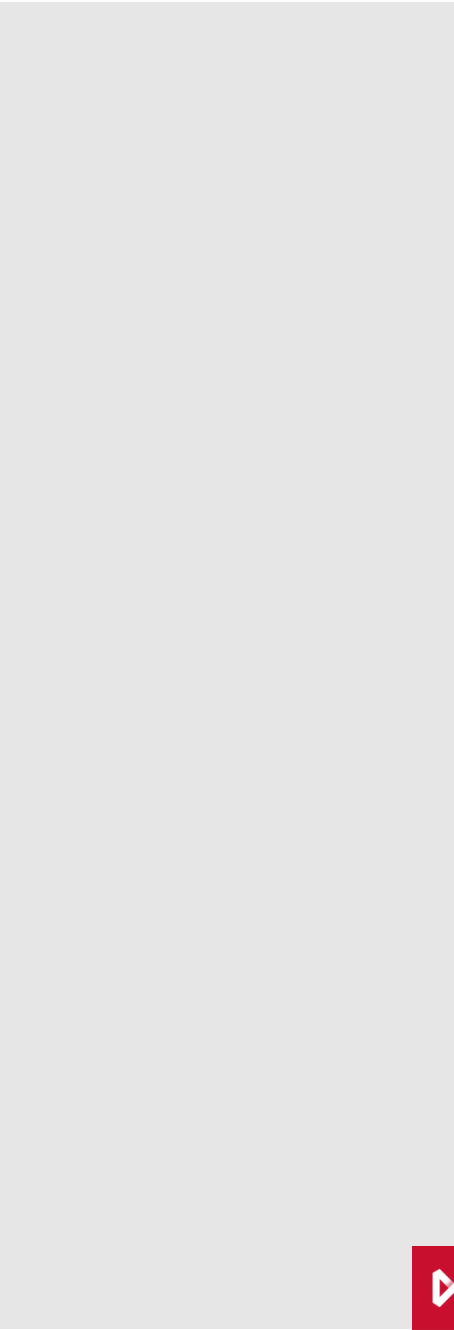





MOSCOW  
EXCHANGE

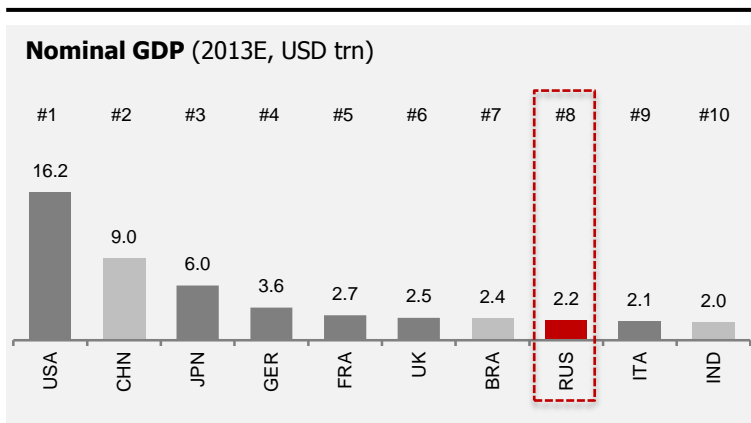
May 2014

Investor presentation

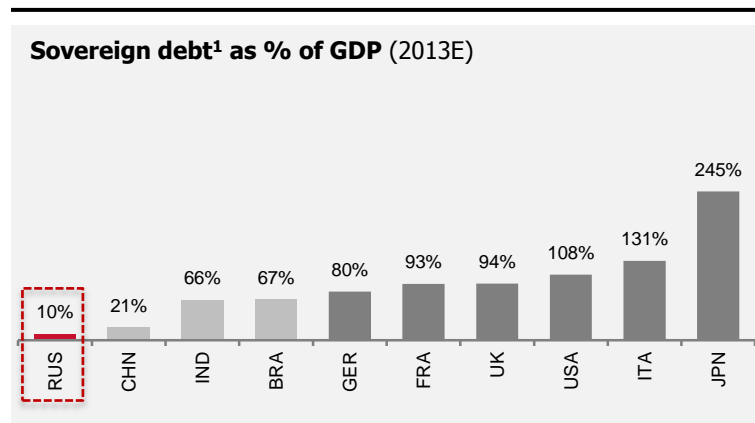
- 
-  Well-positioned attractive investment opportunity
  - 2** Successful track record of changes
  - 3** Strong operating and financial results

# Russian capital market has **significant potential**

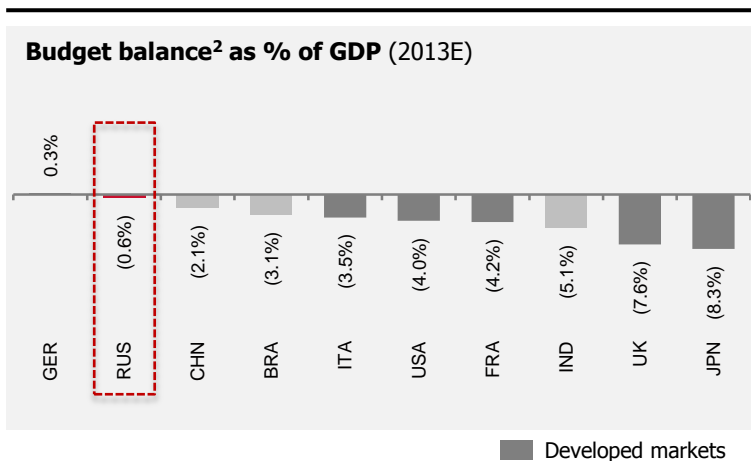
## Large economy (#8 globally)...



## ...with low government leverage...



## ...strong fiscal policy...



## ... and strong growth potential for the capital market



Source: Nominal GDP, Sovereign debt as % of GDP – IMF; Budget balance – Economist Intelligence Unit; Equity market capitalisation to GDP – WFE, IMF  
 1 Total gross debt (both local and foreign currency) owed by government to domestic residents, foreign nationals and multilateral institutions such as the IMF, expressed as a percentage of GDP  
 2 Central government receipts minus central government outlays, as a percentage of GDP  
 3 Market capitalisation for the USA is the sum of NASDAQ and NYSE market capitalisations, for China – the sum of Shanghai and Shenzhen market capitalisations, for India – BSE market capitalisation, for Brazil – BM&FBovespa market capitalisation, for Russia – Moscow Exchange market capitalisation, for France – NYSE Euronext Europe market capitalisation, for UK – LSE market capitalisation (including Borsa Italiana market capitalisation)

# Moscow Exchange is the major exchange in Russia and a leading exchange globally

## One of the largest in fixed income (Jan – Dec 2013)<sup>1</sup>

Rank	Exchange	Country	Trading vol. (USD bn)	Incl. REPOs
1	BME Spanish Exchanges	Spain	8 499	✓
<b>2</b>	<b>Moscow Exchange</b>	<b>Russia</b>	<b>5 707</b>	<b>✓</b>
3	LSE	UK	3 953	×
4	NASDAQ OMX	USA (Europe)	2 537	✓
5	Johannesburg SE	South Africa	2 123	✓
6	Korea Exchange	Korea	1 208	×
7	Colombia SE	Colombia	936	×
8	Oslo Børs	Norway	675	✓
9	Borsa Istanbul	Turkey	521	✓
10	Tel Aviv SE	Israel	282	✓

## Top 8 in derivatives (Jan – Dec 2013) – FIA ranking

Rank	Exchange	Country	Contracts traded (mln)
1	CME Group	USA	3 161
2	ICE incl. NYSE Euronext <sup>3</sup>	USA	2 808
3	EUREX	Germany	2 191
4	NSE	India	2 136
5	BM&FBOVESPA	Brazil	1 604
6	CBOE Holdings	USA	1 188
7	NASDAQ OMX <sup>3</sup>	USA	1 143
<b>8</b>	<b>Moscow Exchange</b>	<b>Russia</b>	<b>1 134</b>
9	Korea Exchange	Korea	821
10	Multi Commodity Exchange	India	794

## Top 19 in equities (Jan – Dec 2013)<sup>2</sup>

Rank	Exchange	Country	Mkt Cap (USD bn)	Securities listed	Trading vol. (USD bn)
1	NYSE Euronext <sup>3</sup>	USA	21 534	3 433	15 362
2	NASDAQ OMX <sup>3</sup>	USA	7 354	3 392	10 211
3	Japan Exchange <sup>4</sup>	Japan	4 543	3 419	6 305
4	London SE Group	UK	4 429	2 736	2 233
5	Hong Kong Exchanges	Hong Kong	3 101	1643	1 323
6	Shanghai SE	China	2 497	953	3 731
7	TMX Group	Canada	2 114	3 886	1 371
8	Deutsche Börse	Germany	1 936	720	1 335
9	SIX Swiss Exchange	Switzerland	1 541	272	677
10	Shenzhen SE	China	1 452	1 536	3 859
...	...	...	...	...	...
<b>19</b>	<b>Moscow Exchange</b>	<b>Russia</b>	<b>771</b>	<b>262</b>	<b>242</b>

## Top 12 public exchanges by market capitalization<sup>5</sup>

Rank	Exchange	Country	Mkt Cap (USD bn)
1	CME	USA	25.3
2	ICE – NYSE	USA	24.3
3	HKEx	Hong Kong	19.1
4	Deutsche Börse	Germany	16.0
5	BM&FBovespa	Brazil	8.7
6	LSE Group	UK	8.1
7	Japan Exchange	Japan	7.4
8	NASDAQ OMX	USA	6.6
9	ASX	Australia	6.2
10	SGX	Singapore	6.0
11	DubaiFinancial	Dubai	5.5
<b>12</b>	<b>Moscow Exchange</b>	<b>Russia</b>	<b>4.6</b>

Source: Moscow Exchange, WFE, Bloomberg, FIA

1 Due to different methodologies applied, data on fixed income trading may not be directly comparable among exchanges

2 Top equity trading exchanges are ranked by market capitalisation of public companies traded on the exchange

3 Includes both US and European market volumes and capitalization for equities market; both US and European market volumes for derivatives market

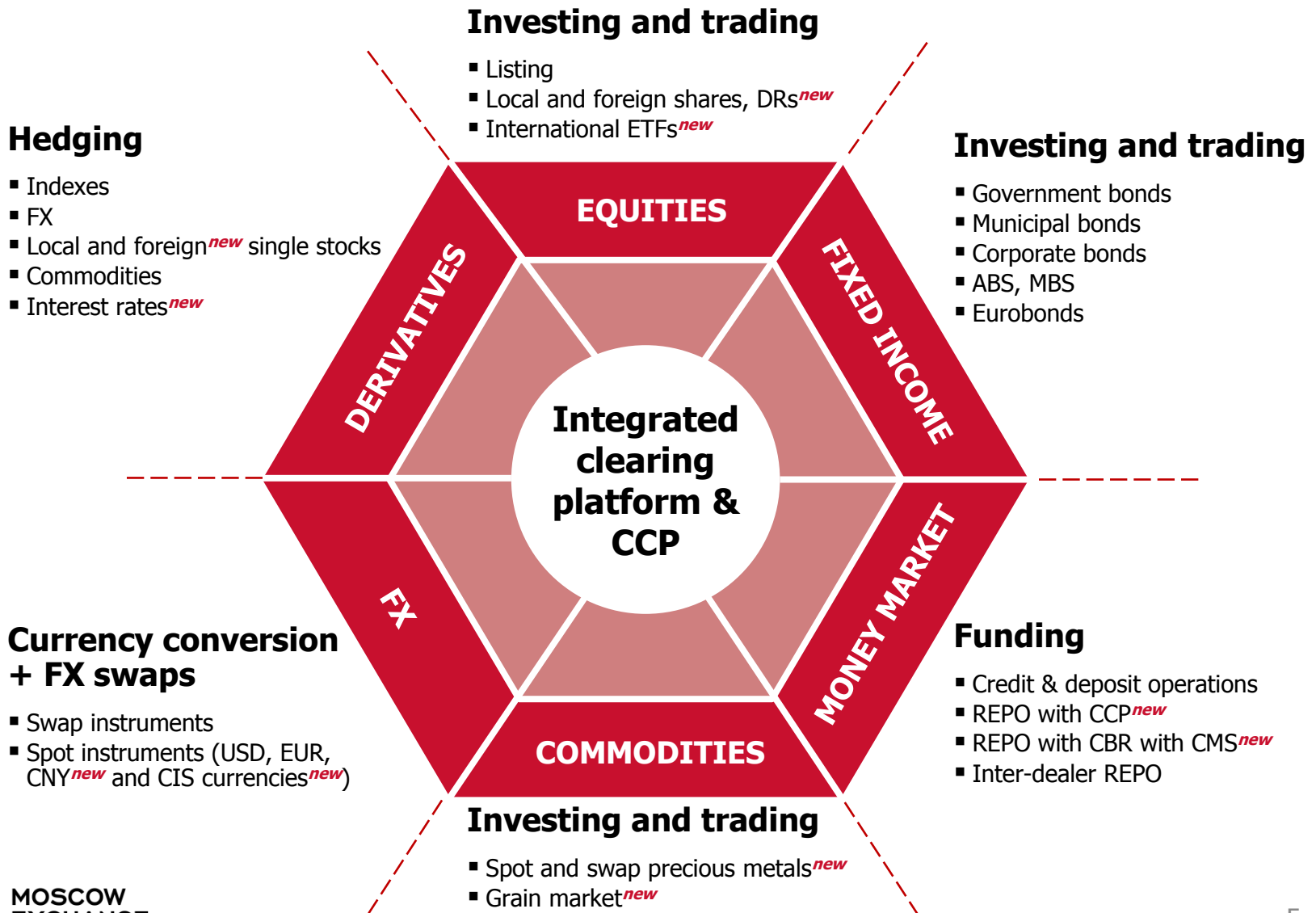
4 Includes both Tokyo and Osaka exchanges trading volumes, capitalization reflects Tokyo exchange only

