



**MOSCOW
EXCHANGE**

ANNUAL REPORT 2014

INNOVATION. EXECUTION. OUTSTANDING RESULTS.



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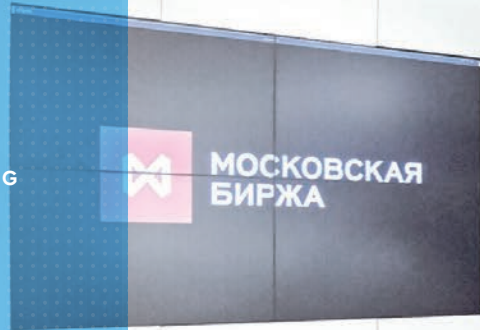
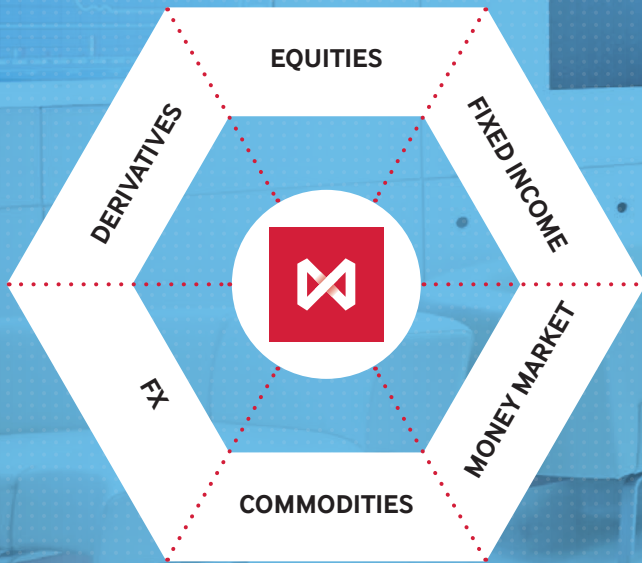
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COMPANY PROFILE

HIGHLY DIVERSIFIED PRODUCT OFFERING





МЕТРОВСКАЯ
БАНКА



МЕТРОВСКАЯ
БАНКА

KEY EVENTS

IN 2014



27 Mar

Moscow Exchange Forum 2014

A record 1,500 delegates participated in the annual Exchange Forum in 2014. At the Forum, a cooperation agreement was signed between Moscow Exchange and KRX Korea Exchange.

26-28 May

IOMA conference

Moscow Exchange hosted the 31st Annual World Federation of Exchanges/IOMA conference in Moscow.

3 Jun

Yandex listing

Yandex shares were listed on Moscow Exchange. Shares are settled in RUB.

2 Jul

Moscow Exchange Secondary Public Offering

The Central Bank sold a 11.7% stake in MOEX. The international offer was several times oversubscribed. About 100 institutional investors from Russia, Asia, the Middle East, Europe and the U.S. participated in the transaction.

10 Sep

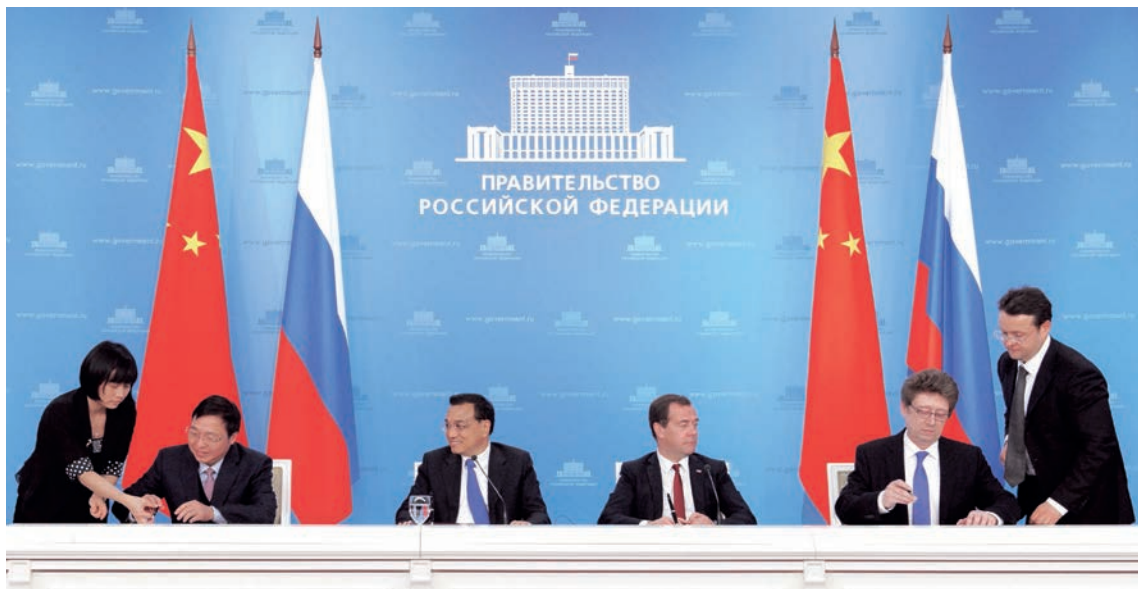
Launch of RVI futures

The underlying asset of the contract is the volatility of the Russian market. The new futures contract will give investors an opportunity to hedge securities portfolios, positions in the futures on RTS and MICEX, develop arbitrage trading strategies, and also trade volatility directionally.

15 Sep

NSD and NCC Clearing Bank designated as SIFs

The Bank of Russia classified the NSD as a systemically important central depository, a systemically important settlement depository and systemically important repository, while the NCC Clearing Bank was classified as a systemically important central counterparty.



13 Oct

Cooperation agreement with Bank of China

Moscow Exchange and Bank of China agreed to jointly develop new products, including OTC derivatives, and to broaden the range of financial instruments denominated in RUB and CNY.

14 Oct

Corporate Eurobonds begin trading

Moscow Exchange admitted 13 corporate Eurobonds to trading. By year-end 23 issues were listed.

22 Oct

Moscow Exchange Forum – London Session

Moscow Exchange held the London session of its annual Exchange Forum. A record 300 representatives of the London investment community gathered at the event.

20 Nov

17th Annual Report Contest

Moscow Exchange and RCB MEDIA GROUP held a Russia-wide Annual Report Competition. About 150 companies participated in the competition.

1 Dec

Launch of trading in GBP and HKD

Moscow Exchange offered new currency pairs GBP-RUB and HKD-RUB.

25 Dec

Best Private Investor 2014 competition

A record 6,800 investors participated in Moscow Exchange's annual competition. They made trades totalling RUB 1.9 trln with average daily trading volume reaching RUB 3 bln.

OPERATING AND FINANCIAL HIGHLIGHTS

FX MARKET

Total trading volume on the FX Market:

RUB 228.5 trln
+46.5%

Share of operations: spot **34%**

swap **66%**

Average daily trading volume:

USD 23.8 bln
+22%

Turnover by currency pairs:

USD/RUB **83%**

EUR/RUB **15%**

Other **2%**

Fee and commission income:

RUB 3.41 bln
+41.3%

MONEY MARKET

Total trading volume, including repo transactions and deposit and credit operations:

RUB 204.38 trln
-7.4%

The transition from overnight repo transactions to seven days caused a reduction in the number of repo transactions while at the same time increasing their term.

Average daily trading volume: **RUB 814.2 bln**

Fee and Commission income:

RUB 3.24 bln
+27.8%

Total volume of CCP-cleared repos reached

RUB 25.0 trln
↑ up nearly 600% YoY

Average daily trading volume was

RUB 141.2 bln
in December.

EQUITY AND BOND MARKET

Total trading volume, depositary receipts and shares:

RUB 10.28 trln
+18.1%

Average daily trading volume in shares:

RUB 40.97 bln
+17%

Fee and commission income:

RUB 1.77 bln
+25.8%

Total capitalisation of the equity market:

RUB 23.2 trln
(USD 385.9 bln)

Total trading volume in the bond market:

RUB 10.6 trln
-30.8%

Bond trading volumes declined due to a rise in interest rates followed by fewer new placements.

Fee and commission income:

RUB 1.03 bln
-25.0%

DERIVATIVES MARKET

Trading volume:

RUB 61.32 trln

in contracts:

1.41 bln

+24.6%

Volume of open interest on the derivatives market:

RUB 457.3 bln
+17.3%

The increase is attributed to the arrival of new entrants and higher exchange-rate volatility.

Average daily trading volume: **RUB 244.3 bln**

+25.6%

Average daily volume of open positions:

RUB 546.6 bln
+36.7%

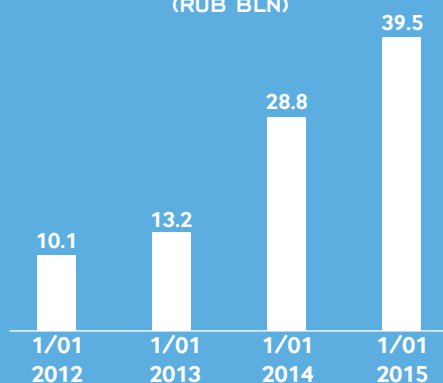
Share of foreign currency contracts in trading volume: **51%**

Share of contracts on equity indices: **42%**

Fee and commission income:

RUB 1.64 bln
+4.5%

NCC CLEARING BANK'S CAPITAL
(RUB BLN)



FINANCIAL HIGHLIGHTS

	RUB, bln	Change y-o-y
Operating income	30.39	23.5%
Fee and commission income	15.59	21.8%
Net interest and other finance income	14.28	21.5%
Other operating income	0.53	797.5%
Operating profit	20.02	35.7%
Net profit	15.99	38.1%
EBITDA	21.62	31.9%

EXPENSES

Operating expenses:
RUB 10.37 bln
+5.2%

increased at less than half
the rate of inflation

Personnel expenses

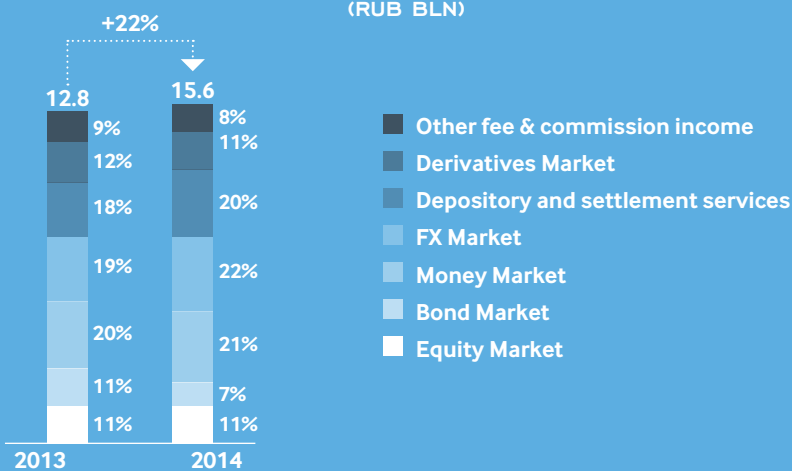
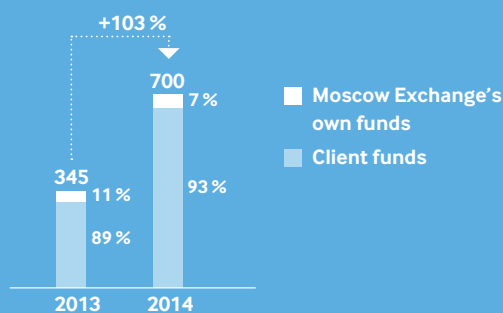
(remained the single largest
cost item)

52.0% of total costs

Administrative and other
operating expenses

-1.0%

Due to lower spending on
professional services, market
makers and taxes, other than
income tax.

FEE & COMMISSION INCOME BREAKDOWN
(RUB BLN)INVESTMENT PORTFOLIO (AVERAGE DAILY VALUE)
(RUB BLN)CASH
AND CASH
EQUIVALENTS

RUB 57.65 bln

The Exchange had no debt
as of 31 December 2014.

CAPITAL
EXPENDITURE

RUB 784 mln

of which RUB 530 mln was spent
on software purchases and
development.



Alexey Kudrin

Chairman of the Supervisory Board

A handwritten signature in blue ink, consisting of several large, fluid loops and strokes, positioned below the name and title of Alexey Kudrin.

Despite a challenging year for the financial markets, in 2014 Moscow Exchange succeeded in achieving the strategic objectives set by its stakeholders, and delivered excellent operating and financial results. At the core of this success were the professionalism of the Exchange's management team and corporate governance practices established in line with the best global standards.

The Exchange strives to be a model of effective corporate governance for all issuers with a listing on the Exchange. Its free float of above 50% is one of the highest on the Russian market. In March 2014, the Exchange retired a number of quasi-treasury shares, increasing the ownership interest and return on capital of existing shareholders and also strengthening corporate governance by preventing voting with these shares.

The Supervisory Board comprises senior managers of the highest caliber. Many of the directors are independent, which further enhances transparency and performance management.

A particular strength of the Exchange's investment case is its dividend policy, with annual increases in the share of income paid out in dividends. In 2014, the Board recommended a payout of 55% of net profit in the form of dividends.

Moscow Exchange's corporate strategy for 2015-2020 was developed throughout 2014 and endorsed by the Supervisory Board in early 2015. One of the key priorities of the new strategy is to create effective and transparent financial market infrastructure with a diversified, competitive and integrated product offering to drive forward the rebalancing and growth of the Russian economy.



Alexander Afanasiev
Chief Executive Officer

A handwritten signature in blue ink, consisting of a series of fluid, connected strokes that form a stylized representation of the name Alexander Afanasiev.

2014 was another successful year for Moscow Exchange. Despite the challenging environment, we reported record financial results and saw continued growth in trading volumes.

The success was driven by the reforms we have made to our market infrastructure to bring the Exchange's trading and clearing services on a par with the world's leading marketplaces.

During the year, the Exchange actively expanded its offering by updating the range of products available and by making further enhancements to service. We also continued to streamline our risk management systems.

Listing reform was the one of the major innovations in 2014. This raised corporate governance standards for Russian issuers and thus helped to attract new investors.

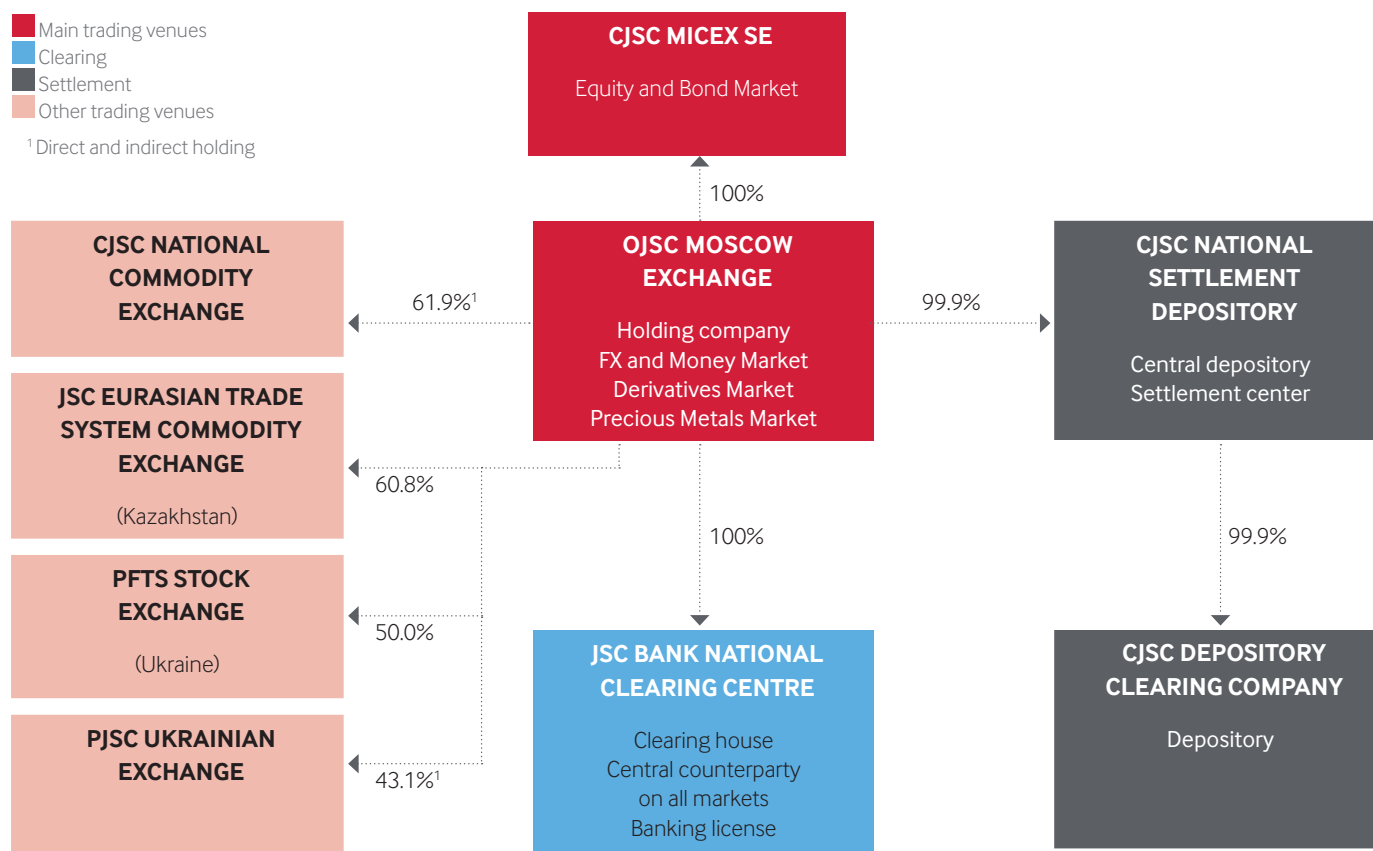
During the year we also faced the first serious stress test of the reliability of our new infrastructure. I am delighted to note that trading and settlement continued uninterrupted during the periods of extremely high volatility that the market witnessed. The Exchange's risk management systems and central counterparty clearing rose to the challenge, and our members were able to continue trading across all asset classes amid intense market turbulence.

The next stage will be to continue enhancing the products and services we offer to further improve the attractiveness of Russia's financial market infrastructure. One of our primary targets is to become a global centre for companies looking to raise capital, and to create a reliable and transparent investment environment for Russian and foreign investors.

All participants of the Russian financial market have helped to drive the success of our business, and we would like to thank them for their support in developing the market over the past several years.

CORPORATE GOVERNANCE

LEGAL ENTITIES OF MOSCOW EXCHANGE GROUP (MAJOR COMPANIES)



SHARE CAPITAL STRUCTURE AND MAIN SHAREHOLDERS

Moscow Exchange's charter capital is RUB 2.278 bln, or 2.278 bln ordinary shares with a par value of RUB 1 each.

As of 16 March 2014, the total number of shareholders and beneficial owners stood at more than 4,500, of which 3,900 were individuals.

SHAREHOLDERS OWNING IN EXCESS OF 5% OF THE COMPANY'S OUTSTANDING SHARE CAPITAL*

Shareholder	shares	%
	Bank of Russia	267,274,237
Sberbank	227,682,160	9.99
Vnesheconombank (VEB)	191,299,389	8.40
EBRD	138,172,902	6.06
Chengdong Investment Corporation	127,989,506	5.62
Russian Direct Investment Fund (RDIF)	119,887,884	5.26

* as of 16 March 2014

Dealings in Moscow Exchange shares by members of the Management Board

MOSCOW EXCHANGE GROUP SENIOR MANAGEMENT TEAM



STANDING, LEFT TO RIGHT: SEATED, LEFT TO RIGHT:

Alexander Afanasiev
Chief Executive Officer

Eddie Astanin
Chairman of the Executive Board, National Settlement Depository

Andrey Shemetov
Deputy Chief Executive Officer

Sergey Poliakoff
Chief Information Officer

Evgeny Fetisov
Chief Financial Officer

Alexey Khavin
Chairman of the Executive Board, Bank National Clearing Centre

Dmitry Shcheglov
Chief Operating Officer

CORPORATE GOVERNANCE

Moscow Exchange adheres to high standards of corporate governance and seeks to develop processes for communicating with shareholders in accordance with Russia's Corporate Governance Code and the Exchange's own Listing Rules. The Exchange's corporate governance standards aim to balance the interests of all shareholders.

Moscow Exchange's corporate governance arrangements comply with relevant legislation, requirements of the financial markets regulator and best practice of Russian and foreign companies. The Exchange's supervisory and management bodies were formed in such a manner as to ensure division of the functions of the Supervisory Board, which acts as the

ultimate controlling body and is comprised of recognised and competent directors including independents, and the Executive Board, which is comprised of a dynamic and effective management team.

The Exchange's corporate secretary is responsible for day-to-day interaction with the company's shareholders, coordination of steps to protect their rights and interests and the provision of support to the Supervisory Board.

The Exchange is actively involved in efforts to improve Russia's regulatory framework for corporate governance.

The Exchange also maintains effective risk management and internal control systems.



Corporate Governance section of the website

BUSINESS MODEL

Diversification and vertical integration underpin the Group's unique business model: Moscow Exchange Group offers a highly diversified product line and a full range of trading and post-trading services to its customers.

Moscow Exchange facilitates trading across a wide range of asset classes: equities, bonds, derivatives, currencies, money market instruments and commodities. As a result, the Group's business model is resilient to fluctuations in the economic cycle, as different assets traded on Moscow Exchange's markets find demand from investors and market participants during its various phases.

Moscow Exchange's Equity & Bond Market hosts trading in shares, government bonds (OFZs), regional and corporate bonds, sovereign and corporate Eurobonds, depository receipts, investment shares, mortgage participation certificates (MPCs) and exchange-traded funds (ETFs). Settlement for shares is T+2 (two business days after the transaction date). For trades in the 20 most-liquid shares, the required collateral amounts to 20-25% of the transaction amount.

On Moscow Exchange's Derivatives Market, the following instruments are traded: index futures (MICEX index, RTS index, RVI volatility index); futures on Russian and foreign shares, OFZs and the Russia-30 Eurobond, currency pairs and interest rates; precious-metals contracts (gold, silver, platinum, palladium, copper); oil and sugar futures; as well as options on some of these futures.

The standardised OTC derivatives market with the central counterparty (CCP) was established to implement the G20's resolution adopted at its 2009 meeting in Pittsburgh that standardised derivatives should trade on exchanges. G20 countries, including Russia, confirmed their intent to strengthen the role of central counterparties. The Bank of Russia in the near future expects to make clearing with the CCP mandatory.

