

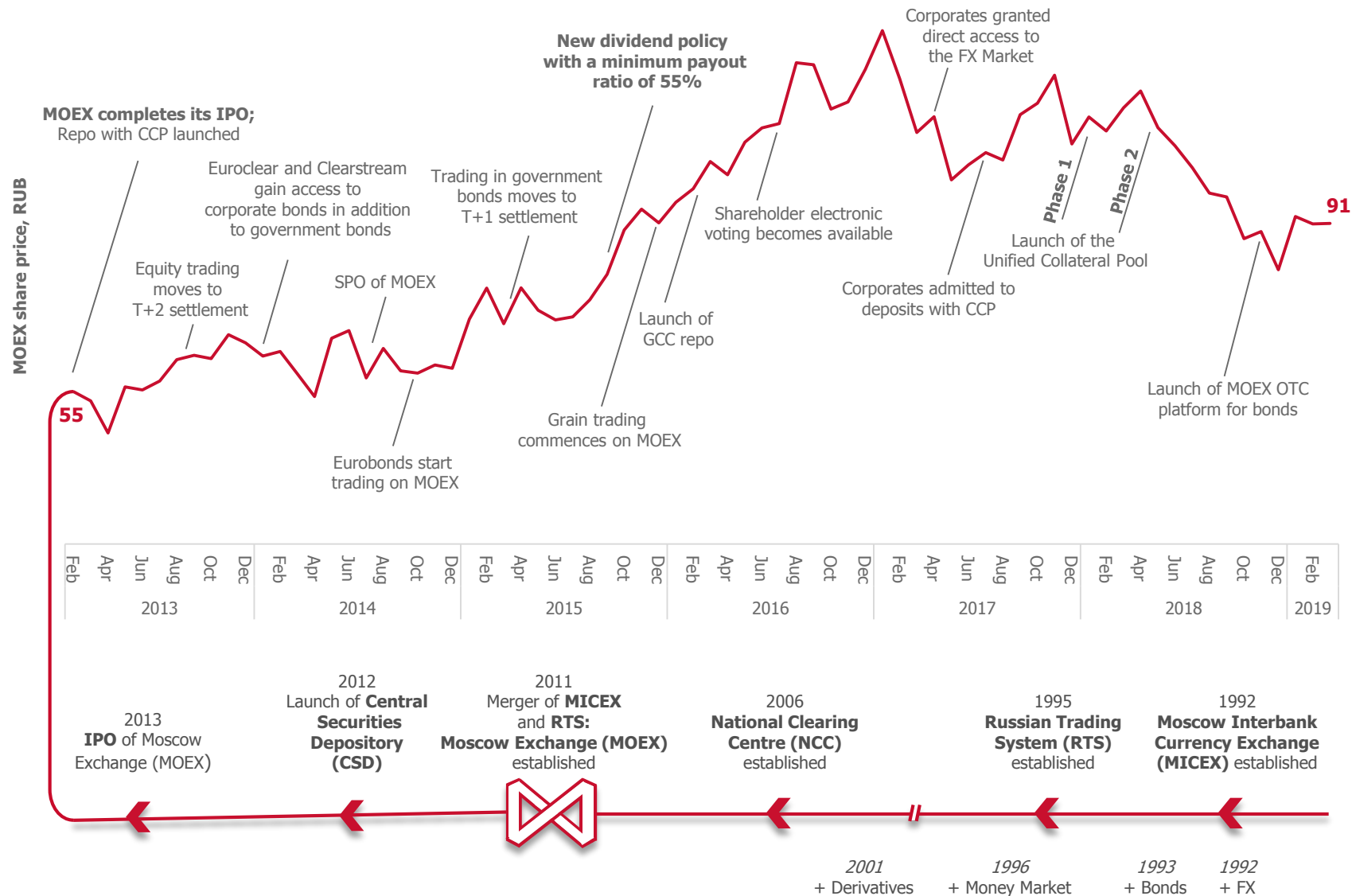


**MOSCOW  
EXCHANGE**

April 2019

Investor presentation

# History of MOEX: the path of ongoing progress



# Investment and corporate highlights

## Financial Resilience

- **Counter-cyclical business model** coupled with robust cost control
- **Secular growth of fees and commissions** (F&C) across 7 complimentary F&C business lines
- Business-driven margin and collateral requirements generate **sustainable net interest income** (NII)
- Operating income F&C/NII split of 60/40 **evolving towards F&C**
- One of the **highest EBITDA margins** among global peers
- **Attractive dividend policy** with a minimum payout ratio of 55% and a track record of distributing 55-89% of 2014-2017 net income

## Corporate Governance

- A **26-year history** of successful and continuous implementation of infrastructural and regulatory reforms
- **No single controlling shareholder**: free float of 58% with substantial international participation; the largest shareholder owns <12%
- Most Supervisory Board members are **independent directors** (7 out of 12); **no executives** are present on the Supervisory Board
- Established track record for **efficient capital allocation**

## Strategic Stance

- Operates in Russia – **the world’s 11th largest economy**
- The world’s **most diversified exchange** with trading in **5 asset classes** vs ~3 offered by “traditional” exchanges
- **Cornerstone** of the Russian financial system: MOEX brings together the tiers of the banking system by managing ~3/4 of its total liquidity flow
- Low penetration of financial services indicates **secular growth potential**
- The world’s **only exchange** focused on Russian financial assets – OTC market is the main competitor
- **Complete vertical integration** of a trading engine with a clearing house and a central securities depository makes up **a unique platform**

## Operational Excellence

- **All-electronic** since 1997
- **Vast in-house IT expertise**: ~1/3 of staff are IT developers, supporting a **CAPEX-light business model**
- Pre-order validation with 10,000 risk check scenarios at a **world class latency** of 400 microseconds ensures **integrity of all transactions**
- **Low-cost product scalability**: a new order book launch requires the equivalent of circa USD 10 thousand





Business overview

2

Corporate governance and dividends

3

Market position and competitive strategy

4

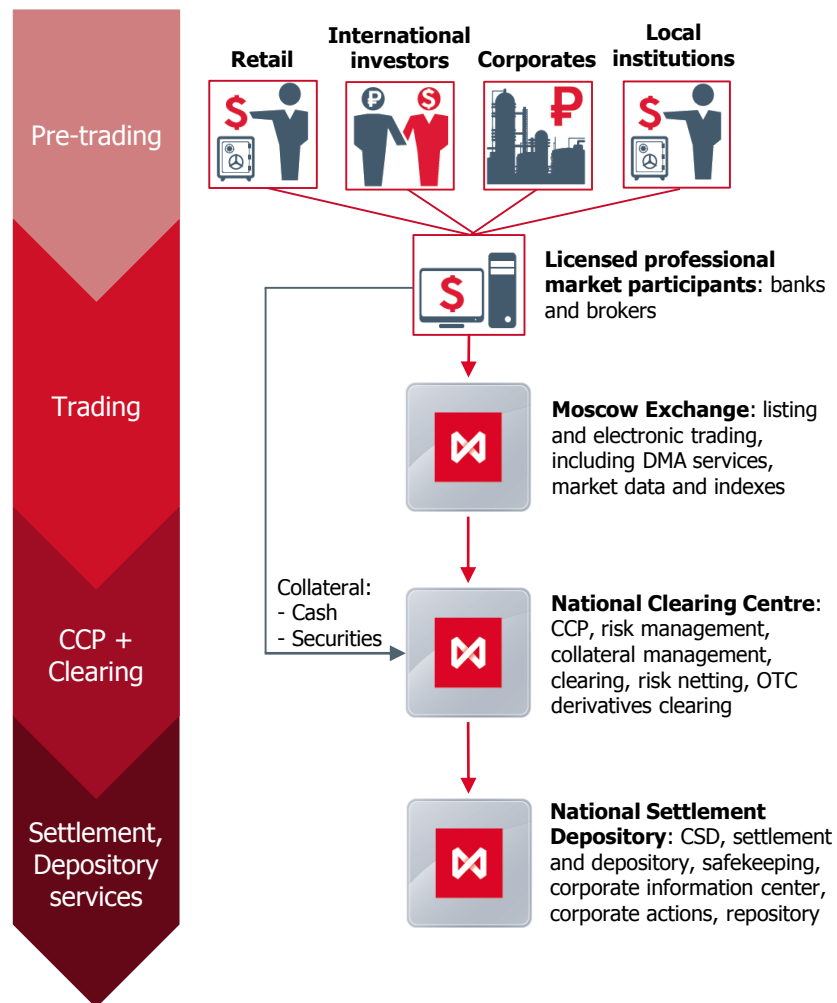
Financial track record

5

4Q and FY 2018 update



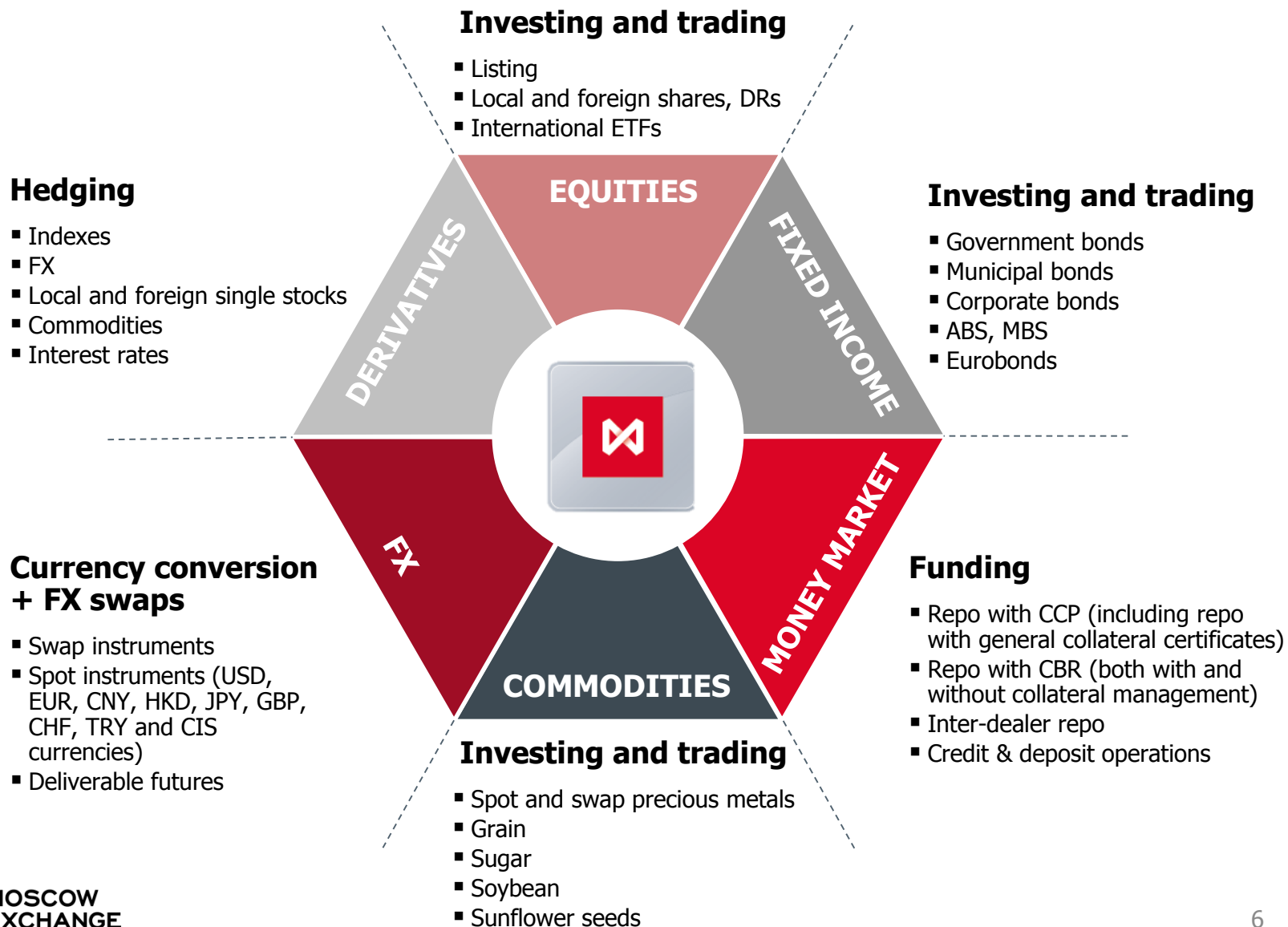
# On-exchange market: capturing the entire value chain



- ✓ 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, SMA and ICM services** at their disposal.



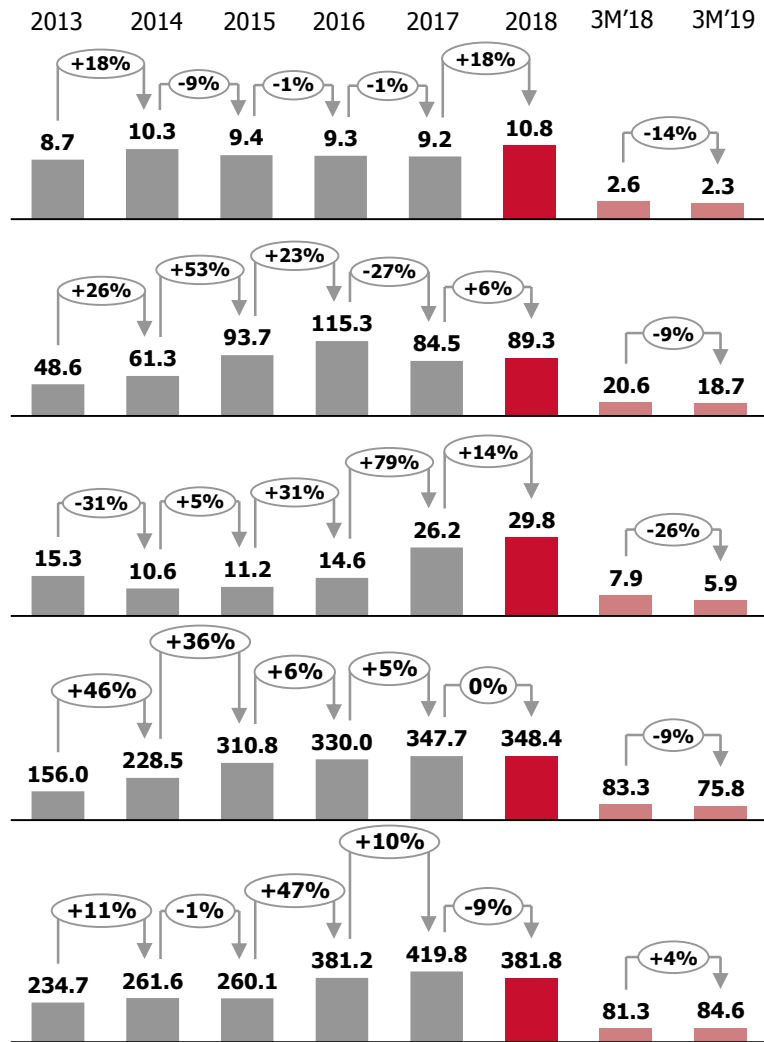
# Highly diversified product offering



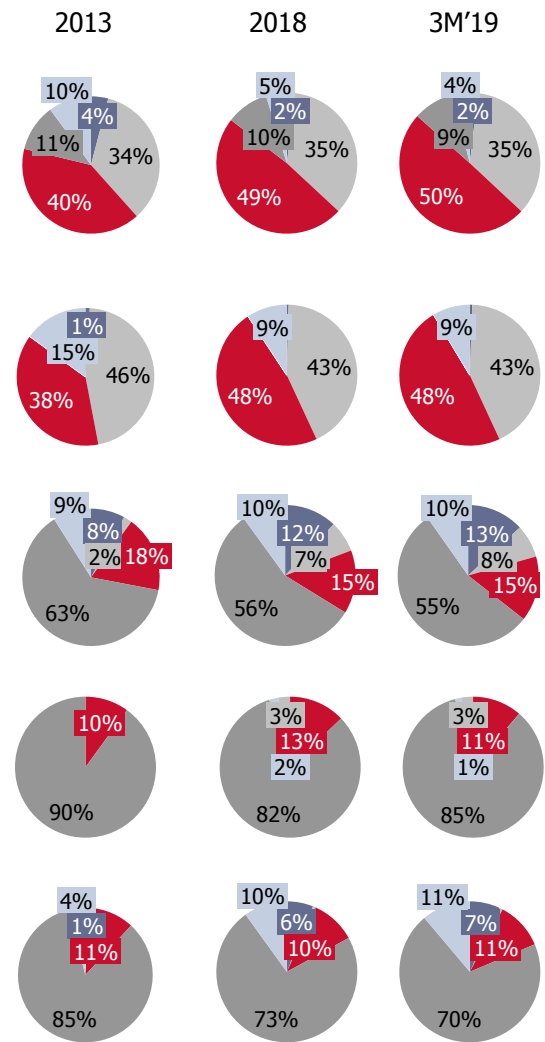
# Diversified investor base across different markets

- 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



- Russian funds
- Russian banks and brokers prop. trading
- Russian retail investors
- Local corporates
- Foreign investors

Source: Moscow Exchange data

<sup>1</sup> Trading volumes include repo with collateral management through NSD. Investor structure is based on on-exchange repo trading volumes only

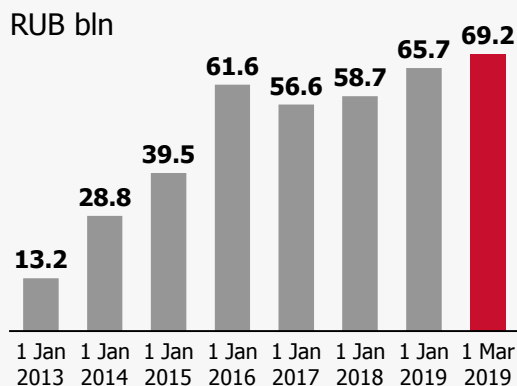


# Robust post-trade infrastructure

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

## CLEARING

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



### NCC cleared ADTV (2018)

RUB bln

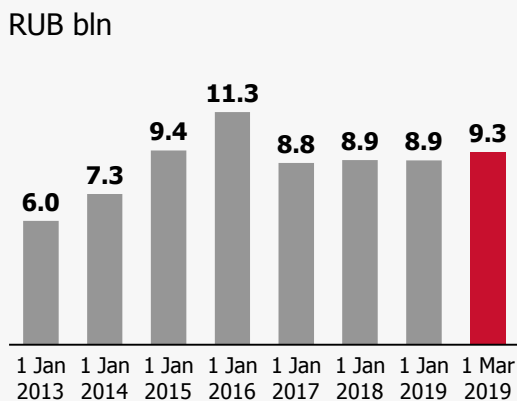
FX	1,372
Repo	1,220
Derivatives	355
Fixed income	117
Equities	43
Commodities	0.6
<b>NCC cleared</b>	<b>3,108</b>
<b>CCP as % of overall</b>	<b>91%</b>

### Comments

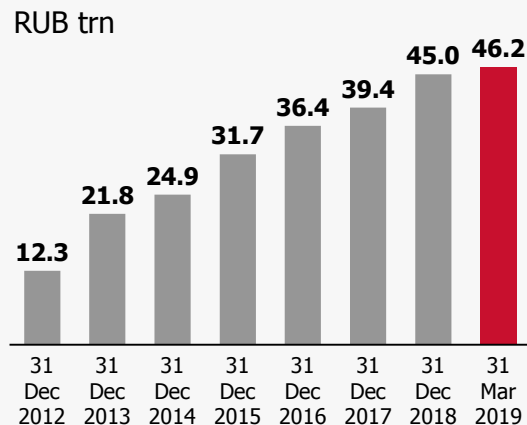
- Well-capitalized NCC acts as a CCP for all asset classes
- Solid risk management has ensured smooth operations amid high volatility
- BBB** local currency rating from Fitch – one notch higher than Russia's sovereign rating
- The target NCC capital for 2019 is ~RUB 66 bln (the level of 1 Jan 2019)
- As of 1 March 2019, N1<sub>CCP</sub> is 155.3%

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

3 Assets on deposit based on Company's operational data

4 Thomas Murray is the leading global agency for depository services



**MOSCOW  
EXCHANGE**



**1** Business overview



Corporate governance and dividends

**3**

Market position and competitive strategy

**4**

Financial track record













**5**

4Q and FY 2018 update



# Best-in-class corporate governance standards

- ✓ Out of 12 members of the 2018-2019 Supervisory Board, 7 are independent (58% vs a minimum threshold of 20%<sup>1</sup>)
- ✓ Four of the six Supervisory Board committees are chaired by independent directors
- ✓ The 2018-2019 Supervisory Board does not include any executive directors
- ✓ MOEX was a pioneer to adopt the new criteria of Director Independence aligned with the new Corporate Governance Code