5 Market capitalization of public exchanges based on Bloomberg data as of January 15, 2014



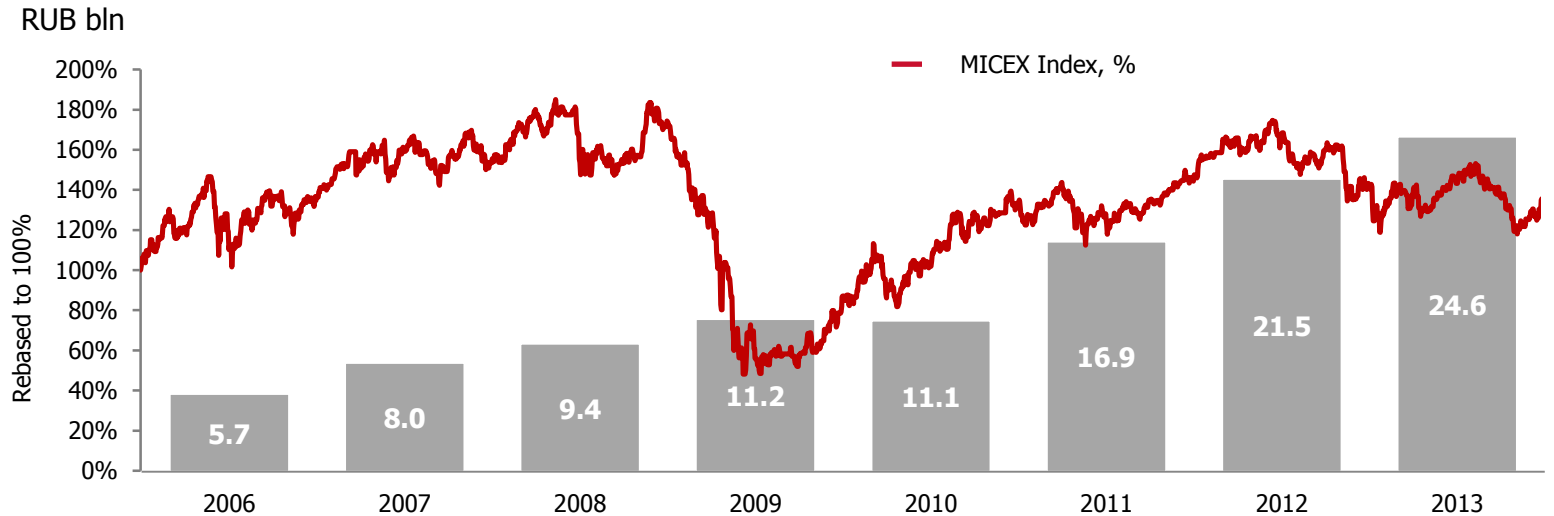
**MOSCOW  
EXCHANGE**

# Moscow Exchange is the **heart of Russia's financial market infrastructure**



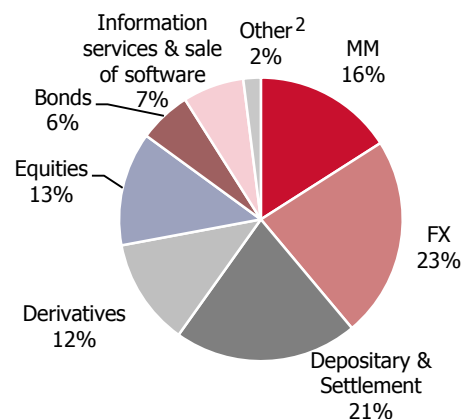
# Moscow Exchange has a proven and **cycle-protected** business model

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

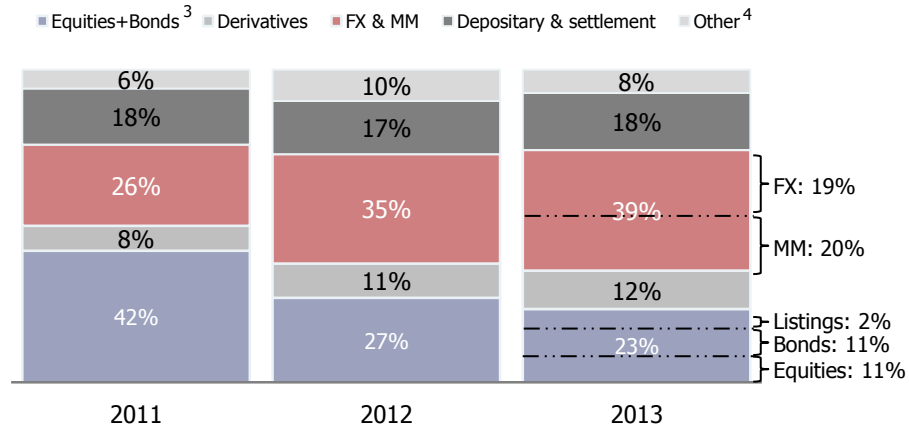


## Diversified fee & commission income distribution

1Q2014



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



According to Moscow Exchange IFRS financial statement

<sup>1</sup> RTS data is consolidated from June 29, 2011

<sup>2</sup> Include other income related to securities market

<sup>3</sup> Include other income related to securities market in 2011-2012

<sup>4</sup> Include income from Information services & sale of software in 2011-2012, include income from Information services & sale of software and other income related to securities market in 2013

# On the right track: changes of the regulatory framework

2011-2012

The law on **Central Securities Depository (CSD)** N414-FZ dated 07.12.2011:

- Reduced stakeholders risks
- Removed the key barrier for trading in Russian local shares for foreign investors

Amendments to the federal law **"On Clearing and clearing activities"** N 7-FZ dated 07.02.2011:

- Allowed to create united Central Counterparty (CCP) for all MOEX markets

2013

The law on **Megaregulator** N 251-FZ dated 23.07.13:

- CBR became the regulator of the whole Russian financial market

Amendments to the law **"On Non-Government Pension Funds"** N75-FZ dated 7.03.1998 and the law N410-FZ dated 28.12.2013:

- Reduced the systemic risks: requirement for NPFs incorporation and creation of pension insurance system
- Removed the requirement of positive financial result by the end of each year
- Increased investment horizon: possibility to change an NPF manager once in five years instead of once a year

Changes in the **"Tax Code"**:

- Removed barriers for Euroclear и Clearstream operations with securities
- Created tax incentives for individual investors (the concept of individual investment accounts and tax exemptions for securities with holding period of >3yrs (on income up to RUB 9 mln))

Changes in the law **"On securities market"**:

- Simplified securities issuance
- Shaped regulation on general meeting of bondholders and their representatives
- Improved regulation on securitization of financial assets

Amendments to the "Regulation on the list and calculation procedure of liquidity..." (introduced by the Order of the FSFM No 13-63/pz-n dated 30.07.2013):

- Eased criteria for **foreign exchange-traded funds** to be admitted to trading on the exchange

The Order No 13-62/pz-n of the FSFM "On the admission of securities to organized trading" dated 30.07.2013:

- Established a **new listing structure**;
- Specified new listing criteria for issuers;
- Linked to a new Corporate Governance Code

2014

The letter No 06-52/2463 of the CBR **"On the Corporate Governance Code"** dated 10.04.2014:

- Established new corporate governance standards;
- Linked with the new listing law

Amendments to the Government decree No 379 "On imposing additional restrictions on investment of pension savings..." dated 30.06.2003 (introduced by the decree No 175 dated 7.03.2014):

- **Pension savings** became available for being invested in shares of Russian companies during **privatization**

# Key growth areas **2014**

## Developments of FX, money market and equities

- REPO with pool of securities
- On exchange REPO with collateral management
- Access to FX-market through SPECTRA (derivatives trading system)
- Listing modernization
- Securitization, ETFs development

## Clearing and risk- management system modernization

- Integration of clearing and risk-management system between different markets
- Segregation of clearing participant accounts
- Client accounts portability
- Cross-defaults technology (ability to utilize participant collateral across different markets in case of default)
- Unified risk-management and collateral pool in derivatives and FX-market





**1**

Well-positioned attractive investment opportunity



Successful track record of changes

**3**

Strong operating and financial results



# MOEX has delivered on strategic goals announced at IPO

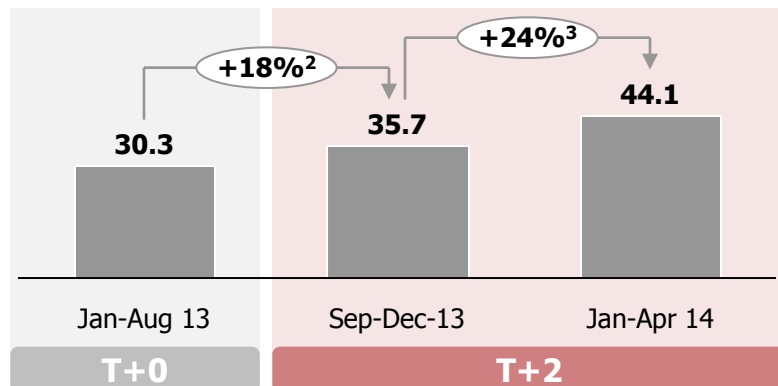
Target	Delivery stage
<p><b>1</b> Upgrade infrastructure to international standards</p> <ul style="list-style-type: none"> <li>– Deliver T+2 settlement</li> <li>– Establish fully functioning CSD</li> <li>– Establish integrated CCP function</li> </ul>	<ul style="list-style-type: none"> <li>✓ T+2 launched in March 2013 and implemented fully in September 2013 in equities market</li> <li>✓ Launch of the CSD in November 2012 removed the key barrier for trading in Russian local shares for foreign investors:               <ul style="list-style-type: none"> <li>– Direct and simplified settlement</li> <li>– Lower costs</li> <li>– Direct participation in corporate actions</li> </ul> </li> <li>✓ National Clearing Centre (NCC) is the CCP for all MOEX markets; NCC has been additionally capitalized with RUB 9 bln in 2013, equity capital reached RUB 30.9 bln (as of April 1, 2014)</li> </ul>
<p><b>2</b> Opening up of MOEX to international investors</p>	<ul style="list-style-type: none"> <li>✓ Euroclear and Clearstream offer settlement services for Russian sovereign and corporate bonds; equities are expected to follow on July 1, 2014</li> <li>✓ Six global banks (Citigroup, Credit Suisse, Merrill Lynch, Morgan Stanley, UBS and Deutsche Bank<sup>1</sup>) offer Direct Market Access (DMA) to securities trading on MOEX; three global banks are expected to follow by the end of 2014</li> </ul>
<p><b>3</b> Attract liquidity to securities platform of MOEX</p>	<ul style="list-style-type: none"> <li>✓ Re-attracted listings to MOEX</li> <li>✓ Modernisation to international standards of listing rules and disclosure requirements</li> <li>✓ Continued incentives to increase local demand and supply (tax incentives for retail, pension funds reform, privatisation)</li> <li>✓ Development of new products (foreign stocks and DRs, ETFs, ABS, CDO, MBS and others)</li> </ul>
<p><b>4</b> Adapt world-class governance standards</p>	<ul style="list-style-type: none"> <li>✓ 8 independent non-executive directors appointed to MOEX Board</li> <li>✓ New hires with vast international experience</li> <li>✓ IPO of MOEX opens up its investor base</li> <li>✓ Board decision to cancel treasury shares</li> </ul>
<p><b>5</b> Establish regular investor interaction</p>	<ul style="list-style-type: none"> <li>✓ Established world-class level of investor interaction with regular roadshows, conferences and investor meetings</li> </ul>