The following currencies are traded on Moscow Exchange's FX Market: USD, EUR, CNY, GBP, HKD, UAH, KZT and BYR. The most heavily traded pairs are USD/RUB and EUR/RUB, which in 2014 accounted for over 83% and 15% of total on-exchange FX transactions, respectively. The weighted average value at 11:30 a.m. MSK for the USD/RUB currency pair with next-day settlement is used by the Bank of Russia to determine the official USD exchange rate.

On the Money Market, Moscow Exchange provides the following types of repo services: repo transactions with the CCP; interdealer repo; direct repo with the Bank of Russia; and repo with collateral management. Deposit and credit transactions for the Bank of Russia, Pension Fund of Russia, Federal Treasury of Russia and Vnesheconombank are also available.

On Moscow Exchange's Commodity Market, gold and silver have been traded since October 2013. Government purchase interventions on the grain market are conducted on the National Mercantile Exchange, which is the authorised exchange of the Russian Ministry of Agriculture.

In addition to trading services, Moscow Exchange offers a complete range of clearing and settlement / depository services to its clients.

Clearing services are provided by the NCC Clearing Bank, which acts as the central counterparty for all of Moscow Exchange's markets. The NCC Clearing Bank is the only qualified central counterparty in Russia. It was given this status by the Bank of Russia in 2013, and it has been a systemically important central counterparty since 2014. The NCC Clearing Bank's equity was RUB 38.9 bln as of 1 January 2015.

Settlement and depository services are provided by the NSD. In 2014, the Bank of Russia recognised the NSD as a systemically important central depository and settlement depository and repository, and assigned it the status of a nationally significant payment system. The volume of securities in storage amounted to RUB 24.9 trln as of 1 January 2015.

The Group also offers information products and technical services. The information products include real-time market data, trading results and index data. Moscow Exchange's indices are the key indicators of the Russian stock, bond and derivatives markets. The main stock market indices are the MICEX Index and RTS Index, calculated on the basis of the same securities but in different currencies (the MICEX in RUB and the RTS in USD). Part of the Exchange's commission income comes from the use of indices for arranging trading in futures and options on the RTS and MICEX indices. Technical services include a broad range of professional solutions for access to the Exchange and e-trading markets based on modern exchange technologies.

Most of Moscow Exchange's tariffs (except for the Derivatives Market) are based on the single-tariff principle – a typical turnover tariff covers the tariffs for trade arrangement as well as clearing and integrated technical services. The bulk of the market income comes from tariffs linked to volumes of transactions entered into by market participants (turnover tariffs). Moscow Exchange uses its tariffs as a financial market development tool, providing participants on the Money, FX and Equity Markets with the option of selecting tariff plans. The variety of tariff plans enables participants to optimise their effective commission rates depending on their trading partners and volumes, thus encouraging overall market growth and development.

Moscow Exchange's tariffs take into account specific features of the products traded on particular. Tariffs on the Derivatives Market are charged depending on the number of contracts per transaction. For traders who close transactions within a trading day, a discounted tariff is levied (scalper discount). Return premiums for intra-broker transactions are provided to participants on the Equity and Money Markets. Tariffs on the bond market in Negotiation Transaction Mode (NTM) limit the maximum commission fee for each transaction.

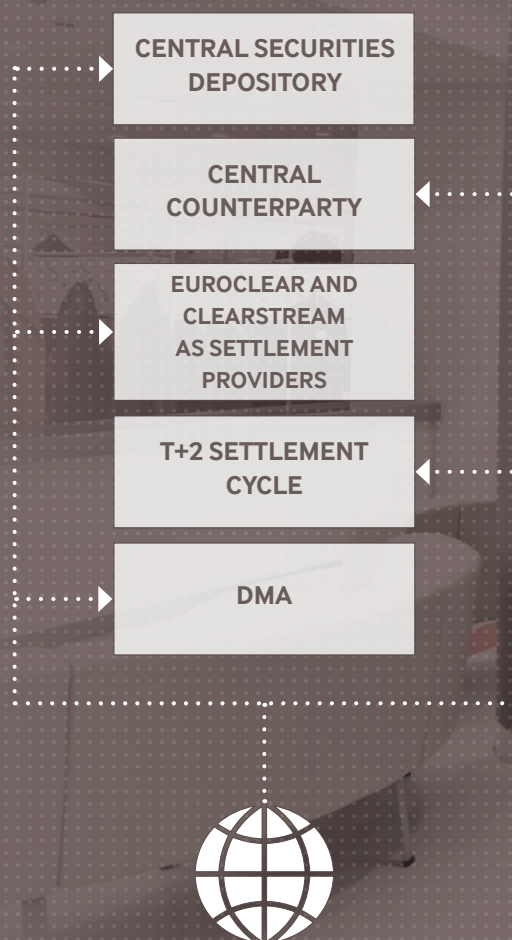
Moscow Exchange's pricing policy is regularly reviewed in consultation with both market participants and the regulator. This creates a viable balance between the interests of the entire Russian financial market and Moscow Exchange as a business.

Moscow Exchange's operating income is derived from fee and commission income and interest income from management of the Group's own funds as well as client funds, primarily customer balances placed with the NCC Clearing Bank and NSD. The funds are invested in compliance with the approved investment policy. The majority of the Group's assets consist of highly liquid funds placed on correspondent accounts in European and American banks. Other investments include: government and corporate bonds denominated both in roubles and foreign currency; interbank deposits, repos and reverse repos as well as FX swaps. Most investments are of short maturity; counterparties' minimum credit quality is limited by regulatory requirements of the Bank of Russia.

2

STRATEGY UPDATE

MOSCOW EXCHANGE INFRASTRUCTURE MEETS
GLOBAL STANDARDS





**МОСКОВСКАЯ
БИРЖА**

STRATEGY

Key initiatives defined in Moscow Exchange's strategy for 2012-2015 have been successfully completed: the Central Securities Depository (CSD) was created, the NCC began functioning as the CCP across all of the Group's markets, the Equity & Bond Market migrated to the T+ settlement cycle and Russian securities became available for settlement through the ICSD infrastructure. In March 2015, the Supervisory Board adopted a new strategy that sets out Moscow Exchange Group's key goals for 2015-2020.

The core of the Group's vision is to become a global financial centre for capital raising, price discovery, settlement, risk- and capital-management across all Russian asset classes, and to create the most efficient and transparent financial market infrastructure in the region, offering diversified, competitive and integrated services for any capital markets related activities.

The Group's new mission is to promote economic growth in Russia and contribute to the restructuring of the Russian economy by expanding capital-raising opportunities for issuers and facilitating a client-friendly, safe and transparent environment for local and international investors.

The Group's 2015-2020 strategy focuses on five core pillars.

1. Diversification. The Group is the leading trading, clearing and settlement venue across all major classes of Russian assets, including traditional OTC products (bonds, repo, FX). The Group's unified infrastructure provides convenient access for participants to all the Exchange's markets and facilities

stable returns for shareholders regardless of the economic cycle, setting Moscow Exchange apart from other exchange groups globally. The Group has unrealised potential for further diversification through the development of its infrastructure services offering: information products (including distribution of market data, corporate information centre, price centre and repository), technological services for market participants and end investors, calculation and licensing of new indexes and other market benchmarks, clearing of OTC derivatives and on-exchange trading of transportable commodities.

2. Penetration. The development of the Russian financial market is essential for further liquidity growth across all classes of Russian financial assets. Developing the local retail and institutional investor base and attracting new quality issuers and placements to Moscow Exchange are the long-term priorities of the Group; their execution is essentially dependent on the successful implementation of regulatory reforms. To achieve its strategic targets for market penetration, the Group will focus on increasing financial literacy among local investors, and on developing, marketing and promoting new products based on demand

The Group's 2015-2020 strategy focuses on five pillars:





“ The new mission of Moscow Exchange Group is to promote the economic growth and restructuring of the Russian economy by expanding capital raising options for issuers and creating a comfortable, reliable and transparent investment environment for Russian and foreign investors. ”

from local market participants, including new publicly traded debt instruments.

3. Sophistication. The Group brings together the key infrastructure organisations of the Russian financial market (trading venue, CCP and CSD). However, the Group’s markets are not completely integrated in clearing and settlement terms. A sophisticated post-trade service offering is seen by the Group’s management as a long-term competitive advantage for Moscow Exchange globally. Integration of collateral and risk management products will

increase infrastructure efficiency and the attractiveness of the Group’s product offering to market participants. Key strategic initiatives include unification of the risk-management system across different markets, including cross-market margining functionality; establishment of a single clearing and settlement pool and single collateral pool across all of the Group’s markets; and development of new collateral management and tri-party services.

4. Standardisation of the Russian market infrastructure is aimed at enhancing the appeal of the local infrastructure

for international investors to attract their liquidity flows and boosting its competitiveness vis-à-vis foreign platforms. The key priorities of the Group in this area are protecting the rights of market participants and investors, simplifying access to trading and clearing for international investors, optimising document flows and technical interaction between the Exchange and market participants/investors, developing the CSD product line and being a standard-bearer for good corporate governance practices at Russian companies.

5. Optimisation of key business processes is crucial for successful execution of the Group’s strategy and necessary to ensure continued robustness of market infrastructure, reduction of infrastructure-related costs for market participants and long-term growth of shareholder value. The key priorities are enhancing corporate culture, increasing the quality of client service, harmonising business processes enabled by the new IT platform, and implementing cost-cutting and tariff-optimisation programs.

FX MARKET

.....▶ 2014

In 2014, Moscow Exchange launched a major initiative to segregate clearing and trading participants. As a part of this process, a new 'general clearing firm' category was created with higher capital requirements. This is in line with best practice in developed markets, where highly capitalised market participants accept the clearing and settlement risks of smaller players. This reduces the overall risk of centralised settlement systems.

Companies with 'general clearing firm' status are eligible to provide clearing services to other categories of FX Market customers, both Russian and foreign legal entities. Market participants operating via general clearing firms will be able to reduce costs of trading on the FX market.

NEW PRODUCTS

Moscow Exchange continued to develop its FX offering in 2014. On 1 December, it started trading in GBP and HKD in TOM and TOD instruments, and overnight swaps without full pre-funding, with settlement in RUB. Trading in the currency pair BYR/RUB was facilitated as the requirement of full pre-funding was removed, new instruments were offered – namely with TOM settlement and overnight swaps – and trading hours were extended.

As of 24 February, the Exchange launched new FX indicators such as USD/RUB swap fixings calculated for swaps with maturity from 1W to 1Y. These indicative rates are set daily at 12:30 p.m. MSK based on aggregated deal and price data for anonymous orders.

CHINESE YUAN

CNY was one of the fastest-growing currencies traded on the Exchange in 2014. This was driven by the enhancement of trading opportunities for CNY/RUB in 2013 (with an increase in the range of available instruments, trading hours extended and full pre-funding cancelled) and through cooperation arrangements being reached with the largest Chinese banks acting as market makers for the Exchange's major CNY denominated instruments.

CNY trading volume grew from RUB 37 bln to RUB 305 bln in 2014. This liquidity boost in the segment prompted the Exchange to offer CNY/RUB futures contracts.

EURASIAN INTEGRATION

The Exchange continued to enhance its international partnerships as part of its objective to establish an integrated currency market. In 2013, resident banks from countries of the Eurasian Economic Community (EurAsEC) were admitted to the Exchange's FX Market with a license from their national regulators i.e., without the need to obtain a Russian FX license. Four banks from Belarus and Tajikistan began trading on Moscow Exchange in the same year. In 2014, the National Bank of Tajikistan became the first EurAsEC national bank to join the Exchange; AsiaCredit Bank was the first bank from Kazakhstan and Belagroprombank came from Belarus. The trading volume of non-resident member banks of EurAsEC grew to RUB 330 bln in 2014.

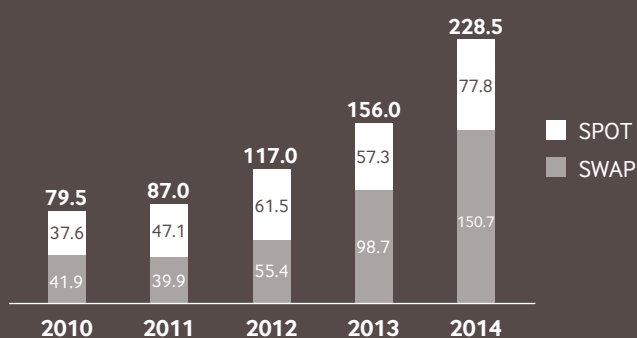
The Exchange will continue to develop its Direct Market Access (DMA) and Sponsored Market Access (SMA) technologies. The SMA service, which provides clients with full access to the Exchange's software and hardware suite, will be updated to meet global standards to appeal to new international institutional investors.

The Exchange will work to attract retail customers by carrying out awareness campaigns regarding the benefits of on-exchange currency conversion transactions against cash operations.

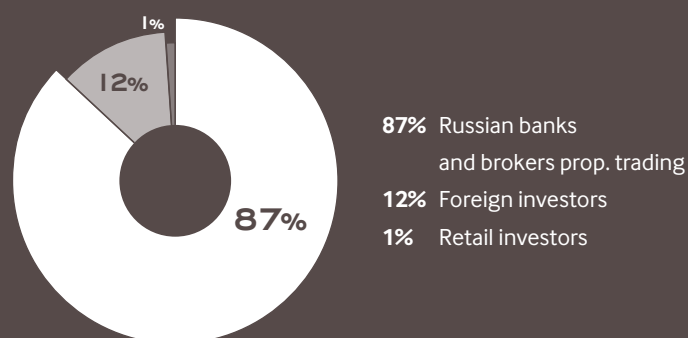
In addition, a new clearing arrangement – payment-versus-payment (PVP) – will be offered to settle OTC trades via the NCC Clearing Bank.

The Exchange will continue to develop the integrated FX Market as part of the EurAsEC in order to activate trading in national currencies. In particular, the product offering and number of non-resident member firms from the EurAsEC will be expanded, which will stimulate trading in both major currency pairs and national currencies.

TRADING VOLUMES ON FX MARKET, RUB TRLN



FX TRADING VOLUME BREAKDOWN BY CLIENTS



MONEY MARKET

..... ▶ 2014

In 2014, Moscow Exchange's Money Market continued to expand the types of securities admitted for repo. The Exchange also introduced settlement in USD and EUR for interdealer repo in Eurobonds, foreign stocks and depositary receipts (DRs). From June to December, the volume of interdealer repo transactions in those securities was RUB 7 trln, or 21% of the total volume of the total interdealer repo volume.

REPO WITH THE CCP

Major changes were made to the regime for repo with the central counterparty (CCP), the fastest growing Money Market instrument. Trading hours were extended, early settlement was introduced and the first Eurobonds were introduced for repo with the CCP. Moscow Exchange also introduced a money market index, the MOEXREPO Index, which reflects money market rates and improves risk management. The MOEXREPO Index is calculated based on market data on repo transactions with the CCP. In 2014, the total volume of repo transactions with the CCP rose almost sevenfold to RUB 25.0 trln, with the average daily trading volume reaching RUB 141.2 bln.

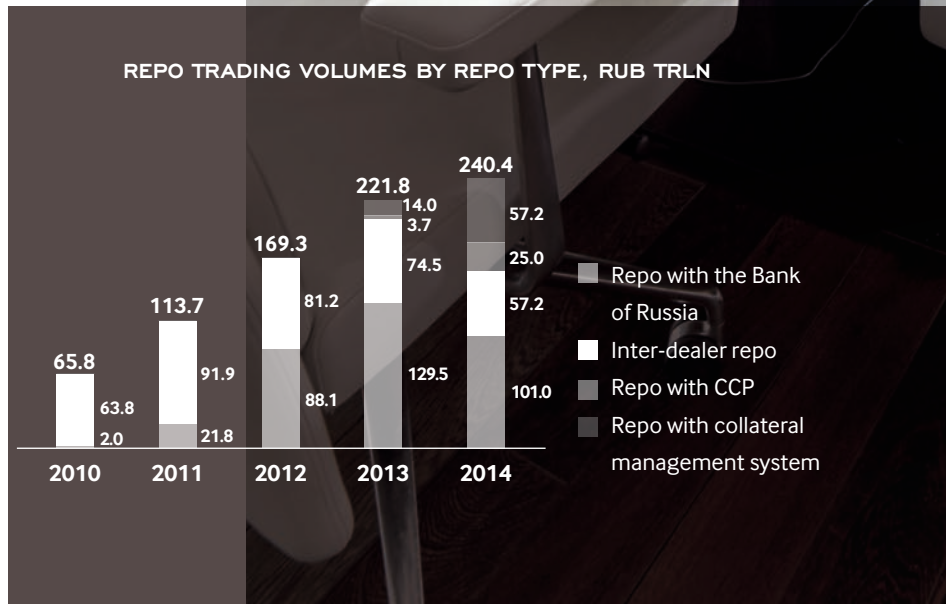
REPO IN FOREIGN CURRENCY

The Exchange also offered more liquidity in foreign currency to member banks. In October, the first repo auctions were run with the Bank of Russia with settlement in USD. Such auctions became the major liquidity management instrument for banks. The total value of auctions was USD 24.5 bln. In addition, the Federal Treasury carried out auctions to deposit funds in USD, and the Credit Guarantee Agency deposited funds in RUB with banks via the Exchange.

In 2014, the total volume of repo transactions with the CCP rose almost sevenfold to

RUB 25.0 TRLN

with the average daily trading volume reaching RUB 141.2 BLN

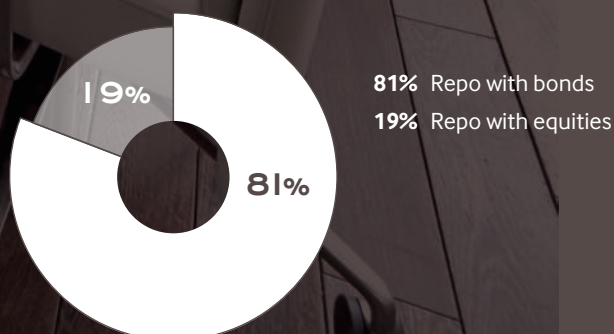


“ The Launch of on-exchange general collateral basket repo with the Bank of Russia and collateral management by the National Settlement Depository will enhance opportunities for Russian participants. ”

In 2015, the Exchange plans to launch basket repo with the Bank of Russia and collateral management by NSD. This new product will facilitate trading and settlement opportunities for Russian participants, reduce their costs, reduce risks and improve collateral management in repo.

The Exchange also plans to continue to expand the CCP-cleared repo offering, including seven-day repo and the introduction of foreign currency. The Exchange will also continue preparation for the planned 2016 launch of clearing participation certificates repo. Clearing participation certificates are securities backed by different types of collateral. The new initiative will allow such collateral to be combined into a universal liquidity management instrument, as well as more successful asset substitution in trades.

REPO TRADING VOLUMES BY ASSET TYPE, RUB TRLN



DERIVATIVES MARKET

.....▶ 2014

In 2014, a number of new products were introduced on the Moscow Exchange Derivatives Market. September saw the launch of deliverable futures contracts on shares of Russia’s largest retailer Magnit and on shares of Moscow Exchange, as well as the launch of futures contracts on Russian sovereign Eurobonds with 2030 maturity. With the highly liquid sovereign Eurobond market offering ample potential, brokers were thus given additional opportunities to manage their portfolios.

RVI

The Exchange also began offering futures on Russian market volatility. The contract’s underlying asset is the Russian market volatility index (RVI), the method of calculation of which has been updated to meet current international standards. The RVI enables investors to predict market expectations and respond quickly to events, including of a macroeconomic nature. The new product helps hedge securities portfolios and positions in the RTS Index and MICEX Index futures, as well as create arbitrage strategies.

COLLATERAL IN EUR

In October the Exchange began accepting EUR as collateral for derivatives trades – along with RUB, USD and securities. The addition of EUR allows domestic and international brokers to apply varying approaches to collateral management and to minimise the funding costs associated with their own and clients’ operations.

UNIFIED SETTLEMENT TIME

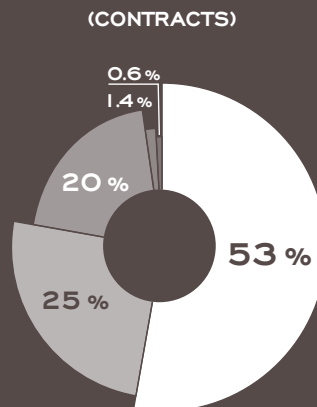
Settlement times were synchronised for all FX futures contracts, at 12:30 p.m. MSK (with Moscow Exchange fixing) for RUB-based pairs, and at 11:00 a.m. London time (with Thomson Reuters fixing) for other pairs.

TRADING & CLEARING PLATFORM

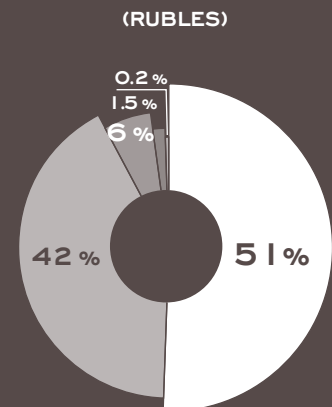
The Exchange devoted much attention to improving the trading and clearing platforms for the Derivatives, FX, and Equity & Bond Markets. The technical updates applied allowed the implementation of large-scale projects such as migration of delivery for single-stock futures to the T+2 market and risk-balancing between the Derivatives and FX Markets.

The risk-balancing service allows participants trading on the Derivatives and FX Markets to reallocate currency risk between their Derivatives Market positions and outstanding FX Market obligations, thereby reducing collateral for counter-positions.

TRADING VOLUMES BREAKDOWN BY UNDERLYING ASSET



- 53% FX derivatives
- 25% Equity derivatives
- 20% Index derivatives
- 1.4% Commodity derivatives
- 0.6% Interest rate derivatives



- 51% FX derivatives
- 42% Index derivatives
- 6% Equity derivatives
- 1.5% Commodity derivatives
- 0.8% Interest rate derivatives

In 2015, the Exchange will focus on developing interest-rate contracts, including those allowing investors to hedge against interest-rate risks associated with Russian federal government bonds (OFZs) with variable coupon rates

FUTURES

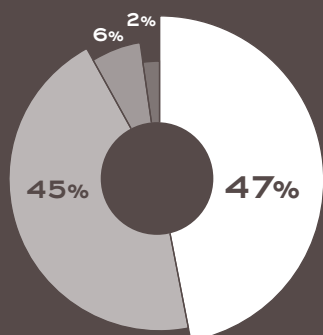
In addition, it plans to expand its FX futures offering and to improve existing instruments for private and institutional customers. In early 2015, the Exchange launched futures contracts on the CNY/RUB, USD/CAD and USD/TRY pairs, which substantially broadened the range of strategies available to the most active brokers. Development of CNY/RUB instruments is especially important, as they diversify the market offering and boost CNY market liquidity.