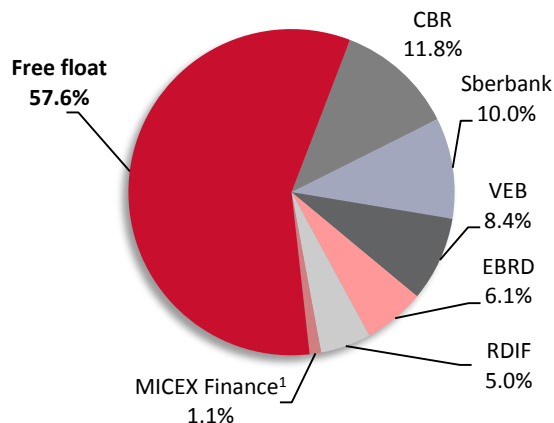
	Supervisory Board members	Strategy Planning	Audit	Nomination and Remuneration	Budget	Technical Policy <sup>2</sup>	Risk Management
	<b>Anatoly Braverman</b> First Deputy CEO at Russian Direct Investment Fund	✓			✓		✓
	<b>Andrey Golikov - Deputy Chairman</b> Deputy Chairman of the Supervisory Board at Moscow Exchange	✓			Chair	✓	
	<b>Valery Goreglyad</b> Chief Auditor at the Bank of Russia						✓
	<b>Yuriy Denisov</b> Chairman of the Supervisory Board at National Clearing Centre	✓					Chair
	<b>Bella Zlatkis</b> Deputy Chairman of the Executive Board at Sberbank of Russia						
	<b>Mikhail Bratanov</b> Head of Securities Services in Russia and CIS at Société Generale			Chair			
	<b>Oleg Viyugin - Chairman</b> Professor at Higher School of Economics	✓		✓			
	<b>Maria Gordon</b> Member of the Supervisory Board at Alrosa		✓		✓		
	<b>Alexander Izosimov</b> Director General at DRCAdvisors AB	✓				✓	
	<b>Anatoly Karachinsky</b> President at IBS LLC					Chair	
	<b>Duncan Paterson</b> Company Secretary at Talent First Limited	✓	Chair				
	<b>Rainer Riess</b> Director General at Federation of European Securities Exchanges (FESE)	Chair	✓	✓			

\* Independent directors

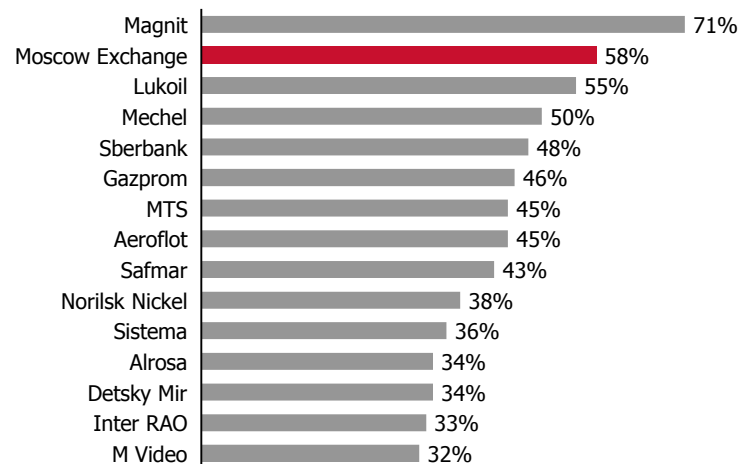
# Dispersed ownership with one of the **highest free-floats** in Russia

## Dispersed ownership with no controlling shareholder...

as of 31 December 2018

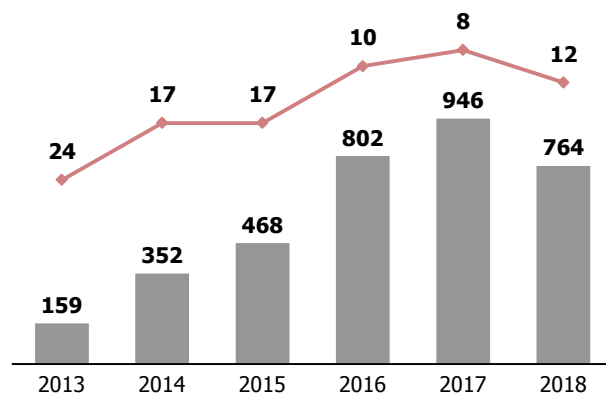


## ...and one of the highest free-floats in Russia<sup>2</sup>



## Growing liquidity of MOEX shares<sup>3</sup>

RUB mln — Rank among the most liquid shares listed on MOEX<sup>4</sup> — Average daily trading volume



## 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:**
  - ✓ 320+ investor meetings in 2018
  - ✓ IR activities in Russia, the UK, Europe and the US to maintain dialogue with overseas investors
  - ✓ IR awards in Russia in 2014-2017

# Recommended 2018 payout of 89%

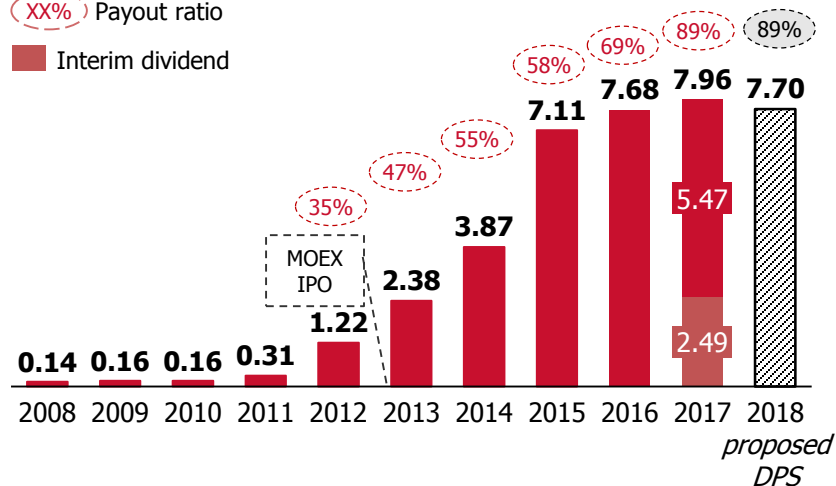
## History of dividend growth<sup>1</sup>

DPS for the financial year, RUB

26% CAGR of DPS '13-18

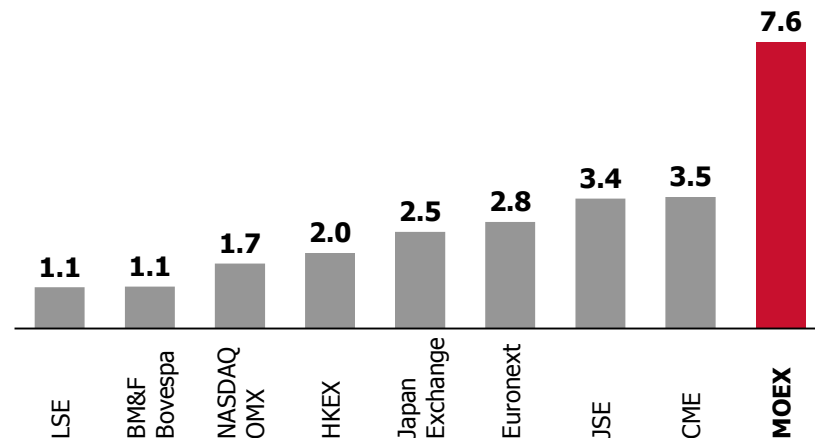
(XX%) Payout ratio

■ Interim dividend



## Dividend yields of MOEX and exchange peers, 2018E<sup>2</sup>

%



## Comments

- Dividend policy approved in September 2015 sets 55% of net profit as the minimum payout
- In March 2019 MOEX's Supervisory Board recommended a DPS of 7.70 for 2018, which amounts to 89% of the consolidated IFRS net profit for the year



**MOSCOW  
EXCHANGE**

Sources: Bloomberg, Moscow Exchange

- DPS and payout ratio for 2018 were recommended by the Supervisory Board on 6 March 2019, but have not yet been approved by an AGM
- As of 7 March 2019

**1** Business overview

**2** Corporate governance and dividends



Market position and competitive strategy

**4** Financial track record

**5** 4Q and FY 2018 update



# MOEX product offering vs other exchanges

Exchange	Country	Asset classes					Trade and post-trade services			
		Equity	Bonds	Derivatives	FX	Commo dities	Trading	Clearing	Depository	Market Data
CME	USA	×	×	✓	×	×	✓	✓	×	✓
HKEx	Hong Kong	✓	✓	✓	×	×	✓	✓	✓	✓
Deutsche Boerse	Germany	✓	✓	✓	×	×	✓	✓	✓	✓
ICE - NYSE	USA	✓	✓	✓	×	×	✓	✓	×	✓
B3	Brazil	✓	✓	✓	✓	✓	✓	✓	✓	✓
LSE	UK	✓	✓	✓	×	×	✓	✓	×	✓
ASX	Australia	✓	✓	✓	×	×	✓	✓	✓	✓
SGX	Singapore	✓	✓	✓	×	×	✓	✓	✓	✓
Japan Exchange	Japan	✓	✓	✓	×	×	✓	✓	×	✓
NASDAQ OMX	USA	✓	✓	✓	×	×	✓	✓	×	✓
<b>MOEX</b>	<b>Russia</b>	✓	✓	✓	✓	✓	✓	✓	✓	✓
CBOE	USA	×	×	✓	×	×	✓	×	×	✓
BME	Spain	✓	✓	✓	×	×	✓	✓	✓	✓
TMX	Canada	✓	✓	✓	×	✓	✓	✓	✓	✓
BMV	Mexico	✓	✓	✓	×	×	✓	✓	✓	✓
Bursa Malaysia	Malaysia	✓	✓	✓	×	×	✓	✓	✓	✓
JSE	South Africa	✓	✓	✓	×	×	✓	✓	×	✓
WSE	Poland	✓	✓	✓	×	✓	✓	✓	✓	✓



# Leading positions in a global context in 2018

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

Rank	Exchange	Country	Trading vol. (USD bln)	Incl. REPOs
1	BME	Spain	6 791	✓
2	Oslo Borse	Norway	3 885	✓
<b>3</b>	<b>Moscow Exchange</b>	<b>Russia</b>	<b>3 668</b>	<b>✓</b>
4	Johannesburg SE	South Africa	2 341	✓
5	Korea Exchange	Korea	2 193	×
6	Bolsa de Valores de Colombia	Columbia	333	×
7	LSE Group	UK	297	×
8	Shanghai SE	China	295	×
9	Nasdaq OMX	USA	277	✓
10	Santiago SE	Chile	249	✓

## 6<sup>th</sup> largest exchange in derivatives<sup>2</sup>

Rank	Exchange	Country	Contracts traded (mln)
1	CME Group	USA	4 764
2	NSE India	India	3 808
3	BM&FBOVESPA	Brazil	2 246
4	ICE&NYSE	USA	2 212
5	Deutsche Boerse	Germany	1 931
<b>6</b>	<b>Moscow Exchange</b>	<b>Russia</b>	<b>1 499</b>
7	CBOE	USA	1 434
8	Korea Exchange	Korea	1 411
9	Nasdaq OMX	USA	1 270
10	Shanghai Fut. Exchange	China	1 175

## 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	20 679	2 285	19 341
2	Nasdaq OMX	USA	11 080	4 077	17 639
3	Shenzhen SE	China	2 405	2 134	7 563
4	Japan Exchange	Japan	5 297	3 657	6 297
5	Shanghai SE	China	3 919	1 450	6 116
6	LSE Group	UK	3 638	2 479	2 548
7	Korea Exchange	Korea	1 414	2 207	2 521
8	HKEx	Hong Kong	3 819	2 315	2 340
9	Euronext	EU	3 730	1 208	2 203
10	Deutsche Boerse	Germany	1 755	514	1 818
...	...	...	...	...	...
<b>24</b>	<b>Moscow Exchange</b>	<b>Russia</b>	<b>576</b>	<b>225</b>	<b>167</b>

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

Rank	Exchange	Country	Mkt Cap (USD bln)
1	CME	USA	66.7
2	ICE&NYSE	USA	43.2
3	HKEx	Hong Kong	38.4
4	Deutsche Boerse	Germany	25.3
5	LSE Group	UK	20.1
6	BM&FBovespa	Brazil	16.2
7	Nasdaq OMX	USA	13.7
8	CBOE	USA	10.9
9	Japan Exchange	Japan	9.8
10	ASX	Australia	8.8
11	SGX	Singapore	5.8
12	Euronext	EU	4.2
13	BATS	USA	3.4
<b>14</b>	<b>Moscow Exchange</b>	<b>Russia</b>	<b>3.2</b>

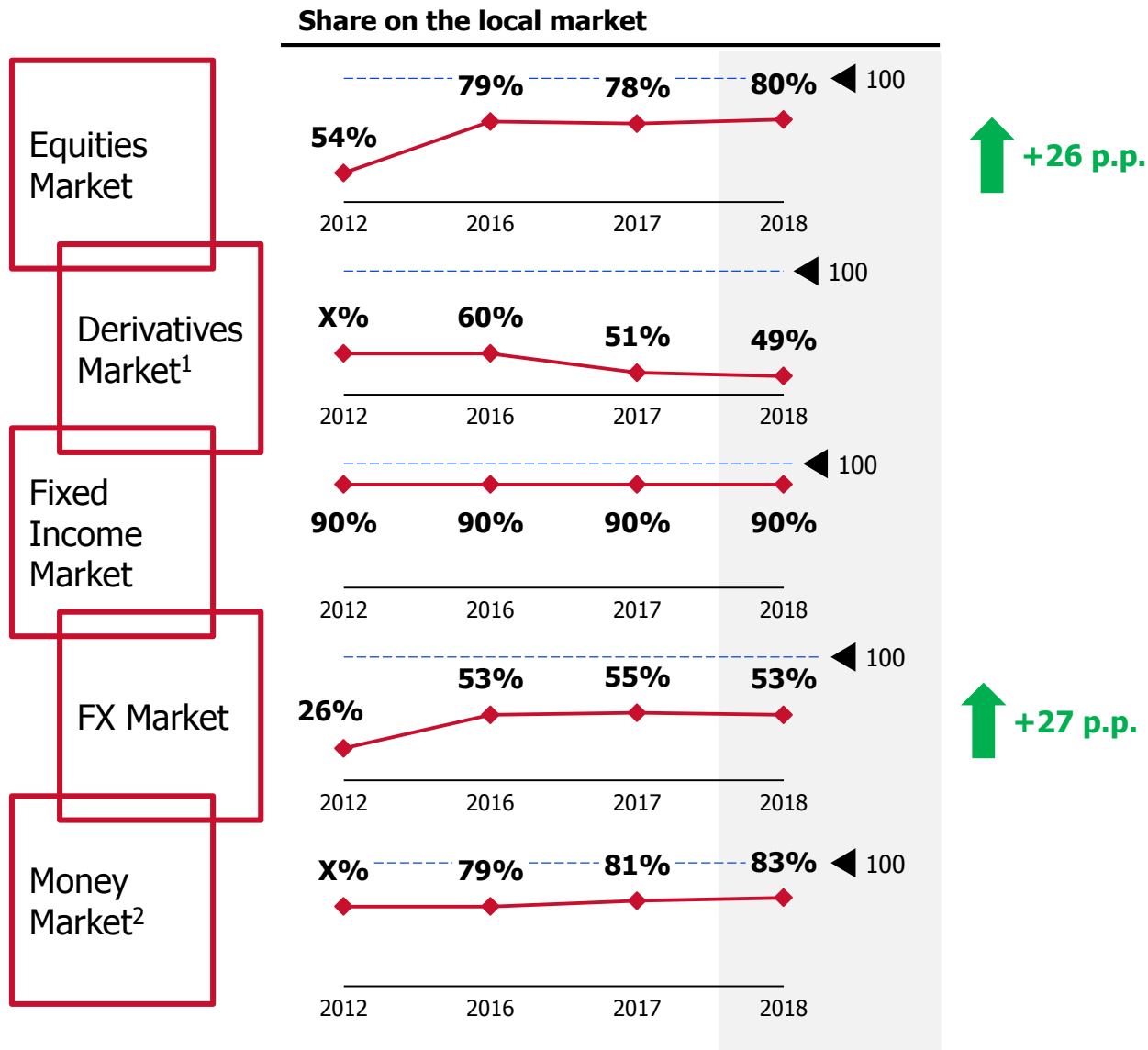
Sources: Moscow Exchange, WFE as of 22.01.2019, Bloomberg, LSE Group (for LSE Group data)

1. Due to different methodologies applied, data on fixed income trading may not be directly comparable among exchanges. Data for 2018
2. Data for 2018
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 2018
4. Market capitalization of public exchanges based on Bloomberg data as of 22 January 2019



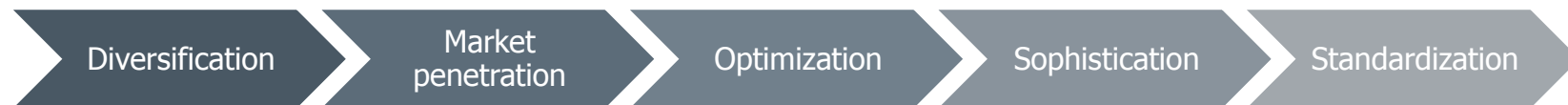
**MOSCOW  
EXCHANGE**

# High and increasing market share versus OTC trading





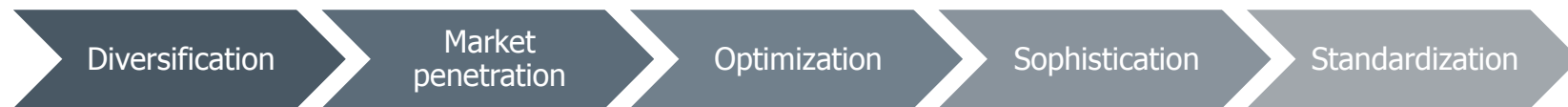
# Competitive strategy 2015-2020: key pillars (1)



	Strategy	Drivers and initiatives
<b>Equities</b>	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 (SMA, ICM)</li> </ul>
<b>Fixed income</b>	Bonds to complement 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 (T+1 for OFZs, large block auctions, ICSDs)</li> <li>✓ Development of an OTC platform</li> </ul>
<b>Derivatives</b>	New global and local benchmarks; tariff reform	<ul style="list-style-type: none"> <li>✓ Tariff reform to increase effective fees</li> <li>✓ Development of commodity derivatives</li> <li>✓ Options market development</li> <li>✓ Synergies with spot markets via a unified collateral pool</li> <li>✓ OTC derivatives clearing</li> <li>✓ Liquidity enhancement via the IQS</li> </ul>
<b>Market data</b>	Enhancement of the product offering	<ul style="list-style-type: none"> <li>✓ Growth of market data sales</li> <li>✓ 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>