# Impact of T+2 launch on equity market

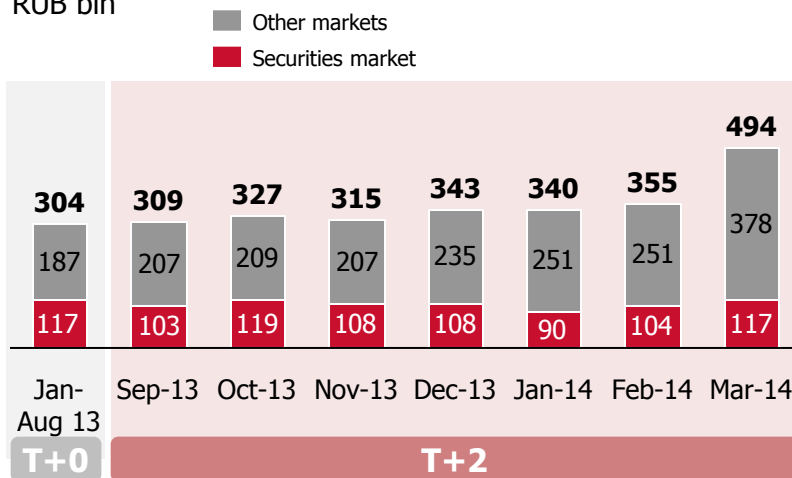
## Average daily trading volumes (ADTV) on equity market<sup>1</sup> in 2013-2014

RUB bln

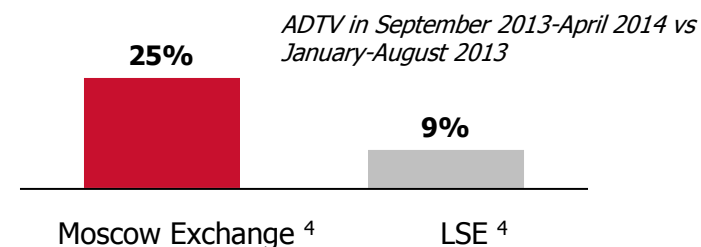


## Average daily client balances

RUB bln



## ADTV growth following T+2



Following transition to T+2, trading volumes growth on Moscow Exchange exceeded the growth of DRs traded on LSE by **almost 3 times**

## Comments

- Following the launch of T+2 settlement cycle:
  - Smooth and successful** customers **transition** to the new settlement cycle
  - Average daily trading volume **growth**
  - Six global banks (Citigroup, Credit Suisse, Merrill Lynch, Morgan Stanley, UBS and Deutsche Bank) offer **Direct Market Access (DMA)** to securities trading on MOEX
- Total amount of clients balances grew by 17% in September 2013 - March 2014 compared to the first 8 months of 2013



**MOSCOW EXCHANGE**

Source: Moscow Exchange operational data

<sup>1</sup> Daily average secondary trading volume in EOB on Main market (T0,T+2), including negotiated deals with CCP

<sup>2</sup> Average daily trading volumes in September-December 2013 vs January-August 2013

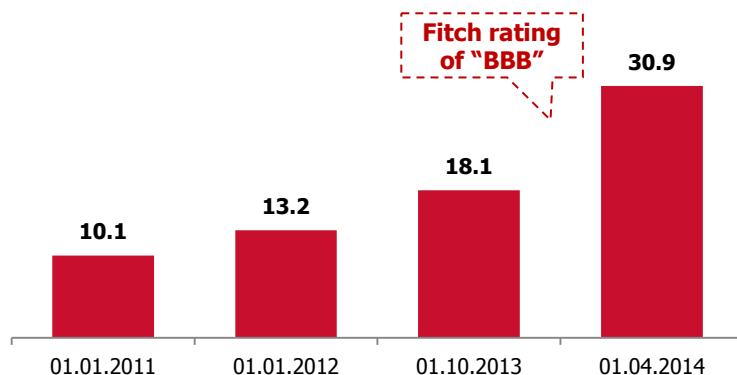
<sup>3</sup> Average daily trading volumes in January-April 2014 vs September-December 2013

<sup>4</sup> Trading volumes in Moscow Exchange main trading mode vs LSE electronic order book (IOB), calculated for 32 dual-listed companies

# Strongly capitalized CCP and fully established CSD

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

RUB bln

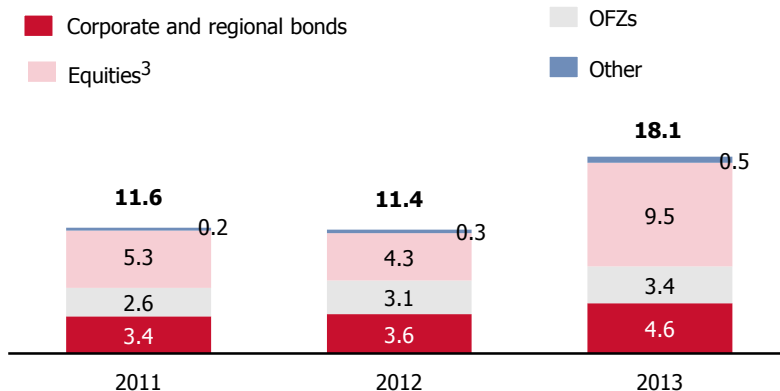


## Comments

- The NCC acts as **Central Counterparty** on all markets
- Qualified central counterparty status obtained from the Bank of Russia in October 2013
- **BBB financial stability rating** (Fitch) equals sovereign credit rating
- Up to 100% of collateral can be provided in foreign currency (USD)
- Significant equity capital injection in 2013

## National Settlement Depository assets in deposit<sup>2</sup>

RUB trln



## Comments

- Assets in deposit in the NSD increased as a result of the NSD functioning as **central securities depository**
  - Monthly average assets in deposits increased by 59% in 2013 compared to 2012
- Repository services launched in February 2013, reporting of OTC REPO deals and FX swaps became obligatory in November 2013
- The NSD is rated by **Thomas Murray<sup>4</sup> (AA-)**

Source: Moscow Exchange operational information

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

2 Monthly average assets in deposits based on Company' operational data

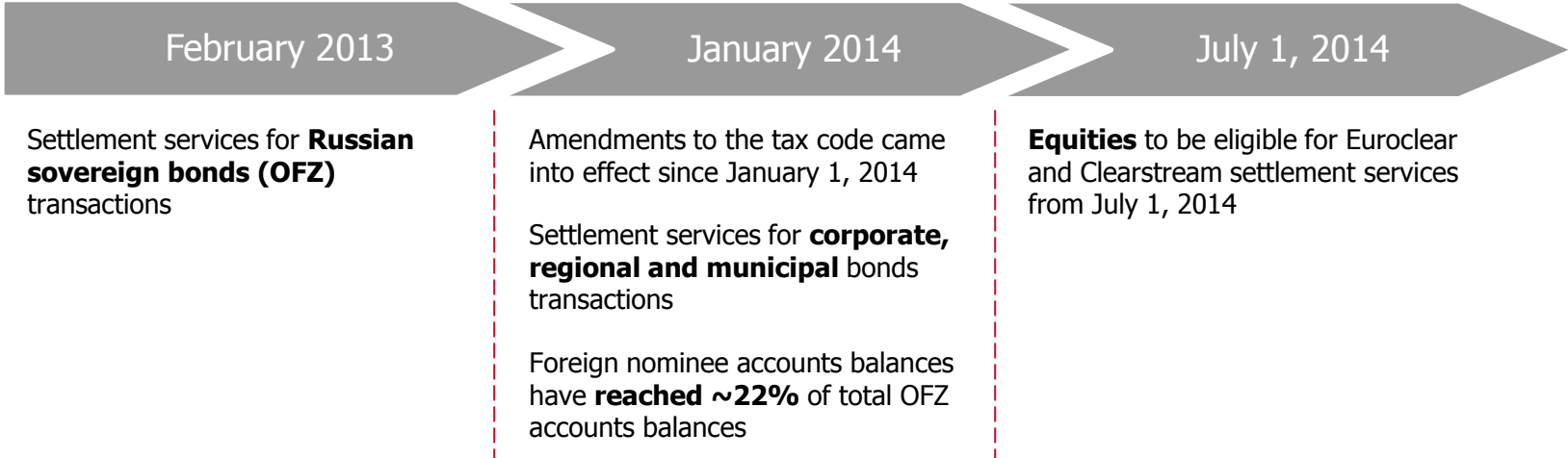
3 Corporate shares on deposit with the NSD and with the DCC (Depository Clearing Company)

4 Thomas Murray – leading global agency for depository services

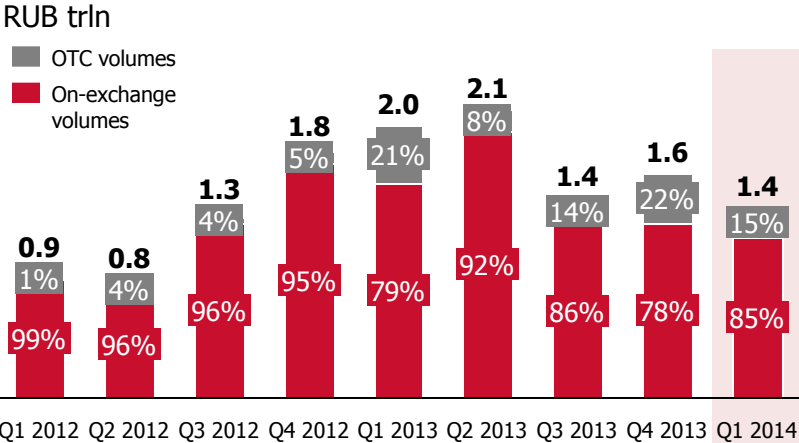


**MOSCOW  
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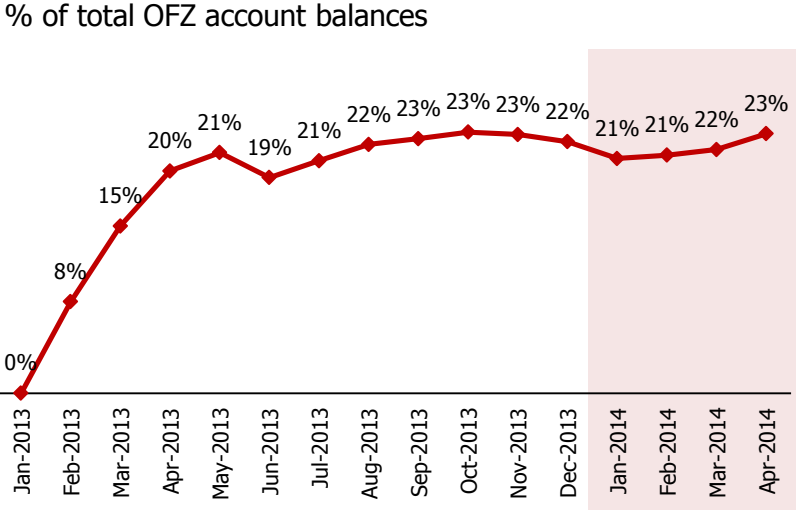
# Euroclear and Clearstream access to the Russian market