OPTIONS

The Exchange will push ahead with the development of options as part of its current programme to attract new clients and enhance liquidity. Weekly options and flex options will allow traders to choose the date and price at which contracts will be exercised. Flex options on the most-liquid shares and the RTS Index will be launched on the standardised OTC derivatives market, where market participants will be allowed to post securities as collateral. The range of underlyings will be expanded for FX and cross-currency swaps, and for FX futures, with the introduction of settlement in EUR and CNY.

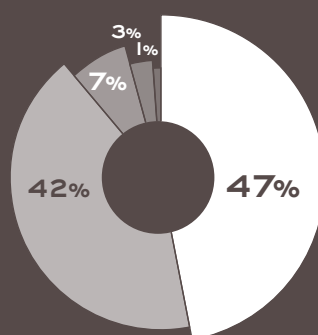
The Exchange will also launch the Asset Managers Ranking project, whereby it will publish descriptions of asset managers' strategies and track record managing accounts. This will give potential investors accurate information on asset managers' performances and historical yields.

TRADING VOLUMES BY CLIENT TYPE



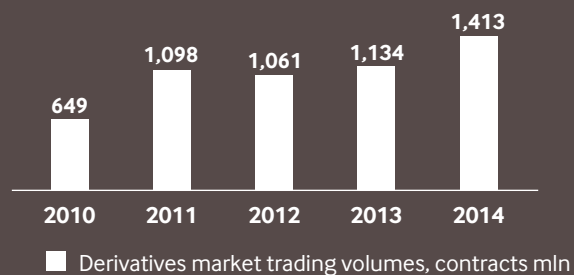
47% Foreign investors
45% Russian retail investors
6% Russian corporates
2% Russian asset managers

OPEN POSITIONS BY UNDERLYING ASSET



47% FX derivatives
42% Index derivatives
7% Equity derivatives
3% Commodity derivatives
1% Interest rate derivatives

DERIVATIVES MARKET TRADING VOLUMES



EQUITY AND BOND MARKET

.....▶ 2014

In 2014, in cooperation with the regulator, Moscow Exchange pushed ahead with simplifying the debt issuance process and expanding opportunities for issuers to raise debt capital on the domestic market. In particular, companies can now register bond programmes, which allows placement of bonds within the programme limits with no further registration, thus reducing issuers' timelines and administrative expenses.

CLEARING

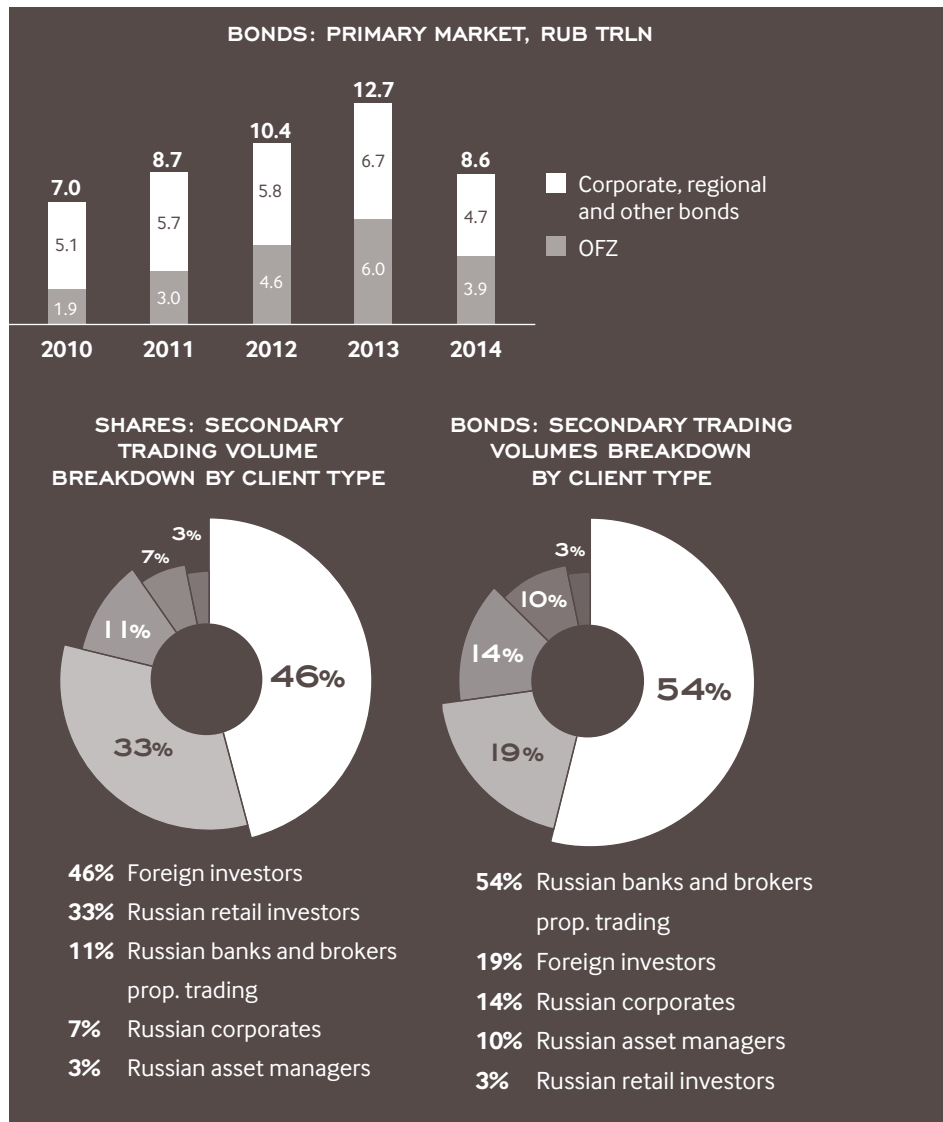
In June, the Exchange introduced an intraday clearing session to allow settlement in the middle of the trading day in order to accelerate delivery to end-customers. As such, there are now two clearing sessions on the Equity & Bond Market.

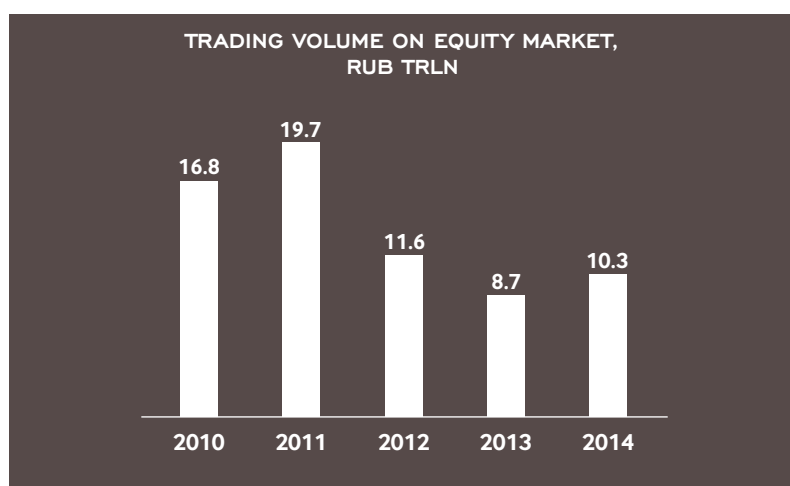
PRICE TICKS

To improve order book structure and boost liquidity, the Exchange changed the price tick for the most popular shares in December. Now, to determine the price tick, a security's liquidity is taken into account in addition to its price. This allows the spread between the best bid and best ask to be narrowed and the time for orders to be filled at the best price reduced; it also encourages investors to enter limit orders in the Exchange order book. Improvement of the order book quality broadens the range of securities available for use with algorithmic strategies, thus boosting their liquidity. The Exchange plans to introduce quarterly price tick reviews beginning in the second quarter of 2015.

MOEX BOARD

In late 2014, the Exchange expanded its information service offering by launching the MOEX Board indicative quotation system. The system operates like a notice board, allowing traders and investors to enter and view quotes for more than 1,000 stocks that are not traded on the Russian regulated market.





A key project in 2015 will be the launch of individual investment accounts (IIA), which will allow private investors to receive tax credits. The Exchange achieved much in this area in 2014 together with market participants, including the establishment of a marketing pool aimed at informing prospective investors about opportunities provided by accounts and the launch of a website to promote IIAs. As at the end of April 2015, had Moscow Exchange registered more than 17,000 accounts opened by individuals at 23 investment companies and 13 banks.

DIVISION OF SECURITIES

The initiative to divide securities into those eligible as collateral and those admitted to trading without full prefunding will also be a focus in 2015. It will expand the list of securities to be traded without full prefunding, thus not increasing risks for the NCC Clearing Bank as the central counterparty.

UNIFIED T+1 ORDER BOOK

A move from T0 to T+1 settlement cycle for Russian federal government bonds (OFZs) will be a major technical advance in 2015. Settlement of trades in OFZs on T+1 will allow market participants to reduce the cost of funding operations on the sovereign debt market, increase trading volumes due to the absence of full prefunding requirements and concentrate liquidity within a single order book. In parallel to the central T+1 order book, the Exchange will offer auctions in large blocks of OFZs; these auctions will run twice per day.

OPENING AND CLOSING AUCTIONS

The introduction of opening and closing auctions is also planned for the OFZ market. In April 2015 leading global index provider FTSE began using the Moscow Exchange closing auction prices to calculate its indices.

BONDS DENOMINATED IN NEW CURRENCIES

In 2015, the Exchange plans to launch trading in bonds denominated in CNY, HKD, GBP and CHF with settlement in the respective currencies.

MOEX AND THE BANK OF RUSSIA

The Exchange will work with the Bank of Russia to establish a legal framework for Russia's structured products market, and allow favourable Level 1 listings for infrastructure and project bonds.

PRECIOUS METALS MARKET

..... ▶ 2014

Following its launch in 2013, the Precious Metals Market operated at full force for the first year in 2014. The market facilitates trading in gold and silver. Trading takes place on the same platform as the FX Market and utilises the same risk management system. RUB, USD, EUR, CNY, gold and silver are accepted as collateral. The NCC Clearing Bank acts as both the central counterparty and clearing house.

In 2014, the Precious Metals Market welcomed 25 new members, including the largest Russian market participants. Seven market-maker agreements were signed with market participants. Four non-bank organisations began offering direct market access (DMA) to their clients. At the start of 2015 there were 48 market participants on the Precious Metals Market, consisting of 39 banks and nine investment companies.

2014 was a strong year for the market, with total trading volume of RUB 16.4 bln, or 9.4 t of gold and 18.9 t of silver and a part of it was made in the form of bullions through delivery and acceptance of precious metals at the NCC Bank's storage facility.

Total trading volume:

9.4 T of Gold
18.9 T of Silver

COMMODITIES MARKET

..... ▶ 2014

Commodities are traded on the National Mercantile Exchange, part of Moscow Exchange Group. In 2014, the Exchange began implementation of its Grain Market project, a major initiative focused on on-exchange grain trading with centralised clearing at NCC Clearing Bank, commodity accounts management by a commodity delivery operator and, as the next step, delivery of grain from the seller to the buyer.





“ Launch of grain trading is expected in 2015. ”

The Exchange plans to broaden its precious metals offering in 2015 with the launch of trading in platinum and palladium. The new metals will encourage growth of trading volumes and the number of participants on the market.

In addition, the Exchange will work to develop precious metals fixings based on market prices. The fixings will serve as price benchmarks in settlement for precious metals derivatives.

In 2015, the Exchange will launch trading in deliverable derivative financial instruments on grain (forward and swap contracts).

MARKET DATA AND INDICES

.....▶ 2014

In 2014, the Exchange continued to improve its information services and indices products, which serve as benchmarks for the Russian financial market.

Market data became available via a new online store offering more sophisticated and more convenient access to Moscow Exchange's historical and real-time data compared to information available via the Moscow Exchange website.

INDICATIVE RATES

The Exchange also launched indicative rates for key USD/RUB, EUR/RUB, EUR/USD and CNY/RUB swaps with maturities from 1D to 1Y, and repo rates for equities and bonds with a 1D-2W term. Such indicators reflect market expectations of exchange rates, while their values may be used to benchmark financial products and set prices for cross products and settlement.

NEW CALCULATION TECHNIQUES

In addition, the Exchange started publishing aggregated debt market statistics, such as turnover, duration and volumes, thus improving market transparency.

A new approach was adopted to include securities in the equity indices. It is based on a two-phase ranking by liquidity and free float market capitalisation. The move aims to facilitate portfolio, including index-based, investing.





“ Moscow Exchange will use cloud-based web technologies to sell its historical market data. ”

In 2015, the Exchange will develop reference and historical data services for exchange-traded instruments, risk parameters and exchange indices. It will start creating databases and reference information distribution systems with static parameters of instruments and indices and involving cloud technologies for the commercial sale of historical market data.

The Exchange will also continue deepening cooperation with exchanges from across the CIS and neighbouring countries to integrate their data feeds.

Furthermore, Moscow Exchange intends to cooperate with asset management companies to improve the legal framework for exchange-traded funds (ETFs).

CLEARING AND DEPOSITORY SERVICES

In 2014, the Bank of Russia assigned the National Settlement Depository (NSD) and Bank National Clearing Centre (NCC Clearing Bank) the status of systemically important financial market infrastructure institutions.

The NSD was assigned the status of a systemically important central depository, systemically important settlement depository and systemically important repository and the NSD's payment system was recognised nationally important. NCC Clearing Bank was assigned the status of a systemically important central counterparty. This recognition highlights the reliability and financial strength of Moscow Exchange Group companies.

Implementation of segregated accounts and the option of transferring client obligations and collateral to other market participants was a key strategic initiative aimed at strengthening protections for traders and their

clients against risks associated with default of one or more firms.

Furthermore, a cross default arrangement was introduced across markets, providing for the use of the defaulter's individual and collective clearing and other collateral from any market.

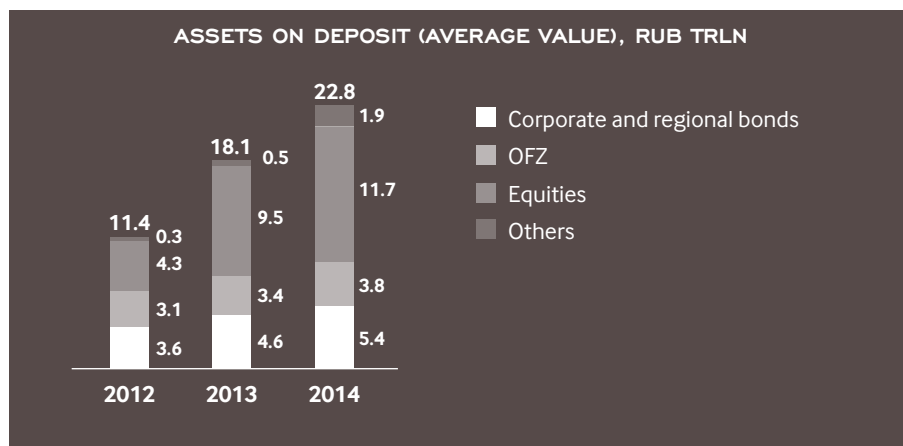
The Exchange will continue to implement clearing integration across the markets and improve risk management and clearing services.

In 2014, collateral management services were in string demand. Turnover of OTC GC basket repos with the Bank of Russia exceeded RUB 57 trln. The project for

Federal Treasury repo with services from the NSD was technically finalised.

The trade repository focused primarily on improving the process of recording OTC derivatives trades and adjusted its activities to match new legislation that took effect in June 2014. Some 1,130 market participants connected to the repository, and more than 138,000 reports on master agreements and transactions were registered. Customers actively reported not only mandatory repo transactions and FX swaps, but also optional FX, equity and bond forwards, commodity and interest rate swaps, and FX options. The repository will continue to adjust its activities to meet derivatives reporting standards taking effect in 2015.

In addition, collateral management services will be expanded in 2015. Participants of the standardised OTC derivatives market will be allowed to post securities as collateral. A delivery-versus-payment mechanism will be used via the Bank of Russia's real-time gross settlement system (BESP system). Electronic matching services will be developed to offer securities lending from Euroclear and Clearstream to the Exchange's customers.



In 2014, Moscow Exchange embarked on the main part of its strategic programme to revamp its technical platforms and build a new enterprise information architecture. The initiative is scheduled for completion in 2015-16.

The project included unification of the technology that supports FIX trading connectivity and FAST market information distribution for the ASTS and SPECTRA trading systems. This reduces the effort required to connect to the exchange, as well as support costs for the Exchange and its clients. Also, the Exchange's plan to create a new zero client footprint protocol, primarily of interest to high-frequency traders, is well underway, to be delivered in 2015.

Numerous new functional features were added to the trading and clearing systems in 2014. For example a service was launched to transfer risk between the FX and Derivatives Markets, effectively introducing cross-margining between these two markets. Multiple changes took place in risk systems, such as an option to set individual risk parameters for concentration limits. On the Equity Market, a market-on-close auction

“ In 2014, Moscow Exchange expanded its global presence and began providing exchange trade network access to customers in major financial centres including London, New York, Frankfurt and Tokyo via TMX Atrium's infrastructure. ”

and an intermediate clearing session were added, to name two upgrades. The SPECTRA derivatives platform was updated with a major upgrade to the risk system and change to settlement of futures – which now takes place in the T+2 equity market – and introduction of new option products. Numerous changes occurred on the infrastructure side: plans for the new Tier III data centre are finalised, and work to transfer the operations has begun. A new toolset to measure latencies and analyse dataflows based on the Corvil platform has been deployed. A long-term plan and policy guiding the Exchange's hardware platform is also now in place.

In 2014, Moscow Exchange expanded its global presence and began providing exchange trade network access to customers in major financial centres including London, New York, Frankfurt and Tokyo via TMX Atrium's infrastructure. In cooperation with leading global communications and financial information suppliers such as TMX Atrium, BT Radianz, SFTI, Bloomberg and Thomson Reuters, the Exchange's markets became accessible to all investor categories from financial centres worldwide. A major technological upgrade to the trading and clearing platforms started in 2014 and will continue into 2016: the separation of existing monolithic Trading/Clearing systems into independent modules connected via a fast

commercial data bus. This will align the trading and clearing architecture with modern standards, improve the reliability of the systems and open a clear path to future upgrades.

Also in the pipeline for 2015 are two major additions to the overall information architecture. First, a common data layer will be introduced, comprising the Data Warehouse, a set of well-defined ETL processes, and common static data source, known as Master Data Management. Technologically, this area will use state-of-the-art vendor technologies to speed up the storage and retrieval of vast amounts of data the Exchange accumulates by a factor of 40 compared to current technologies.

Secondly, the Exchange introduced a first set of applications built on a modern enterprise integration platform, dubbed EIF (Exchange Integration Fabric). The platform is comprised of a Data Grid, a Calculation Grid, and in 2015, an Enterprise Service Bus. Together, this layer of enterprise technology architecture creates a common near-real-time information, analytical and transactional platform covering all markets and divisions, including NCC and NSD. By using EIF architecture, the Exchange will be positioned to quickly build business applications and services that span all markets, and offload slower processing tasks from low-latency market technology platforms.

ATTRACTING NEW ISSUERS

Moscow Exchange provides Russian companies with access to the public capital markets and advises on listing procedures and corporate governance best practices.

Recent financial infrastructure reforms have made placing securities and trading on the Exchange just as convenient as leading global marketplaces.

The year 2014 was challenging for the Russian stock market due to declining interest in Russian securities from institutional investors and rising domestic interest rates. Nonetheless, Moscow Exchange succeeded in launching new investment vehicles and attracting new issuers to the Equity & Bond Market.

A number of significant equity capital market transactions took place. February 2014 saw Lenta Ltd place GDRs totalling RUB 34.3 bln on both Moscow Exchange and the London Stock Exchange (LSE).

In addition, several SPOs were completed. The Bank of Russia sold half its stake in Moscow Exchange for RUB 16 bln in June, while Otkritie Bank and QIWI completed SPOs. In early 2015, Russian retailer Magnit also conducted an SPO.

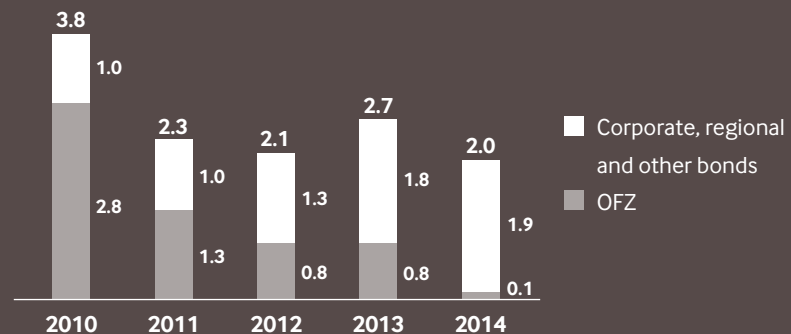
Changes made to legislation in 2014 allowed foreign securities to be listed on Russian exchanges at the discretion of

the organiser of trading (i.e., the Exchange) without a pertinent agreement signed with the issuer. This helped Moscow Exchange to admit Russian corporate Eurobonds to trading in autumn 2014. The ability of Eurobonds to deliver returns in foreign currency makes them particularly attractive to investors in a high RUB volatility environment. Twenty-three corporate Eurobonds and 13 sovereign Eurobonds had been admitted to trading on the Exchange by the end of 2014, with more to be listed in 2015.

In late 2014 the Exchange reduced the lot size from USD 200,000 to USD 1,000 for three Eurobonds to make them more accessible to private investors. Furthermore, the Exchange is in active communication with other issuers to reduce the lot sizes for their exchange-traded Eurobonds in order to broaden their investment appeal.

More foreign securities joined Moscow Exchange. In June, Yandex shares were listed and added to Moscow Exchange's major indices. In December, trading

BONDS: PRIMARY MARKET, RUB TRLN



23
corporate
Eurobonds

and

13
sovereign
Eurobonds

were admitted
to trading on the Exchange
by the end
of 2014

in shares of Polyus Gold, which has a Premium Listing on the LSE, was launched on Moscow Exchange.

Some structured products were also offered through the Exchange in 2014. These included Rosbank's exchange-registered bonds tied to underlying assets (palladium and foreign securities), as well as Waste Management bonds, which were based on a concession contract for municipal solid waste processing and disposal in the Chuvash Republic.

The total volume of corporate bond placements rose 2.7% YoY to RUB 1.75 trln in 2014.