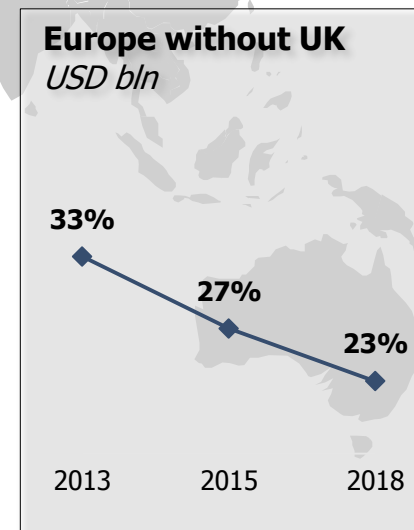
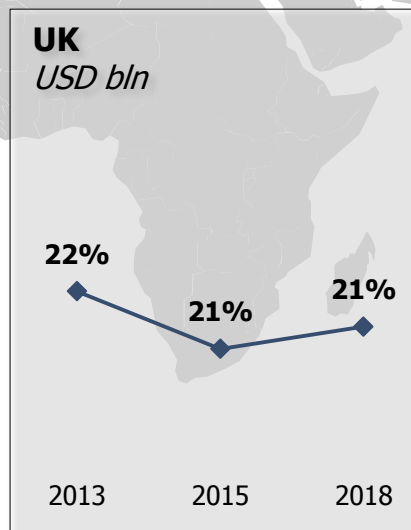
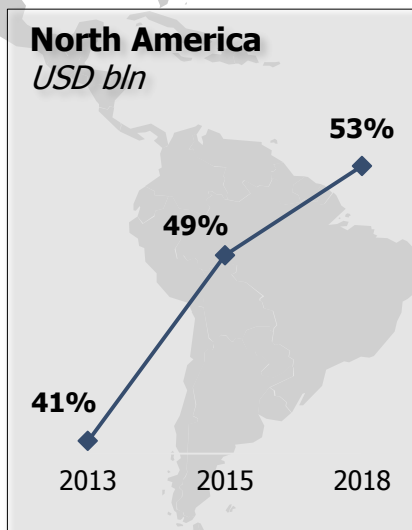
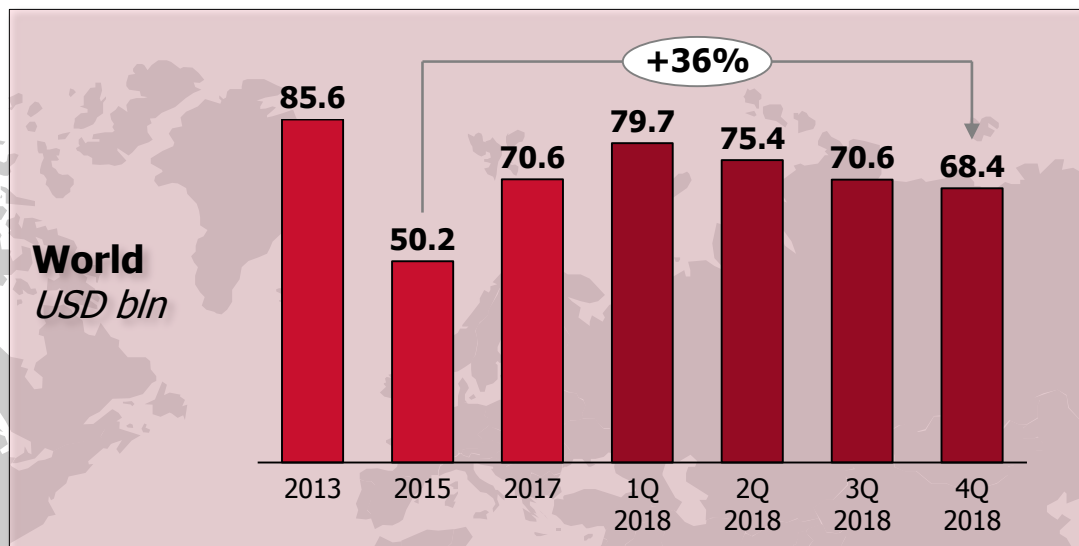


# Competitive strategy 2015-2020: key pillars (2)



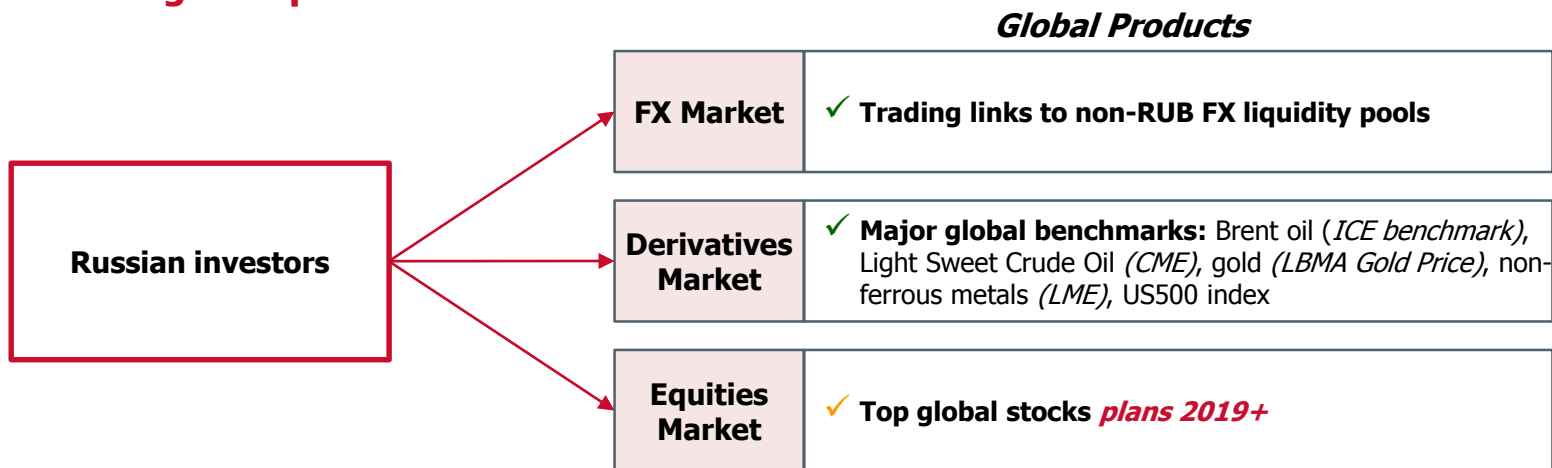
	Strategy	Drivers and initiatives
<b>FX Market</b>	Protecting market share through further expansion of product offering	<ul style="list-style-type: none"> <li>✓ Development of international clearing membership, international links</li> <li>✓ Direct access of corporates to the market</li> <li>✓ Development of SMA services</li> </ul>
<b>Money Market</b>	Increasing the market share through new products	<ul style="list-style-type: none"> <li>✓ Further enhancement of the existing product portfolio; new General Collateral Certificates (GCC) pools across securities and currencies</li> <li>✓ GCC repo terms' extension</li> <li>✓ Direct access of corporates to GCC deposits (deposits with CCP)</li> </ul>
<b>Depository services</b>	Steady growth via increase of assets in custody and 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 the unified collateral pool, including a single account for all asset classes, netting of settlements, unification of collateral requirements across all markets and cross-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>✓ Development of technologies complementary to MOEX's product offering</li> </ul>

# Reported international funds' holdings of Russian equities

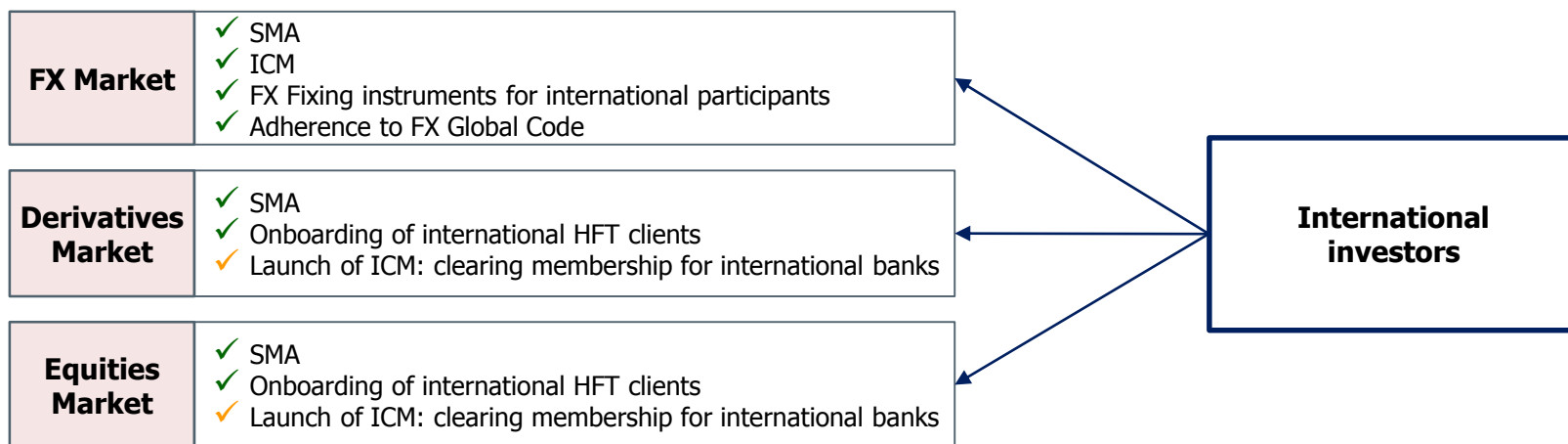


# Global products and international investors

MOEX offers **global products to Russian investors** ...



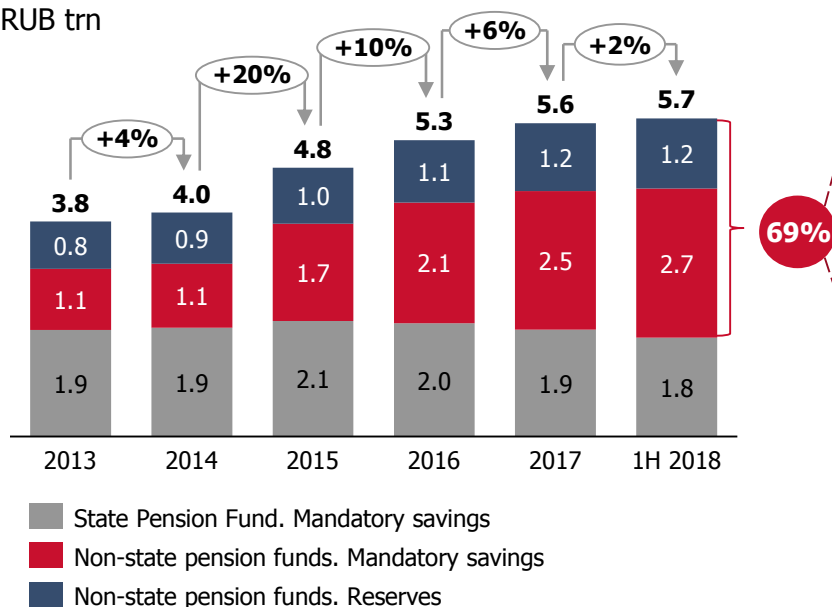
... and **Russian products to international investors**



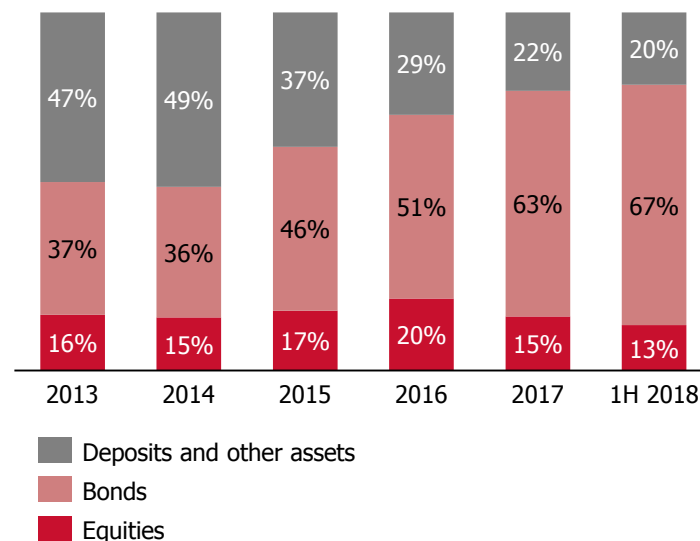
# Local institutional investors: the potential of pension funds

## Pension assets in Russia

RUB trn



## Non-state pension funds asset allocation dynamics<sup>1</sup>



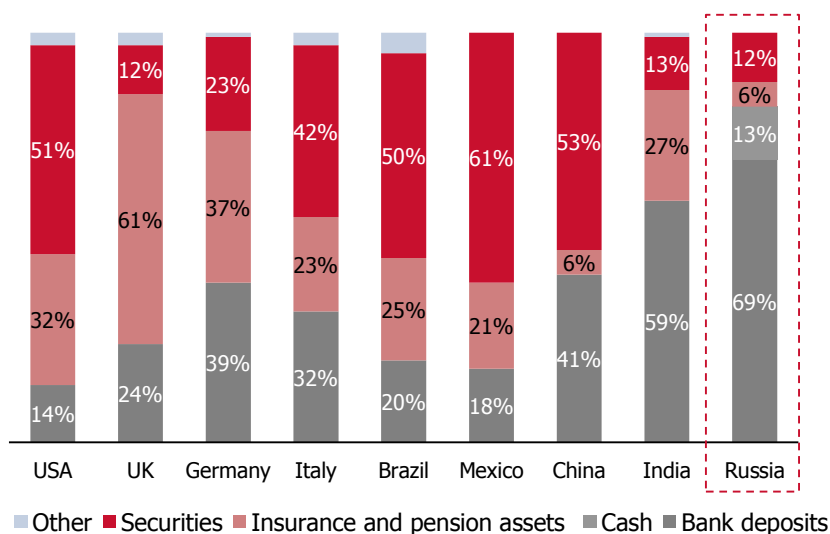
## Key highlights of the pension reform

- 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

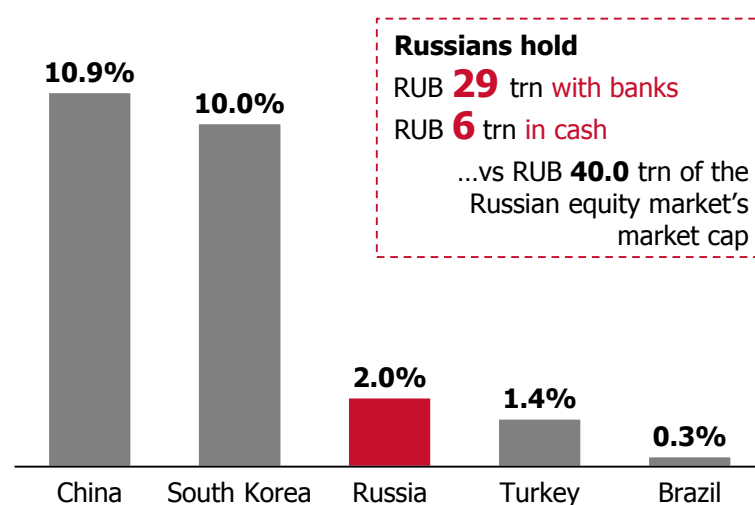


# Retail money: aiming to grow the culture of investing

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

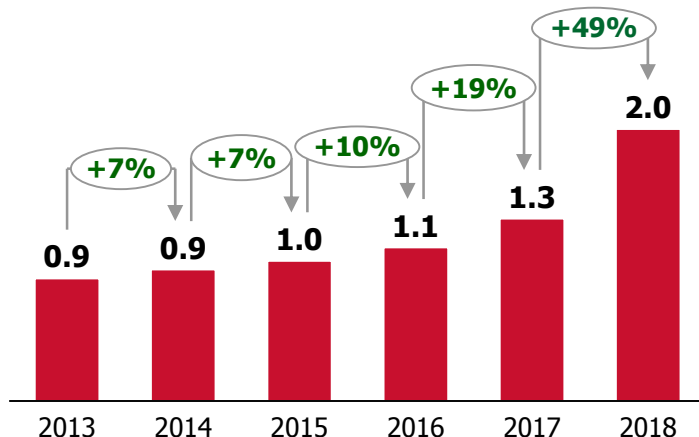


## Number of retail broker accounts as % of population<sup>2</sup>



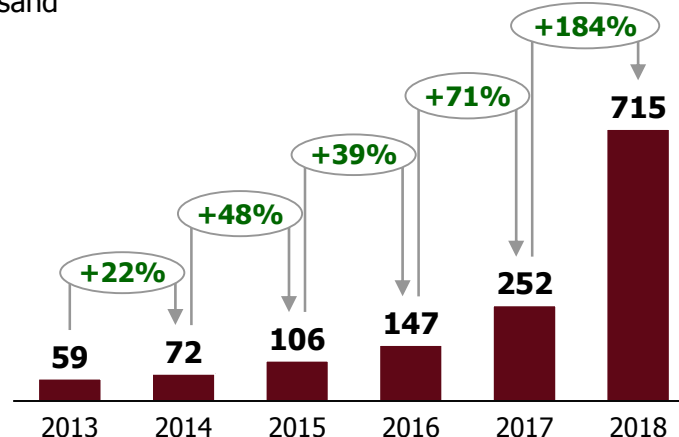
## Number of retail clients (unique)

mln



## New retail clients

thousand



Sources: EIU, World Bank, IMF, central banks of South Korea, Turkey, Mexico, National Bureau of Statistics of China, Allianz, SZSE Factbook, CBR, Moscow Exchange

1 As of the end of 2016

2 Russia – 2018, South Korea, Turkey, Brazil – 2014, China – 2015

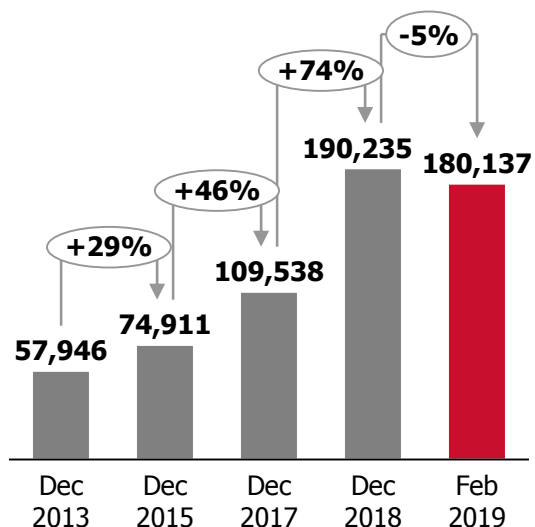
# Retail clients: a growing segment of the Russian financial market

## Number of active retail client accounts

### Equities Market



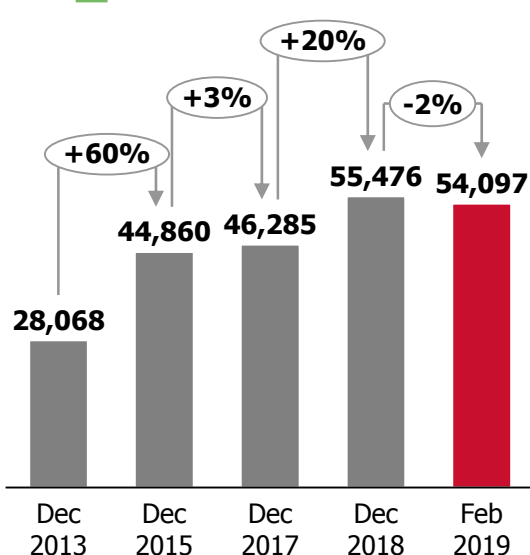
2013-Feb2019:  
+3 times



### Derivatives Market



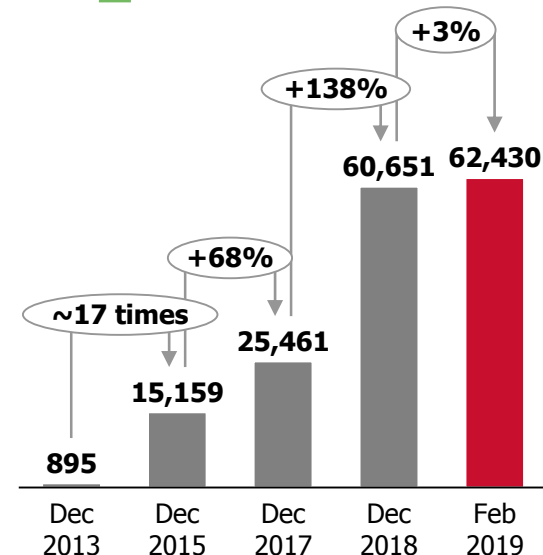
2013-Feb2019:  
+2 times



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



2013-Feb2019:  
+70 times



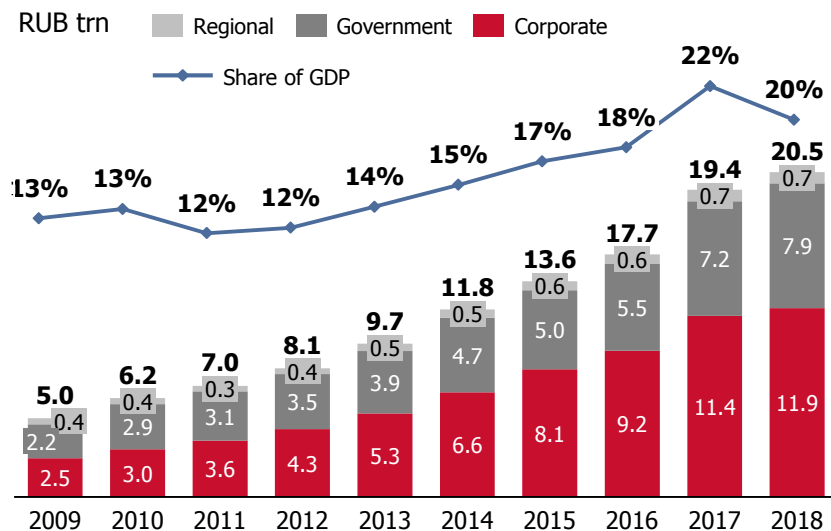
### Regulatory changes stimulating retail participation in financial market:

- Introduction of **individual investment accounts** for private investors since 2015: more than 670,000 accounts opened as of February 2019
- **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)
- **Tax exemption on coupon payment on corporate bonds** (for bonds issued after 2017)
- Retail investors allowed to **remotely open a brokerage account**. This simplifies the process for retail investors in Russia's far-flung regions

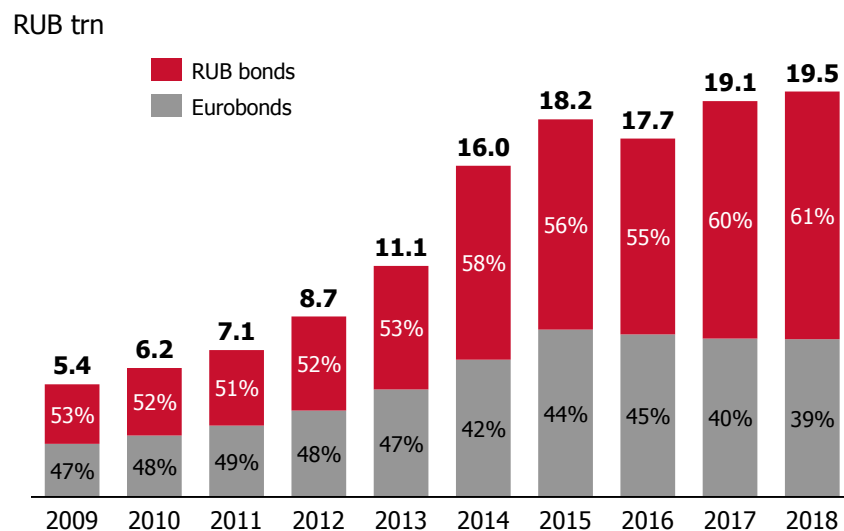


# Bond market – why we are strong believers

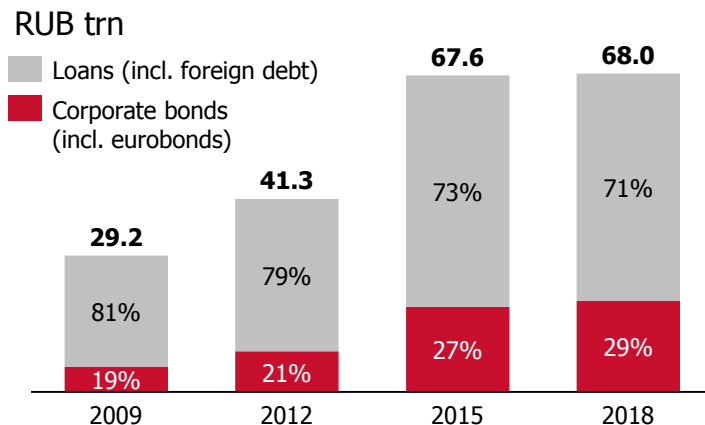
## Growth of outstanding local bonds



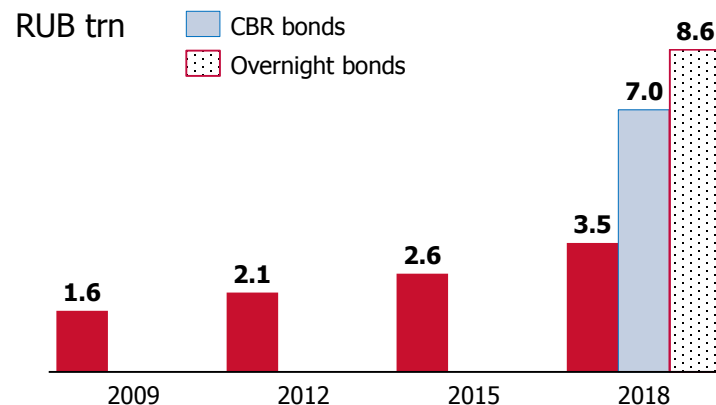
## Local bonds vs Eurobonds of Russian corporates<sup>2</sup>



## Corporate loans vs corporate bonds in Russia



## Bond primary market trading volume





# Trend of local placements continued

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

Company	Date	Transaction type	Transaction value, RUB bln
Europlan	December 2016	SPO	15.0
RussNeft'	November 2016	IPO	32.4
FG Future	October 2016	IPO	11.7
Alrosa	July 2016	SPO	54.4
UWC	May 2016	SPO	5.0
Promsvyazbank	April 2016	SPO	2.6

## Capital raisings on MOEX in 2017

Company	Date	Transaction type	Transaction value, RUB bln
TMK	February 2017	SPO	10.0
Detski Mir	February 2017	IPO	21.1
Phosagro	February 2017	SPO	15.0
UWC	May 2017	SPO	1.9
Polyus ( <i>dual</i> )	June 2017	SPO	52.3
Bank Saint Petersburg	July 2017	SPO	3.2
MVideo	July 2017	SPO	18.0
Norilsk Nickel'	July 2017	SPO	23.8
Magnitogorsk Iron & Steel Works	September 2017	SPO	13.0
Aeroflot	September 2017	SPO	9.8
Megafon	October 2017	SPO	22.5
Obuv Rossii	October 2017	IPO	5.9
Credit bank of Moscow	October 2017	SPO	14.4
Globaltruck	November 2017	IPO	3.5
Magnit	November 2017	SPO	43.9
En+ ( <i>dual</i> )	November 2017	listing	

## Capital raisings on MOEX in 2018

Company	Date	Transaction type	Transaction value, RUB bln
X5 Retail Group	February 2018	listing	
Interrao	March 2018	SPO	4.2
Raven Property	October 2018	listing	

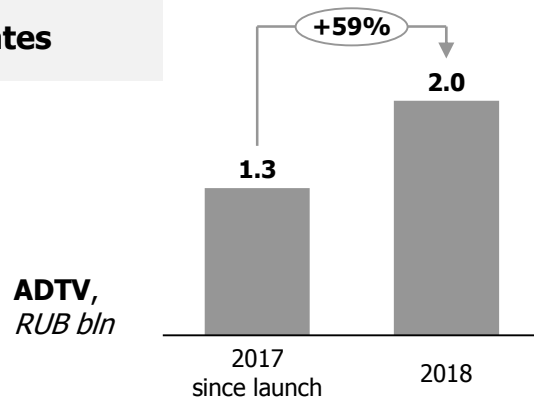


# Corporates on the FX and Money Markets: progress in 2018

## Direct access to the FX Market

Launched on  
5 April 2017

**36** corporates



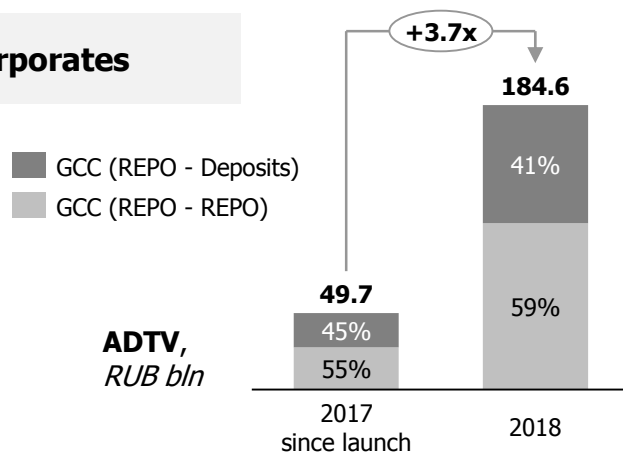
## Achievements 2018

- ✓ ~ 80 new corporates joined the FX and Money Markets
- ✓ Corporates' ADTV on the FX Market increased 59% YoY
- ✓ ADTV of deposits with the CCP (GCC REPO – Deposits) grew 3.5x in 2018 YoY

## Deposits with the CCP for corporates

Launched on  
24 July 2017

**113** corporates



## Plans 2019+

- 50-60 new corporates on the FX and Money Markets
- Large lots on the FX market (RFS)
- New categories of participants in deposits with the CCP (from the Eurasian Economic Union)
- Initiatives to extend the average term of deposits with the CCP
- Access to CCP Deposits for domestic asset management companies



# MOEX OTC platforms and solutions

## OTC bond platform

~1500 bonds (locals and Eurobonds)

18 participants

**Plans:** access for corporates, integration with NSD, addition of stocks, DRs and REPO capabilities

## Indicative Quotation System (IQS) for options and futures

**Most actively traded underlyings:** USD/RUB, EUR/USD, SBRF, GAZR, VTBR, LKOH, RTS Index

14 participants

**Plans:** backbone for development of RFS/RFQ services

## FX links to global liquidity pools

Non-RUB FX pairs: EUR/USD, GBP/USD

36 participants, 2 liquidity providers (JPM & GS)

>700 transactions with a total value of USD 330 mln

**Plans:** new non-RUB FX pairs, new liquidity providers

## Standardized OTC derivatives market

FX swaps, FX forwards, interest rate swaps, cross currency swaps, overnight indexed swaps

44 participants

Participants started to trade longer maturities

**Trading volumes increased 8x YoY in 2018 to RUB 884 bln**



# MOEX Marketplace: the blueprint

## THE CONCEPT:

- **Retail deposits (RUB 29 trn)** is the single largest asset pool that might drive growth of on-exchange products
- It lacks a fast, convenient interface for retail deposit management across banks - **an area MOEX can digitalize**
- MOEX will expand its core expertise to **standardize and unify** the market of retail deposits, making it truly online

## MOEX HAS:

- **Market neutrality & trust:** no room for conflicts of interest since MOEX does not originate loans or deposits
- **Essential infrastructure:** NSD is the centerpiece, managing the financial transactions registrar (FTR)
- **Tech expertise:** IT development; 25+ years of interaction with banks via API in securities & FX trading etc.

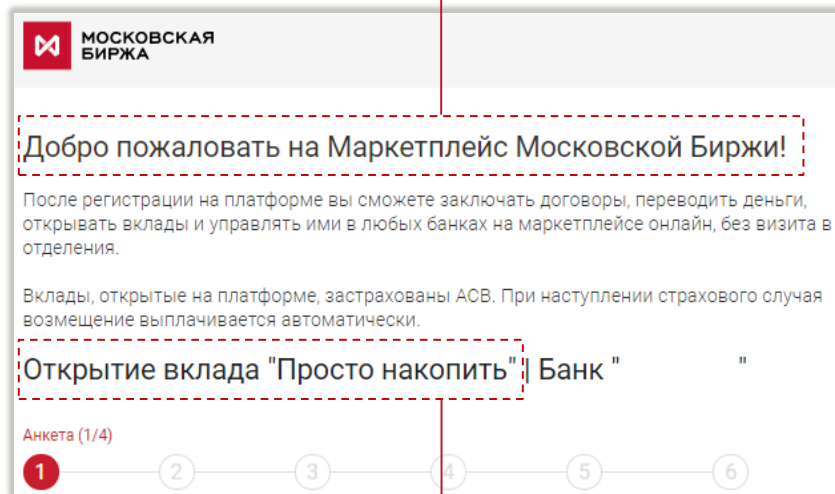
## MOEX GETS:

- **A new source of fee income:** long-term revenue potential can be measured on a scale of RUB billions
- **Business development:** cross-selling to a new audience, many times larger than the existing set of active clients
- **Market intelligence & behavioral data:** obtaining a complete financial profile of a wide retail client base



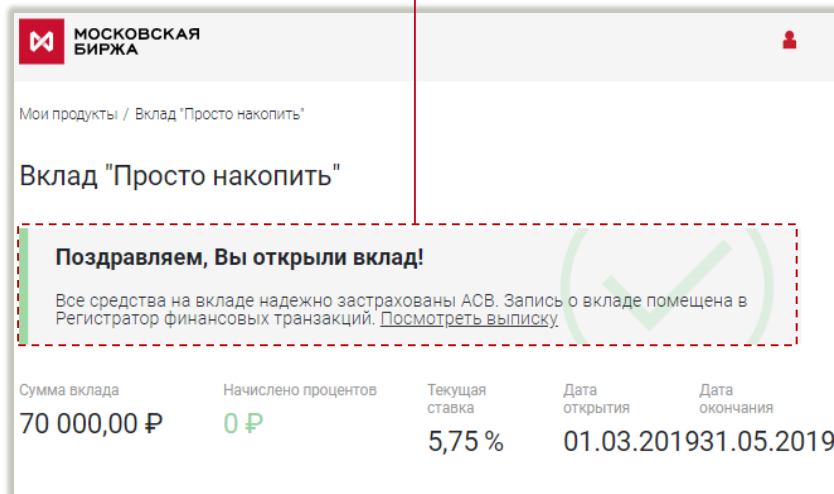
# MOEX Marketplace: the deposit platform has been created

**START: the Marketplace welcome page;**  
Redirected from a deposit aggregator's website



**The Deposit has been selected;**  
**Onboarding process is underway**

**FINISH: the Marketplace success page;**  
Deposit opening confirmation with a notice of FTR record



Abbreviations:

FTR – Financial Transactions Registrar at NSD

FPS – CBR's Faster Payments System

DIA – State Deposit Insurance Agency

## **Customer journey stages & corresponding solutions provided by MOEX**

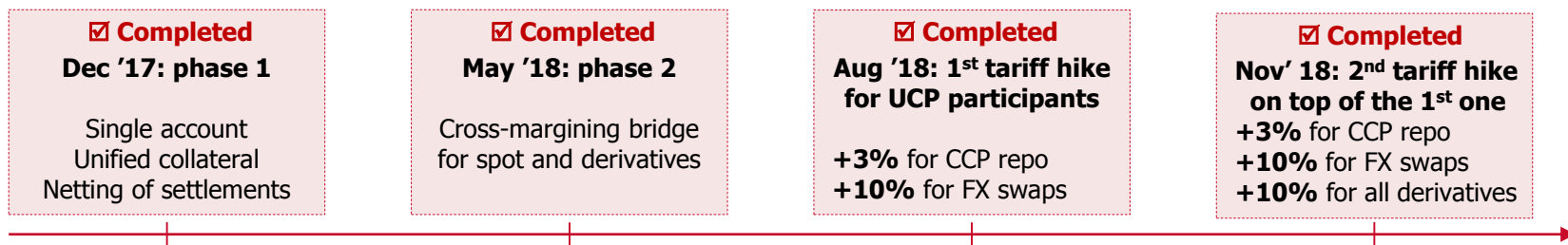
- ✓ (1) Websites of financial services aggregators work as gateways, provide leads. **Marketplace integration with aggregators' websites.**
- ✓ (2) Client registration with logging via gosuslugi.ru (online state services portal with 65+mIn users). **Marketplace login interface.**
- ✓ (3) One-time biometric identification with state-sponsored system operated by Rostelecom or offline with a courier, then KYC stage.
- ✓ (4) Deposit contract request and confirmation with e-signatures. **Marketplace personal account interface.**
- ✓ (5) Money transfer to the deposit account using NSD's and CBR's frameworks (FPS to connect in Q2 2019). **NSD's payment system.**
- ✓ (6) Deposit opening confirmation with a notice of FTR record stored at NSD and covered by the DIA. **NSD's FTR functionality.**
- ✓ (7) A client uses the marketplace as an internet bank to manage deposits (additions, withdrawals, etc.) in real-time.

**Commercial launch is planned upon adoption of the law enabling the use of the Marketplace platform.**



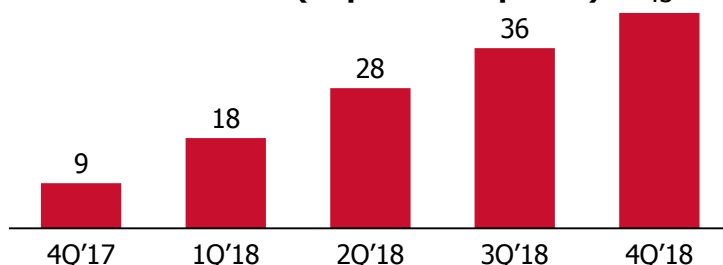
# Unified Collateral Pool: a strategic project completed

## Timeline and latest developments

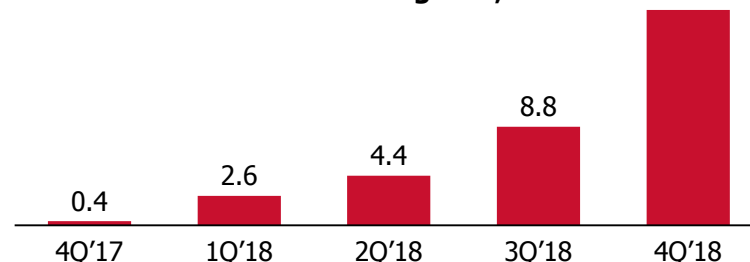


- The UCP take-up continued to grow, accounting for 19% of total trading F&C in 4Q'18 compared to 9% in 3Q'18.
- Analysis of Nov-Dec'18 data confirms that P&L effects from higher turnover and lower client balances largely cancel each other out.
- Annualized UCP projection of Nov-Dec'18 data onto the FY2018 produces half the turnover and NII effects compared to original plan.
- Annualized P&L effect from higher turnover would have equaled 2.4% of FY2018 trading fees based on the Nov-Dec'18 pattern.
- UCP-related tariff changes came into force as planned; would have accounted for 5.1% of FY2018 trading fees on an annualized basis.
- UCP accounts represent ~40% of fees and volumes in the Derivatives Market, the cornerstone market of the UCP.
- UCP participants are likely to increase their derivatives trading by 16% after joining, based on Nov-Dec'18 data.
- The Nov-Dec'18 data doesn't reveal statistically significant increases in the FX and Money Market volumes.
- So far, the UCP's main effect was on EUR-denominated client balances. USD and RUB client balances were affected by ~5%.

**Number of market participants with UCP accounts (as per end of period)**



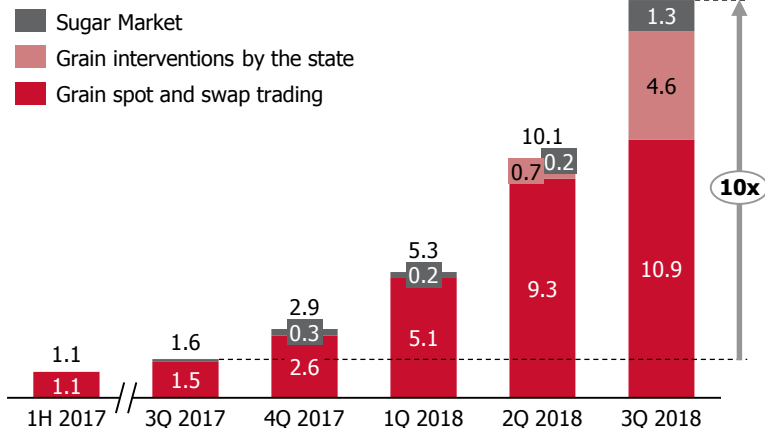
**Share of F&C from UCP accounts in total trading F&C, %**



# Soft Commodities Market: explaining the performance

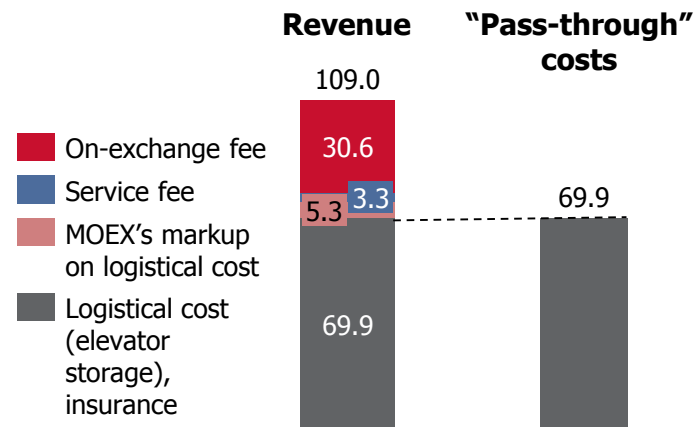
## Trading volumes in the Soft Commodities Market

RUB bln



## Soft Commodities' revenue and cost in 3Q'18<sup>1</sup>

RUB mln



## Comments

- Performance of Soft Commodities has improved markedly in 2018 YTD. Trading volumes were up 10x YoY in 3Q 2018.
- Revenue from Soft Commodities is a part of "Other fee income" under IFRS; costs fall into "Professional services".
- MOEX incurs grain storage costs – i.e. logistical costs – which are passed through to end-clients upon the trade.
- The effective on-exchange fee in Soft Commodities was 18bps in 3Q 2018, which is 10x that of Equities Market.
- There is a direct link between logistical costs and on-exchange fees. These are scaling up coherently.
- Thus, both corresponding P&L items expanded visibly in 3Q'18, adding ~2pp to YoY OPEX growth.
- We will consider showing Soft Commodities separately on the P&L in 2019, though it's not meaningful enough for IFRS to require it.