## Sovereign bonds (OFZ) trading volumes



## Foreign nominee account balances in NSD



# Liquidity center: placements held **exclusively on MOEX** prevail

## IPO/SPO on Moscow Exchange<sup>1</sup>



**MOSCOW EXCHANGE**

**IPO**  
RUB 15 bln  
(USD 462 mln)  
February 2013



**PHOSAGRO**

**SPO**  
RUB 14.7 bln<sup>2</sup>  
(USD 453 mln)  
April 2013



**VTB**

**SPO**  
RUB 102.5 bln  
(USD 3.2 bln)  
May 2013



**PIK GROUP**

**SPO**  
RUB 10.6 bln  
(USD 327 mln)  
June 2013



**BANK SAINT PETERSBURG**

**SPO**  
RUB 3.02 bln  
(USD 91 mln)  
August 2013



**QIWI**

**SPO<sup>3</sup>**  
RUB 9.2 bln  
(USD 286 mln)  
October 2013




**NOMOS BANK**  
15 years of partnership and success

**SPO**  
RUB 19.1 bln  
(USD 602 mln)  
October 2013



**ALROSA**


**IPO**  
RUB 41.3 bln  
(USD 1.3 bln)  
October 2013



**ЛЕНТА**

**IPO<sup>4</sup>**  
RUB 34.3 bln  
(USD 952 mln)  
February 2014

## IPO/SPO of Russian companies on LSE



**PHOSAGRO**

**SPO**  
RUB 14.7 bln<sup>2</sup>  
(USD 453 mln)  
April 2013



**Tinkoff Credit Systems**

**IPO**  
RUB 34.7 bln  
(USD 1.1 bln)  
October 2013



**ЛЕНТА**

**IPO<sup>4</sup>**  
RUB 34.3 bln  
(USD 952 mln)  
February 2014

## IPO/SPO of Russian companies on NASDAQ



**Yandex**

**SPO**  
RUB 18.6 bln  
(USD 607 mln)  
March 2013



**QIWI**

**IPO/SPO<sup>3</sup>**  
RUB 7.1 bln/9.2 bln  
(USD 229mln/286mln)  
May/October 2013

## IPO/SPO of Russian companies on NYSE



**LUXOFT**  
Engineering Business Performance

**IPO/SPO**  
RUB 2.6 bln/3.1 bln  
(USD 84mln/96mln)  
June/November 2013

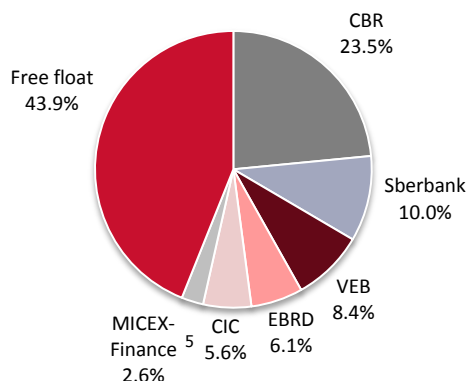
- ✓ Polymetal re-listing in Moscow completed in 2013
- ✓ Additional mid-term supply: privatization placements to be held on MOEX

# Strong **corporate governance** standards and regular **IR activity**

## Strong corporate governance

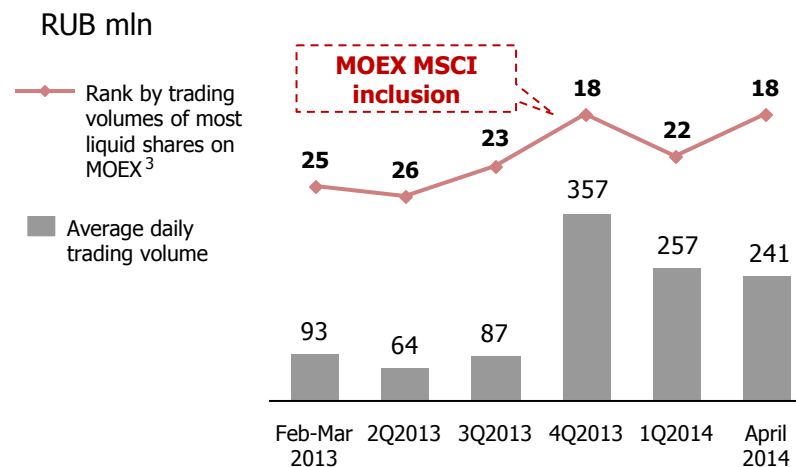
- **Eight of 19** members (42%) of Supervisory Board are Independent Directors<sup>1</sup>
- MOEX is a pioneer of new **Corporate Governance Code**
- Management and shareholder interests aligned through **3-year stock option programme**
- **Attractive dividend policy**: minimum pay-out ratio based on net profit under IFRS of 40% in 2014 (for 2013 results) and 50% in 2015 (for 2014 results) and onward
- Established **transparent** and frequent financial and operating **disclosure**

## Ownership structure as of May 12, 2014<sup>4</sup>



- 1 According to Russian definition of INEDs
- 2 Trading volume in main trading mode (T0, T+2)
- 3 Ordinary and preferred shares
- 4 4.8% of shares held by the CBR as a result of repo transactions are included in the free-float
- 5 100% owned subsidiary of the Moscow Exchange

## MOEX shares average daily trading volume<sup>2</sup>



## Key takeaways

- Free-float grew to **44%** from 31% following changes in shareholder's structure and treasury shares cancellation
- Average daily trading volumes grew ~3 times since IPO and reached **~USD 7 mln**
- In 2013, the management team held **3 non-deal road-shows**, participated in **8 conferences**, held **3 Moscow Exchange conferences**, had more than **150 investor meetings** in the HQ in Moscow
- More than **180** international and domestic **institutional investors** and more than **1,000 retail investors** are among MOEX shareholders



**1**

Well-positioned attractive investment opportunity

**2**

Successful track record of changes



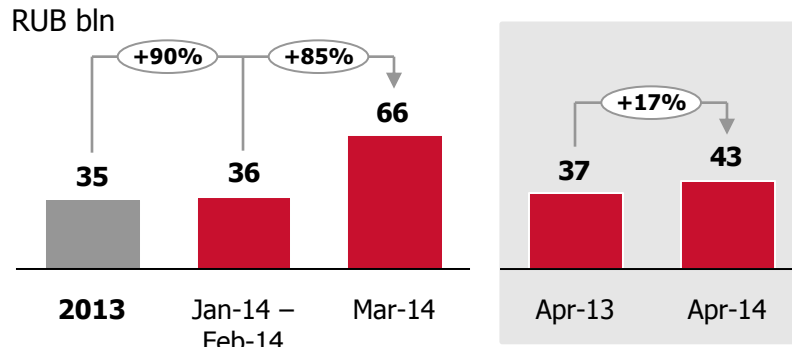
Strong operating and financial results





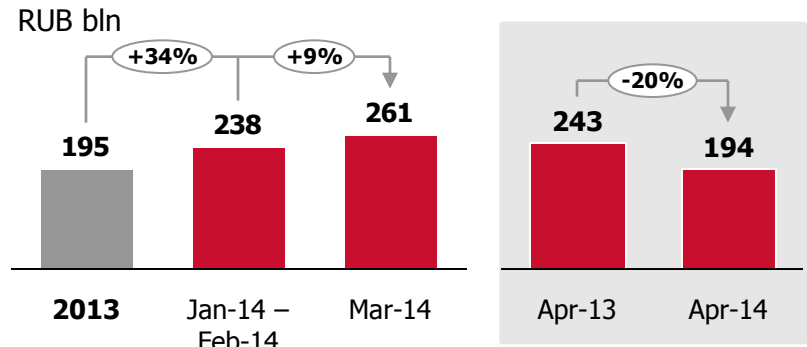
# Increased volatility in 2014 led to **trading volume growth**

## Equities: average daily trading volumes



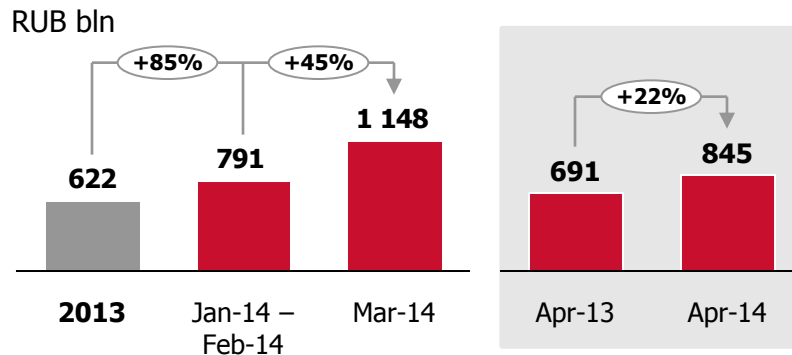
- In March non-residents and individual investors were buyers, dealers were sellers
- In March-April more than **23 000 of newly** opened accounts

## Derivatives: average daily trading volumes



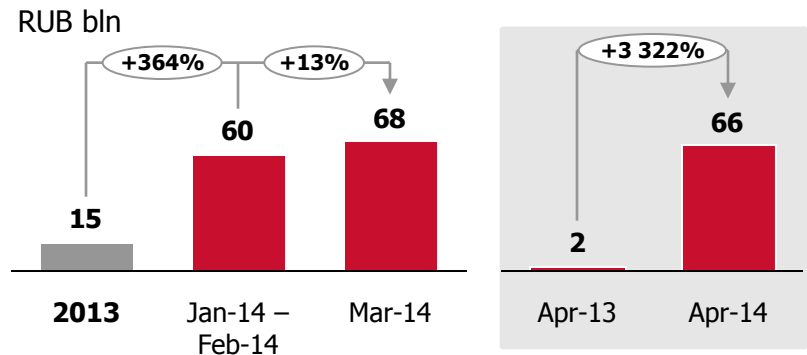
- Share of non-residents grew **to 44%** in March

## FX market: average daily trading volumes



- Record high trading volumes on FX market on 3 March 2014 – **USD 47 bln**

## REPO with CCP: average daily trading volumes

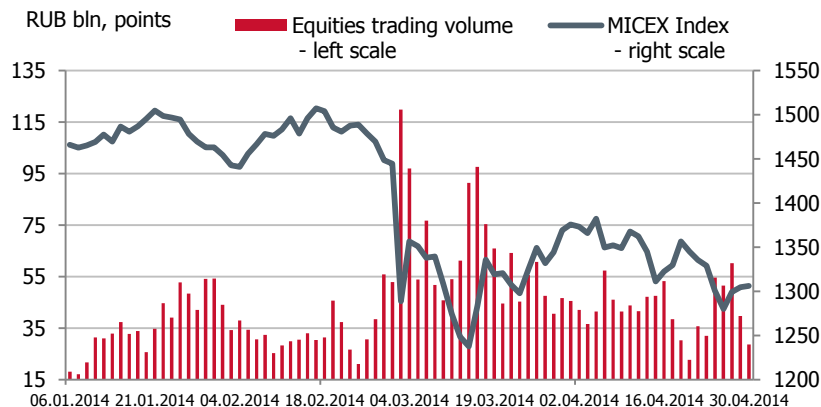


- Record high trading volume on REPO with CCP on 3 March 2014 – **RUB 93 bln**



# MOEX has successfully passed through the recent market turbulence

## Increased market volatility in March...



## ...led to trading volume surge

ADTV, RUB bln	March 2013	March 2014	Change, %	Avg Jan-Feb 2014	March 2014	Change, %
Equities market	34.6	66.2	91%	35.7	66.2	85%
Bonds market <sup>1</sup>	56.8	47.8	-16%	39.8	47.8	20%
Derivatives market (mln contracts)	5.2	6.6	27%	5.4	6.6	22%
Money market	706.6	785.1	11%	794.7	785.1	-1%
FX market	503.2	1147.8	128%	791.4	1147.8	45%

## Comments

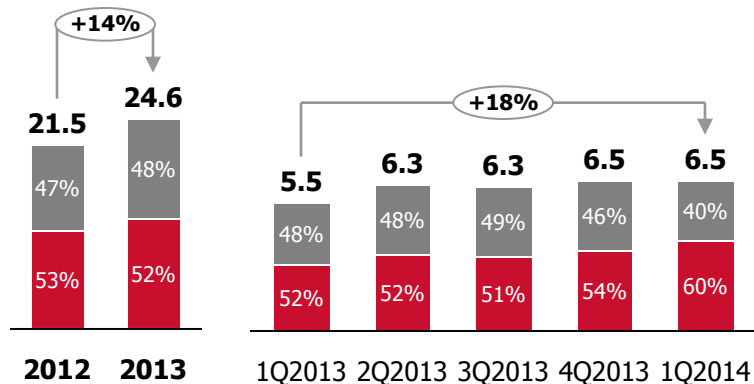
- Russian market faced **increased volatility** with MICEX index declining **11%** since the beginning of the year. On March 3rd the MICEX index declined **10.8%**
- MOEX is well prepared for such market moves:**
  - advanced risk management system
  - quick response: change of the initial margin
- All trades were settled, no trading halt:**
  - no single default or technical delivery failure
  - discrete auction mechanism
  - CCP worked in T+2 on equities market
- March 2014:**
  - Daily average trading volumes on **equities market** increased from RUB 34.6 bln in 2013 to RUB 66.2 bln. More than 11 000 of newly opened accounts
  - Daily average trading volumes on **FX market grew** from RUB 503 bln in March 2013 to RUB 1.15 trn in March 2014
  - Open positions on derivatives market reached **the record high of RUB 684 bln** as of March 13, 2014
  - Client funds** placed with us **exceeded RUB 500 bln in March** demonstrating the reliability of Moscow Exchange as the core of the Russian capital market