International central securities depositories (ICSDs) Euroclear and Clearstream were granted complete access to the Russian securities market in 2014, thus expanding the range of international investors able to gain exposure to the Russian market.

The arrival of these two leading global post-trade service providers underscores the openness of Russia's financial markets, and is testament to Moscow Exchange's extensive investments in market infrastructure reforms that make the Russian equity and bond markets as convenient as possible for investors.

Euroclear and Clearstream's access to the Russian market came in stages. They began servicing OFZs in the 1Q 2013 and corporate bonds on 30 January 2014. The ICSDs were granted access to stocks from 1 July 2014.

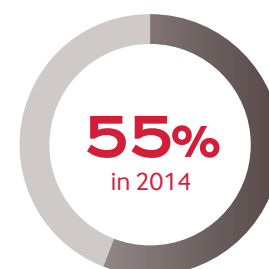
The entry of Euroclear and Clearstream to the Russian market makes the country's securities market more widely accessible to international investors and will help to close spreads between domestic share prices and DRs traded on foreign exchanges. Moscow Exchange held an average 55% share of turnover during 2014 in trading in Russian securities with dual Moscow-London listings.

In 2014, Euroclear and Clearstream also received ownership of one share each in the National Settlement Depository (NSD),

which operates Russia's central securities depository, again underlining the transparency of the Russian securities market and Moscow Exchange's corporate governance system.

Opening up the Russian equity market to clients of Euroclear and Clearstream is an important milestone, and shows that Russia's trading infrastructure has passed an important test and Russia is now fully integrated into the global securities market.

Share of trading in Russian equities with dual listings in Moscow and London



INTERNATIONAL COOPERATION

Moscow Exchange continues to improve the appeal and competitiveness of Russia's financial market infrastructure, including for international investors. The Exchange is a member of the World Federation of Exchanges (WFE) and the Futures Industry Association (FIA), and has for years worked alongside leading global financial institutions and professional associations to develop financial services and joint exchange products.

CHINA

For more than twenty years Moscow Exchange has engaged in dialogue with Shanghai Stock Exchange. In 2004 and 2009, the two exchanges signed agreements on cooperation in the development of financial services and the improvement of the organised securities markets of China and Russia.

In addition, since the launch of CNY/RUB trading in 2010, Moscow Exchange has been cooperating with leading Chinese banks. In

October 2014 during an official meeting of the Russian and Chinese heads of government an agreement was signed between Moscow Exchange and Bank of China expanding collaboration between the two nations' financial markets. A delegation from Industrial and Commercial Bank of China paid an official visit to Moscow Exchange to discuss prospects for implementing new initiatives to provide services to market participants of both countries.

A delegation from Industrial and Commercial Bank of China paid an official visit to Moscow Exchange to discuss prospects for implementing new initiatives to provide services to market participants of both countries.

GERMANY

Since 2013, Moscow Exchange strengthened cooperation with Deutsche Börse, one of the world's largest exchange groups. The partnership resulted in futures contracts on five leading German issuers trading on Moscow Exchange. Eurex Exchange, a unit of Deutsche Börse Group, is currently in the process of implementing the project to launch EUR/RUB and USD/RUB derivatives on its trading floor.

UNITED STATES

A cooperation agreement entered into between Moscow Exchange and NASDAQ OMX in 2013 involves pooling efforts to provide access to the capital markets through listings of Russian hi-tech companies on both trading floors, as well as conferences, workshops and presentations for technology companies and international investors.

KOREA

In 2014, Moscow Exchange signed an agreement with Korea Exchange focused on cooperation in information technologies, improving financial market infrastructure, developing joint exchange products and event organisation.

“ In October 2014 during an official meeting of the Russian and Chinese heads of government an agreement was signed between Moscow Exchange and Bank of China expanding collaboration between the two nations’ financial markets. ”

THE EUROPEAN UNION

NCC Clearing Bank is a full member of the European Association of CCP Clearing Houses (EACH) and a member of the Global Association of Central Counterparties (CCP12). Both these organisations facilitate direct interaction with key central counterparties and serve as forums for discussion on major issues in regulation of financial market infrastructure.

CIS

The NSD promotes cooperation within the Association of Eurasian Central Securities Depositories (AECSD), which aims to establish a common environment for depositories in CIS countries, and to integrate regional CSDs into the global settlement infrastructure.

In 2014, foreign nominee accounts were opened for the CSDs of Armenia and Kyrgyzstan, and a memorandum of understanding was signed with the CSD of Turkey. In October 2014, the NSD began assigning ISIN and CFI codes to Uzbek securities.

GLOBAL MARKETS

To become a part of the global post-trade system, the NSD also obtained FATCA compliance status from the US Internal Revenue Service and received a Global Intermediary Identification Number (GIIN). In addition,

Deutsche Bank Trust Company Americas was added to the NSD’s list of correspondent banks.

Moscow Exchange is an active participant in major international exchange forums and conferences regarding the development of trading floor IT infrastructure. In April 2014, for example, an Exchange delegation attended TradeTech Europe in Paris,

the world’s largest conference on electronic trading. During the year, representatives of Moscow Exchange attended FX market events including FX Invest and EMFX in Singapore, Hong Kong, London and New York, as well as the FIA Derivatives Conferences held in London, Boca Raton and Chicago.

In May 2014, Moscow Exchange welcomed leaders of the world’s largest exchanges and international clearinghouses to Moscow for the 31st Annual World Federation of Exchanges

(WFE)/International Options Market Association (IOMA) meeting. The annual conference brings together leaders from the world’s futures and options markets and derivatives clearing houses to discuss market and regulatory issues affecting the world’s derivatives landscape. It was the first time that Moscow had been chosen to host this industry agenda-setting event.

MAY 2014

Moscow Exchange hosted the leaders of the world’s futures and options markets and global clearing houses at the 31st World Federation of Exchanges (WFE) – International Options Market Association (IOMA) Derivatives Conference.

LISTING REFORM

Moscow Exchange's listing reform has been an important step for the Russian financial market. It has created a simplified listing structure in line with international standards, and raised the corporate governance criteria for Russian issuers.

Preparations for the reform took nearly three years, during which time the Exchange worked with the regulator, market participants and issuers to analyse the best practices of foreign trading venues.

Moscow Exchange's new listing rules took effect on 9 June 2014. The number of listing levels was reduced from six to three, with the A1 and A2 lists combined to form Level 1 (the highest list), while Level 2 includes securities from the former B, V, and I lists, and Level 3 includes all remaining names.

Issuers are now allowed to list their securities at any listing level during the IPO stage. Thus, the investor base for IPOs has been broadened, now prominently including the Russian Pension Fund, non-government pension funds and insurance companies authorised to buy the highest-level stocks only.

The Exchange introduced a new criterion, the free-float ratio, for the inclusion of securities on the Level 1 list; the free-float must be at least 10% for issuers with a market capitalisation of over RUB 60 mln. Issuers of stocks and bonds are required

to have a history of three years of IFRS accounts instead of one year previously. In addition, bonds must have a credit rating assigned to the issuer or the guarantor, and the minimum rating has been increased two notches. The minimum corporate bond issue size is RUB 2 bln, while regional and municipal issues must be at least RUB 1 bln.

Mutual fund units must meet minimum NAV and liquidity requirements to be listed. A mutual fund must have an NAV of at least RUB 1 bln to be included at Level 1.

Foreign securities are allowed to be included at the highest level if they have been listed on one of the five foreign exchanges approved by the Bank of Russia.

The Exchange also raised corporate governance requirements for issuers to meet the Central Bank's new Corporate Governance Code, adopted in spring 2014.

To be eligible for the Level 1 list, a stock issuer must have at least three independent directors on its board, who must together make up at least 20% of the board members. The board must also form audit, remuneration, and nomination (personnel

and appointment) committees, comprising only independent directors if possible.

Stricter criteria for directors to be considered independent are now in place. These criteria are based on the corporate governance standards employed by the New York, London, and Hong Kong stock exchanges.

Issuers must appoint an officer or department to perform the functions of the corporate secretary, which must contribute to the development of the corporate governance system and practices, convocation of the company's AGM, and support of the board's activities.

“ Issuers are now allowed to list their securities at any listing level during the IPO stage. ”

For its stock or bond to be included at the highest level, an issuer must have an internal audit department and a policy on internal audit adopted by the board of directors.

The quality of the Exchange's lists has improved considerably following the listing reform, bringing more transparency and clarity to the market. In turn, issuers are interested in being included at the highest level. Eleven issuers, including blue chip companies such as Gazprom, Rosneft and Megafon,

made additional corporate governance commitments in order to increase the levels of their listings.

As of 31 December 2014, 1,749 securities from 720 issuers are admitted to trading on Moscow Exchange, of which 317 are stocks from 257 issuers and 1,151 are bonds from 394 issuers. Eight hundred and sixty five securities from 347 issuers are included on the lists, of which 560 securities from 221 issuers are on the Level 1 list.

One hundred and nine stocks from 98 issuers, 536 corporate bonds from 194 issuers and 131 bonds from 41 federal and municipal borrowers are on the Exchange's lists, of which 67 stocks from 61 issuers and 457 bonds from 161 issuers are listed at Level 1.

Stock issuers were given two years starting from the launch of the reforms to bring their securities and practices in line with the new standards, after which stocks that do not comply with the new rules may be downgraded to lower lists.

AS OF 31 DECEMBER 2014:

1,749 securities
of **720** issuers

of which
317 were stocks and
1,151 were bond issues

WERE ADMITTED TO TRADING ON THE MOSCOW EXCHANGE.

865 securities
of **347** issuers

of which
109 shares of **98** issuers
536 corporate bonds of **194** issuers
131 bonds of **41** government and municipal borrowers

(the Level 1 List includes
67 shares of **61** issuers and
457 bonds of **161** issuers)

WERE INCLUDED ON THE QUOTATION LISTS.

CORPORATE ACTIONS REFORM

Moscow Exchange, in conjunction with the regulator and market participants, is developing a new system for corporate actions based on the latest global standards to ensure full transparency for Russian and global investors.

Depositories will enable their customers to participate in corporate events, acting in their names without proxies and other formalities. Regardless of the format in which instructions are received from a customer (hard copy, phone, fax, SMS, etc.), the depository will create documents in standardised electronic format and send them to the issuer.

Investors will be given the opportunity to choose the voting option for meetings of securities holders: in addition to conventional voting in person, they will be able to complete and send a ballot in hard copy or to give the appropriate instruction to their depository. An e-voting service that will allow securities holders to examine meeting materials on a special website will also be introduced.

Given the importance of maintaining a stable and predictable corporate action system, Moscow Exchange is focusing on making the new technologies it introduces as secure as possible. Russian securities market players expect improved transparency to provide better protection of investors' rights on the Russian financial market, while ensuring equal access to corporate events to all shareholders. The issuer will in turn be able

to increase coverage of its investor base by enabling investors to participate in oversight of the company, enhancing transparency of decision-making and the quality of corporate governance.

Creating an official corporate information centre is a key prerequisite for the reform to be successful. The centre will guarantee all stakeholders equal access to information about issuers, financial instruments and corporate actions. The central depository will receive the information in a structured electronic format directly from issuers. This data will then be disseminated automatically in the record keeping system and be available to all stakeholders on a special site.

“ Creating an official corporate information centre is a key prerequisite for the reform to be successful. ”



THE CHANGES MADE AS PART OF CORPORATE ACTIONS REFORM CAN BE BROKEN DOWN INTO TWO MAJOR AREAS



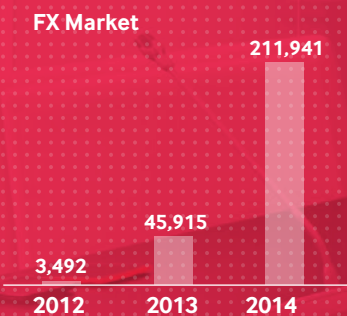
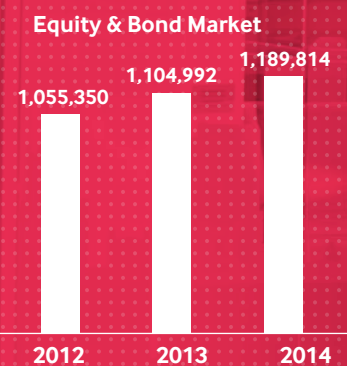
Cascading corporate actions through the financial market infrastructure

Voting at AGMs

3

COMMUNICATION WITH STAKEHOLDERS

NUMBER OF CLIENT ACCOUNTS AS AT THE END OF THE YEAR





МОСКОВСКАЯ
БИРЖА

HUMAN RESOURCES

One of the main goals of Moscow Exchange Group's human resources (HR) policy is to engage the best managers and specialists, and to develop employees' professional and personal potential.

TRAINING AND DEVELOPMENT

One strategic area of HR management is training and development. In 2014, 90 middle managers completed training at the MOEX Business University programme, which lasts a year and a half and offers exposure to cross-functional and project activity.

In addition, 77 training sessions were held on communications, cross-functional interaction, situational leadership, personal performance and other subjects, with 760 employees participating.

The company is currently building partnerships with leading global business schools. At the end of 2014, the company concluded agreements with Harvard Business School (HBS), INSEAD and London Business School to send several senior managers for training. In cooperation with HBS professors, the Advanced Management Program module was successfully implemented for 30 key senior and middle managers; this module was the third stage of the integrated senior manager development programme (the first two stages were implemented in 2013).

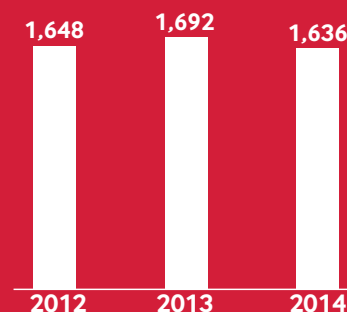
ATTRACTING EMPLOYEES AND REFRESHING THE TEAM

The business of Moscow Exchange, the largest financial infrastructure company in Russia, is unique in many ways. The company's range of functions is unequalled on the market. This is why the main areas of its HR strategy include establishing relations with higher educational institutions and attracting talented students and graduates to train and adapt them to the company. In 2014, the Exchange staged numerous events for students, including academic competitions and exchange programs.

In 2014, the Group continued the management team refresh programme that began the previous year. Overall, the Group employed 1,636 people as of the end of 2014, compared to 1,692 at the end of 2013.

The market recognised the high professionalism of the group's employees when 10 of its managers were ranked in the 'Top 1,000 Russian Managers' rating compiled by the Russian Managers Association.

GROUP EMPLOYEE NUMBERS
(YEAR-END)



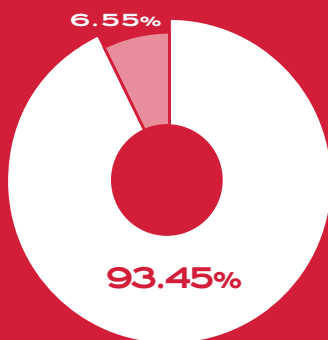
PERFORMANCE MANAGEMENT

Moscow Exchange has fully streamlined its annual performance management procedures.

Annual performance management reviews are in place at the Group. Regular personal assessments include setting goals for all employees, semi-annual interim analysis of their achievements and annual final assessments of key performance indicators (KPIs). This influences employee salaries and year-end bonuses.

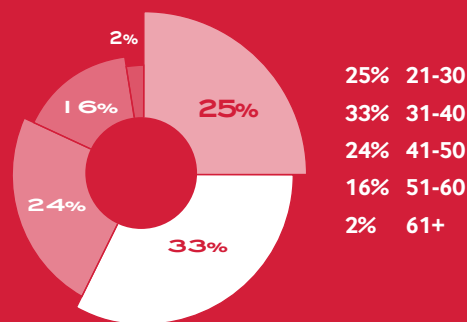
The degree to which each employee's work corresponds with the company's values and the individual's job competencies govern individual development plans for each subsequent assessment cycle. Corporate and individual KPIs are approved by the Supervisory Board, with each person contributing to the company's common

EMPLOYEES
BY EDUCATION LEVEL



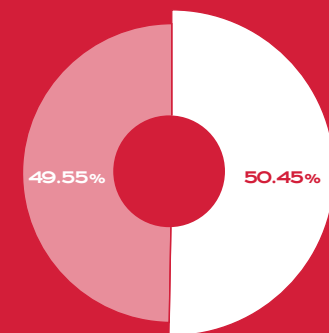
93.45% Employees with higher education
6.55% Employees without higher education

EMPLOYEES BY AGE GROUP
AS AT END-2014



25% 21-30
33% 31-40
24% 41-50
16% 51-60
2% 61+

EMPLOYEES
BY GENDER



50.45% Female
49.55% Male

goals. The more senior an employee's position, the more important corporate KPIs are in the individual plan. Corporate KPIs traditionally include three components: financial (the manager's contribution to growth in earnings per share); system uptime, which is important for the Exchange as a key element of the financial markets infrastructure; and a project component, namely the implementation of one or two large projects per year.

This system is designed to ensure the achievement of long-term goals and ultimately deliver financial results.

SERVICE BRAND BUILDING

One of Moscow Exchange's key values is partnership with clients. To achieve this the Exchange is improving its internal processes, in particular communication between divisions, developing external relations,

improving services and communication with contractors, and implementing global best practices.

June 2014 saw the start of the programme Moscow Exchange Service Brand Building. The initiative comprised four working sessions on support service model formation, with 13 of the Exchange's business divisions participating. The project also includes employee training and certification, and the implementation of international experience-sharing programs, with visits to the offices of BM&FBovespa, Deutsche Börse, Clearstream, Citibank and Deutsche Bank.

Openness to communication at all levels, investment in employee training and development, recognition of their merits and active internal promotion ensure a comfortable working environment and

create a pleasant atmosphere within the company. All of these aspects encourage exposure to corporate values and boost performance. Company-wide sporting and charity events offer opportunities for self-fulfilment and strengthen team spirit, enabling employees to feel part of an integral whole.

One area of focus in human resources management in 2015 will be ongoing succession planning. Regular assessment allows talented and up-and-coming employees to be identified, their promotion to key positions planned, and necessary competency improvements to be implemented. All of these activities will promote implementation of the company's strategy and fulfilment of its business objectives.

CLIENT SERVICES

In the course of 2014 Moscow Exchange continued to focus on delivering client-centred service. The focus in 2014 was on optimising procedures, thus reducing the time for admission to trade and switching from hard-copy documents to electronic. This increased convenience for clients and paved the way for further efficiency improvements in future.



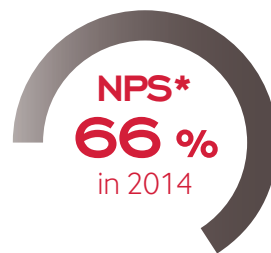
In 2014, the Exchange delivered internal projects to optimise data interchange that reduced the amount of documents received from clients by 44%. Thanks to profile updating and the know-your-client (KYC) policy in place at all Moscow Exchange Group companies, clients need to file just a single set of documents on a one-stop-shop basis.

LOYALTY SURVEY

An annual loyalty survey of Moscow Exchange trading firms in 2014 assigned the company a high Net Promoter Score (NPS) of 66%. 488 trading members took part in the survey, which is six times more than in 2013.

The Exchange continues to serve as a platform for discussing legislative changes, requirements of regulatory bodies and major technological changes with clients.

Annual broker loyalty survey



*Net Promoter Score



NEW CLIENT SERVICE

In 2014 Moscow Exchange concentrated its client relationship management on events and projects aimed at designing new services to make trading as convenient as possible. A particular area of focus was the development of Personal Accounts for trading members. These allow members to check their status data,

receive reports, track submitted documents and generate copies in electronic format.

The system to accept e-documents from trading members via the Personal Account substantially reduced the time needed for clients to generate documents and for the Exchange to process them.



THE EXCHANGE COUNCIL

Moscow Exchange maintains regular contact with trading members through the Exchange Council and user committees.

The Exchange Council is a permanent advisory body that represents members' interests and ensures their needs are fully taken into account when considering issues related to the organisation and development of financial markets infrastructure. Proposals and recommendations from the Council are submitted to the Supervisory Board or another authorised management body. In 2014 the Exchange Council held three meetings that discussed clearing of OTC derivative financial instruments, creation of new products, measures taken by the Bank of Russia to maintain the stability of the Russian financial sector and other issues.

Moscow Exchange and the NSD have 17 user committees. The committees are advisory bodies that prepare proposals

for amendments to laws and other legal regulations and consider regulatory issues relating to securities issuance and trading, disclosure and corporate governance.

They also put forward proposals regarding securities trading, upgrades to clearing and settlement technologies and expansion of the range of available instruments and services.

CONFERENCES AND FORUMS

The user committees developed a number of innovations that were successfully implemented in 2014.

As part of cooperation with its customers, the Exchange participated in and sponsored the country's largest professional conferences on the financial market, including the International Repo-Forum-NFA-2014 and the All-Russian Corporate Governance Forum at which the awards ceremony of the Director of the Year National Award took place.

36,500

calls made by clients to their account managers in 2014

-44%

Optimisation of documents flows reduced the number of documents from clients

17

user committees of the Moscow Exchange and NSD

In early spring, Moscow Exchange hosted the sixth annual Exchange Forum. The event is Russia's largest conference for the professional financial community, bringing together up to a thousand delegates every year including representatives from banks, brokerage firms, Russian and foreign investment funds, independent experts and analysts. Heads of ministries, governmental agencies and regulatory authorities took part in the Forum's plenary session.

SOCIAL PROGRAMS

Moscow Exchange is an active participant in Russia's national programme to increase financial literacy.

Moscow Exchange is an active participant in Russia's national programme to increase financial literacy. The Exchange's large-scale educational initiatives covered many Russian regions in 2014: in April, Financial Literacy Week was held in the Saratov, Volgograd and Astrakhan regions. In October, the Expert Council on Financial Literacy under the Bank of Russia visited Yakutia. The Exchange organised workshops and business games at the Kustorka global financial literacy youth camp in the Nizhny Novgorod region.

As part of cooperation with market participants, the Exchange held approximately 30 seminars together with brokerage firms in Moscow and Russia's regions in 2014.

Some 2,700 visitors toured Moscow Exchange's History Museum in 2014. Over 100 excursions were held, and work on the new Foreign Exchanges exposition continued. More than 70 items were added to the museum's collection, and the Collection of Foreign Exchanges catalogue was issued.

Moscow Exchange partners with Russia's leading technical and economics-focused universities as part of its research and development projects and training of highly qualified personnel for the Group and the financial sector as a whole. In 2014, joint projects were undertaken with the Higher School of Economics, Plekhanov Russian Economic University, Russian Presidential Academy of National Economy and Civil Service, Russian Government Financial University, Lomonosov Moscow State University, MIFI National Research Nuclear University and the Institute of Stock Market and Management.