**1** Business overview

**2** Corporate governance and dividends

**3** Market position and competitive strategy



Financial track record

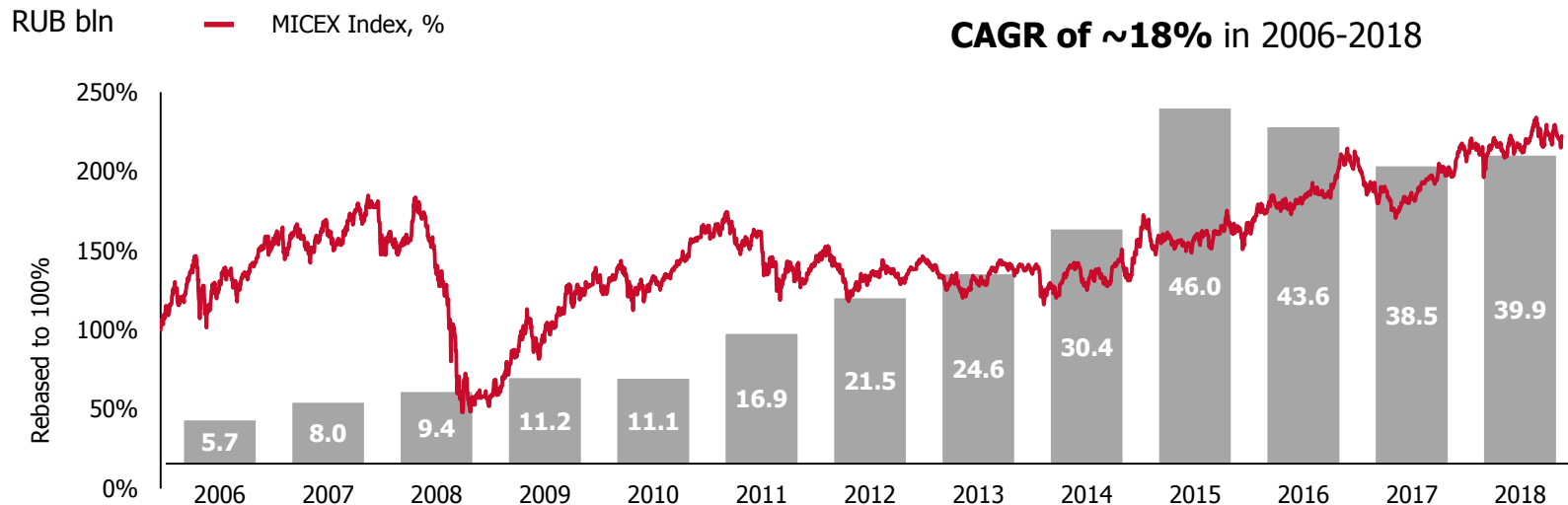
**5** 4Q and FY 2018 update





# MOEX business model continues to deliver

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

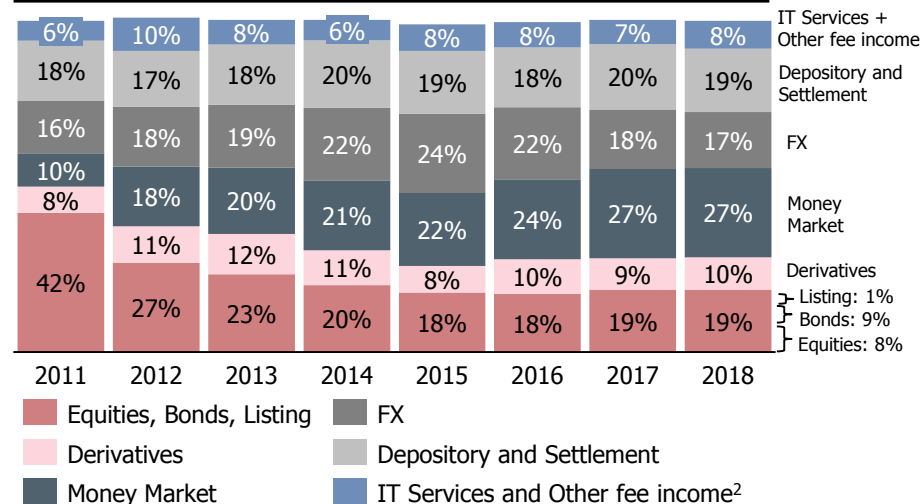


## Key highlights

**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

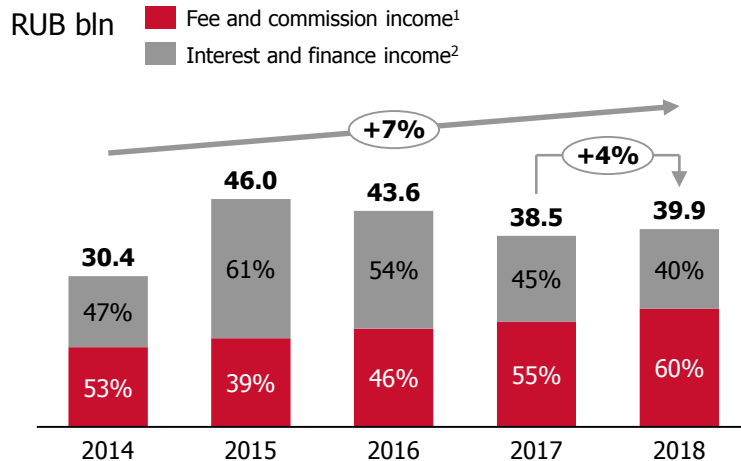
## Fee & commission income evolution<sup>1</sup>



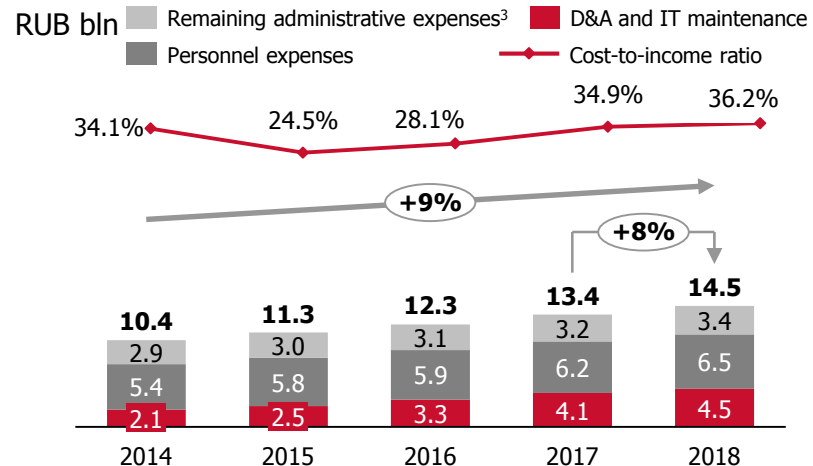
# 2018 summary of financials

X% → CAGR '14-18

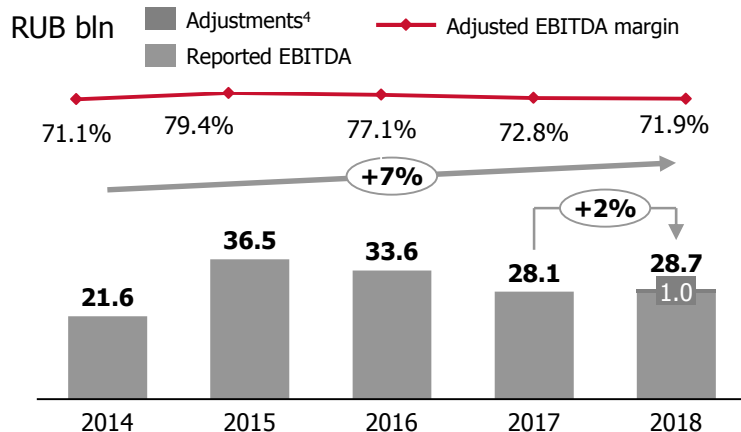
## Operating income



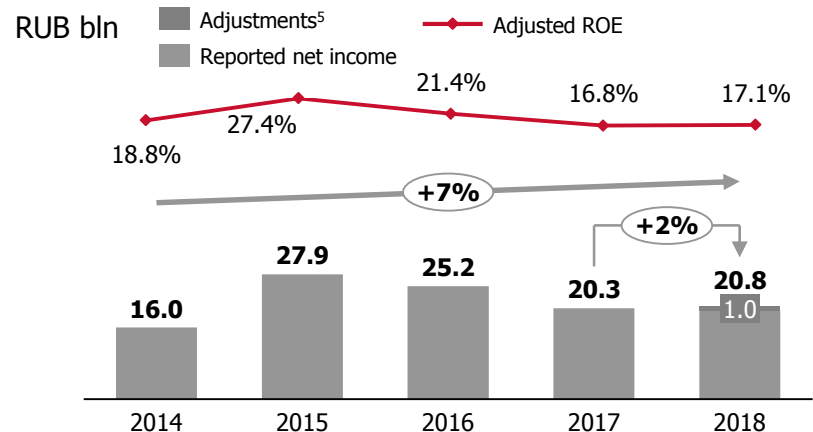
## Operating expenses (excluding provisions)



## EBITDA and EBITDA margin



## Net income



Source: Moscow Exchange

1 Includes Other operating income

2 Includes Interest and other finance income, Interest expense, Net gain on financial assets AFS/FVTOCI and Foreign exchange gains less losses

3 Remaining administrative expenses are calculated as General and administrative expenses less Depreciation of property and equipment, Amortisation of intangible assets and Equipment and intangible assets maintenance

4 Adjustments are related to 1) IFRS 9 movement in allowance for ECLs and 2) one-off provisions in 1Q and 2Q 2018

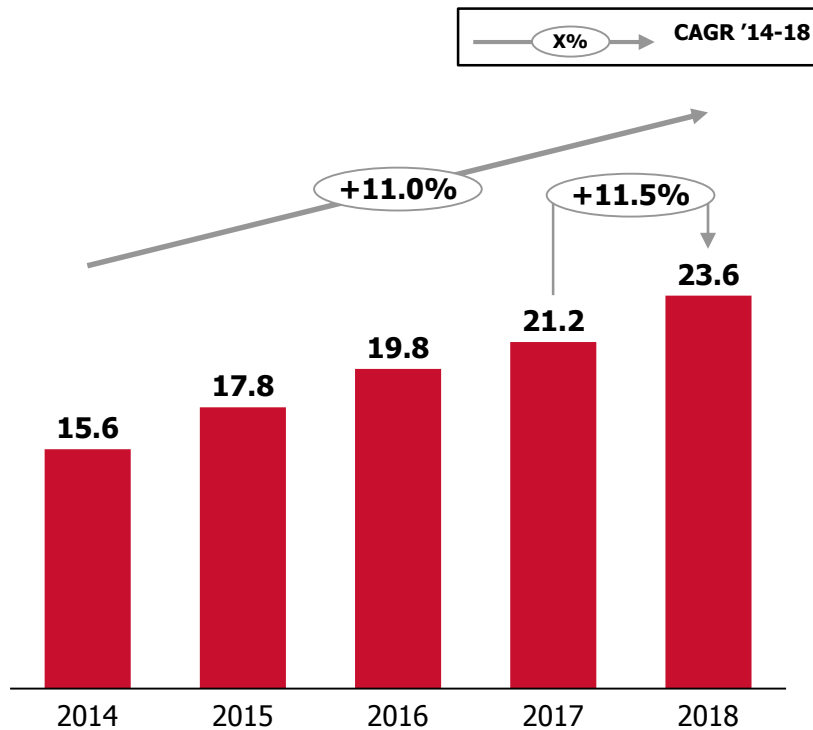
5 Adjustments are related to 1) IFRS 9 movement in allowance for ECLs, 2) change in amortization schedules and 3) one-off provisions in 1Q and 2Q 2018

# Fee & commission income: strong and sustainable growth

## Fee and commission income (F&C)

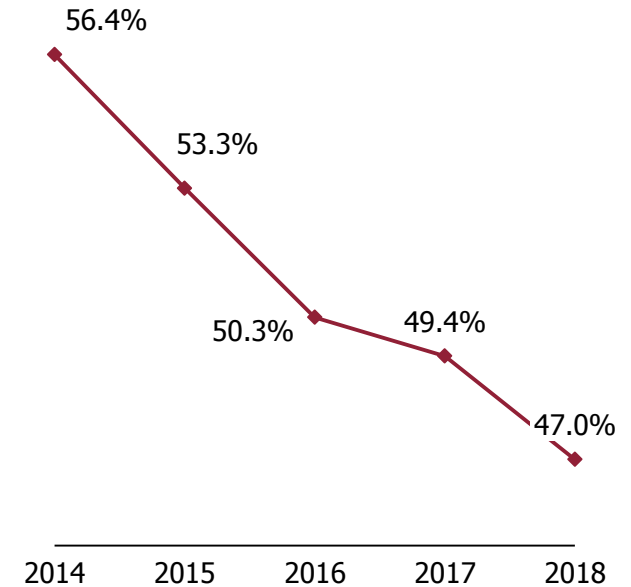
RUB bln

F&C income for 2018 increased 11.5% YoY



## Cost (excl. D&A & provisions) to F&C ratio

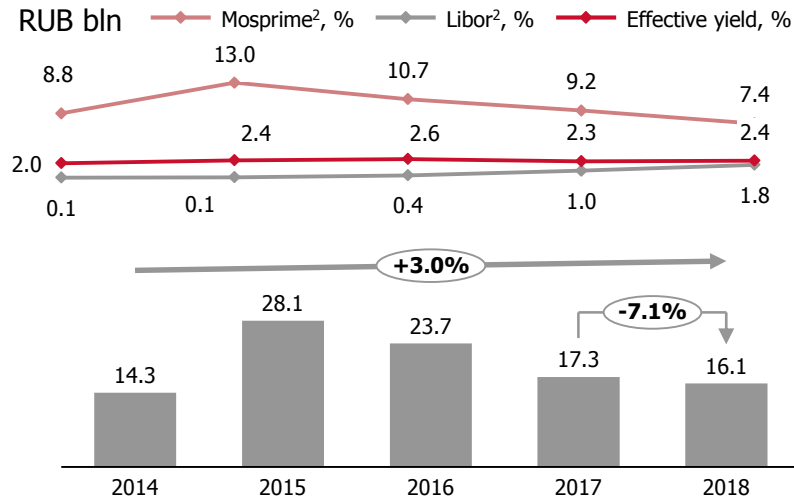
F&C growth was delivered in a cost efficient way



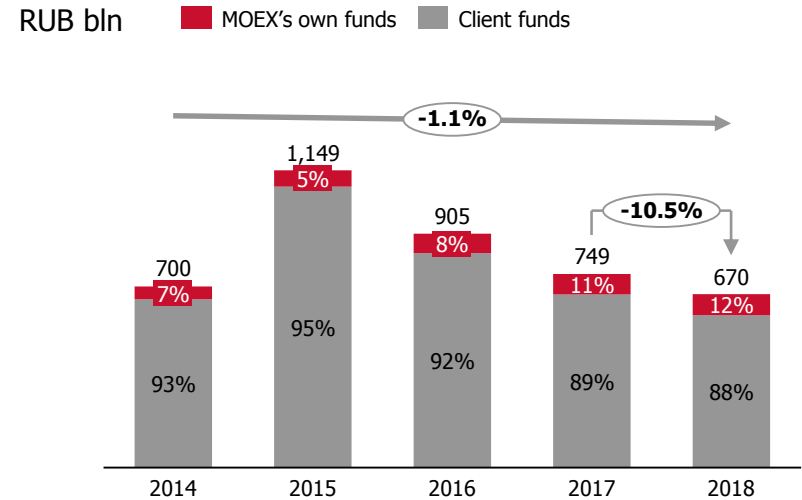
# Interest and finance income

X% → CAGR '14-18

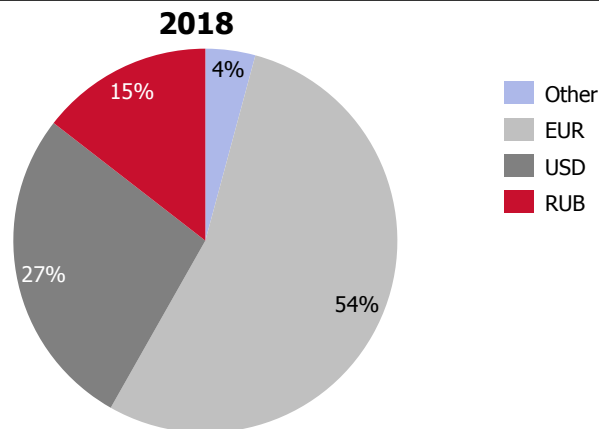
## Interest and finance income<sup>1</sup>



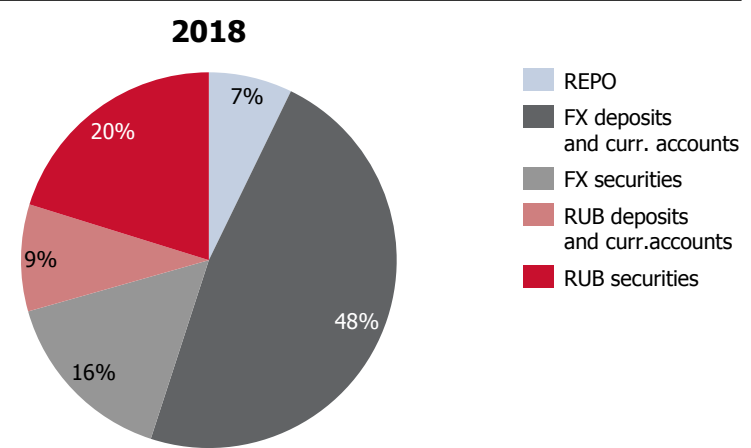
## Investment portfolio sources<sup>3</sup>



## Client funds by currency



## Investment portfolio by type of asset



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

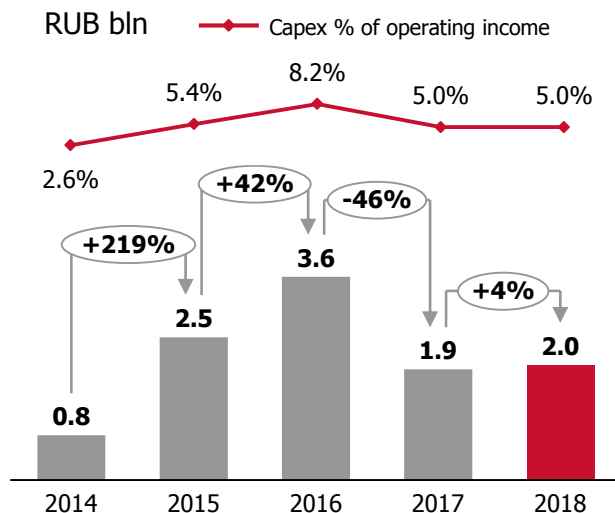
1 Includes Interest and other finance income, Interest expense, Net gain on financial assets AFS/FVTOCI and Foreign exchange gains less losses

2 Average daily rate for the period

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

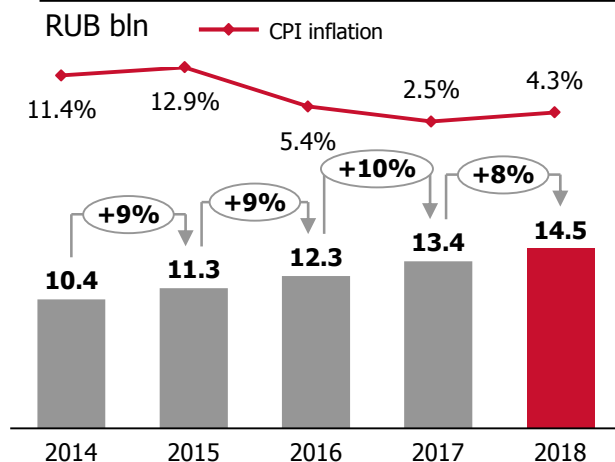
# CAPEX and OPEX: 2018-2019

## Capital expenditures



- In 2018, CAPEX was RUB 2.0 bln, at the lower end of the guidance range of RUB 2.0 bln – 2.2 bln.
- **In 2019, the CAPEX guidance range is RUB 2.4-2.7 bln.**
- The split between maintenance and development CAPEX is expected to be roughly equal (55% maintenance / 45% development).
- Marketplace-related CAPEX in 2019 is estimated at RUB 0.35 bln.