# Financial Performance: Strong **double digit** EPS growth

## Operating income

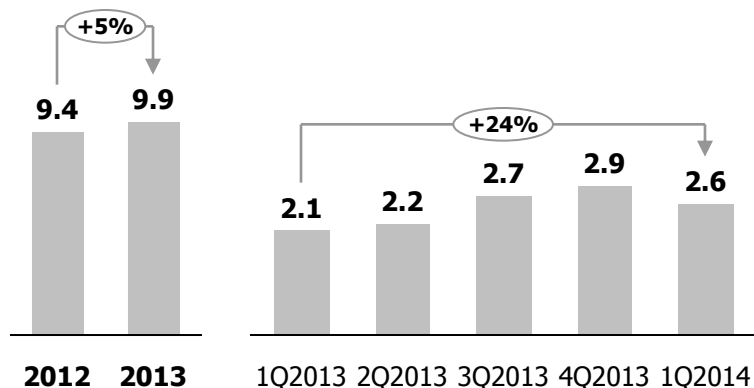
RUB bln



■ Interest and other finance income ■ Fee&commission and other income

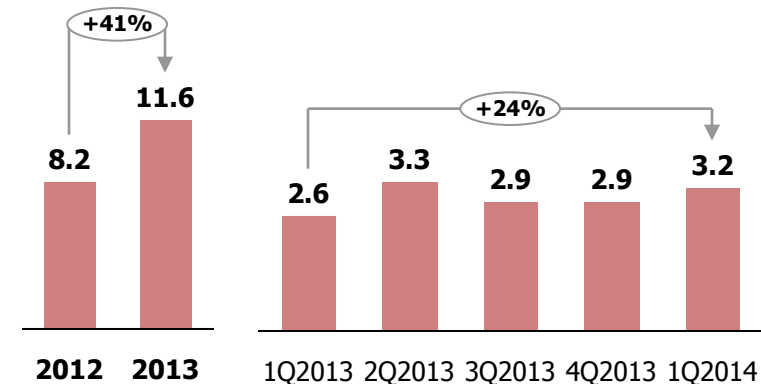
## Operating expenses

RUB bln



## Net Profit

RUB bln



## EPS and key financial ratios

	1Q2013	1Q2014
<b>Basic EPS, RUB</b>	1.17	1.45
<b>EBITDA margin</b>	70%	68%
<b>Cost income ratio</b>	37.4%	39.4%



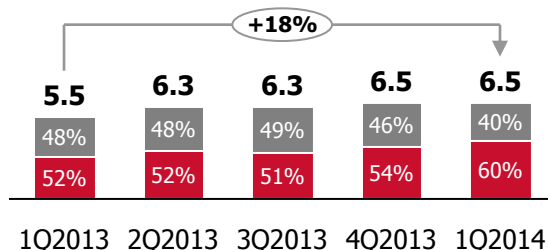
**MOSCOW  
EXCHANGE**

Source: Consolidated Financial Statements

# Operating income: record high fees and commissions

## Operating income breakdown

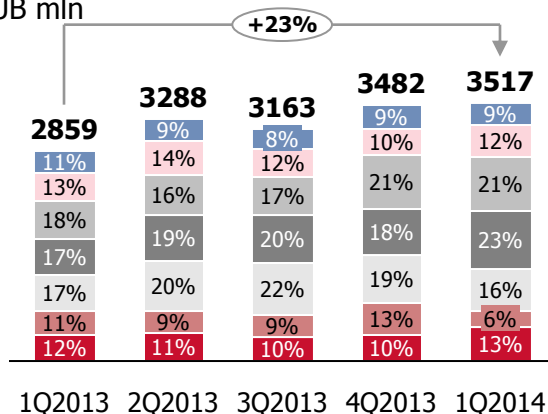
RUB bln



■ Interest and other finance income  
■ Fee&commission and other income

## Fee & commission income breakdown

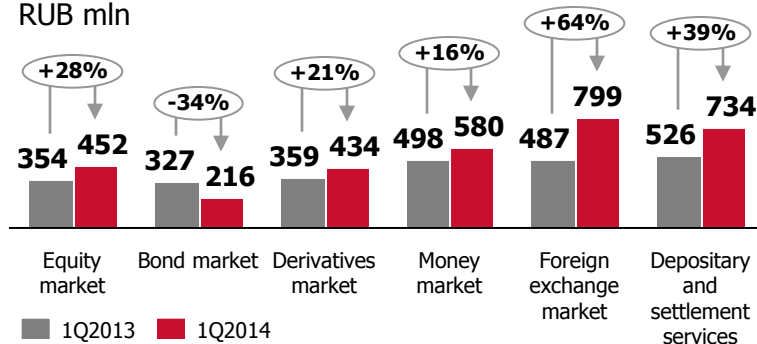
RUB mln



■ Other fee&commission income ■ Foreign exchange market ■ Equity market  
■ Derivatives market ■ Money market  
■ Depository and settlement services ■ Bond market

## Fee & commission income trends

RUB mln

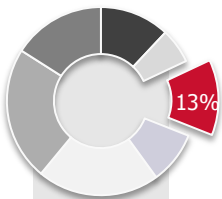


## Comments

- Fee & commission income increased by 18% YoY driven by FX market (+64% YoY), depository and settlement services (+39% YoY) and equities (+28% YoY)
- Bond market (down 34% YoY) performance was affected by higher interest rates and overall uncertainty in economy. However, it was more than offset by strong performance across all other markets
- Growth in trading volumes and fee&commission income on equity market was due to the migration to T+2

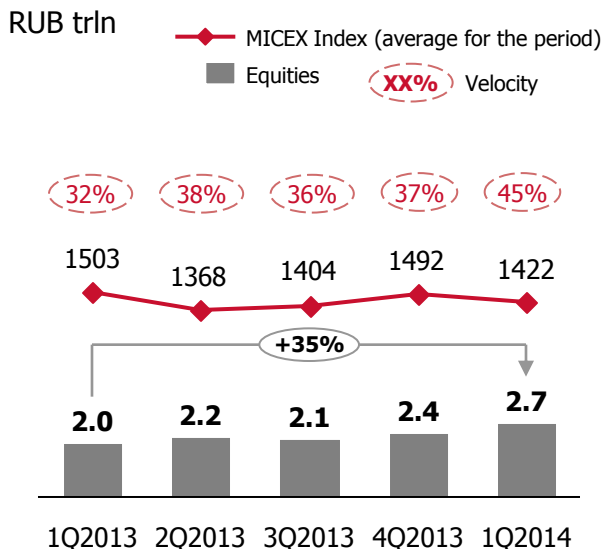


**MOSCOW  
EXCHANGE**

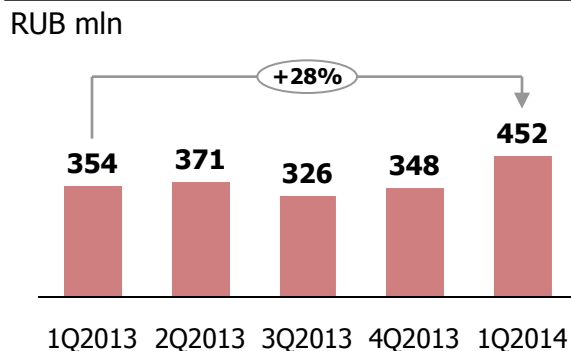


# Equity Market: trading volumes and fee & commission income

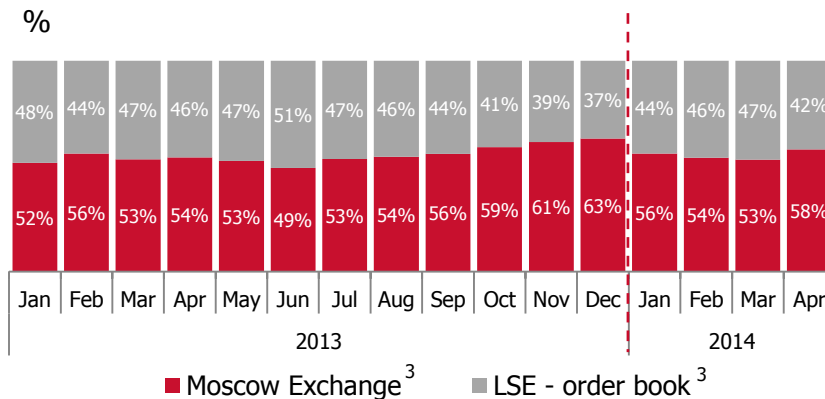
## Trading volumes<sup>1</sup>



## Fee & commission income



## Russian equities trading volume<sup>2</sup>, Moscow Exchange vs LSE



## Comments

- Both trading volumes and velocity increased due to migration to T+2 supported by the volatility spike
- Despite market turbulence in March, risk systems worked well: there were no trading halts and no defaults
- In March-April 2014 more than 23 000 of new accounts were opened on the securities market
- The share of non-residents on equity market grew to 46% in 1Q2014 (from 40% in 2013)
- Following the lower market share in the beginning of the year due to seasonally lower business activity (public holidays in Jan, Feb, Mar), the market share bounced back in April

Source: Moscow Exchange operational information and Consolidated Financial Statements, equity and bond market fee&commission income for Q2 2013 was not reported in IFRS interim statements – management accounts data are used for the purposes of presentation

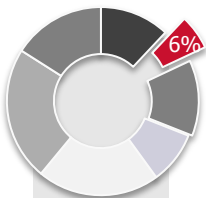
1 Volumes on both primary and secondary markets

2 Moscow Exchange and London Stock Exchange data for Russian dual-listed companies

3 Only electronic order book deals



**MOSCOW EXCHANGE**



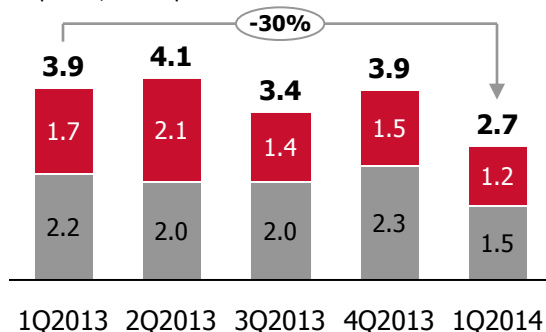
# Fixed Income Market: trading volumes and fee & commission income

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

RUB trln

■ Sovereign bonds

■ Corporate, municipal and other bonds

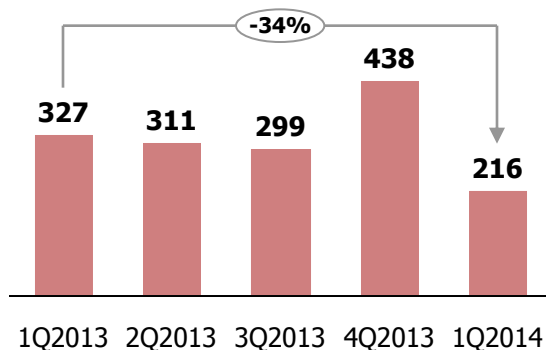


## Comments

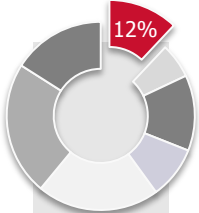
- Bond market trading volumes drop both in corporate and sovereign sectors as a result of high market uncertainty, higher interest rates and exchange rate volatility
- Primary placements were affected by challenging market conditions
- In May 2014 the market reopened with a number of successfully completed placements by Megafon, Gazprombank and Unicredit

