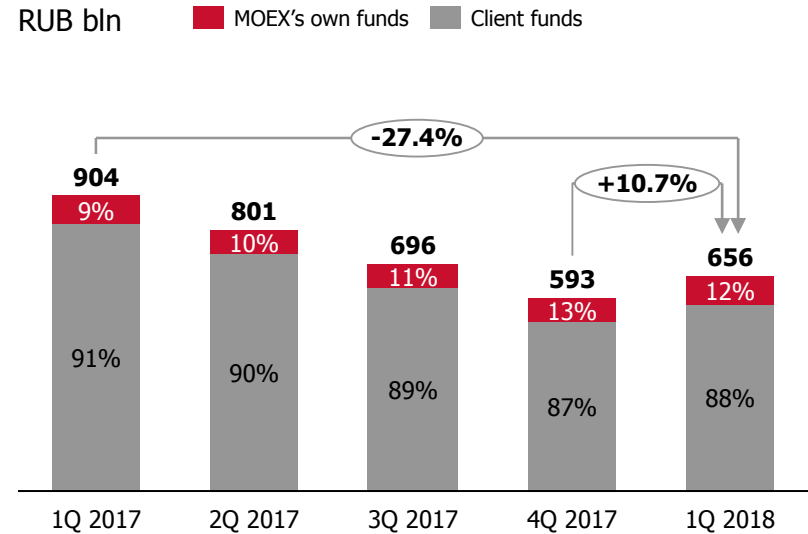
² Velocity is calculated as annualized trading volumes for the period divided by the average market capitalization