## Operating expenses (excluding provisions)



- The actual growth of OPEX in 2018 was 7.6%, within the guidance range of 7-9%.
- **In 2019, the growth of operating expenses is expected to be in the range of 9-12%,** with composition as follows (in p.p.):
  - +6-7% organic growth (incl. increases of VAT and social charges)
  - +2-3% ongoing projects (corporates, soft commodities, bondization)
  - +1-2% new projects (the Marketplace, individual pension capital)



**1** Business overview

**2** Corporate governance and dividends

**3** Market position and competitive strategy

**4** Financial track record

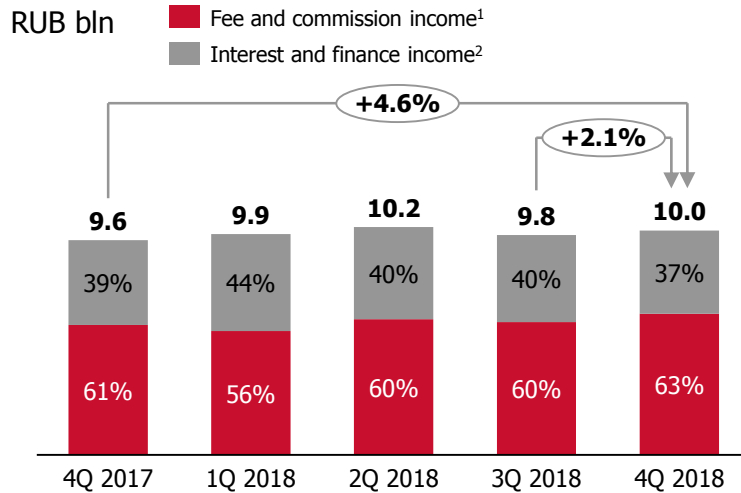


4Q and FY 2018 update

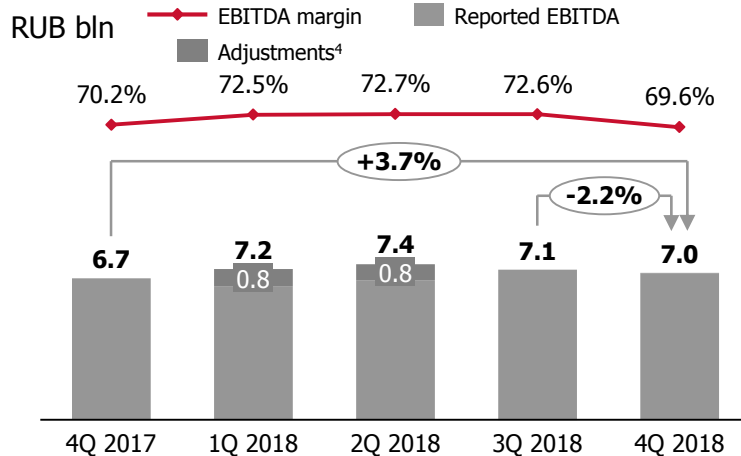


# 4Q 2018 summary of financials

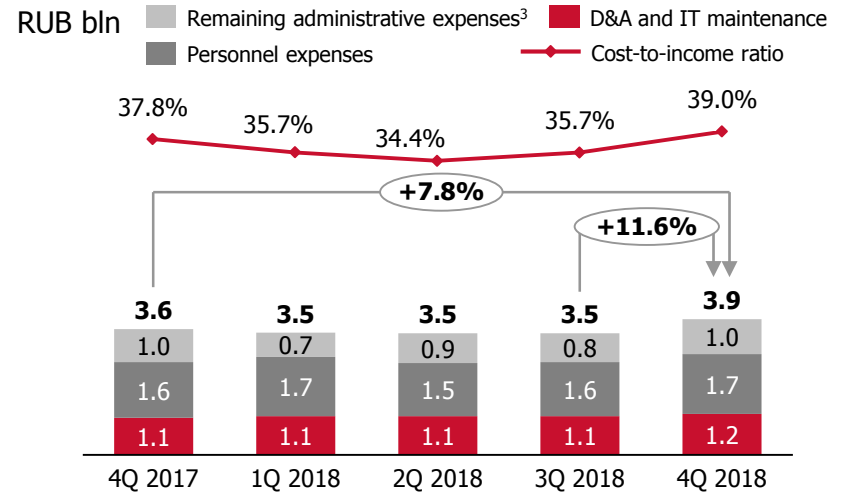
## Operating income



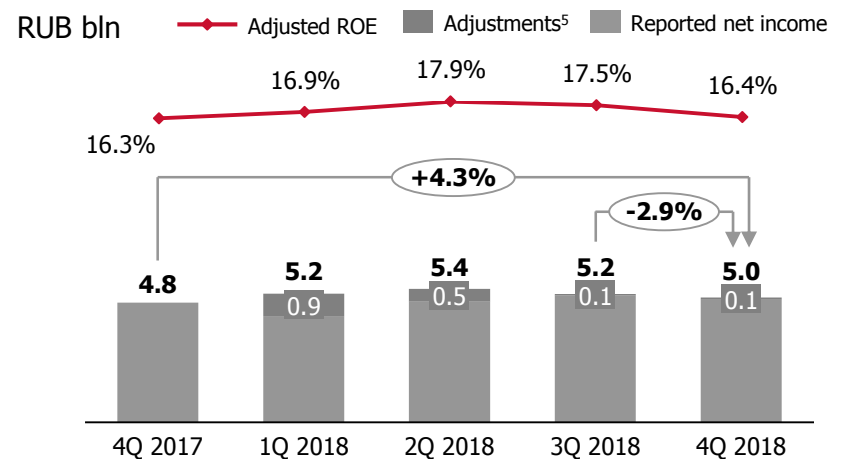
## EBITDA and EBITDA margin



## Operating expenses (excluding provisions)



## Net income



Source: Moscow Exchange

1 Includes Other operating income

2 Includes Interest and other finance income, Interest expense, Net gain on financial assets AFS/FVTOCI and Foreign exchange gains less losses

3 Remaining administrative expenses are calculated as General and administrative expenses less Depreciation of property and equipment, Amortisation of intangible assets and Equipment and intangible assets maintenance

4 Adjustments are related to 1) IFRS 9 movement in allowance for ECLs and 2) one-off provisions in 1Q and 2Q 2018

5 Adjustments are related to 1) IFRS 9 movement in allowance for ECLs, 2) change in amortization schedules and 3) one-off provisions in 1Q and 2Q 2018



**MOSCOW  
EXCHANGE**

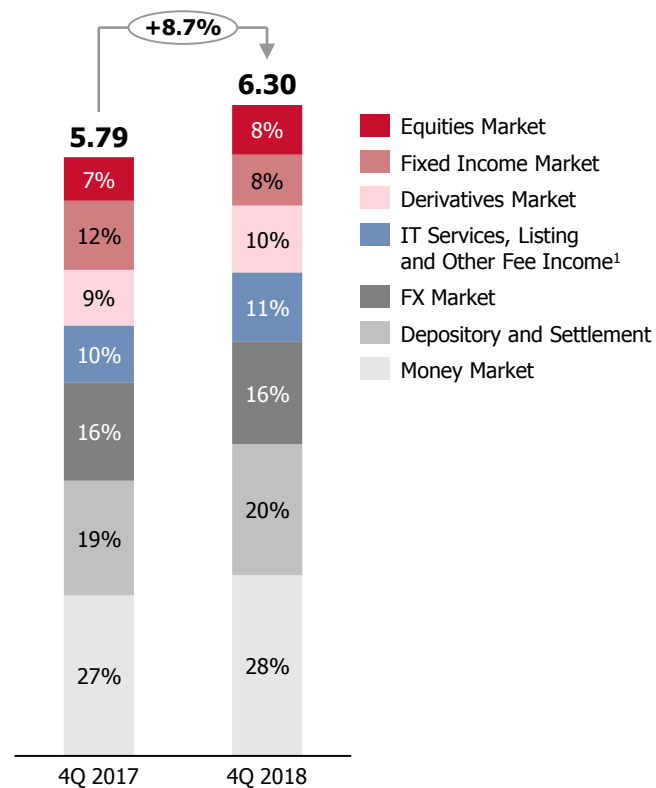
# Diversified fees and commissions in 4Q'18

## Fee & commission income performance

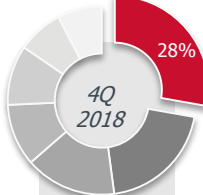
RUB mln	4Q 2017	4Q 2018	Change YoY, mln	Change YoY, %
Money Market	1,555.1	1,750.3	195.2	12.6%
Depository and Settlement	1,108.6	1,265.2	156.6	14.1%
FX Market	945.4	989.3	43.9	4.6%
IT Services, Listing and Other Fee Income <sup>1</sup>	553.8	672.1	118.3	21.4%
Derivatives Market	539.4	646.5	107.1	19.9%
Fixed Income Market	668.7	493.1	-175.6	-26.3%
Equities Market	419.8	480.1	60.3	14.4%

## Fee & commission income breakdown

RUB bln





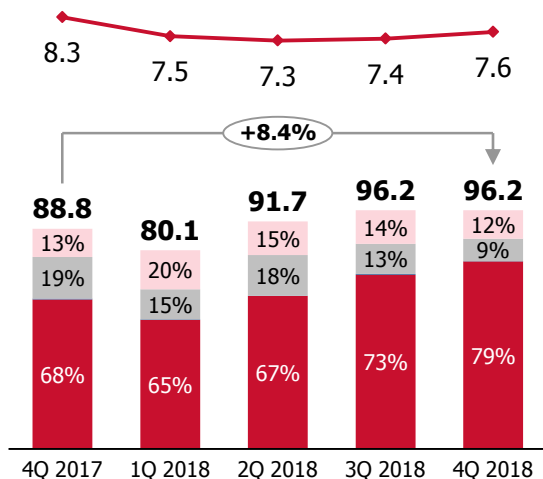


# Money Market

## Trading volumes

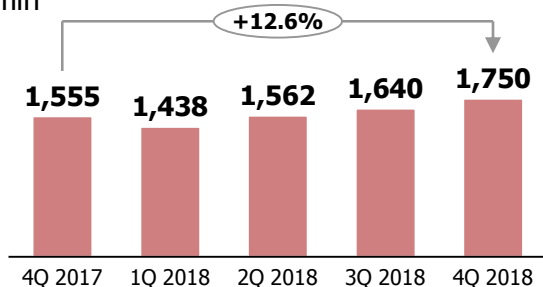
RUB trn

- MosPrime rate<sup>1</sup>, %
- Repo with the CBR
- Deposit and credit operations
- Repo with CCP (incl. GCC repo)
- Inter-dealer repo



## Fee & commission income

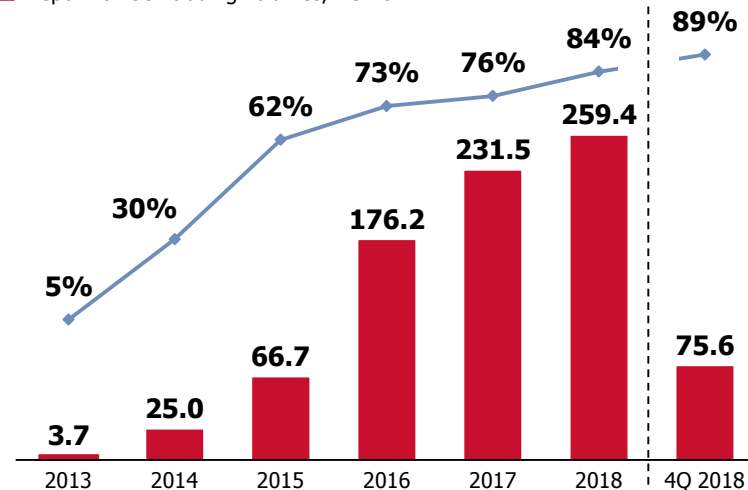
RUB mln



## Trading volumes of repo with CCP

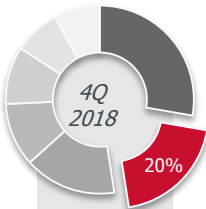
RUB trn, %

- Share of repo with CCP in total "inter-dealer" repo (including GCC repo)
- Repo with CCP trading volumes, RUB trn



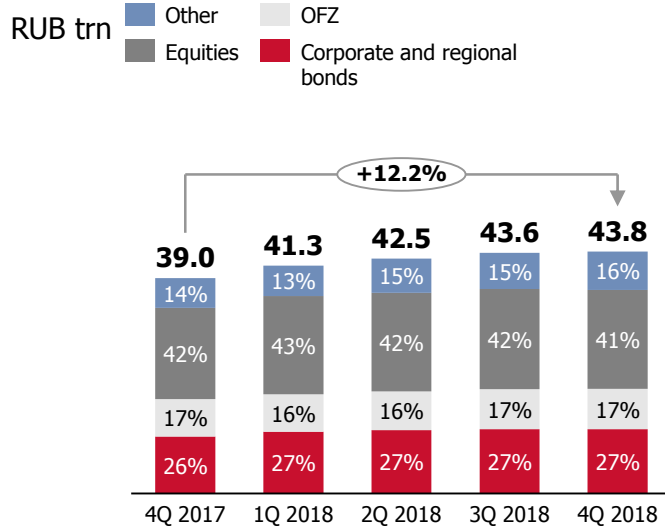
## Comments

- In 2018, F&C increased 13.1%, while volumes were down 3.4% due to lower volumes of repo with the CBR and interdealer repo.
- In 4Q'18 F&C increased 12.6% YoY, trading volumes grew 8.4% YoY. F&C was supported by (1) higher share of repo with CCP (both GCC and single-security), (2) UCP-linked fee rate increase and (3) increasing average term of GCC repo.
- The overall average term of on-exchange repo in 4Q'18 was 3.8 days, up from 3.0 days in 4Q'17 and up QoQ (3Q'18: 3.2 days).

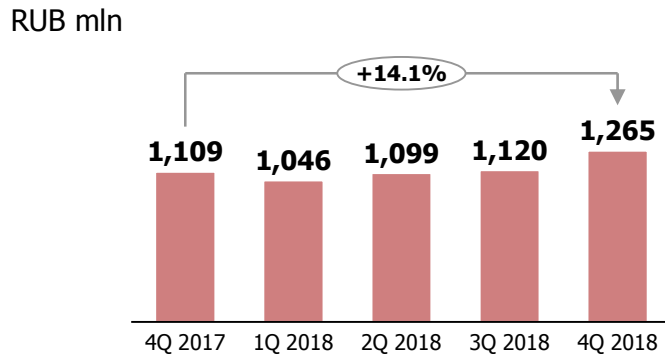


# Depository and Settlement

## Assets on deposit (average for the period)

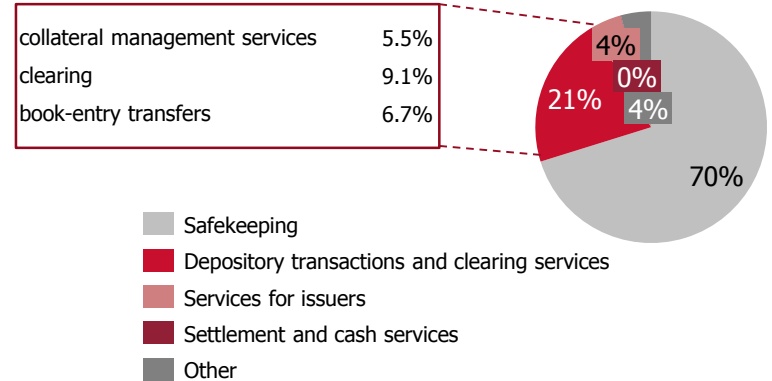


## Fee & commission income



## Fee & commission income breakdown

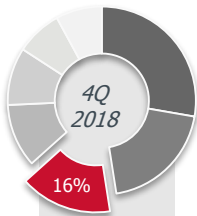
4Q 2018



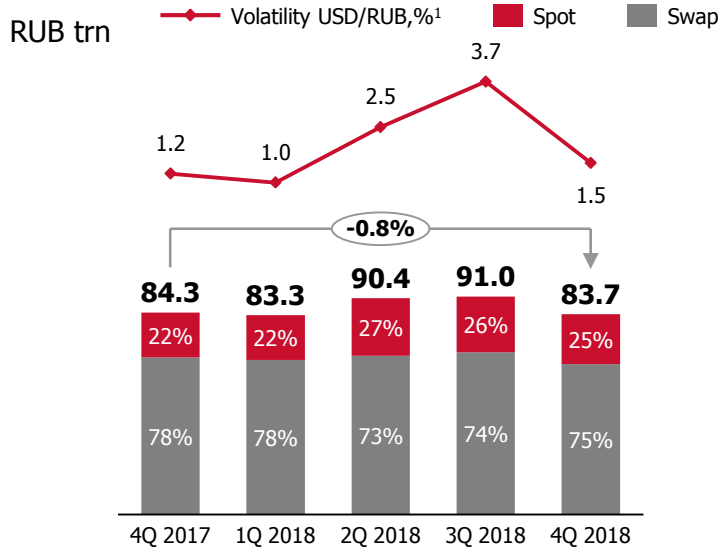
## Comments

- In 2018, F&C increased 8.3% YoY, while assets on deposit grew 16.4%. The discrepancy between F&C and assets on deposit was due to softer income from settlement and cash services, collateral management and clearing services.
- In 4Q'18 F&C added 14.1% YoY, and average assets on deposit advanced by 12.2% YoY.
- Growth in assets on deposit was universal across all asset classes in 4Q'18. Corporate, regional and CBR bonds grew 13.0% YoY, OFZs (government bonds) grew 8.1% YoY and equities grew 8.5% YoY.
- In 4Q'18 the effective fee rate was supported by strong income from collateral management and clearing.

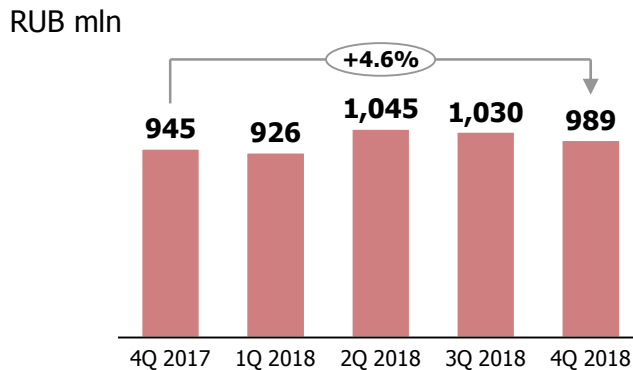
# FX Market



## Trading volumes

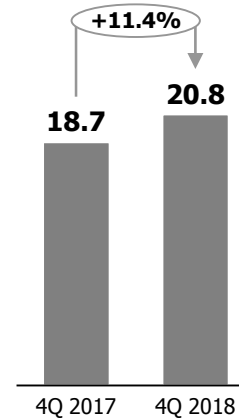


## Fee & commission income



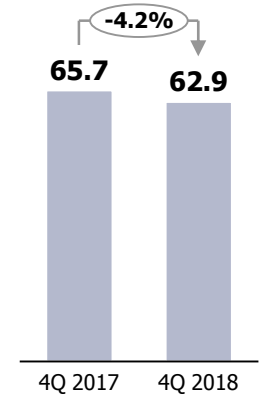
## Spot trading volumes

RUB trn



## Swap trading volumes

RUB trn



## Comments

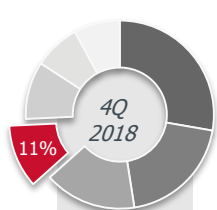
- In 2018 F&C grew 4.3% YoY, while trading volumes were flat (+0.2% YoY).
- In 4Q'18 F&C increased 4.6% YoY, whereas trading volumes declined 0.8% YoY. F&C was supported by UCP-related fee rate increases in the swap segment.
- Quarterly swap trading volumes declined 4.2% YoY, spot trading volumes grew 11.4% YoY.
- 4Q'18 saw continuation of high activity in non-USD currency pairs. Trading volumes of EUR/RUB in both spot and swap segments grew 21.4% YoY.