As part of its long-term partnership with MIFI, the Exchange sponsored training in Computer Technologies for Exchange and Banking Systems specialisation at the Systems Mathematical Support faculty in 2014. MIFI students undertook internships at the Exchange. In March 2014, the Exchange, together with the Financial University, hosted the annual all-Russian Academic Competition in Financial Markets, known as Fincontest, for students and graduates. Exchange professionals also gave a special course for senior students in Financial Risk Management at Lomonosov Moscow State University's Department of Computing Mathematics and Cybernetics.



Some

2,700

visitors

toured Moscow Exchange's History Museum in 2014

Over 100
excursions

were held

More than

70
items

were added to the museum's collection

Moscow Exchange's charitable activities aim to help those in need, particularly children, and to finance projects significant to the company via funds specialising in particular social areas.

Moscow Exchange works with charitable non-profit organisations to enhance spending efficiency and maximise the number of beneficiaries. Employee involvement in charitable activities as volunteers and donors is an extremely important part of the Group's policy.

The Charity Committee makes decisions about which organisations and projects to support in accordance with an annually approved budget and spending plans. Its operations are governed by the Charity Committee Policy. A total of around RUB 32 mln was allocated to philanthropic projects in 2014.

In 2014, Moscow Exchange continued to work with organisations such as Gift of Life, ORBI and Vera. The Gift of Life Foundation allocates money to the treatment of children suffering from oncological and haematological conditions. ORBI assists stroke patients and supports stroke prevention efforts, while the Vera Foundation benefits hospices.

In addition to working with non-profit organisations, Moscow Exchange provides targeted aid by participating in individual charitable projects for children. For example, in 2014 it financed the publication of colour-illustrated books for children with impaired vision. The group continues to support the Udelnaya foster home, Moscow boarding school No. 53 for orphans, and the Shatalovo foster home and Safonovo boarding school in the Smolensk region. The Group sponsored participation of the Duet club, which organises sports dancing for wheelchair users, in the Championship of Russia held in St. Petersburg.

Moscow Exchange Group employees are involved in volunteer activities and events

A total of around
RUB 32 mln
was allocated
to charitable projects in 2014.

held jointly with charitable foundations. Over 100 people joined the ORBI stroke prevention initiative in November 2014. In December 2014, Exchange employees actively participated in a three-week project to provide staple goods for patients at the First Moscow Hospice.

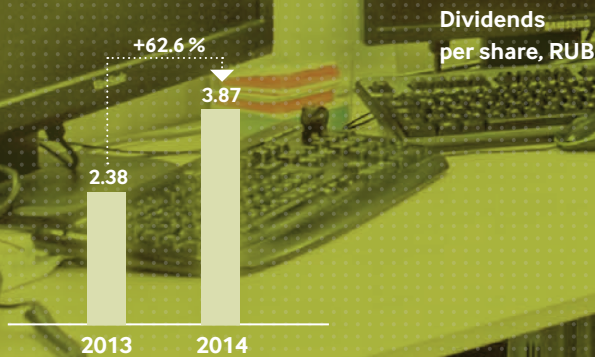
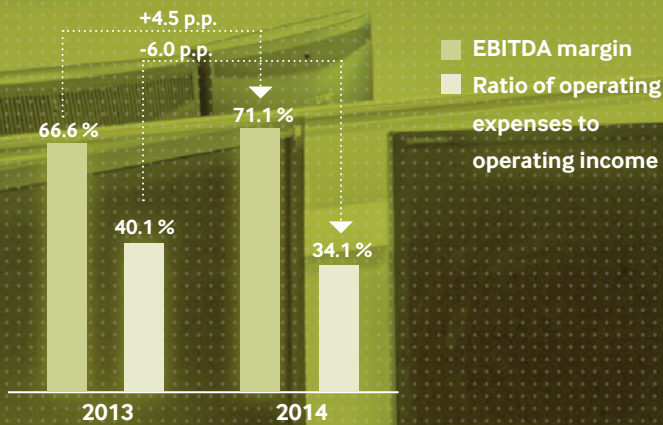
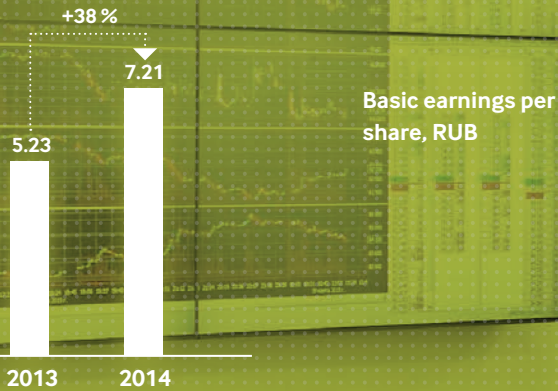
Information on the company's charitable activities is available to employees via the Corporate Charity section of the Exchange's internal portal, where they can make donations and register for participation in partner volunteer projects with the Gift of Life, ORBI and Vera foundations, as well as propose their own socially beneficial initiatives and ideas. The daily Corporate News e-mail informs employees of ways to get involved in charitable activity.



4

SHARE INFORMATION AND FINANCIAL RESULTS

EARNINGS PER SHARE AND KEY FINANCIAL RATIOS





SHARE CAPITAL STRUCTURE AND MAIN SHAREHOLDERS

Moscow Exchange's charter capital is RUB 2.278 bln, or 2.278 bln ordinary shares with a par value of RUB 1 each.

The shares were listed on the Exchange's own trading platform on 4 February 2013. They were added to the Exchange's A1 List in April 2013, and to the MSCI Russia and MSCI Russia 10/40 indices in November 2013. Following a regular quarterly review of the indices in February 2014, their weight was increased from 0.5% to 0.9%

In 2014, the Exchange completed the buyback of 99,852,660 shares (4.2% of its share capital) from its fully-owned subsidiary MICEX Finance. The shares were retired in March 2014, increasing existing shareholders' proportional ownership of the company's equity and their return on capital, and strengthening corporate governance by preventing voting with these shares.

On 2 July 2014, the Bank of Russia sold 11.7% of total Moscow Exchange shares outstanding, half of its stake, via an international offering. A total of 267.3 mln shares were sold for RUB 16.04 bln.

Registered ordinary shares	State registration number 1-05-08443-N
Nominal value, RUB	1
Number	2,278,636,493 units
Totals	RUB 2,278,636,493
Ticker / ISIN	MOEX / RU000A0JR4A1

MOSCOW EXCHANGE SHARES

	2014	2013
Closing price as of 30 December, RUB	60.76	64.76
52-week average*, RUB	60.71	55.34
52-week high*, RUB	70.93	69.99
52-week low*, RUB	42.74	42.57
Average daily trading volume, RUB mln	384.29	188.00
Average daily trading volume, USD mln	10.03	5.82
Market cap (as of 30 December), RUB bln	138.45	154.03
Total number of shares outstanding (as of 30 December)	2,278,636,493	2,378,489,153

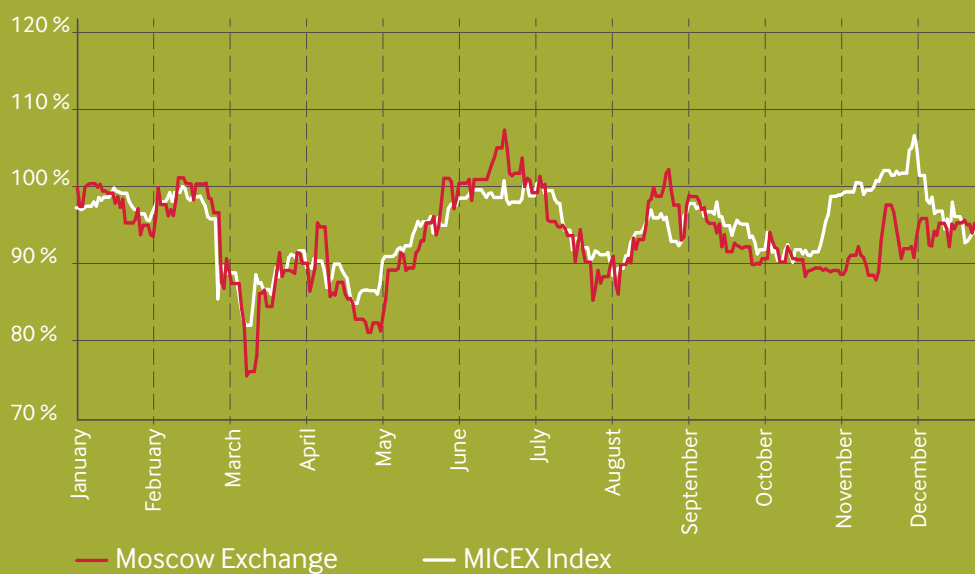
* Figures for 2013 cover the period from 4 February 2013 when the shares began trading on Moscow Exchange.

The sale was in line with the Central Bank's obligation to completely exit Moscow Exchange's shareholder capital by 1 January 2016 (as per Federal law No. 251-FZ of 23 July 2013).

Following the transaction, Moscow Exchange's free float increased to more than 50%, one of the highest free floats on the Russian market. Demand far

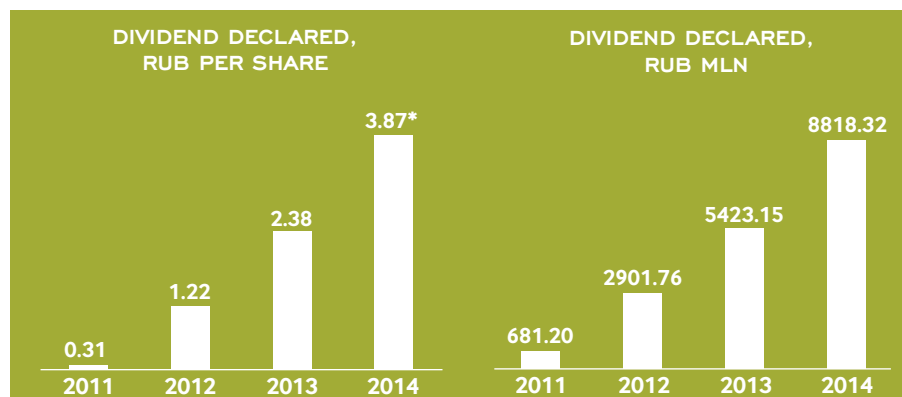
exceeded the number of shares on offer, with nearly 100 institutional investors from Russia, Asia, the Middle East, Europe and the US participating in the transaction. This underlined investor confidence in the Exchange's business model and strategy to develop the Russian financial market infrastructure.

MOEX SHARE PRICE AND MICEX INDEX DYNAMICS, 2014



DIVIDENDS

Moscow Exchange's shareholders are entitled to a dividend. The dividend payout is calculated on the basis of the company's annual IFRS net income. The dividend amount is recommended by the Supervisory Board and approved at the General Meeting of Shareholders.



Period	Percentage of IFRS net income	Dividend policy, % of net income
2014*	55.12	No less than 50.0
2013	46.83	No less than 40.0
2012	35.40	No less than 30.0
2011	10.17	--

* Dividends for 2014 were recommended by the Supervisory Board for approval at the General Meeting of Shareholders on 28 April 2015.

EXTRACTS FROM FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED DECEMBER 31, 2014 (IN THOUSANDS OF RUSSIAN RUBLES)

	Year ended December 31, 2014	Year ended December 31, 2013
Fee and commission income	15 585 951	12 792 116
Interest and other finance income	13 989 692	11 238 543
Interest expense	(530 566)	(5 280)
Net loss on financial assets available-for-sale	(1 588 205)	(672 539)
Foreign exchange gains less losses	2 408 489	1 194 224
Other operating income	528 682	58 909
OPERATING INCOME	30 394 043	24 605 973
Administrative and other operating expenses	(4 978 494)	(5 029 989)
Personnel expenses	(5 394 764)	(4 827 004)
OPERATING PROFIT	20 020 785	14 748 980
Interest expense in respect of written put option over own shares	-	(199 686)
Share of profits of associates	7 356	74 605
PROFIT BEFORE TAX	20 028 141	14 623 899
Income tax expense	(4 034 976)	(3 042 205)
NET PROFIT	15 993 165	11 581 694
ATTRIBUTABLE TO:		
Equity holders of the parent	16 041 416	11 586 770
Non-controlling interest	(48 251)	(5 076)
EARNINGS PER SHARE		
Basic earnings per share, rubles	7,21	5,23
Diluted earnings per share, rubles	7,18	5,22



Interactive section
with IFRS statements

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2014
(IN THOUSANDS OF RUSSIAN RUBLES)**

	December 31, 2014	December 31, 2013
ASSETS		
Cash and cash equivalents	1 163 783 135	255 041 610
Financial assets at fair value though profit or loss	11 441 991	16 199 725
Due from financial institutions	39 828 042	28 959 295
Central counterparty financial assets	139 609 774	47 008 536
Assets held for sale	–	2 723 667
Investments available-for-sale	80 950 315	74 252 052
Investments in associates	46 132	93 149
Property and equipment	6 050 342	6 262 365
Intangible assets	18 150 283	18 782 590
Goodwill	15 971 420	16 071 458
Current tax prepayments	39 467	210 547
Deferred tax asset	172 596	186 564
Other assets	1 461 375	673 063
TOTAL ASSETS	1 477 504 872	466 464 621
LIABILITIES		
Balances of market participants	1 231 999 104	322 250 561
Central counterparty financial liabilities	139 609 774	47 008 536
Distributions payable to holders of securities	6 353 006	3 670 761
Loans payable	–	50 858
Liabilities related to assets held for sale	–	5 864 695
Deferred tax liability	4 015 600	3 824 032
Current tax payables	736 669	76 305
Other liabilities	2 943 262	1 924 722
TOTAL LIABILITIES	1 385 657 415	384 670 470
EQUITY		
Share capital	2 498 144	2 597 997
Share premium	32 527 989	38 953 810
Treasury shares	(3 364 997)	(10 194 083)
Foreign currency translation reserve	(62 480)	7 479
Investments revaluation reserve	(1 328 162)	(280 682)
Share-based payments	437 354	367 972
Retained earnings	60 735 592	49 999 048
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	91 443 440	81 451 541
Non-controlling interest	404 017	342 610
TOTAL EQUITY	91 847 457	81 794 151
TOTAL LIABILITIES AND EQUITY	1 477 504 872	466 464 621

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014
(IN THOUSANDS OF RUSSIAN RUBLES)**

	Year ended December 31, 2014	Year ended December 31, 2013
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES:		
Profit before tax	20 028 141	14 623 899
ADJUSTMENTS FOR:		
Depreciation and amortization charge	1 588 018	1 569 490
Interest expense on written put option on own shares	–	199 686
Fair value adjustment on securities at fair value through profit or loss	369 215	(107 889)
Share-based payment expense	233 827	287 752
Unrealized (gain) / loss on foreign exchange operations	(53 531)	218 680
Share of profits of associates	(7 356)	(74 605)
Loss on disposal of investments available-for-sale	1 588 205	672 539
Net change in interest accruals	3 246	(129 032)
Net loss on disposal of property and equipment and intangible assets	26 413	156 122
Gain from revaluation of previously held equity interest in the acquiree	(38 664)	–
Impairment of goodwill and other intangible assets	209 775	–
Impairment of other assets	8 698	27 637
Impairment of investments in associates	–	118 715
Bargain gain	(18 596)	–
Provision for onerous contracts	173 203	–
Gain on disposal of non-current assets held for sale	(313 560)	–
CHANGES IN OPERATING ASSETS AND LIABILITIES:		
Due from financial institutions	(5 066 891)	(15 110 563)
Financial assets at fair value through profit or loss	(146 417)	1 465 565
Central counterparty financial assets	(92 601 238)	(44 185 092)
Other assets	(195 941)	(36 431)
Balances of market participants	588 493 842	64 578 215
Central counterparty financial liabilities	92 601 238	44 185 092
Distributions payable to holders of securities	2 682 245	(766 095)
Other liabilities	696 231	(412 871)
Cash flows from operating activities before taxation	610 260 103	67 280 814
Income tax paid	(2 752 593)	(2 826 984)
CASH FLOWS FROM OPERATING ACTIVITIES	607 507 510	64 453 830

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014
(IN THOUSANDS OF RUSSIAN RUBLES)**

	Year ended December 31, 2014	Year ended December 31, 2013
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES:		
Purchase of investments available-for-sale	(60 565 857)	(63 758 159)
Proceeds from disposal of investments available-for-sale	58 870 341	46 003 713
Purchase of property and equipment and intangible assets	(1 110 508)	(1 044 626)
Proceeds from redemption of investments held-to-maturity	–	520 069
Proceeds from disposal of property and equipment and intangible assets	5 370	25 071
Proceeds from sale of investments in associates	593 890	–
Acquisition of subsidiaries, net of cash acquired	5 857	–
Disposal of subsidiaries, net of cash disposed	440 000	–
CASH FLOWS USED IN INVESTING ACTIVITIES	(1 760 907)	(18 253 932)
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES:		
Dividends paid	(5 310 171)	(2 726 452)
Sale of treasury shares	138 967	41 502
Acquisition of non-controlling interest in subsidiaries	(2 057)	(27)
Disposal of non-controlling interest in subsidiaries	–	1 519
IPO proceeds, net of transaction costs paid	–	5 757 600
Acquisition of treasury shares	–	(1 527 896)
Loans (repaid) / received	(50 068)	30 055
Proceeds from issue of ordinary shares	–	5 822
CASH FLOWS (USED IN) / FROM FINANCING ACTIVITIES	(5 223 329)	1 582 123
Effect of changes in foreign exchange rates on cash and cash equivalents	306 199 374	15 921 982
NET INCREASE IN CASH AND CASH EQUIVALENTS	906 722 648	63 704 003
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	257 060 487	193 356 484
CASH AND CASH EQUIVALENTS, END OF YEAR	1 163 783 135	257 060 487

Interest received by the Group during the year ended December 31, 2014, amounted to RUB 14 464 307 thousand (December 31, 2013: RUB 11 014 096 thousand).

Interest paid by the Group during the year ended December 31, 2014, amounted to RUB 531 357 thousand (December 31, 2013: RUB 4 720 thousand).

DISCLAIMER

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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 document and we expressly disclaim any obligation or undertaking to release any update of, or revisions to, any forward-looking statements in this document 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.

BOUNDARY OF THE REPORT

This Annual Report features the consolidated performance of OJSC Moscow Exchange and its subsidiaries, including CJSC MICEX SE, CJSC National Settlement Depository, and Bank National Clearing Centre (hereinafter "Moscow Exchange", or "the Group").

OVERVIEW

Moscow Exchange Group is Russia's sole multifunctional exchange platform, established in 2011 by the merger of MICEX (Moscow Interbank Currency Exchange, founded in 1992) and the RTS (Russian Trading System, founded in 1995). The Group comprises:

- OJSC Moscow Exchange, an organiser of trading on the FX and Derivatives Markets
- CJSC MICEX SE, an organiser of trading on the Equity and Bond Market, as well as the Money Market.
- CJSC National Settlement Depository (NSD), the central securities depository.
- JSC Bank National Clearing Centre (NCC Clearing Bank), Russia's largest clearing centre.
- CJSC National Commodity Exchange (NCE), a commodities exchange. Moscow Exchange holds majority stakes in all key subsidiaries, including 100% stakes in MICEX SE and the NCC Clearing Bank, a 99.997% stake in the NSD, and a 62% stake in the NCE.

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Moscow Exchange
Open Joint Stock Company
2014 ANNUAL REPORT
Part 2

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COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

On March 21, 2014 the Board of Directors of the Bank of Russia approved the Corporate Governance Code (hereinafter referred as the “Corporate Governance Code” or the “Code”). Provisions of the Code are based on the internationally recognised principles of corporate governance developed by the Organisation for Economic Co-operation and Development and recommended for use by Joint Stock Companies, the securities of which are admitted to trading.

1. On observance of principles of corporate governance and recommendations of the Corporate Governance Code by the Exchange.

To the extent of observance of principles of corporate governance stipulated in the Corporate Governance Code Supervisory Board declares as follows:

1.1. In accordance with the principles of corporate governance stipulated in the Corporate Governance Code the Exchange shall ensure fair and equitable treatment of its shareholders exercising their rights.

The Exchange shall provide its shareholders, including minority and non-resident shareholders, an opportunity to enforce their rights related to participation in management of the Exchange as well as ensure fair and equitable treatment of its shareholders holding the shares of one class (type).

The shareholders shall have a real opportunity to participate in management of the Exchange by making the decisions as regards the issues pertaining to the competence of the General Shareholder Meeting of the Exchange on the General Shareholder Meetings.

Shareholders of the Exchange are provided with a favourable opportunity to participate in the General Shareholder Meeting in person or by proxy as well as an equal right to express their opinion on the items of the agenda and to ask questions.

Shareholders shall have equal and fair opportunity to participate in profits of the Exchange by receiving dividends. Dividend Policy of the Exchange approved by the Supervisory Board in 2013 stipulates the following fundamental principles of determining the dividend amount:

- annual determination of capital adequacy for the current year and forecasting capital requirements for the next two years;
- shareholders and investors appeal of the Exchange due to quite high, stable and predictable income level from investment into capital of the Exchange;
- dividend level paid by comparable Russian companies.

Within the period stipulated in the FZ (Federal Law) On Joint Stock Companies dividends shall be payable to the persons holding the shares or the persons exercising the rights attached to those shares in accordance with the federal laws as at the close of business on the date when there are determined the persons entitled to receive the dividends in accordance with the decision on payment thereof.

Shareholders entitled to get acquainted with the list of the persons entitled to participate in the General Shareholder Meeting shall be so entitled starting from the date of announcement of the General Shareholder Meeting till the closing time of physical General Shareholder Meeting, an if the meeting is held by virtue of absentee voting – till the termination date of acceptance the voting ballots.

Procedure for announcement of the General Shareholder Meeting of the Exchange and submission of materials enables the shareholders to duly prepare to participation therein.

The General Shareholder Meeting shall be announced not later than 30 days prior to the date of holding thereof (except when the FZ On Joint Stock Companies stipulates the longer period). The announcement shall be published on the Exchange web-site on the information and telecommunications network Internet.

Starting from 2013 the Exchange introduced into practice provision of the shareholders with an opportunity to get acquainted with the information subject to submission when preparing to hold the General Shareholder Meeting by electronic means of communication – to publish all the materials on the Exchange web-site on the information and telecommunications network Internet including in English. Moreover, when preparing to hold the General Shareholder Meeting the Exchange generally publish on its web-site a model form of Power of Attorney which can be used by the shareholder to issue to its representative the Power of Attorney with the right to vote on the General Shareholder Meeting.