## Fee & commission income

RUB mln



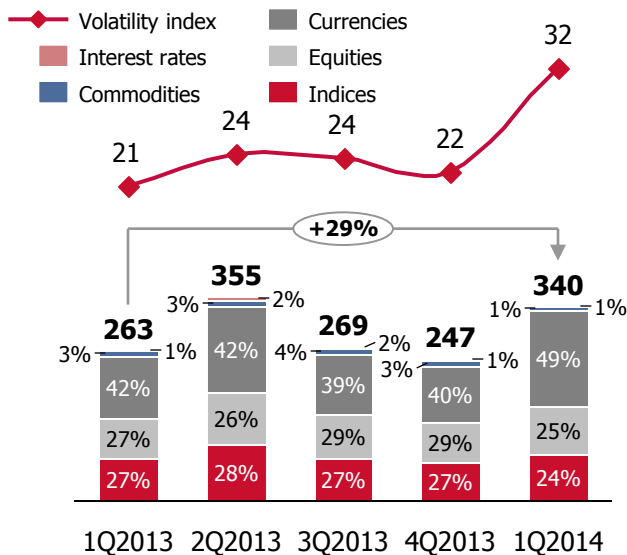
- Key future drivers of growth:
  - New placements as an alternative to bank lending
  - Development of ICSD access to corporate bonds
  - Further development of anonymous trading modes
  - New products: new ETFs, ABSs, MBSs and CDOs



# Derivatives Market: volatility drives the growth

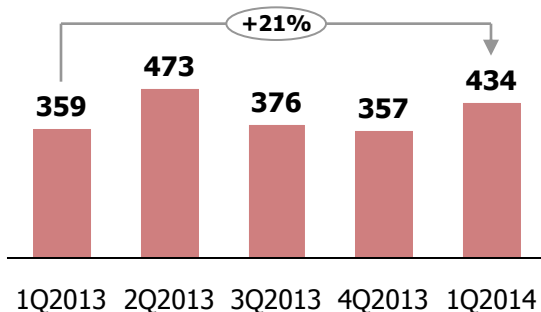
## Trading volumes

millions of contracts



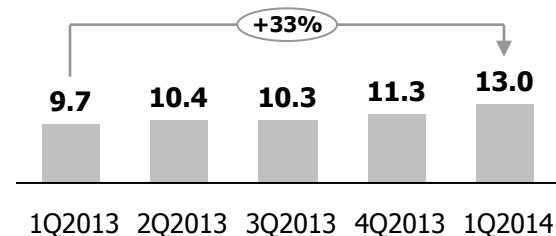
## Fee & commission income

RUB mln



## Open interest

millions of contracts, average for the period

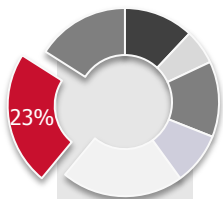


## Comments

- Increased volatility and activity on spot markets in 1Q2014 was the key driver of derivatives trading volume growth. Particularly, volumes of FX contracts trading grew by 52% YoY, while its share up to 49%
- Open interest growth was driven mainly by new institutional clients, including foreign clients, which contributed 45% of open positions as of the end of March 2014
- Non-residents share increased to 44% in March 2014 (37% in 2013) of total trading volume
- Key future drivers of growth:
  - Options market development
  - Interest rate derivatives
  - Deliverable derivatives
  - OTC derivatives clearing and product standardisation
  - Attraction of international investors to the market
  - Cross-margining with spot markets

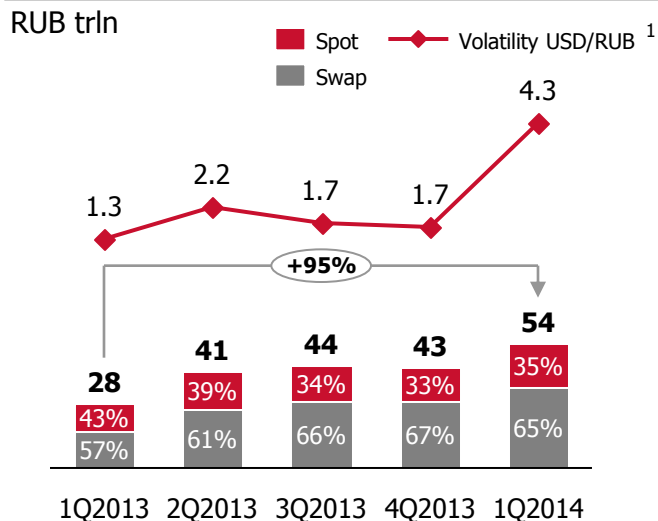


**MOSCOW EXCHANGE**

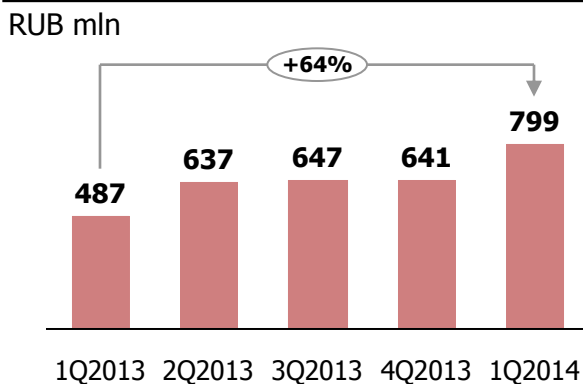


# FX Market: close to two times growth of trading volume

## Trading volumes



## Fee & commission income

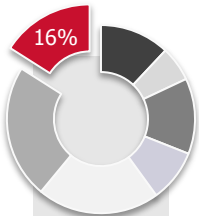


## Comments

- Spot trading volumes grew (+61%) due to increase in exchange rate volatility. Swap trading volumes grew (+122%) due to higher demand for interest rates instruments and refinancing
  - Significant increase in trading volumes of CNY-RUB currency pair (more than 10 times)
  - Increase in number of registered clients ~1,9 times: from 65 000 as of end of 2013 to 125 000 in 1Q2014
- 
- Key future drivers of growth:
    - Organic growth due to increase in volatility following switch of CBR from exchange rate targeting to inflation targeting
    - Unified collateral and clearing pool with derivatives market
    - Attraction of international investors to the market

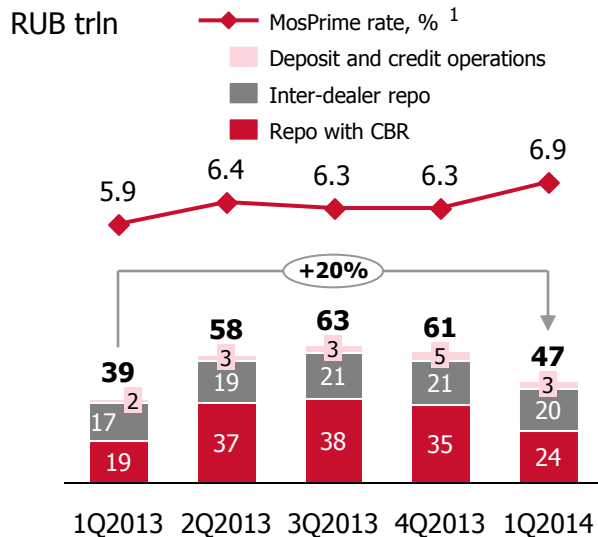




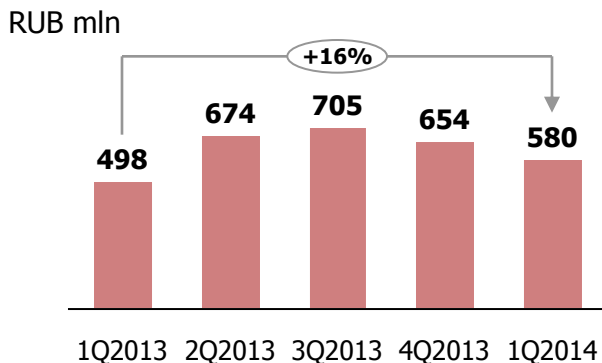


# Money market: healthy demand for liquidity

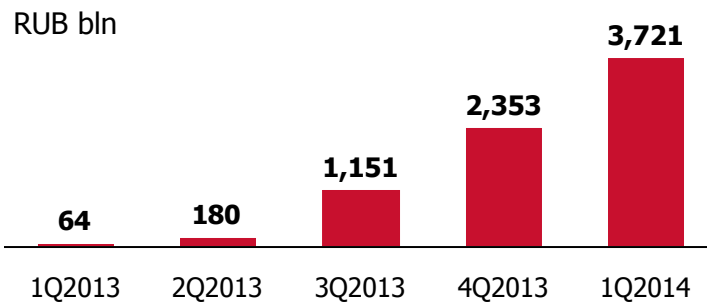
## Trading volumes, incl. REPO with CBR



## Fee & commission income

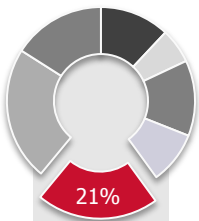


## REPO with CCP trading volumes



## Comments

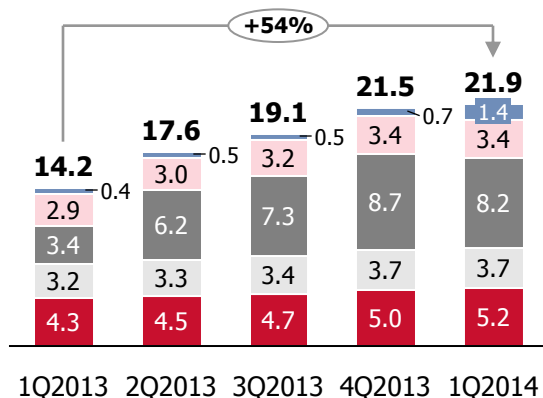
- Trading volumes growth was driven by strong demand for liquidity management instruments in higher interest rates environment
- Historically highest trading volumes of REPO with CCP (RUB 93 bln) were reached on March 3, 2014
- Key future drivers of growth:
  - Penetration of inter-bank lending market with REPO with pool of securities and REPO with collateral management system
  - Expansion of collateral base (corporate bond placements to increase, eurobonds and Russian DRs to become eligible for collateral)
  - On-exchange REPO with CBR with collateral management by NSD



# Depository and Settlement services

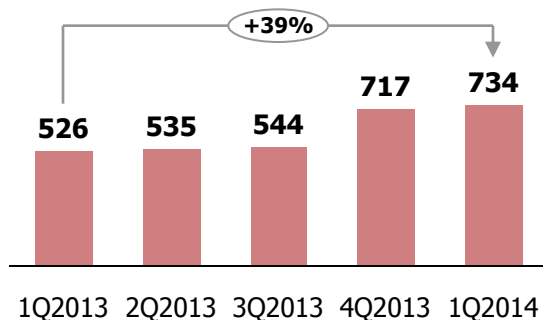
## Assets in deposit (average for a period)

RUB trln



## Fee & commission income

RUB mln



## Comments

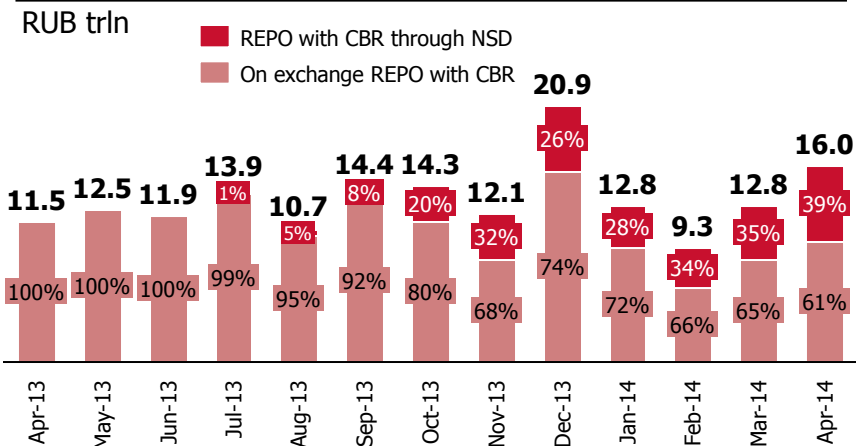
- Solid fees and commissions performance was driven by both assets under custody growth and higher number of inventory transactions in the reporting period due to strong demand for collateral management services
- Collateral management system for REPO transactions generated ~ RUB 140 mln in 1Q2014