MOSCOW  
EXCHANGE

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

<sup>1</sup> Calculated as daily standard deviation for the period divided by the average value for the period

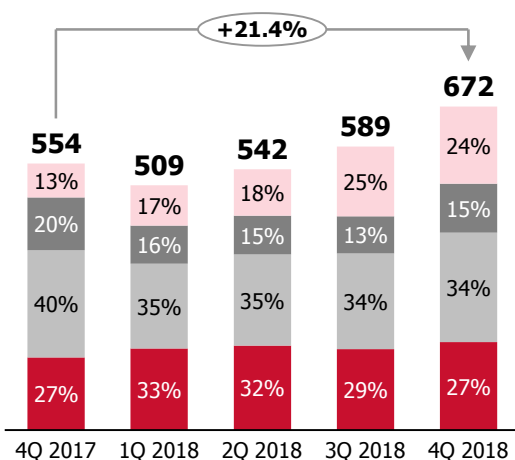


# IT Services, Listing and Other Fee Income

## IT Services, Listing and Other Fee Income<sup>1</sup>

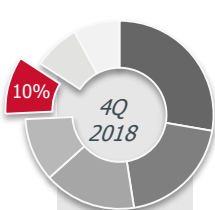
RUB mln

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



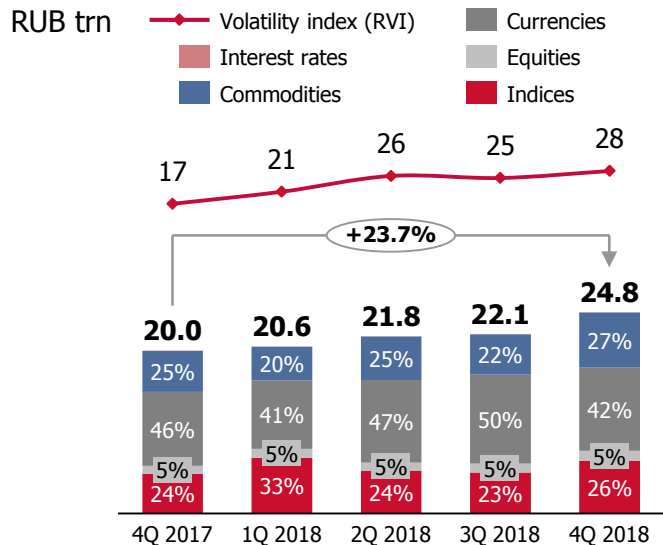
## Comments

- In 2018, income from the category increased 19.1% YoY. In 4Q'18 IT Services, Listing and Other Fee Income grew 21.4% YoY.
- In 4Q'18 Listing and other service fees declined 7.4% YoY to RUB 101.9 mln on the back of an increase in the average issue size.
- Information services contributed RUB 227.4 mln, up 2.2% YoY in 4Q'18.
- Quarterly sales of software and technical services were RUB 183.0 mln, up 21.3% YoY.
- Other fee and commission income was RUB 159.8 mln, up 2.3 times YoY in 4Q'18. This line includes contribution from the Commodities Market of RUB 121.8 mln.

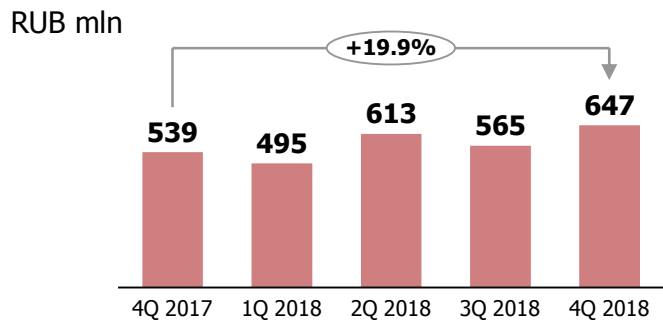


# Derivatives Market

## Trading volumes



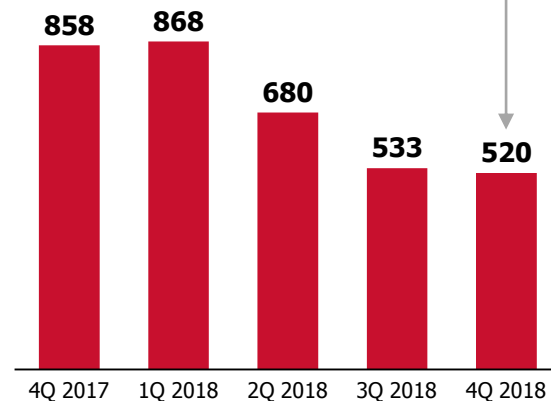
## Fee & commission income



## Open interest

RUB bln, daily average

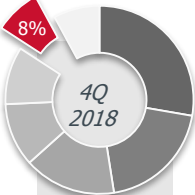
Participants' strategies have become shorter-term, hence open interest has declined despite robust trading volumes



## Comments

- In 2018 F&C income grew 15.3% YoY, trading volumes grew 5.6%.
- In 4Q'18 F&C increased 19.9% YoY, while trading volumes rose 23.7% YoY.
- Commodity, single-stock and index derivatives were the fastest growing contract types in 4Q'18.
- The effective fee in 4Q'18 was negatively affected by IFRS accruals, which offset the UCP-linked tariff increase effect.

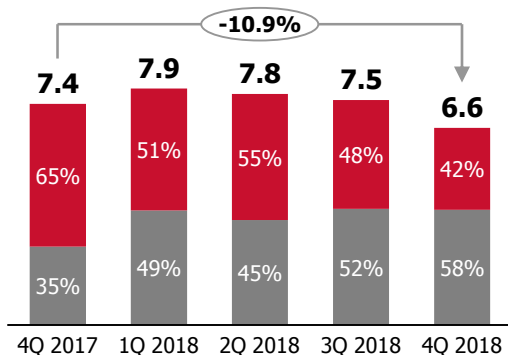




# Fixed Income Market

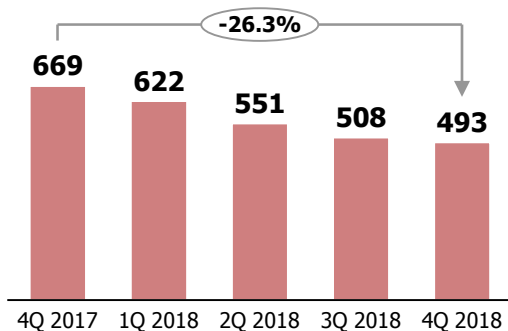
## Trading volumes<sup>1</sup>

RUB trn  
■ Government and CBR bonds (OFZ, OBR)  
■ Corporate, municipal and other bonds



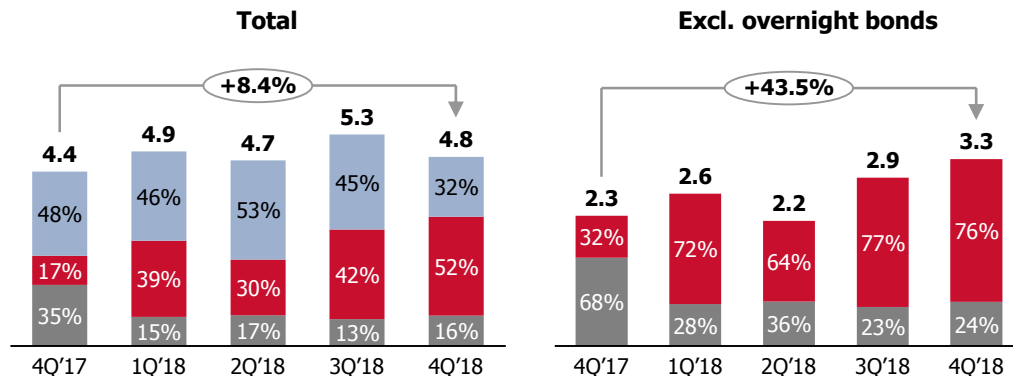
## Fee & commission income

RUB mln



## Primary market

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



## Comments

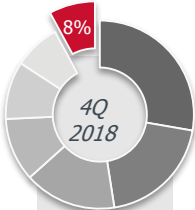
- In 2018 F&C rose 9.6% YoY, while trading volumes (excl. overnight bonds) grew 28.1% YoY.
- In 4Q'18 F&C declined 26.3% YoY, trading volumes (excl. overnight bonds) were down 3.6% YoY.
- Quarterly primary placements (excl. overnight bonds) were up 43.5% YoY due to increased volumes of OBR (CBR bonds) placements.
- Shorter term instruments, such as corporate commercial paper and OBR (CBR bonds) emerged in the primary market.
- As a result, the effective fee in the primary market declined YoY. However, effective fee in the secondary market remained buoyant.
- The total effective fee in the Bond Market contracted driven by the primary market.



**MOSCOW  
EXCHANGE**

Source: Moscow Exchange operational information and Consolidated Financial Statements

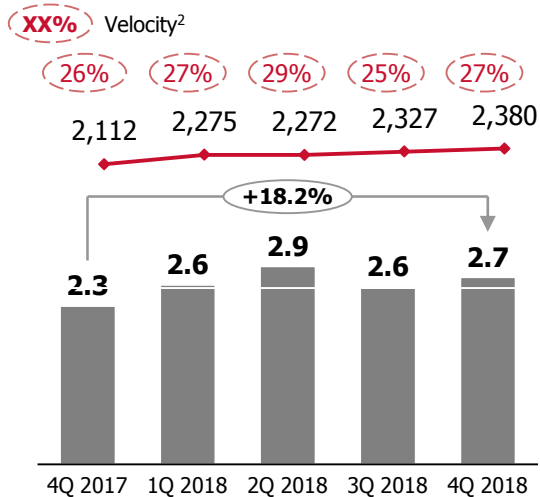
<sup>1</sup> Trading volumes on the Fixed Income Market include placements



# Equities Market

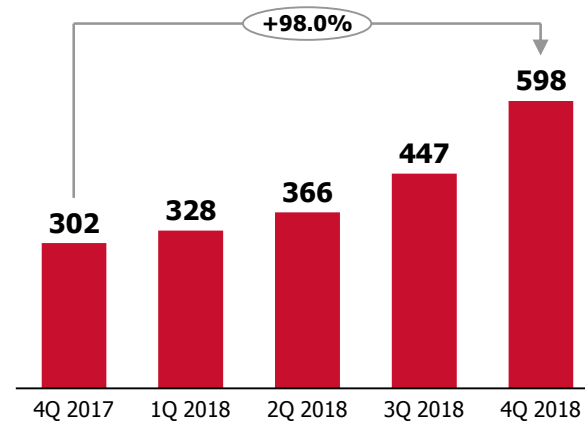
## Trading volumes<sup>1</sup>

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



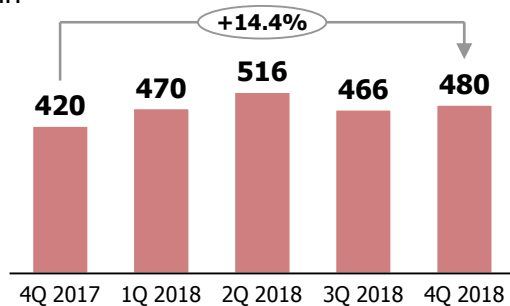
## Increasing popularity of Individual Investment Accounts

Individual Investment Accounts, thousands, end-of-period



## Fee & commission income

RUB mln

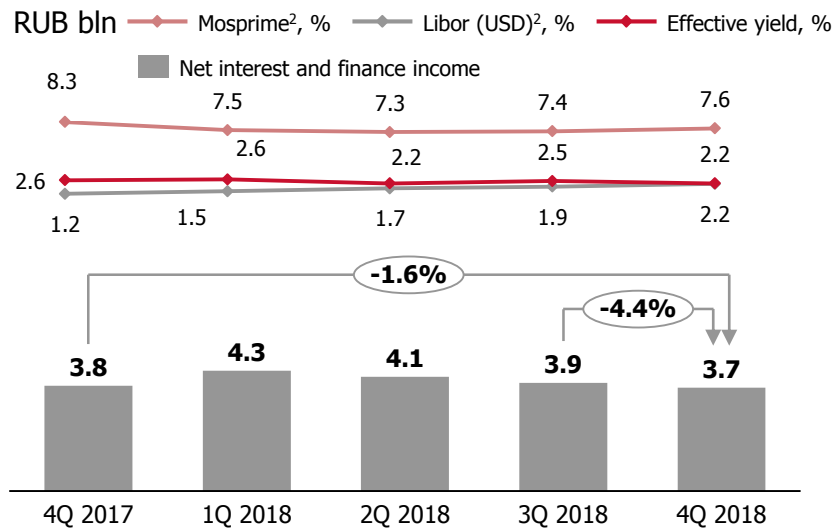


## Comments

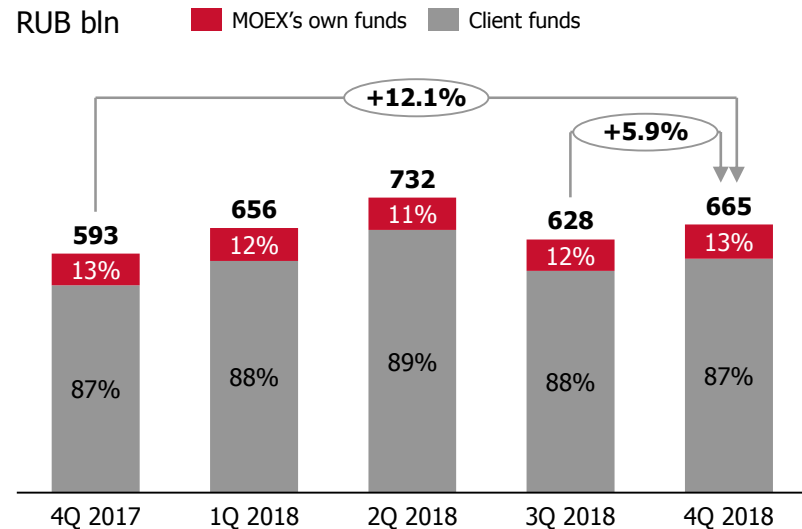
- In 2018, F&C grew 20.0% YoY, trading volumes increased 17.9%.
- In 4Q'18, F&C increased 14.4% YoY, while trading volumes were up 18.2% YoY.
- Higher trading volumes were largely due to higher price levels: the average value of MOEX Russia Index increased 12.7% YoY.
- MOEX's market share vs LSE in trading of dual-listed stocks in 2018 was 63% (2017: 58%).

# Interest and finance income in 4Q'18

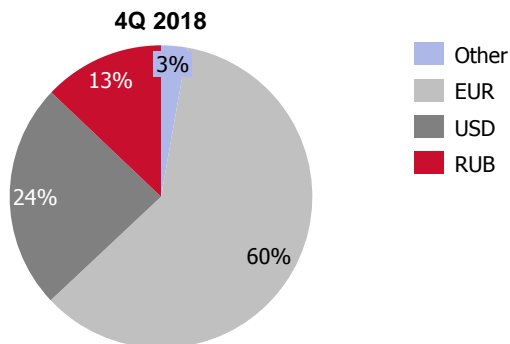
## Interest and finance income<sup>1</sup>



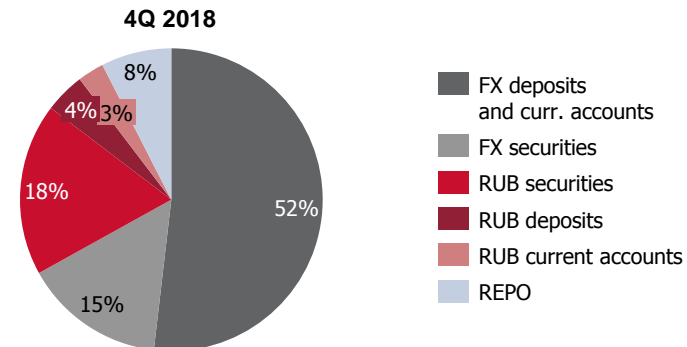
## Investment portfolio sources<sup>3</sup>



## Client funds by currency



## Investment portfolio by type of asset



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

<sup>1</sup> Interest and other finance income, Interest expense, Net gain on financial assets available-for-sale, Net gain on financial assets at fair value through other comprehensive income and Foreign exchange gains less losses

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

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

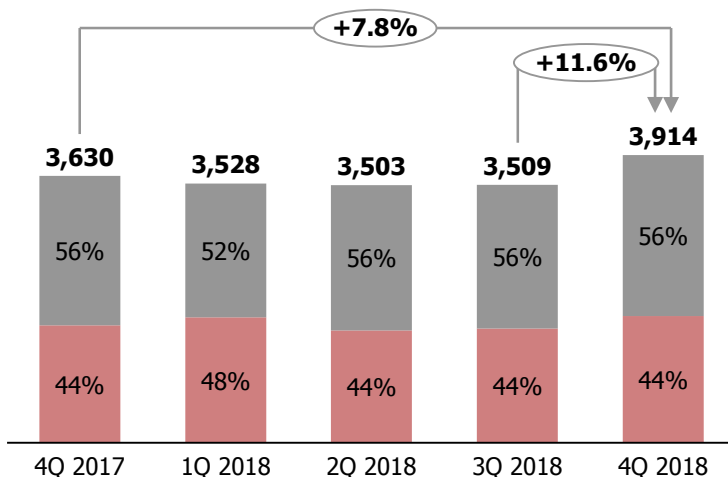


# Operating expenses (excl. provisions) in 4Q'18

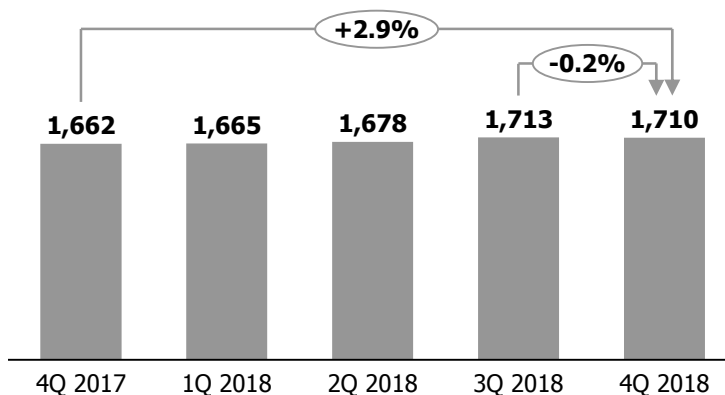
## Operating expenses

RUB mln

- General and administrative expenses
- Personnel expenses



## Headcount



## Major expense items

RUB mln	4Q 2017	4Q 2018	Change YoY
<b>Personnel expenses</b>	<b>1,597.3</b>	<b>1,723.6</b>	<b>7.9%</b>
<b>D&amp;A and IT maintenance</b>	<b>1,075.8</b>	<b>1,185.7</b>	<b>10.2%</b>
D&A & IT maintenance adjusted for the change in amortization schedule	1,075.8	1,103.5	2.6%
<b>Remaining administrative expenses<sup>1</sup></b>	<b>957.0</b>	<b>1,005.1</b>	<b>5.0%</b>
<b>Total OPEX</b>	<b>3,630.1</b>	<b>3,914.4</b>	<b>7.8%</b>
Adjusted total OPEX <sup>2</sup>	3,630.1	3,832.2	5.6%
<b>Cost (adj.)/ Income Ratio</b>	<b>37.8%</b>	<b>38.2%</b>	<b>0.4 p.p.</b>

## Comments

- OPEX added 7.8% YoY in 4Q'18.
- The growth was in large part driven by D&A (+RUB 73.3 mln or 9.5% YoY). This was due to the change in amortization schedules for intangibles at the beginning of 2018 that resulted in additional amortization of RUB 82.2 for 4Q'18.
- Professional services costs grew 61.7% YoY (+RUB 62.9 mln) due to pass-through costs from the Soft Commodities Market.
- Personnel expenses grew 7.9% YoY.