An Independent Registrar shall maintain the Register of Registered Securities of the Exchange and functions as a Counting Board that ensures reliable and efficient method of recording the share rights. Shareholder(s) of the Exchange holding the legally determined number of voting shares shall be provided with an opportunity to bring a question for consideration of the General Shareholder Meeting, to nominate the candidates to be elected to the correspondent authorities of the Exchange as well as to call for a General Shareholder Meeting without submission of an Extract from the Shareholders Register, and if the share rights are asserted to a securities account submission of Statement thereof shall be sufficient evidence for exercising of such rights.

In case of consideration of the issues related to election of the Supervisory Board members, the Board Chairman, Revision Committee members on the General Shareholder Meeting as well as the issue on approval of the Auditor such meetings shall be held with participation of the nominees to the correspondent authority of the Exchange.

Physically held General Shareholder Meetings shall be attended by the Board Chairman and the Board members of the Exchange and the Annual General Shareholder Meetings shall be also attended by the Supervisory Board members, Revision Committee Chairman, the Auditor's representative which can be asked by the shareholders.

Each shareholder of the Exchange shall be provided with an opportunity to freely exercise its voting right by sending the filled in ballot or, in case of physically held General Shareholder Meeting, by direct voting by ballot on the meeting.

In the Articles of Association of the Exchange there are no restrictions or conditions related to sale of the shareholders' shares to the third parties that provide the shareholders with an opportunity to freely and easily alienate their shares.

1.2. Corporate Secretary positions of which is inaugurated by the Exchange in 2011 shall be responsible for efficient interaction with shareholders, coordination of the Exchange activities as regards protection of shareholders' rights and interests and assistance in efficient functioning of the Supervisory Board.

In accordance with the Regulation on Corporate Secretary of the Exchange the Corporate Secretary's main functions shall be in particular: participation in improvement of the system and practice of corporate governance of the Exchange, participation in arrangement and holding of General Shareholder Meetings and Meetings of the Supervisory Board of the Exchange, participation in prevention of corporate conflicts as well as implementation of the procedures stipulated in the laws and internal documents ensuring exercise of the shareholders' rights and legal interests.

To ensure the Corporate Secretary's independence of executive authorities of the Exchange the Articles of Association and the Regulation on the Corporate Secretary provide for the Corporate Secretary's accountability to the Supervisory Board of the Exchange. Issue as regards appointment to the Corporate Secretary's position and dismissal therefrom, remuneration and bonus payment as well as goal-setting shall pertain to the competence of the Supervisory Board of the Exchange.

1.3. Strategic management of the Exchange activity and efficient control over activity of the Board and the Board Chairman carried out by the Supervisory Board and accountability of the Supervisory Board to the General Shareholder meeting of the Exchange.

In accordance with the Articles of Association of the Exchange the Supervisory Board shall be accountable to the General Shareholder Meeting, authorised to determine priority business areas of the Exchange, to approve the strategy and control over implementation thereof, to approve budget of the Exchange as well as to control financial and economic indicators of the Exchange.

Supervisory Board shall elect the Board members, determine term of their office and make the decision as regards earlier termination of office (inter alia due to improper fulfilment of their obligations), besides, it shall control activity of executive authorities of the Exchange, regularly review Reports of the Board Chairman and the Board members as regards activity thereof and on performance of the Exchange as well as make decisions following the results of such review.

In accordance with the Articles of Association the competence of the Supervisory Board shall include a number of issues relating to exchange activities in particular approval of the Exchange internal documents pertaining to the competence of the Supervisory Board in accordance with the law On Organised Trading including approval of the Rules of the Organised Trading; documents determining the procedure for arrangement and carrying out of internal control and measures aimed at mitigating of risks of the trades organiser; document determining the measures to be taken in emergency situations aimed at provision of continuity of operations as regards the organised trading. Supervisory Board shall also approve cost of the services as regards the organised trading, Regulations on Users Committees (including council of the exchanging market sections), determine number of members of such Committees and elect members thereof.

Number of members of the Supervisory Board shall ensure the most efficient and professional exercise of the functions assigned thereon including for the purposes of making detached judgements and decisions serving the interests of the Exchange and shareholders thereof. Moreover in 2014 there was carried out evaluation of compliance of nominees to the Supervisory Board with criteria of independence as well as analysis of compliance of elected members of the Supervisory Board with criteria of independence. As at December 31, 2014 the Supervisory Board consisted of four of fifteen elected Independent Directors that was sufficient to comply with

the listing rules set up by Closed joint-stock company MICEX Stock Exchange to the extent of the minimum number of independent directors composing the Supervisory Board of the company required to keep shares of the Exchange in the top quotation list of Closed joint-stock company MICEX Stock Exchange.

All the members of the Supervisory Board shall have the knowledge, skills and experience required for making the decisions pertaining to the competence of the Supervisory Board and necessary for effective exercising of functions of the Supervisory Board, besides members of the Supervisory Board shall comply with the requirements stipulated by the laws of the Russian Federation and applicable Regulations in the sphere of financial markets. Appointment and Incentives Committee shall determine the requirements applicable to professional skills which members of the Supervisory Board shall comply with and from time to time analyse compliance of skill of those members of the Supervisory Board.

Members of the Supervisory Board shall actively participate in the meetings of the Supervisory Board as well as in activity of Committees thereof. In accordance with the Regulation on the Supervisory Board meetings of the Supervisory Board shall be held as necessary but at least every six weeks. Meetings of the Supervisory Board shall be held regularly by personal attendance or by virtue of absentee voting depending on importance of the considered issues. Regulation on the Supervisory Board in details regulates the procedure for arrangement and holding the meetings ensuring sufficient awareness of members of the Supervisory Board when preparing to the meetings and efficient activity of the Supervisory Board.

In the beginning of 2014 the evaluation of performance of the Supervisory Board, committees and members thereof was carried out following the results of which members of the Supervisory Board in general positively estimated quality of business relations between the Board, the Board Chairman and management team as well as arrangement of mutual relations between the Board and the shareholders. Members of the Supervisory Board also made the suggestions related to supplementary work on creation of strategy and development of the risk management system, greater extent of interaction between Directors and the management team outside the meetings, determination of objectives and improvement of the procedures for evaluation, training of Directors as well as improvement of interaction between Chairmen of the Committees and the Supervisory Board, made comments as regards period for submission, scope and contents of materials, scope of the procedures for adaptation and inauguration of Directors.

Following the results of evaluation the Supervisory Board approved the schedule of measures aimed at development of corporate governance and activity of the Supervisory Board as well as other participants of the corporate governance system.

In 2013 on the Extraordinary General Shareholder Meeting it was decided to reduce the number of members of the Supervisory Board from 19 to 15 members in order to increase efficiency of performance thereof.

For preliminary consideration of the most important issues related to activity of the Exchange at the Supervisory Board there are established special committees including the Auditing Committee and Appointment and Incentives Committee.

One of the main goals of the Auditing Committee is assistance in efficient performance of the Supervisory Board to the extent of control of business and financial performance of the Exchange.

Appointment and Incentives Committee is established to assist in formation at the Exchange of efficient and transparent remuneration policy with respect to the Supervisory Board members, members of the executive authorities and other key executive officers.

Taking into consideration range of activity of the Exchange and risk level the Supervisory Board also established the following committees:

- Strategic Planning Committee;
- Risk Management Committee;
- Committee on Budgets;
- Technical Policy Committee.

More detailed information on the Supervisory Board and Committees thereof is available in the correspondent section of the Annual Report.

1.4. Level of remuneration paid by the Exchange to the Supervisory Board members and executive authorities shall be sufficient for attraction, motivation and retention of the employees having the required competence and skills.

Amount of remuneration of the Supervisory Board members shall be determined by the General Shareholder Meeting in accordance with the procedure and in the amount stipulated in the Regulation on Remuneration and Compensation for Expenses incurred by the Members of the Supervisory Board of the Exchange.

Due to the change in the rouble exchange rates against foreign currencies and rising inflation, the issue on change of the approach to and the level of remuneration paid by the Exchange to the Supervisory Board members shall be brought for consideration of the 2015 General Shareholder Meeting in order to provide ample opportunities for attraction, motivation and retention of the employees having the required competence and skills.

Essence of contracts concluded with executive management of the Exchange including with respect to the amount, conditions and procedure for payment of the remuneration shall be determined by the Supervisory Board taking into consideration recommendations of the Appointment and Incentives Committee of the Supervisory Board. Amount of remuneration of the executive management depends on key performance indicators (goals) of the Exchange in general as well as on, as well as on personal key performance indicators of the executive management member and its personal contribution to achievement of the results. The Exchange also applies the practice of deferred payment of a portion of short-term premiums of the executive authorities for up to two years.

Annually the Board members of the Exchange shall plan the key performance indicators related to implementation of the strategy to be considered by the Appointment and incentives Committee of the Supervisory Board and approved by the Supervisory Board of the Exchange.

1.5. At the Exchange there is implemented and functions the risk management system related to carrying out of the Exchange activity as the trade organiser, and there are established Internal Control and Internal Audit Services accountable to the Supervisory Board.

Supervisory Board of the Exchange shall determine the principles and approaches to arrangement of the risk management system and internal control, in particular appoint and dismiss the Head of Internal Control Service, approve the internal

documents setting up the procedure for arrangement and internal control, approve the risk management policy.

In order to ensure independence of the Internal Control Service from the executive authorities functional and administrative accountability of the Head thereof shall be delimited. Functionally Head of Internal Audit Service shall be accountable to the Supervisory Board and administratively – directly to the Board Chairman.

Authorities of the Internal Audit Service of the Exchange shall include, among others, independent assessment of corporate governance of the Exchange.

1.6. Activity of the Exchange shall be transparent for the shareholders, investors and other related parties.

The Exchange shall disclose complete and authentic information in accordance with the laws of the Russian Federation and internal documents including on financial status thereof, economic parameters, ownership and management structure in order to provide the shareholders with an opportunity to make informed judgments and transparency of performance of the Exchange.

The Exchange shall comply with the current laws with respect to disclosure in full and aspire to provide complete and up-to-date information in excess of the legal requirements to increase awareness of the related parties of the Exchange, ownership and management structure and financial performance thereof.

In 2013 the Supervisory Board of the Exchange approved the Regulation on Information Policy setting up the main principles of the Exchange information policy, list of the information and documents subject to disclosure as well as the procedure for provision of the shareholders and investors with the information and documents.

Shareholders of the Exchange shall have equal opportunities for access to the information.

Shareholders of the Exchange shall have an opportunity to obtain complete and authentic information including the information on financial status thereof, performance, management and shareholders thereof.

The Exchange shall maintain confidentiality as well as protection and control over using of the information classified as trade secret and using of insider information.

1.7. Provision of the Board and the Board Chairman with an opportunity to reasonably, honestly administer the day-to-day operations of the Exchange for the benefit thereof as well as accountability of these authorities to the Supervisory Board and the shareholders.

In accordance with the FZ On Joint Stock Companies and Articles of Association of the Exchange the executive authorities (the Board and the Board Chairman) shall administer the day-to-day operations of the Exchange.

In the Board there are no persons convicted for commission of economic offences or crimes against the public order, interests of public services and self-governing authorities, no persons undergone administrative punishment for offences in the sphere of entrepreneurship and finance, taxes and levies and securities market.

In accordance with the Articles of Association determination of the number of the Board members, election of the Board members, determination of term of their office; approval of the terms and conditions of Employment Agreement with the Board Chairman and the Board members inter alia setting up the amount of

remuneration, premiums and other incentives; approval of principles and parameters of long-term remunerations program for the management team, determination of number, structure and amount of salary and premiums for employees of the Internal Audit Service shall pertain to the competence of the Supervisory Board.

In addition to approval of major transactions and transactions with related parties the Supervisory Board, in accordance with the Articles of Association, shall decide whether to approve the transactions amount of which exceeds 300 million roubles (excluding exchange transactions relating to business profile of the Exchange and the transactions related placement of temporarily disposable monetary resources).

1.8. Liability of each member of the Supervisory Board and the Board for consequences of the decisions made; prevention of conflict of interests; protection of the information classified as trade secret of the Exchange

When exercising their rights and fulfilling their obligations members of the Supervisory Board and the Board shall act for the benefit of the Exchange and exercise their rights and fulfil their obligations reasonably and in good faith.

Members of the Supervisory Board and the Board shall:

– in order to prevent conflict of interests when carrying out activity of the Exchange shall refrain from:

performance of actions and/or making the transactions with competitive entities which they are directly or indirectly interested in and which, if made, may inflict substantial damage to the Exchange and/or clients thereof;

acquisition of shares (portions thereof) competitive legal entities;

participation in management and holding other offices in competitive legal entities;

– in order to protect the information classified as trade secret:

shall not either disclose or use for personal use or for the benefit of the third persons the information come to their notice classified as trade secret of the Exchange listed in the internal documents of the Exchange as well as other information access to which is limited in accordance with the internal documents;

– shall not carry out any activity in the competitive entities without consent of the Exchange;

– without consent of the Exchange shall not submit to mass media any materials related to activity of the exchange including the ones related to professional activity on exchanging markets neither under its name nor under a pseudonym;

– shall not use the insider information that comes to their notice for personal advantage.

In order to prevent conflict of interests the Articles of Association and internal documents of the Exchange provide for special provisions, in particular, the Articles of Association of the Exchange pertains determination of methods for prevention of conflicts of interests between the Board members and the Supervisory Board members and decision making in case of conflicts of interests to the competence of the Supervisory Board. Besides Provisions on the Supervisory Board and the Board of the Exchange vest in each member of the Supervisory Board and/or the Board member an obligation to refrain from the acts which result or may result in the conflict between its own interests and interests of the Exchange and in case of such conflict – to disclose the information thereon and to take measures aimed at

maintenance of the correspondent procedure or making transactions with related parties.

1.9. Efficient control over business and financial performance of the Exchange in order to protect the shareholders' rights and legal interests.

In order to control business and financial performance of the Exchange there is established a special authority – Revision Committee to be elected by the General Shareholder Meeting. Activity of the Revision Committee shall be governed by the Articles of Association and the Regulation on the Revision Committee approved by the General Shareholder Meeting. Revision Committee shall be accountable to the General Shareholder Meeting and shall act irrespective of other management authorities of the Exchange.

In order to ensure maximum objectivity and authenticity of the Accounting (Financial) Statement the Exchange shall involve independent Auditor in annual verification and confirmation of Annual Financial Statement. Auditor shall be nominated by the Auditing Committee of the Supervisory Board and approved by the General Shareholder Meeting – for more details see the correspondent section of the Annual Report.

1.10. Recording of the related parties' rights stipulated in the current laws of the Russian Federation, promotion of active cooperation between the Exchange and the related parties in order to maintain stability and develop financial market of the Russian Federation.

The Exchange regards as the main parties interested in its performance market participants, employees, shareholders, the Bank of Russia and other control and supervision authorities, contractors and other institutions affected by activity of the Exchange.

Management of the Exchange shall act in such a manner as to maximally promote interest of the employees in efficient performance of the Exchange. Relations between the Exchange and its employees shall be governed by the current laws of the Russian Federation and Employment Agreements. Executive authorities of the Exchange shall ensure equal rights and opportunities to be employed irrespective of race, nationality, language, origin, wealth and job status, place of residence, religious orientation, beliefs or participation in public associations. In their turn employees of the Exchange shall responsibly and proactively fulfil their duties.

The Exchange shall interact with market participants through the user committees and the Exchange Council which participate in discussion of significant changes in settlement of trade and tariffs for the Exchange services as well as overall strategic development of the scope and quality of the Exchange services.

The Exchange closely interacts with the Bank of Russia in the sphere of norm setting and formation of better practices of exchange activities.

The Exchange aspires to establish mutually favourable relations with its contractors based on development of long-term and steady relations and timely payment under the contracts.

Thus in spite of relatively recent adoption of the Corporate Governance Code the Exchange complies with fundamental principles and recommendations thereof.

After adoption of the Code the Exchange analysed compliance of internal documents thereof and the procedures stipulated therein with the principles and requirements of the Code. In the course of analysis there was also verified compliance with the

corporate governance requirements stipulated by the Listing Rules of Closed joint-stock company “MICEX Stock Exchange” including to the extent of independence of the Directors, the Corporate Secretary and Head of the Internal Audit Service, procedure for establishment of committees of the Supervisory Board, etc. When analysing compliance with the corporate governance principles stipulated in the Code the Exchange was guided by the general corporate governance principles stipulated in the Code.

Following the analysis results there were made major efforts aimed at bringing of the internal documents of the Exchange and the procedures stipulated therein in compliance with the principles and requirements of the Code, in particular, there were approved the revised Regulations on the Internal Audit Service, on the Corporate Secretary, on the Auditing Committee and on the Appointment and Incentives Committee of the Supervisory Board. The latter was renamed from Humane Resource and Incentives Committee (for more details see clause 2 of this section).

Alongside with that in the end of the reporting year there is a range of incompliance as regards of which there are suggested the following remedies:

1. Noncompliance of the number of members of the Auditing Committee and the Appointment and Incentives Committee of the Supervisory Board:

The Auditing Committee is only composed of 3 Independent Directors and 6 members, the Appointment and Incentives Committee is composed of 1 Independent Director and 7 members. The Chairman does not comply with the criteria of independence, moreover, among the members there is a person not being the Director. There are no objective reasons of non-compliance with the requirements.

To bring the number of members of the Auditing Committee and the Appointment and Incentives Committee in compliance with the requirements the shareholders shall nominate sufficient number of independent candidates having the skills and experience required to qualitatively exercise functions of members of the correspondent committees.

Besides, it is supposed that the Chairmen of all the Committees established at the Supervisory Board shall elect the Independent Directors.

2. In the Articles of Association or other document of the Exchange there is not stipulated the requirement as regards disclosure of the information on the date of listing the persons entitled to participate in the Shareholder Meeting at least 7 days prior to such date.

Alongside with that the above requirement is not formalised it is actually met by the Exchange.

The correspondent requirement is included into the draft Articles of Association and Regulation on the Procedure for Preparation, Conveying and Holding of the General Shareholder Meeting of the Exchange brought for approval on the Annual General Shareholder Meeting in 2015.

3. Number of Independent Directors composing the Supervisory Board as at December 31, 2014 is 4 of 15 members of the Supervisory Board – does not comply with recommendations of the Code as regards number of the Independent Directors in accordance with which it shall be equal to at least 1/3 of the elected members of the Supervisory Board.

In addition the Supervisory Board Chairman is the Director not complying with formal criteria of independence, however, experience and prestige of the Chairman-in-Office, A.L. Kudrin, enables the Supervisory Board not to review this decision.

In order to bring the Supervisory Board in compliance with recommendations of the Code as regards the number of Independent Directors the shareholders shall nominate sufficient number of independent candidates having the required skills, experience and unblemished reputation to work as the Supervisory Board members.

Furthermore, in order to bring the Supervisory Board in compliance with recommendations of the Code, the Supervisory Board approved new Provisions on the Supervisory Board Commission on Nomination and Remuneration at its meeting on 23 September 2014 (Minutes No 5 dated 25 September 2014). Below are some functions of the Commission that are stipulated in the Provisions:

- Organise preliminary discussion of nominees to the Supervisory Board of the Exchange by shareholders, among other collect shareholders' opinions on nominee compliance with independency criteria;
- Develop and communicate to shareholders voting recommendations on nominee election to the Supervisory Board of the Exchange;
- Set selection criteria for nominees to the Supervisory Board of the Exchange and interact with both major and minority shareholders to choose those nominees to the Supervisory Board of the Exchange who fully meet the purpose and objectives of the Exchange.

The above-mentioned functions were designed to provide additional undertakings for the Exchange to interact with its shareholders while appointing the Supervisory Board.

To perform the above-mentioned functions, the Nomination and Remuneration Commission reviewed the existing list of the Supervisory Board members and candidates, and drafted recommendations for shareholders to nominate appropriate candidates and voted for them at the 2015 AGM. Information on such candidates and a pertinent letter from the Chairman of the Board were published on the Exchange's website. So, shareholders of the Exchange were offered an opportunity to follow recommendations of the Nomination and Remuneration Commission when nominating candidates for the Supervisory Board to be elected at the 2015 AGM.

Taking into consideration recommendation of the Code as regards election of an Independent Director the Supervisory Board Chairman or choosing the senior Independent Director from amongst the elected Independent Directors, it was suggested to the Independent Directors of the Exchange to elect the senior Independent Director from amongst their number.

It is also worth noting that in 2015 the Supervisory Board brought for consideration of the General Shareholder Meeting the revised Articles of Association and other internal documents governing activity of management of the Exchange taking into consideration the key recommendations of the Code.

2. Material aspects of model and practice of corporate governance at the Exchange.

In 2012 the Supervisory Board of the Exchange approved Fundamental Principles of Corporate Governance in Moscow Exchange Group aimed at creation of efficient system of interaction between participants of corporate relations as well as the system for making management decisions ensuring efficient functioning of not only Exchange but also the companies included into Moscow Exchange Group in the long

run. The main principles of corporate governance of Moscow Exchange Group include:

- principle of working in the best interests of users of the services rendered by the companies included into Moscow Exchange Group;
- principle of equal access to the services rendered by the companies included into Moscow Exchange Group;
- principle of protection and respect of rights and interests of all the shareholders of the companies included into Moscow Exchange Group;
- principle of efficient management of the shares (portions thereof) of the companies included into Moscow Exchange Group;
- principle of transparency and objective of disclosure of the information on activity of Moscow Exchange Group;
- principle of efficient dividend policy;
- principle of efficient human resource policy;
- principle of social and corporate liability.

Being guided by the Corporate Governance Code and Fundamental Principles of Corporate Governance the Exchange aspires to constantly develop and improve its corporate governance.

In the reporting year of 2014 the General Shareholder Meeting approved the revised Articles of Association, Regulations on the Supervisory Board and On Remuneration and Compensation for Expenses incurred by the Members of the Supervisory Board, Regulation on the Board and On the Revision Committee. Principles and norms of the Corporate Governance Code were embodied in the above documents.