Interest and finance income

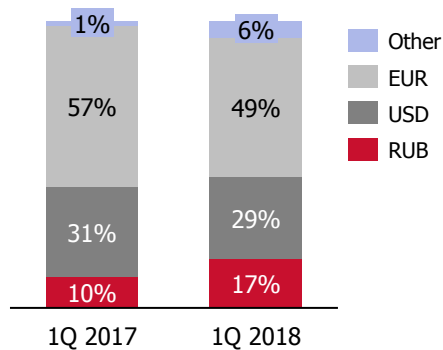
Interest and finance income¹



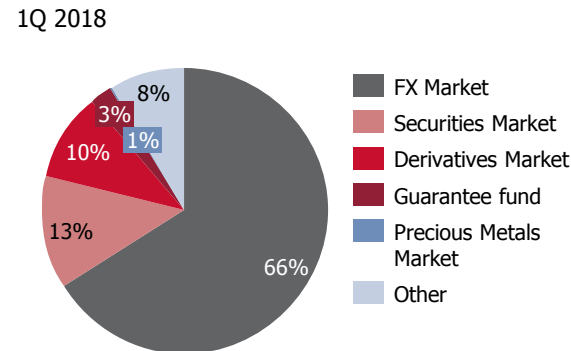
Investment portfolio sources³



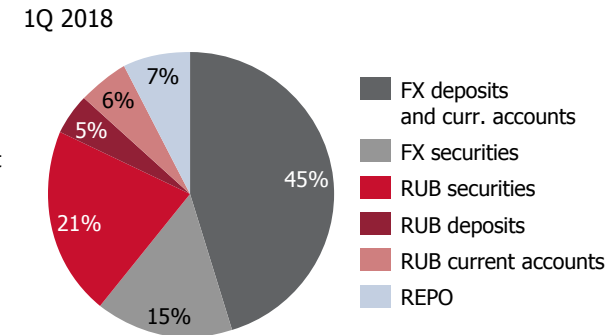
Client funds by currency



Client funds by source



Investment portfolio by type of asset



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

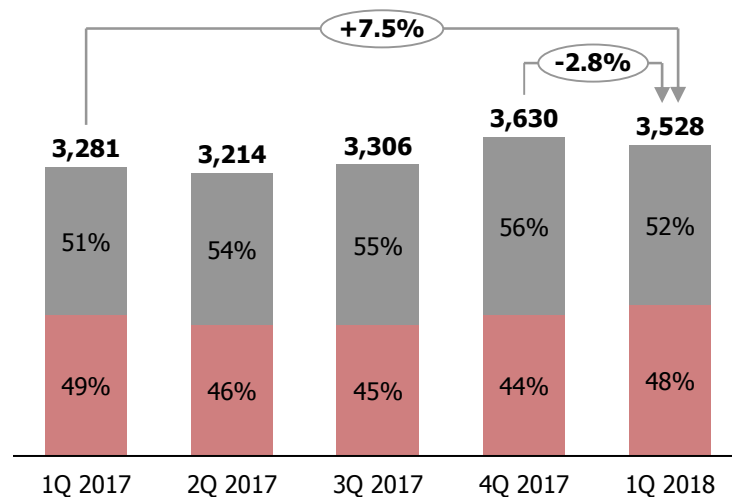
³ Based on average daily investment portfolio sources for the period according to management accounts

Operating expenses

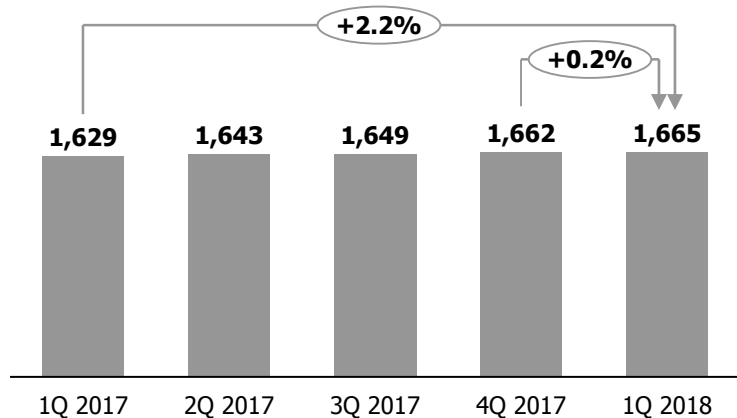
Operating expenses

RUB mln

- Administrative and other operating expenses
- Personnel expenses



Headcount



Major expense items

RUB mln	1Q 2017	1Q 2018	Change YoY
Personnel expenses	1,602.2	1,707.1	6.5%
D&A and IT maintenance	997.7	1,114.9	11.7%
D&A & IT maintenance adjusted for change in amortization schedule	997.7	1,033.8	3.6%
Remaining administrative expenses¹	681.5	705.9	3.6%
Total OPEX	3,281.4	3,527.9	7.5%
Adjusted total OPEX	3,281.4	3,446.8	5.0%
Cost (adj.) / Income Ratio	34.7%	34.9%	0.2 p.p.

Comments

- OPEX for the quarter was RUB 3.53 bln, up 7.5% YoY. Administrative and other operating expenses were up 8.4% YoY to RUB 1.82 bln, of which RUB 839.8 mln was depreciation and amortization expense.
- OPEX excluding D&A expenses up only 4.7% YoY to RUB 2.69 bln.
- Continued growth of D&A charge was a result of changes to the amortization schedule of particular intangible assets.
- Personnel expenses rose by 6.5% YoY to RUB 1.71 bln.

Last but not the least: 2018 YTD corporate developments

- Dividends -

- MOEX's AGM voted to pay FY2017 dividend of RUB 7.96 per share (89% of 2017 IFRS net profit).
- That amount includes the interim dividend of RUB 2.49 previously distributed.
- Shareholders as of 15 May will receive RUB 5.47 per share (net of applicable tax) by 20 June 2018.

- Supervisory Board -

- The AGM also voted for the new Supervisory Board.
- Independent director Oleg Vyugin was elected Chairman of the Supervisory Board.
- 7 of the 12 members (58%) of the Supervisory Board are now independent directors.
- Alexander Izosimov and Mikhail Bratanov joined the Supervisory Board as new independent directors.

- AGM Voting -

- Around 77% of voters in the AGM voted electronically through NSD, of which...
- ...around 20% used NSD's E-voting technology and 57% used E-proxy voting.



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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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