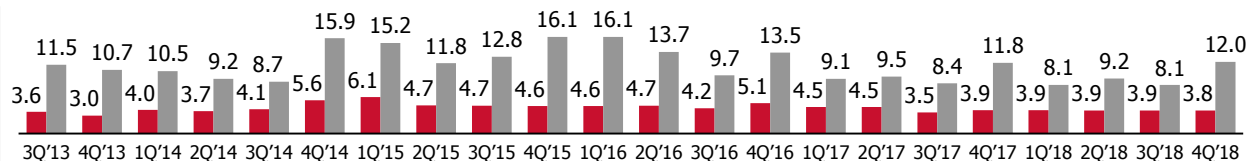
# Appendix

# Dual listed stocks virtual index spread dynamics

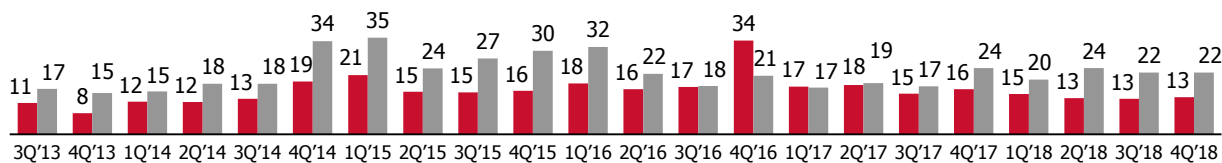
Analysis provided by  
LiquidMetrix

MICEX  
Virtual  
index<sup>2</sup>

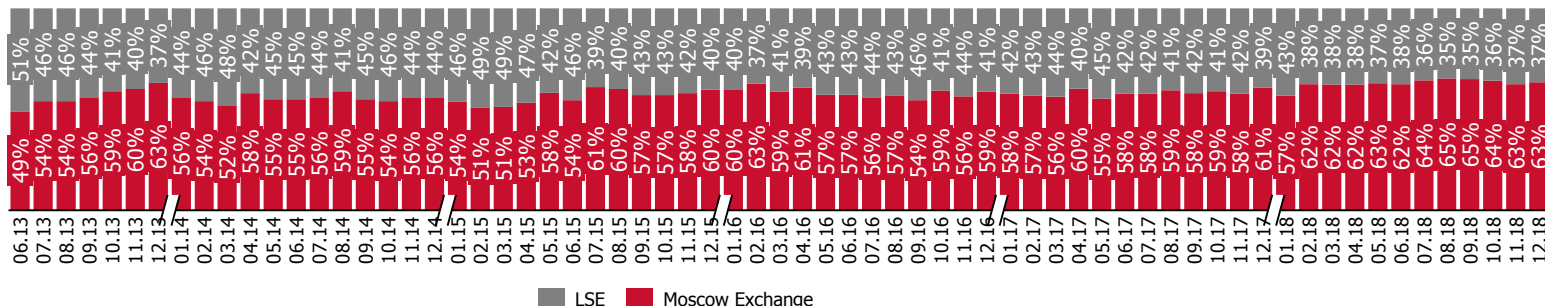
Bid - ask spread 1 Contract (b.p.<sup>1</sup>)



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 is based on measurements of the order books every 30 seconds

Data as of 25 January 2019

1 The value of 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

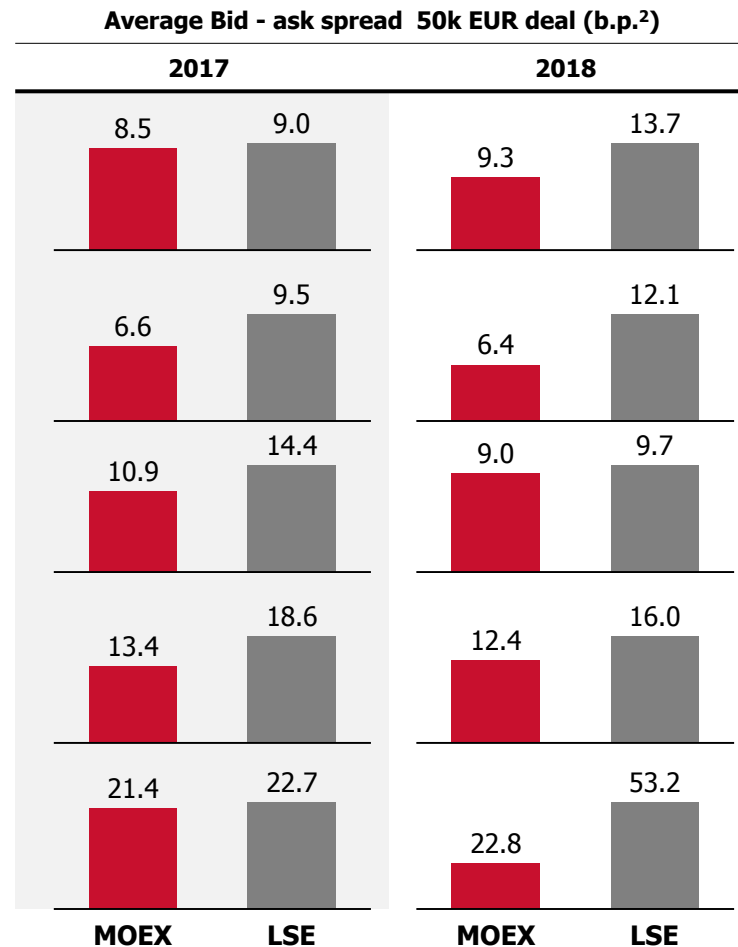
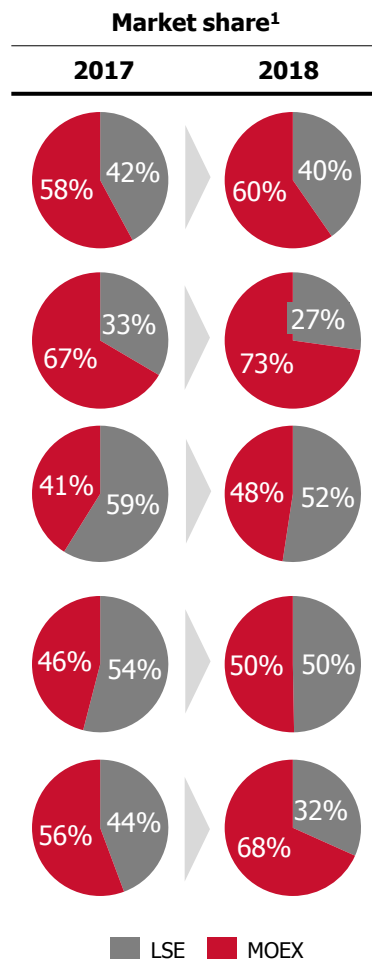
3 Data since December 2015 include trading auctions on MOEX. Data for March-April 2018 are based on Bloomberg data for LSE, data for other periods were provided by Liquidmetrix

Source: LiquidMetrix

- Moscow Exchange is the liquidity center for Russian securities with more than 60% market share in total trading volumes
- Aggregated spreads for most liquid dual listed stocks are substantially lower in Moscow implying lower all-in trading costs

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

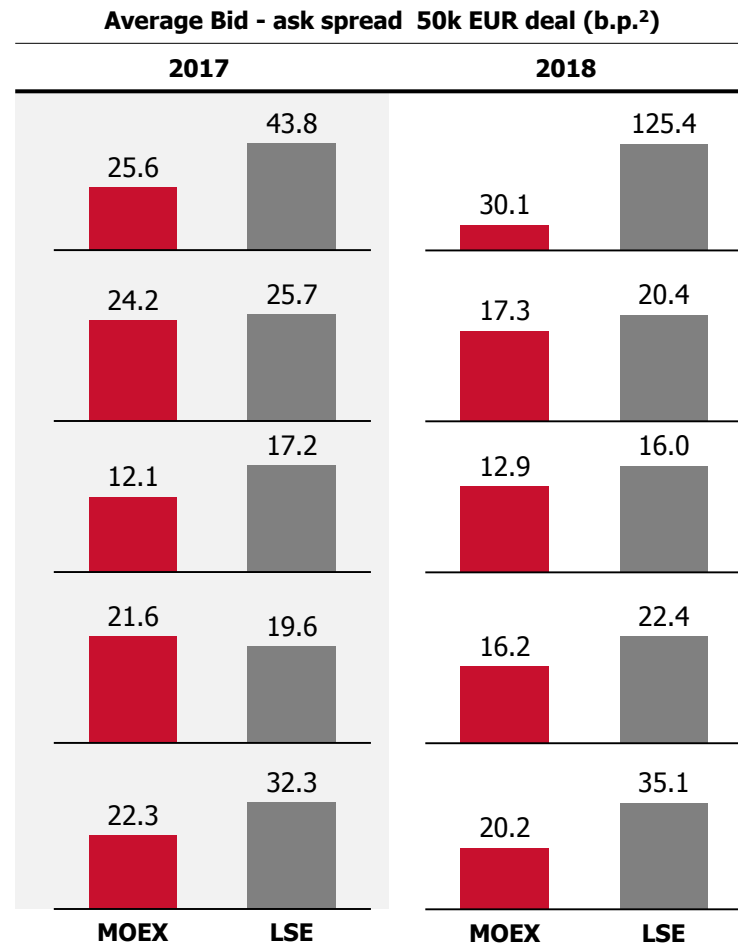
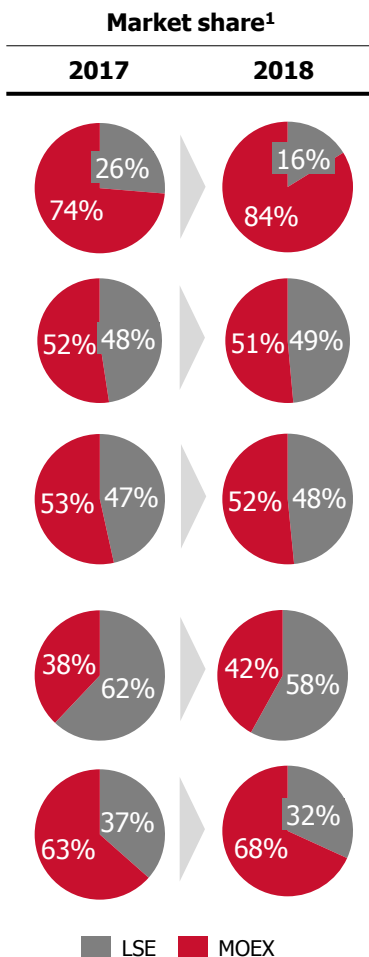
Analysis provided by  
LiquidMetrix



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

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

Analysis provided by  
LiquidMetrix



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

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

## Fees to be paid to depository bank for some of DR programs of Russian companies

DR program	Depository bank	Depository 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
Rossiyskiye Seti	BNY Mellon	0.02	0.002	109%	0.05
RusHydro	BNY Mellon	0.02	0.005	60%	0.05
FSK YeES	BNY Mellon	0.03	0.014	38%	0.05
VTB Bank	BNY Mellon	0.03	0.005	32%	0.05
SurgutNeftegaz	BNY Mellon	0.02	0.012	32%	0.05
Phosagro	Citi	0.02	-	16%	0.05
TMK	BNY Mellon	-	0.017	12%	0.05
Gazprom	BNY Mellon	-	0.020	8%	0.05
Rostelecom	JP Morgan	0.01	0.030	7%	0.05
Phosagro	JP Morgan	0.01	-	6%	0.05
Sberbank	JP Morgan	0.01	0.020	4%	0.05
Tatneft'	BNY Mellon	0.02	0.020	3%	0.05
Norilsk Nickel	BNY Mellon	0.01	0.020	3%	0.05
NLMK	Deutsche Bank	0.02	-	2%	0.05
Magnit	JP Morgan	0.01	-	2%	0.05
Novatek	BNY Mellon	-	0.020	2%	0.05
Lukoil	City	-	0.020	1%	0.05
Severstal	Deutsche Bank	-	-	0%	0.05
Lenta	Deutsche Bank	0.03	-	0%	0.05
Megafon	BNY Mellon	-	-	0%	0.05
<b>Average</b>		<b>0.012</b>	<b>0.010</b>	<b>17%</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>	3,544,064 USD
<b>Fund B</b>	539,651 USD
<b>Fund C</b>	1,866,634 USD

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

<b>Fund A</b>	8,442,396 USD
<b>Fund B</b>	997,428 USD
<b>Fund C</b>	4,075,032 USD

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



1 Service fees are charged annually, on an arbitrary date. Calculated based on number of DRs in a client's account on the record date

2 Dividend fees are charged when dividends are paid

3 As % of dividend amount after tax

4 Calculations based on Thomson Reuters data as of June 2018

Source: BNY Mellon, Deutsche Bank, JP Morgan, Citi, Thomson Reuters

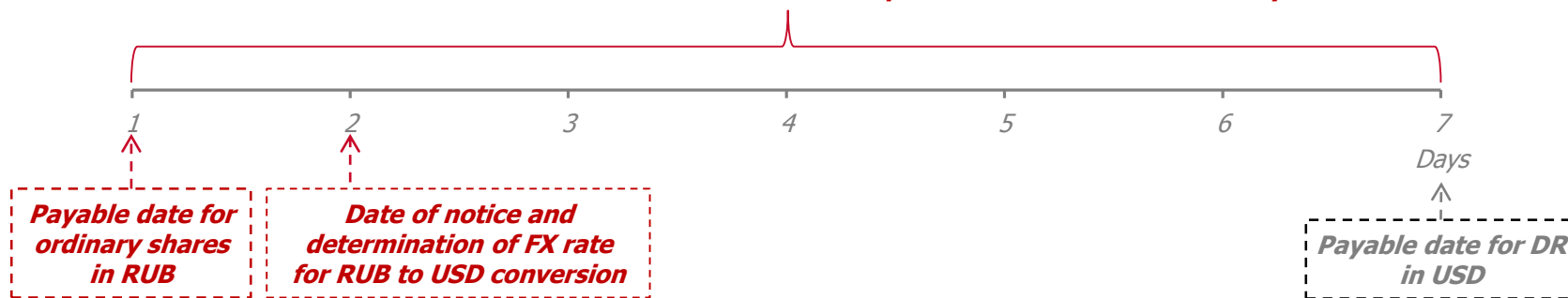
# Dividend payments for DR holders

## 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.
		Payable date	FX rate <sup>1</sup>	Payable date	FX rate <sup>2</sup>	
Mosenergo	18-Jun-18	9-Jul-18	62.0	16-Jul-18	63.0	1.5%
MMK	25-Jun-18	9-Jul-18	62.0	16-Jul-18	62.9	1.4%
Sistema	19-Jul-18	7-Jul-18	62.8	14-Jul-18	63.6	1.3%
Cherkizovo Group	3-Apr-18	17-Apr-18	61.0	24-Apr-18	61.6	1.0%
VTB Bank	20-Jun-18	20-Jun-18	63.1	27-Jun-18	63.7	1.0%
Inter RAO YEES	1-Jun-18	18-Jun-18	63.6	25-Jun-18	64.1	0.7%
RusHydro	7-Jul-18	24-Jul-18	63.0	31-Jul-18	63.4	0.7%

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



# Consolidated Statement of **Profit or Loss**

<i>RUB mln</i>	<i>2018</i>	<i>2017</i>	<i>% chg.</i>
Fee and commission income	23,647.1	21,207.6	12%
Interest and finance income <sup>1</sup>	16,061.0	17,285.3	-7%
Other operating income	193.3	46.0	320%
<b>Operating Income</b>	<b>39,901.4</b>	<b>38,538.9</b>	<b>4%</b>
General and administrative expenses	-7,941.4	-7,278.9	9%
Personnel expenses	-6,512.3	-6,152.9	6%
<b>Operating Expense (before Other operating expenses)</b>	<b>-14,453.7</b>	<b>-13,431.8</b>	<b>8%</b>
<b>Operating Profit Before Tax (before Other operating expenses)</b>	<b>25,447.7</b>	<b>25,107.1</b>	<b>1%</b>
Other operating expenses	-1,075.2	-	-
Income tax expense	-4,652.2	-4,851.9	-4%
<b>Net Profit</b>	<b>19,720.3</b>	<b>20,255.2</b>	<b>-3%</b>
<b>Earnings per share</b>			
Basic earnings per share, rubles	8.76	9.02	-3%
Diluted earnings per share, rubles	8.74	8.98	-3%



# Consolidated Statement of **Financial Position**

<i>RUB mln</i>	<i>31 December 2018</i>	<i>31 December 2017</i>	<i>% chg.</i>
<b>Assets:</b>			
Cash and cash equivalents	416,391.2	273,248.6	52%
Central counterparty financial assets	3,312,020.2	2,430,083.8	36%
Financial assets <sup>1</sup>	310,481.1	279,152.7	11%
Property and equipment and intangible assets	23,578.2	24,944.1	-5%
Goodwill	15,971.4	15,971.4	0%
Other assets <sup>2</sup>	4,142.4	4,369.1	-5%
<b>Total Assets</b>	<b>4,082,584.5</b>	<b>3,027,769.7</b>	<b>35%</b>

<i>RUB mln</i>	<i>31 December 2018</i>	<i>31 December 2017</i>	<i>% chg.</i>
<b>Liabilities:</b>			
Balances of market participants	606,479.8	466,860.2	30%
Overnight bank loans	5,003.1	-	-
Derivative financial liabilities	104.2	6.3	1554%
Central counterparty financial liabilities	3,312,020.2	2,430,083.8	36%
Distributions payable to holders of securities	24,676.0	2,507.8	884%
Other liabilities <sup>3</sup>	8,696.6	7,032.8	24%
<b>Total Liabilities</b>	<b>3,956,979.9</b>	<b>2,906,490.9</b>	<b>36%</b>
<b>Total Equity</b>	<b>125,604.6</b>	<b>121,278.8</b>	<b>4%</b>
<b>Total Liabilities and Equity</b>	<b>4,082,584.5</b>	<b>3,027,769.7</b>	<b>35%</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, Financial assets at fair value through other comprehensive income

2 Current tax prepayments, Deferred tax asset, Other assets

3 Margin account, Deferred tax liability, Current tax payables, Other liabilities excluding Derivative financial liabilities



# Disclaimer

NOT FOR RELEASE OR DISTRIBUTION OR PUBLICATION IN WHOLE OR IN PART IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA OR JAPAN.

• This presentation has been prepared and issued by Public Joint Stock Company "Moscow Exchange MICEX-RTS" (the "Company"). Unless otherwise stated, the Company is the source for all data and assumptions contained in this document. Such data and assumptions are provided as at the date of this document and is subject to change without notice. Certain industry, market and competitive position data contained in this document come from official or third party sources believed to be reliable but the Company does not guarantee its accuracy or completeness. The Company does not intend to have any duty or obligation to update or to keep current any information contained in this presentation.

• Neither the presentation nor any copy of it may be taken or transmitted into the United States of America, its territories or possessions, or distributed, directly or indirectly, in the United States of America, its territories or possessions as defined in Regulation S under the US Securities Act 1933, as amended (the "Securities Act"), except to "qualified institutional buyers" as defined in Rule 144A under the Securities Act. Any failure to comply with this restriction may constitute a violation of United States securities laws. The presentation is not an offer or sale of securities in the United States. Moscow Exchange Group has not registered and does not intend to register any securities in the United States or to conduct a public offering of any securities in the United States.

• This presentation does not constitute an advertisement or a public offer of securities in any jurisdiction. It is not intended to be publicly distributed in any jurisdiction. This document is only being made available to interested parties on the basis that: (A) if they are UK persons, they are persons falling within Articles 19 or 49 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005; or (B) they are outside the United Kingdom and are eligible under local law to receive this document. Recipients of this document in jurisdictions outside the UK should inform themselves about and observe any applicable legal requirements.

This presentation is not a prospectus for purposes of Directive 2003/71/EC (and amendments thereto, including Directive 2010/73/EU, to the extent implemented in any relevant Member State and any relevant implementing measure in the relevant Member State) (the "Prospectus Directive"). In any EEA Member State that has implemented the Prospectus Directive, this presentation is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Directive.

This presentation is not directed to, or intended for distribution to or use by, any person or entity that is a citizen or resident or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would require any registration or licensing within such jurisdiction.

• This document does not constitute or form part of, and should not be construed as, an offer or invitation for the sale or subscription of, or a solicitation of any offer to buy or subscribe for, any securities, nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with, any offer, contract, commitment or investment decision, nor does it constitute a recommendation regarding the securities of the Company.

• The information in this document has not been independently verified. No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy or completeness of the information, assumptions or opinions contained herein. None of the Company, or any of its subsidiaries or affiliates or any of such person's directors, officers or employees, advisers or other representatives, accepts any liability whatsoever (whether in negligence or otherwise) arising, directly or indirectly, from the use of this document or otherwise arising in connection therewith.

• This presentation includes forward-looking statements. All statements other than statements of historical fact included in this presentation, including, without limitation, those regarding MOEX financial position, business strategy, management plans and objectives for future operations are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause our actual results, performance, achievements or industry results to be materially different from those expressed or implied by these forward-looking statements. These forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we expect to operate in the future. Important factors that could cause our actual results, performance, achievements or industry results to differ materially from those in the forward-looking statements include, among other factors:

– 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.