Articles of Association of the Exchange was supplemented by the new provisions associated with amendment of the FZ On Joint Stock Companies in particular the ones regarding restructuring of the user committees, exclusion of the section governing the President's activity and redistribution of authorities of the Supervisory Board and executive authorities. Articles of Association of the Exchange was amended to the extent that the Supervisory Board was granted the right to issue instructions when voting on the issues pertaining to the competence of the General Shareholder Meeting of NSD and NCC Clearing Bank as well as on approval of the list of the Exchange nominees to the Supervisory Board and the Revision Committee of the said companies. Competence of the Supervisory Board is supplemented by the rights:

- to determine the list of priority projects controlled by the Supervisory Board and control implementation thereof;
- to approve risk management policy and for the purposes of control over proper operational risk management to review the Reports on Continuity of Operations as well as to assess efficiency of operational risk management system;
- to make decisions on a number of issues related to improvement of the corporate governance system of the Exchange inter alia to compliance of the nominees and members of the Supervisory Board with criteria of independence, to appointment and dismissal of the Corporate Secretary of the Exchange etc.

During the reporting year the Regulation of the Supervisory Board of the Exchange was twice supplemented with the norms determining criteria of independence of the Directors: in February for the purposes of nomination to the Supervisory Board – with the key criteria of independence stipulated in the Code and in June – with the criteria stipulated in the Listing Rules of Closed joint-stock company MICEX Stock Exchange. There was stipulated the right of the Supervisory Board in some cases to recognise independency of a certain member of the Supervisory Board despite of availability of formal interrelationship criteria. Such cases shall be of exceptional character and availability of interrelationship shall not affect capability of the Supervisory Board member to make independent, objective and faithful judgments. Revised Regulation on the Supervisory Board was supplemented by the number of clarifications which shall be provided for in the internal documents of the Joint Stock Company by the Corporate Governance Code, in particular there is stipulated the duty and procedure for the Independent Director's notification of occurrence of the circumstances as a result of which the Independent Director ceases to be independent. Such notice shall be sent to the Chairman of the Supervisory Board within the reasonable period after occurrence of such circumstances comes to the Director's notice specifying description of the circumstance resulted in loss of independence. Regulation on the Supervisory Board was also supplemented with the duty of the Supervisory Board members to refrain from taking any gifts or using other benefits offered by the parties interested in decision making. Functions of the Supervisory Board Chairman were clarified by organisational issues related to provision of the Supervisory Board members with the necessary materials as well as initiative when formulating draft decisions.

Revised Regulation on Remuneration of the Supervisory Board members was supplemented with the procedure for calculation of remuneration in case of obtaining or loss of independence by the Supervisory Board member (Director) since the date of election thereof to the Supervisory Board till the date of termination of its authorities proceeding from the principle of proportionality to duration of the correspondent status of the Supervisory Board member. Besides in the Regulation there was stipulated the list of particular expenses subject to compensation, inter alia there was enlarged the range of events expenses for participation in which shall be compensated for as well as there was stipulated an opportunity to compensate the Supervisory Board members for the expenses related to training and upgrading.

In order to comply with the corporate governance requirements stipulated in the Listing Rules of Closed joint-stock company MICEX Stock Exchange the Supervisory Board approved the following revised internal documents:

Regulation on the Auditing Committee of the Supervisory Board which:

- clarifies the functions of control over Financial Statements, risk management system and internal control system,
- stipulates the principle of independence and objectiveness of internal and external audit,
- controls the system of notification of potential unfair acts and infringements in activity of the Exchange.

Regulation on Appointment and Incentives Committee supplemented by such functions as:

- development and review of remuneration policy of the Supervisory Board and executive authorities,

- assessment of performance of the executive authorities following the results of the year in accordance with the remuneration policy,
- development of the terms and conditions of earlier termination of agreements with executive authorities,
- development of recommendations on the Corporate Secretary's remuneration and premium.

Regulation on the Corporate Secretary which:

- intensifies the Corporate Secretary's independence from executive authorities, in particular functions of appointment, functional accountability and remuneration of the Corporate Secretary are vested in the Supervisory Board,
- functions of the Corporate Secretary are supplemented by participation in prevention of corporate conflicts, ensuring of implementation of the procedures aimed at exercising of the shareholders' right and legal interests and control over exercising thereof as well as participation in improvement of the system and practice of corporate governance;
- includes provisions on the Corporate Secretary's liability.

Regulation on the Internal Audit Service which stipulates:

- functions of assessment of corporate governance,
- functional accountability of the Head of Internal Audit Service to the Supervisory Board;
- requirement as regards availability of the internal audit policy determining the goals, tasks and authorities of the Internal Audit System.

3. Assessment methodology of compliance with the principles of corporate governance stipulated in the Corporate Governance Code.

Assessment of compliance with the principles of corporate governance was carried out by the Auditing Committee of the Supervisory Board of the Exchange by analysis and comparison of the Articles of Association, internal documents of the Exchange as well as available information with the principles and recommendations of the Code. Following a review of the analysis findings at a meeting of the Auditing Committee, the Chairman of the Commission reported to the Supervisory Board on the on-going status of arrangements undertaken to bring the Exchange in compliance with the principles and recommendations of the Code.

4. Key reasons, factors and (or) circumstances due to which the Exchange fails to comply with the principles of corporate governance stipulated in the Corporate Governance Code or complies therewith not to the fullest extent.

The main reason for non-compliance with the principles of corporate governance to the fullest extent is the short term elapsed from adoption of the Corporate Governance Code, which hindered implementation of all recommendations of the Code.

It is also worth noting that number of members of all the committees of the Supervisory Board is determined on the basis of results of election of the Supervisory Board on the Annual General Shareholder Meeting in 2014. Thereat candidates to the Supervisory Board were nominated by the shareholders prior to entering of the Corporate Governance Code into force and publication thereof.

5. Planned (expected) acts and initiatives of the Exchange aimed at improvement of corporate governance model and practice.

In the end of the reporting period there was started preparation of a range of significant changes in the Articles of Association and internal documents of the Exchange subject to on the Annual General Shareholder Meeting in 2015. Those changes are aimed at harmonisation of norms with recommendations of the Corporate Governance Code and increase of investment attractiveness of the Exchange.

In particular there are revised:

- Articles of Association;
- Regulation on the Procedure for Trading, Conveying and Holding of the General Shareholder Meeting;
- Regulation on the Supervisory Board.

When nominating the candidates to the new Supervisory Board shareholders shall take into consideration necessity of involvement of Independent Directors to comply with the Listing Rules and recommendations of the Corporate Governance Code including with respect to establishment of the committees in particular the Auditing Committee and the Appointment and Incentives Committee.

Following the results of election of the Supervisory Board on the Annual general Shareholder Meeting in 2015 there shall be established committees of the Supervisory Board thereat number of members thereof shall be reduced.

Report on Moscow Exchange Compliance with the Principles and Recommendations of the Corporate Governance Code

Serial No.	Corporate governance principle (principles) or key criterion (recommendation)	Summary of the matter of non-compliance with the principle or the key criterion	Explanation of the main reasons, factors and circumstances due to which the principle or the key criterion is not complied with or not complied with in full, description of alternative mechanisms and corporate governance tools used
1	2	3	4
I. The Shareholders' Rights and Equitable Treatment of the Shareholders When They Exercise Their Rights			
1.1.	The company shall ensure equitable and fair treatment of all shareholders when they exercise their right to participate in the company's governance. The corporate governance system and practices shall guarantee equal conditions for all shareholders owning the same category (type) shares, including minority shareholders and foreign shareholders, and the company's equitable treatment of them.		
1.1.1.	<p>The company has approved the internal document determining the main procedures for preparing, calling and holding a general meeting of shareholders complying with the Corporate Governance Code recommendations, including the company's obligation:</p> <p>to inform the shareholders of holding the general meeting of shareholders and provide access to the materials, including post a notification and materials on the company's website in the Internet no later than 30 days before the date of its holding (unless the larger term is not stipulated by the legislation of the Russian Federation);</p> <p>to disclose the information on the date of drawing up the list of persons having the right to participate in the general meeting of shareholders no later than 7 days before its maturing;</p> <p>to provide additional information and materials on all the agenda items to the general meeting of shareholders in accordance with the Corporate Governance Code recommendations (hereinafter also - "the Code").</p>	<p>Partially complied with.</p> <p>The Regulation on the Procedure for Preparing, Calling and Holding the General Meeting of Shareholders does not stipulate the Exchange's obligations:</p> <p>to post the materials on the website in the Internet no later than 30 days before the date of holding the general meeting of shareholders;</p> <p>to disclose the information on the date of drawing up the list of persons having the right to participate in the general meeting of shareholders no later than 7 days before its maturing;</p> <p>to provide additional information and materials on all the agenda items to the general meeting of shareholders in accordance with the Code recommendations.</p>	<p>The main reason for the Exchange's not full compliance with the stated principles is the short term passed after the Code's adoption which did not allow implementing all its recommendations.</p> <p>Herewith, it should be noted that the Exchange posts the materials on its website in the Internet no later than 20 days before the date of holding the general meeting of shareholders. The Exchange strives to post the materials at least 30 days prior the meeting.</p> <p>It stands to mention that the Exchange drafted new Provisions on the procedure for preparing, revoking and conducting an AGM and a new version of the Articles of Associations, to the approved at the 2015 AGM. The new documents set out that the AGM record date must be announced at least 7 days before, and that additional information and materials may be submitted for the AGM.</p> <p>Besides, the Exchange actually discloses the information on the date of drawing up the list of persons having the right to participate in the general meeting of shareholders no later than 7 days before its maturing.</p>
1.1.2.	The company has committed itself to provide the shareholders with the opportunity to put questions on the company's activity to the management and controlling bodies' members, the Audit Committee members, the Chief Accountant, the company's auditors, as well as the candidates to the management and control bodies while preparing and holding the general meeting of shareholders. The stated obligations are stipulated in the company's Articles of Association or internal documents.	<p>Partially complied with.</p> <p>The Regulation on the Procedure for Preparing, Calling and Holding the General Meeting of Shareholders does not stipulate an obligation to provide an opportunity to shareholders to ask members of the management and control bodies, members of the Audit Commission of the Supervisory Board, Chief Accountant, auditors and candidates for management and control bodies, on the Exchange's activity.</p>	<p>The main reason for the Exchange's not full compliance with the stated principles is the short term passed after the Code's adoption which did not allow implementing all its recommendations.</p> <p>Herewith, the Regulation on the Procedure for Preparing, Calling and Holding the General Meeting of Shareholders stipulates the Exchange's obligation to invite the Exchange's management and control bodies members, as well as the candidates to the Exchange's management and control bodies to the general meetings of shareholders, and the shareholders are given the opportunity to put questions to the stated persons. For the same purpose the members of the Audit Committee of the Supervisory Board, the Chief Accountant and the auditor are actually invited to the general meetings of shareholders.</p> <p>It stands to note that new Provisions on the procedure for preparing, revoking and conducting an AGM to be approved at the 2015 AGM, set out that members of the Audit Commission of the Supervisory Board, chief accountant and auditor may be invited to the AGM.</p>
1.1.3.	The company has committed itself to adhere to the principle of prohibition of actions resulting in artificial corporate control redistribution (for example, voting with "quasi-treasury" shares, making decision on dividends payout on preferred shares under the conditions of financial limitations, making decision on non-distribution of dividends on preferred shares determined in the company's Articles of Association when sufficient sources for their distribution are available). The stated obligations are stipulated in the company's Articles of Association or internal documents.	<p>Complied with in part.</p> <p>These responsibilities are not stated directly in the Articles of Association and Exchange's by-laws.</p>	<p>The main reason for the Exchange's not full compliance with the stated principle is the short term passed after the Code's adoption which did not allow implementing all its recommendations.</p> <p>Herewith, it should be noted that the Exchange actually complies with this principle - in 2014 the Exchange did not take actions which could result in artificial corporate control redistribution.</p> <p>Voting with "quasi-treasury" shares is not effected; the Exchange did not place the preferred shares. The Exchange's Articles of Associations set out that decisions on the Exchange's stocks held by companies wholly owned by the Exchange are made as decided by the Supervisory Board. In 2014, the Supervisory Board decided to refrain from voting with such shares.</p>

1.1.4.	Other key, according to the company, criteria (recommendations) of the Corporate Governance Code related to the stated corporate governance principle (principles).	The following other key principles are complied with in full: - to ensure equitable treatment of all shareholders, including foreign ones, the Exchange provides information on the meeting holding not only in Russian but also in the foreign language which is commonly used on the financial market; - the Articles of Association sets out an increased term for shareholders to make proposals to the agenda items of the annual general meeting, i.e. 60 days after the end of the calendar year (in comparison to the legislation); - the Articles of Association includes the provision on the obligatory forwarding the ballot papers for voting to the shareholders and on the shareholders' right to participate in the general meeting by filling in and forwarding the ballot papers to the company.	-
1.2	The shareholders shall be provided with the equitable and fair opportunity to participate in the company's profits through dividends distribution.		
1.2.1.	The company has approved the internal document determining the company's dividend policy complying with the Corporate Governance Code recommendations and establishing, inter alia: the procedure of determination of the net profit part (for companies drawing consolidated financial statements – the minimal part (share) of consolidated net profit), forwarded for dividends payout, the conditions under which dividends are declared; the minimal amount of dividends on the company's shares of different categories (types); the obligation to disclose the document determining the company's dividend policy on the company's website in the Internet.	Partially complied with. The Exchange's dividend policy does not stipulate: the obligation to disclose the document determining the company's dividend policy on the Exchange's website in the Internet.	The main reason for the Exchange's failure to fully comply with the stated principle is the short period of time passed after the Code's adoption, which did not allow for implementation of all its recommendations. Herewith, the Exchange's dividend policy approved on February 1, 2013 by the Supervisory Board (Minutes No. 25) stipulates the following main principles for the dividend amount determination: - annual determination of the capital's sufficiency for the current year and predicting demand for the capital for the next two years; - the Exchange's attractiveness for the shareholders and investors owing to rather high, stable and predictable level of monetary income from the investment in the Exchange's capital; - the level of dividends distributed by the Russian companies comparable to the Exchange. The stated policy also determined the minimal amount of dividends for 2012-2014, in particular, the Exchange's dividends for 2014 are not less than 50% (in percentage of the net profit). In addition, the Exchange has created Dividends and Dividend History section on its website to publish, inter alia, the following information: dividend history for several years, dividend rights, procedure for establishing the dividend size, paying them and determining persons eligible for them.
1.2.2.	Other key, according to the company, criteria (recommendations) of the Corporate Governance Code related to the stated corporate governance principle (principles).	-	-
II. The Company's Board of Directors			
2.1	The Board of Directors determines main strategic guidelines of the company's activity for a long-term perspective, the key indicators of the company's activity, exercises the company's strategic management, determines main principles of and approaches to the organisation of the company's risk management and internal control system, exercises control over the activity of the company's executive bodies, determines the company's policy on the Board of Directors and executive bodies members' remuneration, as well as performs other key functions.		
2.1.1.	The company has established the Board of Directors which: determines main strategic guidelines of the company's activity for a long-term perspective, the key indicators of the company's activity; controls the activity of the company's executive bodies; determines main principles of and approaches to the organisation of the company's risk management and internal control; determines the company's policy on remuneration of the members of the Board of Directors, executive bodies and other key administrative officers of the company.	Partially complied with. The Supervisory Board's competence does not stipulate that the Board: determines key indicators of the company's activity.	The main reason for the Exchange's not full compliance with these corporate governance principles is the short term passed after the Code's adoption, which did not allow for implementation of all its recommendations. It stands to note that a new version of the Articles of Associations to be approved at the 2015 AGM provides for a power of the Supervisory Board to set KPIs.
2.1.2.	Other key, according to the company, criteria (recommendations) of the Corporate Governance Code related to the stated corporate governance principle (principles).	-	-

2.2.	The Board of Directors shall be the efficient and professional the company's management body capable of passing objective independent judgments and resolutions meeting the interests of the company and its shareholders. The Board of Directors Chairman shall contribute to the most effective performance of the functions assigned to the Board of Directors. The Board of Directors' meetings, their preparation and participation of the Board of Directors members therein shall ensure the Board of Directors' efficient activity.		
2.2.1.	The Board of Directors Chairman shall be an independent director; or a senior independent director shall be determined among the elected Independent Directors who coordinates the work of Independent Directors and exercises cooperation with the Board of Directors Chairman.	Not complied with.	<p>The main reason for the Exchange's failure to fully comply with these corporate governance principles is the short period of time passed after the Code's adoption, which did not allow for implementation of all its recommendations.</p> <p>The Supervisory Board Chairman is A.L. Kudrin – the director who does not comply with the formal independence criteria, however, his experience and authority allow the Supervisory Board not to revise this decision.</p> <p>The Supervisory Board has also worked over and discussed the issue on the senior independent director determination coordinating the work of independent directors and effecting interrelation with the Board of Directors Chairman, and on the discussion results one of the directors was offered to perform these functions informally, and in case the experience is successful, this decision will be officially adopted by the Supervisory Board, and necessary amendments will be introduced to the company's internal documents.</p>
2.2.2.	<p>The company's internal documents establish the procedure of preparing and holding the Board of Directors meetings, providing the Board of Directors members with the opportunity to prepare duly for their holding, and stipulating, in particular:</p> <p>the terms of the Board of Directors members' notification on the upcoming meeting;</p> <p>the terms of forwarding the documents (ballot papers) for voting and receipt of the filled in documents (ballot papers) when holding the meetings in absentia;</p> <p>the opportunity of forwarding and consideration of the written opinions on the agenda items for the Board of Directors members absent at the meeting in praesentia;</p> <p>the opportunity of discussion and voting by means of conference call and videoconference.</p>	<p>Partially complied with.</p> <p>The Regulation on the Supervisory Board does not provide for the opportunity to discuss issues and vote at the meetings by means of conference call and videoconference.</p>	Such opportunity is not provided for by the Exchange's internal documents for the purpose of encouraging the Supervisory Board members for personal and direct participation in the Exchange's activity.
2.2.3.	The most important issues shall be resolved at the Board of Directors meetings held in praesentia. The list of such issues complies with the Corporate Governance Code recommendations. ¹	<p>Partially complied with.</p> <p>Decisions on some items were made at meeting in absentia of the Supervisory Board.</p>	<p>The main reason for the Exchange's failure to fully comply with these corporate governance principles is the short period of time passed after the Code's adoption, which did not allow for implementation of all its recommendations.</p> <p>Herewith, when determining the form of the meeting the Supervisory Board Chairman takes into account the importance of the issues and attempts to ensure the consideration of the issues stated in Clause 168 of Part B of the Code at the meetings in praesentia.</p>
2.2.4.	Other key, according to the company, criteria (recommendations) of the Corporate Governance Code related to the stated corporate governance principle (principles).	-	-
2.3.	The Board of Directors shall include the sufficient number of independent directors.		
2.3.1.	The independent directors shall constitute not less than one third of the elected Board of Directors members.	<p>Not complied with.</p> <p>As of December 31, 2014 the Supervisory Board consisted of 4 independent directors of 15 elected ones.</p>	<p>The main reason for the Exchange's failure to fully comply with this corporate governance principle is the short period of time passed after the Code's adoption, which did not allow for implementation of all its recommendations.</p> <p>In addition, number of independent directors in the Supervisory Board was sufficient in accordance with the Provisions on the Supervisory Board and MICEX SR Listing Rules with regard to compliance with the requirement on the minimum number of independent directors in the Board to maintain Exchange's shares in the Level 1 List of MICEX SE.</p> <p>Besides, it should be taken into account that the Supervisory Board was formed on the results of the Board's election at the annual meeting of the Exchange's shareholders in 2014, and the shareholders nominated the candidates for election</p>

¹ Indicated in Clause 168 of Part B of the Corporate Governance Code.

			<p>before the publication of the Code and its entering into force.</p> <p>It stands to note that new Provisions on the Supervisory Board to be approved at the 2015 AGM include direct standard for the board membership of at least 1/3 independent directors of the total number of members elected.</p>
2.3.2.	The independent directors shall fully comply with the criteria of independence recommended by the Corporate Governance Code.	Fully complied with.	-
2.3.3.	The Board of Directors (the Nominating (Staff, Appointments) Committee) shall carry out the assessment of the Board of Directors candidates' compliance with the independence criteria.	Fully complied with.	-
2.3.4.	Other key, according to the company, criteria (recommendations) of the Corporate Governance Code related to the stated corporate governance principle (principles).	-	-
2.4.	The Board of Directors shall establish committees for provisional consideration of the most important issues of the company's activity.		
2.4.1.	The Board of Directors has established the Audit Committee consisting of independent directors; its functions are stated in the internal documents and comply with the Corporate Governance Code recommendations ² .	<p>Partially complied with.</p> <p>½ of the Audit Committee of the Supervisory Board does not have the independent director's status (3 of 6 members).</p>	<p>The main reason for the Exchange's failure to fully comply with this corporate governance principle is the short period of time passed after the Code's adoption, which did not allow for implementation of all its recommendations.</p> <p>Besides, the Committee's composition was formed on the results of the Supervisory Board election at the annual meeting of the Exchange's shareholders in 2014. Herewith, the shareholders nominated the candidates for election before the publication of the Code and its entering into force.</p> <p>Herewith, it should be taken into account that the Audit Committee of the Supervisory Board is headed by the independent director.</p>
2.4.2.	The Board of Directors has established the Remuneration Committee (may be combined with the Nominating (Staff, Appointments) Committee) consisting of independent directors; its functions comply with the Corporate Governance Code recommendations ³ .	<p>Partially complied with.</p> <p>The Appointments and Remuneration Committee of the Supervisory Board includes only 1 independent director out of 7. The Committee Chairman does not comply with the independence criteria, besides, the Committee includes the member who is not the director.</p>	<p>The main reason for the Exchange's failure to fully comply with this corporate governance principle is the short period of time passed after the Code's adoption, which did not allow for implementation of all its recommendations.</p> <p>The Committee's composition was formed on the results of the Supervisory Board election at the annual meeting of the Exchange's shareholders in 2014. Herewith, the shareholders nominated the candidates for election before the publication of the Code and its entering into force.</p>
2.4.3.	The Board of Directors has established the Nominating (Staff, Appointments) Committee (may be combined with the Remuneration Committee), the most of it members are independent directors, its functions comply with the Corporate Governance Code recommendations ⁴ .	<p>Partially complied with.</p> <p>The Appointments and Remuneration Committee of the Supervisory Board includes only 1 independent director out of 7. The Committee Chairman does not comply with the independence criteria, besides, the Committee includes the member who is not the director.</p>	<p>The main reason for the Exchange's failure to fully comply with this corporate governance principle is the short period of time passed after the Code's adoption, which did not allow for implementation of all its recommendations.</p> <p>The Committee's composition was formed on the results of the Supervisory Board election at the annual meeting of the Exchange's shareholders in 2014. Herewith, the shareholders nominated the candidates for election before the publication of the Code and its entering into force.</p>
2.4.4.	Other key, according to the company, criteria (recommendations) of the Corporate Governance Code related to the stated corporate governance principle (principles).	-	-
2.5.	The Board of Directors shall ensure the quality assessment of work of the Board of Directors, its committees and members of the Board of Directors.		
2.5.1.	The quality assessment of the Board of Directors' work shall be carried out on a regular basis, at least annually, herewith at least once in three years such assessment shall be carried out with the involvement of external organisation	Fully complied with.	-

² Indicated in Clause 172 of Part B of the Corporate Governance Code.