- Key future drivers of growth:
  - Additional trading data repository services development
  - Launch of the corporate information centre and price information centre
  - Tri-party and collateral management services

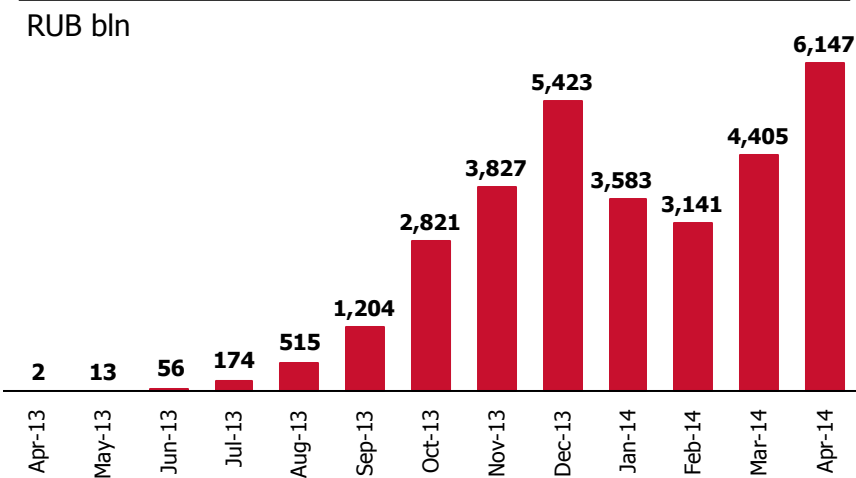


# Tri-party REPO service with collateral management by NSD

## REPO with CBR volume split

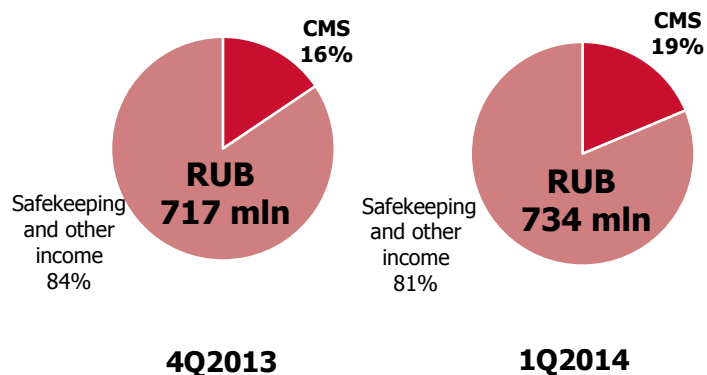


## REPO volume with CMS through NSD



## Growing share of CMS<sup>1</sup> driven fees & commissions

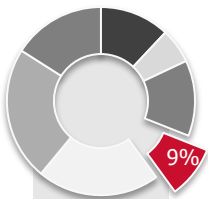
Split of depository and settlement fees and commissions



## Comments

- In April 2013, NSD launched a new service of REPO transactions with CBR, which offers collateral management system (CMS) through Bloomberg terminal
- Strong customer's demand for collateral management service led to rapid growth of the transaction volume and additional fees & commission source for NSD
- As an expansion of the service offering, MOEX plans to launch REPO with CMS through the exchange terminal



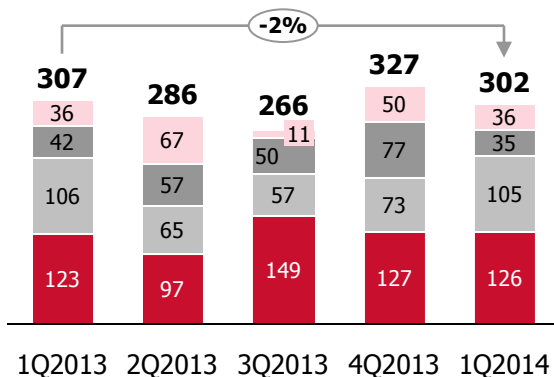


# Other fee & commission income

## Other fee & commission income

RUB mln

- Listing and other fees related to Securities market
- Information services
- Sale of software and technical services
- Other

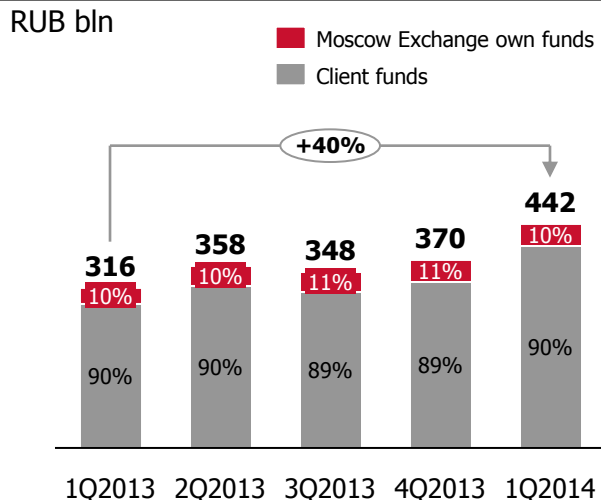


## Comments

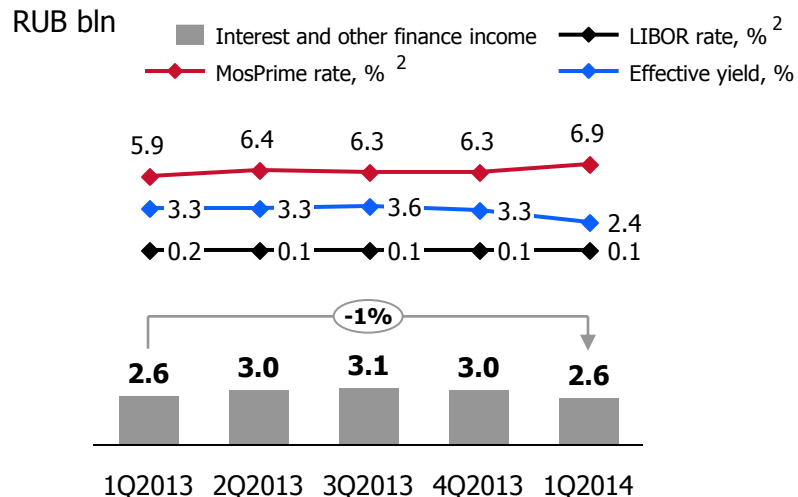
- Listing fees were affected by lower market primary activity in the first quarter and expiration of previously issued securities
- Information service performance was supported by RUB 21 mln of extra penalties received by the exchange from a large corporate customer

# Investment Portfolio: stable revenue source

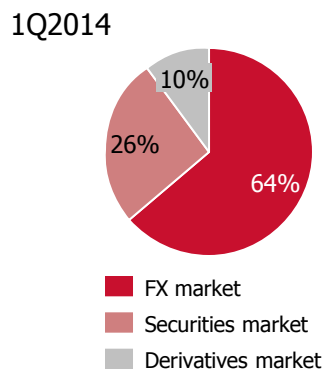
## Investment portfolio<sup>1</sup> (average daily volume)



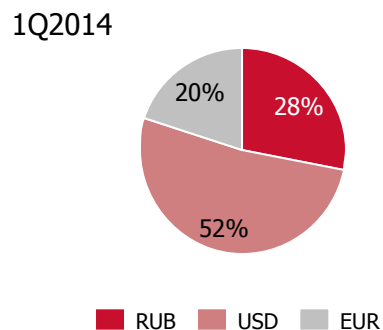
## Interest income



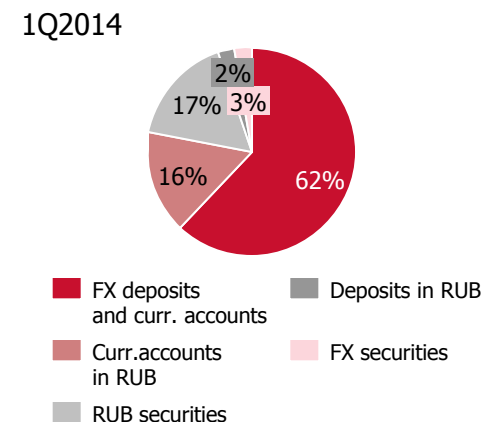
## Clients funds by source



## Clients funds by currency



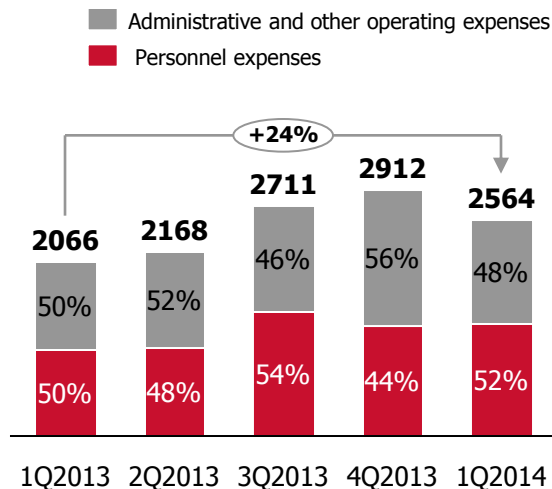
## Investment portfolio by type of asset



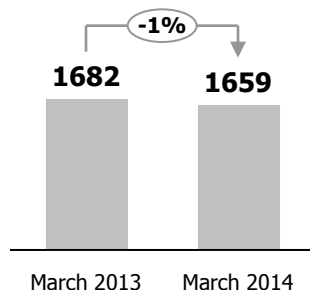
# Operating expenses

## Operating expenses

RUB mln



## Headcount as of period end



## Major expense items

RUB mln

	1Q 2014	1Q 2013	Change YoY
<b>Personnel expenses</b>	<b>1 335</b>	<b>1 028</b>	<b>30%</b>
<b>Administrative and other operating expenses, including</b>	<b>1 229</b>	<b>1 038</b>	<b>18%</b>
Amortisation of intangible assets	276	258	7%
Depreciation of investment in associate <sup>1</sup>	181	-	-
Professional services	177	193	-8%
Market makers fees	91	62	47%
Depreciation of property and equipment	126	133	-5%
Rent and office maintenance	103	93	11%
Taxes other than income tax	86	106	-19%
<b>Total</b>	<b>2 564</b>	<b>2 066</b>	<b>24%</b>
<b>Cost income ratio</b>	<b>39.4%</b>	<b>37.4%</b>	<b>-</b>

## Comments

- Staff costs remained the major cost item, up 29.9% YoY, driven mainly by a low-base effect as a result of the introduction of a new methodology for bonus accruals. Some bonuses for FY2014 were accrued in 1Q2014, while similar expenses for the full year 2013 started to be reflected in financials in the second half of the previous year
- Excluding accrued bonuses, **personnel expenses growth would be 3.9% YoY**
- Increase in administrative expenses was due to one-off impairment of investment in associated companies (~RUB 181 mln) – in Ukrainian subsidiary PFTS. **Excluding one-off item, administrative expenses remained unchanged YoY**



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Source: Moscow Exchange, Consolidated Financial Statements

<sup>1</sup> One-off impairment of investment in Ukrainian subsidiary PFTS

# Conclusion









- MOEX has delivered on strategic goals announced at IPO and created value for shareholders
  
- MOEX has successfully upgraded its infrastructure to international standards, which creates further upside potential
  - MOEX is now focused on organic growth built on the further development of its post-trade infrastructure
  - MOEX's diversified sources of revenue and integrated business model is resilient to the economic cycle
  - MOEX plans to expand into new assets classes, products and markets
  
- MOEX is a leading exchange globally and provides the comprehensive infrastructure for the Russian financial market

# Appendix





# Regulatory changes to stimulate local and international demand and attract liquidity to MOEX

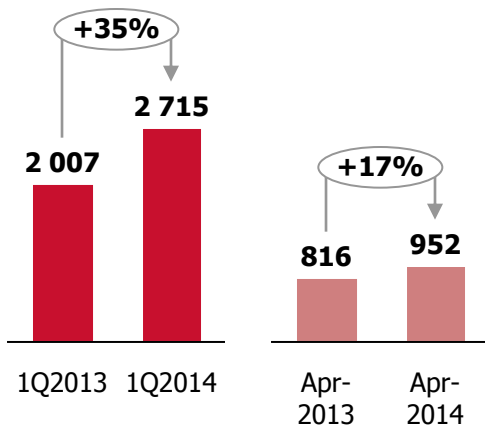
Domestic investors	<p>Pension laws adopted in December 2013:</p> <ul style="list-style-type: none"> <li>Abolishment of the requirement for returns on pension savings accounts of individuals in non-state pension funds (NPFs) to be positive each year</li> <li>Implementation of the pension savings insurance system</li> <li>Possibility to change an NPF manager once in five years instead of once a year</li> </ul>	
	Individual investment accounts for private investors (IIA)	
	0% tax rate on income (up to RUB 9 mln) from securities held for more than three years	
Listing and corporate governance	<p>Change in regulation of securities admission to trading:</p> <ul style="list-style-type: none"> <li>Simplification of the securities lists (three sections instead of six)</li> <li>Availability of any section of the securities list for public offerings</li> <li>Alignment of the Russian listing standards with international best practice</li> </ul>	
	<p>Change to corporate governance legislation:</p> <ul style="list-style-type: none"> <li>New rules for dividend payments (no backdated dividends, terms specification)</li> <li>New Corporate Governance Code: <ul style="list-style-type: none"> <li>Reasonability, good faith and the interest of the company as key indicators of directors actions</li> <li>Integrated risk management and internal control system</li> <li>Accountability, transparency and adequacy of remuneration system</li> <li>Greater transparency through disclosure of major corporate actions</li> </ul> </li> </ul>	
Opening up of MOEX to international investors	Amendments to the tax code removed the barriers for Euroclear and Clearstream access to the Russian corporate bonds and equities markets	
New instruments	Foreign ETF admission to organised trading	
	<p>Change in legislation on securitisation:</p> <ul style="list-style-type: none"> <li>Securities based on assets other than mortgage</li> <li>Full-functioning SPVs in Russian jurisdiction</li> </ul>	



# Moscow Exchange trading volumes in 1Q 2014 and April

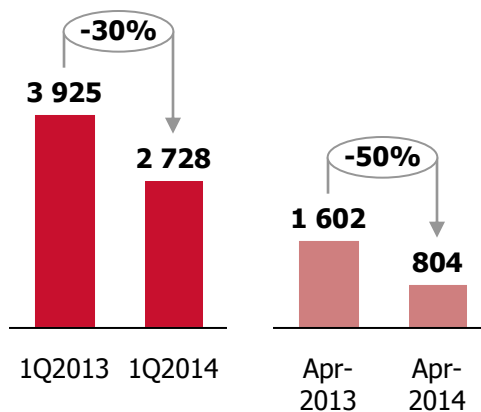
## Equity market

RUB bln



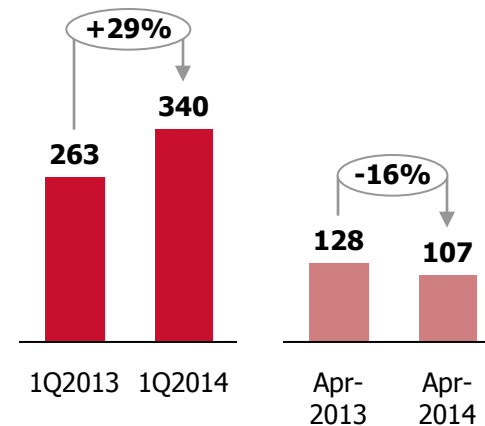
## Fixed income market

RUB bln



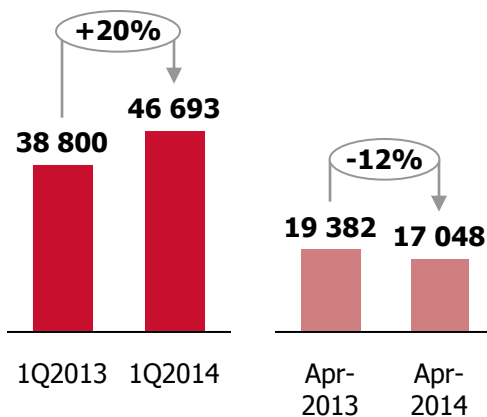
## Derivatives market

mln contracts



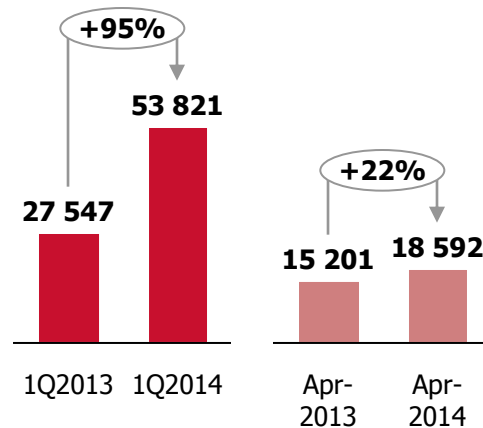
## Money market

RUB bln



## FX market

RUB bln



MOSCOW  
EXCHANGE

Source: Moscow Exchange

# MOEX Management Team successfully transformed and focused on delivering results



Chairman of the Executive Board and CEO  
**Alexander Afanasiev**

## Executive Board



Deputy CEO  
**Andrey Shemetov**

- Appointed Deputy Chairman of the Moscow Exchange Executive Board in 2012



Chief Financial Officer  
**Evgeny Fetisov**

- Appointed Chief Financial Officer (CFO) and confirmed as a member of the Executive Board of Moscow Exchange in February 2013



Chief Operating Officer  
**Dmitry Shcheglov**

- In 2013 was appointed Executive Director of Operations at the Moscow Exchange
- Deputy Head of the Project Center for the Integration since April 2011



Chief Information Officer  
**Sergei Poliakov**

- Joined Moscow Exchange in 2013
- Previously worked for Morgan Stanley, NatWest Securities and Deutsche Bank

## Senior Management



Managing Director of Securities Market  
**Anna Kuznetsova**

- Joined RTS in 2001 and served as Head of New Markets Development



Managing Director of Money Market  
**Igor Marich**

- Joined MICEX in 2000
- Previously worked for Elbim Bank as Head of the Securities Division



Managing Director of Derivatives Market  
**Roman Sulzhik**

- Previously headed Derivatives Trading Division in DB Moscow and was a Derivatives trader at J.P. Morgan



Managing Director of Risk and Clearing  
**Luis Vicente**

- Joined NCC as Chief Risk Officer in 2013
- Previously, Risk Systems Director and Risk Management Director in Brazil's BM&F BOVESPA



# Moscow Exchange Supervisory Board

Supervisory Board	Title
<b>Sergey Shvetsov</b>	<i>(Chairman of the Supervisory Board) First Deputy Chairman, Head of Financial Market Service, CBR</i>
<b>Sergey Lykov</b>	<i>(Deputy Chairman of the Supervisory Board) Member of the Executive Board, Deputy Chairman, VEB</i>
<b>Andrey Golikov</b>	<i>(Deputy Chairman of the Supervisory Board) Director for Investments and Commerce, Strana Detei</i>
<b>Alexander Afanasiev</b>	<i>CEO, Chairman of the Executive Board, Moscow Exchange</i>
<b>Mikhail Bratanov</b>	<i>Head of SG Securities Services - Russia &amp; CIS, ROSBANK</i>
<b>Alexander Buzuev</b>	<i>Advisor for the Board of Management, UniCreditBank</i>
<b>Nadezhda Ivanova</b>	<i>Deputy Chairman, Director of the Consolidated Economic Department, Bank of Russia</i>
<b>Kirill Shershun</b>	<i>First Deputy Chairman of the Executive Board, CentroCredit</i>
<b>Andrey Yumatov</b>	<i>Member of the Management Board, Bank of Moscow</i>
<b>Bella Zlatkis</b>	<i>Deputy Chairman of the Management Board, Sberbank</i>
<b>Nicola Jane Beattie</b>	<i>Senior Executive Director, Market Structure Partners</i>
<b>Sean Glodek</b>	<i>Director, Member of the Executive Board, Russian Direct Investment Fund</i>
<b>Oleg Jelezko</b>	<i>CEO, Da Vinci Capital</i>
<b>Martin Paul Graham</b>	<i>Chairman of the Board of Directors, Secondcap Limited (LSE)</i>
<b>Yuriy Denisov</b>	<i>Member of Supervisory Board, NCC; Co-Chairman of the Board, NFEA</i>
<b>Jacque Der Megredichyan</b>	<i>Member of the Board of Directors, Russian National Association of securities market participants</i>
<b>Anatoly Karachinsky</b>	<i>Chairman of the Board, IBS Group</i>
<b>Li Qingyuan</b>	<i>Senior Advisor, Fountainvest Partners</i>
<b>Rainer Riess</b>	<i>Independent Advisor to exchanges and financial services companies</i>

## Supervisory Board Committees

Strategy Planning Committee	Audit Committee
Remuneration and Human Resources Committee	Budget Committee
Risk Committee	Technical Policy Committee



# Consolidated Statement of **Financial Position**

<i>In thousand rubles</i>	<i>Year ended December 31, 2013</i>	<i>Year ended December 31, 2012</i>	<i>% chg. December 31, 2013/ December 31, 2012</i>
<b>Assets:</b>			
Cash and cash equivalents	255 041 610	193 356 484	32%
Financial assets <sup>1</sup>	169 207 383	92 509 168	83%
Property and equipment and intangible assets	25 044 955	25 819 009	-3%
Goodwill	16 071 458	16 066 094	0%
Other assets <sup>2</sup>	1 099 215	1 353 340	-19%
<b>Total Assets</b>	<b>466 464 621</b>	<b>329 104 095</b>	<b>42%</b>

<i>In thousand rubles</i>	<i>Year ended December 31, 2013</i>	<i>Year ended December 31, 2012</i>	<i>% chg. December 31, 2013/ December 31, 2012</i>
<b>Liabilities:</b>			
Balances of market participants	322 192 809	246 990 385	30%
Written put options over own shares	-	23 318 767	-
Liabilities to repurchase own shares	-	-	-
Distributions payable to holders of securities	3 670 761	4 436 856	-17%
Other liabilities <sup>3</sup>	58 806 900	9 282 685	534%
<b>Total Liabilities</b>	<b>384 670 470</b>	<b>284 028 693</b>	<b>35%</b>
<b>Total Equity</b>	<b>81 794 151</b>	<b>45 075 402</b>	<b>81%</b>
<b>Total Liabilities and Equity</b>	<b>466 464 621</b>	<b>329 104 095</b>	<b>42%</b>

Source: Moscow Exchange, Consolidated Interim Financial Statements

- 1 Financial assets at fair value through profit or loss, Due from financial institutions, Central counterparty financial assets, Assets of disposal group held for sale, Investments available-for-sale, Investments in associates, Investments held-to-maturity
- 2 Current tax prepayments, Deferred tax asset, Other assets
- 3 Central counterparty financial liabilities, Loans payable, Liabilities of disposal group held for sale, Deferred tax liability, Current tax payables, Other liabilities



**MOSCOW  
EXCHANGE**

# Consolidated Statement of **Comprehensive Income**

<i>In thousand rubles</i>	<i>Year ended December 31, 2013</i>	<i>Year ended December 31, 2012</i>	<i>% chg. 2013/2012</i>
Fee and commission income	12 792 116	11 406 816	12%
Interest and other finance income <sup>1</sup>	11 754 948	10 033 260	17%
Other operating income	58 909	106 893	-45%
<b>Operating Income</b>	<b>24 605 973</b>	<b>21 546 969</b>	<b>14%</b>
Administrative and other operating expenses	-5 029 989	-4 582 420	10%
Personnel expenses	-4 827 004	-4 839 982	0%
<b>Operating Expense</b>	<b>-9 856 993</b>	<b>-9 422 402</b>	<b>5%</b>
<b>Operating Profit</b>	<b>14 748 980</b>	<b>12 124 567</b>	<b>22%</b>
Interest expense in respect of written put option over own shares	-199 686	-1 529 566	-87%
Share of profits of associates and dividends received	74 605	59 179	26%
<b>Profit before Tax</b>	<b>14 623 899</b>	<b>10 654 180</b>	<b>37%</b>
Income tax expense	-3 042 205	-2 453 851	24%
<b>Net Profit</b>	<b>11 581 694</b>	<b>8 200 329</b>	<b>41%</b>
<b>Earnings per share</b>			
Basic earnings per share, rubles	5,23	3,86	36%
Diluted earnings per share, rubles	5,22	3,85	36%

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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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