³ Indicated in Clause 180 of Part B of the Corporate Governance Code.

⁴ Indicated in Clause 186 of Part B of the Corporate Governance Code.

	(consultant).		
2.5.2.	Other key, according to the company, criteria (recommendations) of the Corporate Governance Code related to the stated corporate governance principle (principles).	-	-
III. The Company's Corporate Secretary			
3.1	Effective current interrelation with the shareholders, coordination of the company's activity on protection of the shareholders' rights and interests, support of the effective work of the Board of Directors are ensured by the Corporate Secretary (special structural unit headed by the Corporate Secretary).		
3.1.1.	The Corporate Secretary shall be accountable to the Board of Directors, appointed and designated on the resolution or the consent of the Board of Directors.	Fully complied with.	-
3.1.2.	The company has established the internal document determining the Corporate Secretary's rights and obligations (Regulation on the Corporate Secretary), the content of which complies with the Corporate Governance Code recommendations ⁵ .	Fully complied with.	-
3.1.3.	The Corporate Secretary holds a position which cannot be combined with the performance of other functions in the company. The Corporate Secretary is assigned with functions in accordance with the Corporate Governance Code recommendations. ⁶ The Corporate Secretary disposes sufficient resources to perform its functions.	Partially complied with. The Corporate Secretary holds the position combined with the performance of other functions in the Exchange.	The main reason for the Exchange's failure to fully comply with this corporate governance principle is the short period of time passed after the Code's adoption, which did not allow for implementation of all its recommendations.
3.1.4.	Other key, according to the company, criteria (recommendations) of the Corporate Governance Code related to the stated corporate governance principle (principles).	-	-
IV. The Remuneration System of the Members of the Board of Directors, Executive Bodies and Other Key Administrative Officers of the Company			
4.1.	The level of remuneration paid by the company shall be sufficient to attract, motivate and keep the persons possessing competence and qualification necessary for the company. Payment of remuneration to the members of the Board of Directors, executive bodies and other key administrative officers of the company shall be made in accordance with the remuneration policy adopted in the company.		
4.1.1.	All the payments, benefits and bonuses provided to the members the Board of Directors, executive bodies and other key administrative officers of the company are regulated in the company.	Partially complied with. The Exchange's by-laws for payments, benefits and perquisites do not include the category of key managers.	The main reason for the Exchange's failure to fully comply with this corporate governance principle is the short period of time passed after the Code's adoption, which did not allow for implementation of all its recommendations. Herewith, payments, benefits and bonuses provided to key administrative officers are actually stipulated by the Exchange's internal documents, because they cover, inter alia, members of the executive bodies, besides, pursuant to the Regulation on the Appointments and Remuneration Committee of the Supervisory Board this Committee is assigned with the correspondent obligation. Key executive officers include directors of three major business divisions directly influencing on the financial and operational performance of the company. According to the Provisions on the Nomination and Remuneration Commission of the Supervisory Board, the Commission provides recommendations and opinions on the annual bonus size to be paid to the key executive officers of the Exchange, to the chief executive officer.
4.1.2.	Other key, according to the company, criteria (recommendations) of the Corporate Governance Code related to the stated corporate governance principle (principles).	-	-
4.2.	The system of the Board of Directors members' remuneration shall ensure bringing together the directors' financial interests and the shareholders' long-term financial interests.		
4.2.1.	The company shall not apply other forms of monetary remuneration of the Board of Directors members apart from the fixed annual remuneration.	Fully complied with.	The Exchange additionally applies the fixed benefits for fulfilment of the functions of the Supervisory Board Chairman, the Supervisory Board Deputy Chairman and the Chairmen of the Supervisory Board Committees.
4.2.2.	The Board of Directors members shall not be given the opportunity to participate in stock options plans; and the right to dispose of the company's shares held by them shall not be determined by achievement of certain activity	Fully complied with.	-

⁵ Indicated in Clause 217 of Part B of the Corporate Governance Code.

⁶ Indicated in Clause 218 of Part B of the Corporate Governance Code.

	indicators.		
4.2.3.	Other key, according to the company, criteria (recommendations) of the Corporate Governance Code related to the stated corporate governance principle (principles).	-	-
4.3.	The remuneration system of executive bodies and other key administrative officers of the company shall provide for the remuneration's dependence on the results of the company's work and their personal contribution to achievement of this result.		
4.3.1.	The company has implemented the program of the long-term motivation of executive bodies members and other key administrative officers of the company.	Fully complied with.	-
4.3.2.	Other key, according to the company, criteria (recommendations) of the Corporate Governance Code related to the stated corporate governance principle (principles).	-	-
V. Risk Management and Internal Control System			
5.1.	An efficiently functioning risk management and internal control system aimed at ensuring reasonable confidence in achievement of the goals set before the company shall be established in the company.		
5.1.1.	The Board of Directors has determined the principles of and approaches to the organisation of the risk management and internal control system.	Fully complied with.	
5.1.2.	A separate structural unit on risk management and internal control has been established in the company.	Fully complied with.	-
5.1.3.	The company has developed and implemented an anti-corruption policy determining the arrangements aimed at establishing the elements of the corporate culture, organisational structure, rules and procedures ensuring prevention of corruption.	Partially complied with. The anti-corruption policy does not determine the arrangements aimed at establishing the organisational structure.	The main reason the Exchange is not fully in compliance with this corporate governance principle is the Exchange's strong organisational structure to prevent corruption, and there is no need to set measures to create an organisational structure.
5.1.4.	Other key, according to the company, criteria (recommendations) of the Corporate Governance Code related to the stated corporate governance principle (principles).		
5.2.	For systematic independent assessment of reliability and efficiency of the risk management and internal control system and corporate government practices the company shall organise the internal audit performance.		
5.2.1.	A separate structural unit has been established in the company performing the functions of internal audit under the control of the company's Board of Directors. The stated unit's functions comply with the Corporate Governance Code recommendations; such functions include, in particular: estimation of the internal control system efficiency; estimation of the risk management system efficiency; the corporate governance estimation (in case the Corporate Government Committee is absent).	Fully complied with.	-
5.2.2.	The Internal Audit Unit Head shall be accountable to the company's Board of Directors, appointed and designated on the company's Board of Directors resolution.	Fully complied with.	-
5.2.3.	The company has approved the internal audit policy (Regulation on the Internal Audit), determining the internal audit's aims, goals and functions.	Fully complied with.	-
5.2.4.	Other key, according to the company, criteria (recommendations) of the Corporate Governance Code related to the stated corporate governance principle (principles).	-	-
VI. Disclosure of Information on the Company, the Company's Information Policy			
6.1.	The company and its activity shall be transparent for the shareholders, investors and other persons concerned.		
6.1.1.	The company has approved the internal document determining the company's information policy complying with the Corporate Governance Code recommendations. The company's information policy includes the following ways of interrelation with the investors and other persons concerned: arrangement of a special page of the company's website in the Internet with answers to frequently asked questions of the shareholders and investors, regularly updatable calendar of the company's corporate events, as well as other	Partially complied with. The Information Policy does not include the following ways of interrelation with the investors and other persons concerned: posting in the Internet answers to frequently asked questions of the shareholders and investors, regularly updatable calendar of the company's corporate events, as well as other information useful for the shareholders	The main reason for the Exchange's failure to fully comply with this corporate governance principle is the short period of time passed after the Code's adoption, which did not allow for implementation of all its recommendations. Actually, the Exchange employs all recommendations contained in the Code. Besides, the Regulation on the Exchange's Information Policy was adopted before the Corporate Governance Code's entering into force on March 29, 2013.

	<p>information useful for the shareholders and investors;</p> <p>holding meetings of executive bodies members and other key administrative officers of the company with analysts on a regular basis;</p> <p>holding regular presentations (including in the forms of teleconferences, webcasts) and meetings with the participation of the management bodies members and other key administrative officers of the company, including ancillary publications of the company's accounting (financial) reports or connected with main investment projects and plans of the company's strategic development.</p>	<p>and investors;</p> <p>holding regular meetings of executive bodies members and other key administrative officers of the company with analysts;</p> <p>holding regular presentations and meetings with the participation of the management bodies members and other key administrative officers of the company, including ancillary publications of the Exchange's accounting (financial) reports or connected with main investment projects and plans of the Exchange's strategic development.</p>	<p>Herewith, it is planned to adopt in 2015 a new version of the Regulation on Moscow Exchange OJSC Information Policy taking into account the Corporate Governance Code recommendations.</p>
6.1.2.	<p>The company's implementation of the information policy shall be carried out by the company's executive bodies. The control over due information disclosure and compliance with the information policy is exercised by the Board of Directors.</p>	<p>Fully complied with.</p>	
6.1.3.	<p>The company has established the procedures ensuring coordination of work of all the company's services and structural units connected with information disclosure or the activity of which may lead to the necessity of information disclosure.</p>	<p>Fully complied with.</p>	
6.1.4.	<p>Other key, according to the company, criteria (recommendations) of the Corporate Governance Code related to the stated corporate governance principle (principles).</p>	<p>-</p>	<p>-</p>
6.2.	<p>The company shall timely disclose full, up-to-date and reliable information on the company to ensure the capability of making reasonable decisions by the company's shareholders and investors.</p>		
6.2.1.	<p>Given there is a significant share of foreign investors in the capital, along with the information disclosure in Russian, the company shall ensure the disclosure of the most significant information on the company (including notifications of holding the general meetings of shareholders, the company's annual report) in the foreign language which is commonly used on the financial market.</p>	<p>Fully complied with.</p>	<p>-</p>
6.2.2.	<p>The company shall ensure the disclosure of information not only about itself, but also about the legal entities controlled by it, having the substantial significance for it.</p>	<p>Partially complied with.</p> <p>The Exchange partially discloses information on LLC MICEX-Finance which is of significant importance to the Exchange – within the reports and significant facts of the Exchange.</p>	<p>The main reason for not full compliance with this principle is that the Exchange and LLC MICEX-Finance do not have the obligation by law to disclose the information. However, a new version of the Provision on the information policy of the Exchange will be adopted as recommended in the Code.</p>
6.2.3.	<p>The company shall disclose the annual and the interim (semi-annual) consolidated or individual financial reports drawn up in accordance with the International Financial Reporting Standards (IFRS). Annual consolidated or individual financial statements shall be disclosed together with the audit report, and the interim (semi-annual) consolidated or individual financial statements – together with the report on the review audit results or the audit report.</p>	<p>Partially complied with.</p> <p>Interim (semi-annual) consolidated statements of the Exchange are not reviewed.</p>	<p>According to the law, any interim (semi-annual) consolidated financial statements under IFRS are not required to be reviewed. Thus, the Exchange's Interim (semi-annual) consolidated statements are not reviewed.</p> <p>However, the Exchange is considering the possibility of such reviews in future.</p>
6.2.4.	<p>The company has disclosed the special memorandum containing the plans of the entity controlling the company in relation to the company. The stated memorandum has been drawn up in accordance with the Corporate Governance Code recommendations⁷.</p>	<p>The Exchange does not have the controlling person.</p>	<p>-</p>
6.2.5.	<p>The company ensures the disclosure of detailed information about personal data of the Board of Directors members, including the information if they are independent directors, as well as immediate disclosure of information on the Board of Directors member's loss of the independent director status.</p>	<p>Fully complied with.</p>	<p>-</p>

⁷ Indicated in Clause 279 of Part B of the Corporate Governance Code.

6.2.6.	<p>The company shall disclose the information on the capital structure in accordance with the Corporate Governance Code recommendations.</p>	<p>Partially complied with.</p> <p>The Exchange does not disclose:</p> <p>the statements of the company's executive bodies on the absence on the Exchange of information on the existence of ownership percentage of shares exceeding five per cent, apart from the disclosed one;</p> <p>information on the possibility to obtain or obtaining by certain shareholders the amount of control not comparable to their participation in the Authorised capital, including on the basis of shareholders' agreements or due to availability of ordinary and preferred shares with different nominal value.</p>	<p>The main reason for not full compliance with this corporate governance principle is that the Exchange does not have the obligation by law to disclose such information, as well as the short term passed after the Code's adoption which did not allow implementing and/or adapting its recommendations.</p> <p>However, a new version of the Provision on the information policy of the Exchange will be adopted as recommended in the Code.</p>
6.2.7.	<p>The company's annual report contains additional information recommended by the Corporate Governance Code:</p> <p>summary of the most significant transactions, including interrelated transactions entered into by the company and legal entities controlled by it for the last year;</p> <p>annual report on the Board of Directors work (including the Board of Directors' committees) containing, inter alia, the information on the number of meetings in praesentia (absentia), on participation of each of the Board of Directors members in the meetings, description of the most significant questions and the most complex issues considered at the meetings of the Board of Directors and its committees, main recommendations given to the Board of Directors by the committees;</p> <p>information on direct or deemed interest in the company's shares of the members of the Board of Directors and executive bodies of the company;</p> <p>information if the members of the Board of Directors and executive bodies have the competitive interests (including connected with participation of the stated persons in the management bodies of the company's competitors);</p> <p>description of the remuneration system of the Board of Directors members, including the amount of individual remuneration at year-end on each member of the Board of Directors (with a breakdown into basic, additional remuneration for chairmanship in the Board of Directors, for chairmanship (membership) in the committees attached to the Board of Directors, commitment to the long-term incentive program, commitment of each member of the Board of Directors to the stock options plan, if any), reimbursement of expenses connected with the Board of Directors membership, as well as the company's expenses on the directors' liabilities insurance as the management bodies members;</p> <p>information on the annual cumulative remuneration:</p> <p>a) on the group of not less than five most high-paid members of executive bodies and other key administrative officers of the company with a breakdown by each remuneration type;</p> <p>б) on all the members of executive bodies and other key administrative officers of the company to which the company's remuneration policy applies, with a breakdown by each remuneration type;</p> <p>information on annual remuneration of the sole executive body which it received or shall receive from the company (legal entity from the group of organisations whereof the company is the part) with a breakdown by each remuneration type, both for its fulfilment of the sole executive body's obligations and on other grounds.</p>	<p>Partially complied with.</p> <p>The Exchange does not disclose in the annual report:</p> <p>Information on annual remuneration:</p> <ul style="list-style-type: none"> - for a group of at least five most highly paid members of the management bodies and other key managers, by remuneration type; - for all members of management bodies and other key managers whose activity is regulated by Exchange's policy on remuneration, by remuneration type; - information on CEO's remuneration for the year which was or is due to be paid by the Exchange for performing as the sole executive body and due to other reasons, by remuneration type. 	<p>The main reason for not full compliance with this corporate governance principle is the short term passed after the Code's adoption which did not allow implementing and/or adapting its recommendations.</p>
6.2.8.	<p>Other key, according to the company, criteria (recommendations) of the Corporate Governance Code relating to the stated principle (principles) of the corporate governance.</p>	-	-
6.3.	The company's provision of the information and documents on the shareholders' requests shall be effected in accordance with the principles of		

	fairness and lack of onerousness.		
6.3.1.	In accordance with the company's information policy, the shareholders with equal number of voting shares are provided with equal access to the company's information and documents.	Fully complied with.	-
6.3.2.	Other key, according to the company, criteria (recommendations) of the Corporate Governance Code related to the stated corporate governance principle (principles).	-	-
VII. Significant Corporate Actions			
7.1.	Actions which influence significantly or may influence the structure of the company's joint-stock capital and financial standing and, consequently, the shareholders' position (hereinafter - significant corporate actions) shall be executed under fair conditions ensuring observance of rights and interests of the shareholders, as well as other parties concerned.		
7.1.1.	<p>The company's Articles of Association determine the list (criteria) of transactions or other actions being significant corporate actions, the consideration/preliminary consideration of which is referred to the competence of the company's Board of Directors, including:</p> <p>the company's reorganisation, acquisition of 30 and more per cent of the company's voting shares (takeover), increase or decrease of the company's authorised capital, listing and delisting of the company's shares;</p> <p>transactions on sales of equities (shares) of the legal entities under the control of the company having significant importance to it, as a result of which the company loses control over such legal entities;</p> <p>transactions, including interrelated transactions with legal entities' property the cost of which exceeds the amount stated in the company's Articles of Association or which is of significant importance for the company's business activity;</p> <p>organisation of a legal entity under the company's control having the significant importance to the company's activity;</p> <p>the company's carve-out of treasury and "quasi-treasury" shares;</p>	<p>Partially complied with.</p> <p>A number of these items are referred to the AGM, not the Supervisory Board.</p>	<p>The main reason for this provision being not met in full is that a number of these items refer to the AGM, not Supervisory Board pursuant to the Federal law "On joint stock companies" and the Exchange's Articles of Association. However, decisions for such items are made as recommended by the Supervisory Board.</p> <p>In addition, decisions on the following items are referred to the Supervisory Board according to the Exchange's Articles of Association:</p> <ul style="list-style-type: none"> •listing the shares of the Exchange and (or) issue-grade securities of the Exchange convertible into the shares of the Exchange; •approving of deals which sum exceeds 300,000,000 (three hundred million) roubles, except for the on-exchange trades related to the Company's business activity in accordance with the Articles of Association and the trades on placing temporarily available funds; •taking decisions on the Company's participation and on termination of the Company's participation in other companies (except for the organisations stated in Subclause 18, Clause 1, Article 48 of Federal law On Joint Stock Companies), including but not limited to the following decisions: <ul style="list-style-type: none"> •on establishing and liquidating another company by the Company; •on joining or withdrawing from an existing company; •on changing the number of shares or nominal value of stakes (including by through purchase or sale) in companies at which the Company is either a shareholder or a participant; •deciding on the following items referred to the general meeting of companies for which the Company is the only participant: exercising rights represented by stocks and disposing stocks issued by the Exchange. <p>Within the framework of the above-mentioned competence, the Supervisory Board considers items related to quasi-treasury stocks of the Exchange:</p> <ul style="list-style-type: none"> •Determining how the Exchange (its representatives) votes on items referred to the AGM of the National Settlement Depository and the following major items referred to the AGM of the NCC Clearing Bank; •Approving candidates nominated by the Exchange for electing to the supervisory board and revisions commission of the National Settlement Depository and e NCC Clearing Bank. <p>The National Settlement Depository and NCC Clearing Bank are significant to the Exchange.</p>
7.1.2.	Other key, according to the company, criteria (recommendations) of the Corporate Governance Code related to the stated corporate governance principle (principles).	-	-
7.2.	The company shall ensure such procedure of significant corporate actions execution which allows the shareholders' timely receipt of full information on such actions, provides them with the capability to influence the execution of such actions and guarantees observance and the reasonable protection level of their rights when executing such actions.		

7.2.1.	<p>The company's internal documents have established the principle of ensuring equal conditions for all the company's shareholders when executing significant corporate actions involving the shareholders' rights and legal interests, as well as have stipulated additional arrangements protecting rights and legal interests of the company's shareholders provided for by the Corporate Governance Code, including:</p> <p>engagement of an independent appraiser having an untarnished reputation recognised on the market and appraisal experience in the corresponding sphere or the provision of the grounds not to engage an independent appraiser when appraising the property disposed of or acquired in a large transaction or a related party transaction;</p> <p>appraisal of the company's shares during their acquisition and redemption by the independent appraiser having an untarnished reputation recognised on the market and appraisal experience in the corresponding sphere with regard to the shares' volume-weighted average price for a reasonable period, notwithstanding the effect connected with the company's entering into the relevant transaction (without regard to the share's price change in connection with dissemination of information on the company's entering into the relevant transaction), as well as notwithstanding the discount for carve-out of minority stake shares;</p> <p>extension of the list of the grounds whereon the company's Board of Directors members and other persons stipulated by the legislation shall be recognised as related parties in the company's transactions for the purpose of the related parties' actual relatedness evaluation.</p>	<p>Partially complied with.</p> <p>The Exchange's internal documents do not stipulate the following additional arrangements protecting the shareholders' rights and legal interests:</p> <p>engagement of an independent appraiser having an untarnished reputation recognised on the market and appraisal experience in the corresponding sphere or the provision of the grounds not to engage an independent appraiser when appraising the property disposed of or acquired in a large transaction or a related party transaction;</p> <p>appraisal of the company's shares during their redemption by the independent appraiser having an untarnished reputation recognised on the market and appraisal experience in the corresponding sphere with regard to the shares' volume-weighted average price for a reasonable period, notwithstanding the effect connected with the Exchange's entering into the relevant transaction, as well as notwithstanding the discount for carve-out of minority stake shares;</p> <p>extension of the list of the grounds whereon the Supervisory Board members and other persons stipulated by the legislation shall be recognised as related parties to the Exchange's transactions for the purpose of the related parties' actual relatedness evaluation.</p>	<p>The main reason for not full compliance with this corporate governance principle is that the Exchange does not have the obligation by law to establish such additional arrangements, as well as the short term passed after the Code's adoption which did not allow implementing and/or adapting its recommendations</p> <p>When approving transactions, the Supervisory Board make a specific decision on the price of assets being the subject of the transaction (sold or bought) based on the asset's market price. An independent appraiser must be invited as required by law.</p>
7.2.2.	Other key, according to the company, criteria (recommendations) of the Corporate Governance Code related to the stated corporate governance principle (principles).	-	-

SUPERVISORY BOARD REPORT ON PRIORITY AREAS OF DEVELOPMENT

The Supervisory Board, as established in the Charter, governs the Exchange. The Supervisory Board functions include setting the strategy and development priorities, ensuring effective control over the Exchange's financial and business activities, guarantying execution and protection of shareholders rights as well as help in solving corporate conflicts and facilitating effective performance of the Exchange's executive bodies including through monitoring of their activities.

The competence of the Supervisory Board includes issues relating to setting the Exchange's development priorities, appointing members of the Executive Board and early termination thereof, calling and preparing AGMs, advising on dividend size, hearing, from time to time, statements of the CEO on the Exchange activities, etc.

In 2014, the Supervisory Board held 20 meetings, of which six were in presentia. The Board discussed the appointment of members of the Exchange Council and user committees, approval of new tariffs and trading rules for different Exchange markets, 2013 KPI performance by members of the Executive Board and their KPIs for 2014, the adoption of the 2015 consolidated budget, the strategy of the Exchange for 2015-2020, approval of new regulations on commissions of the Supervisory Board and on user committees, implementation of priority projects, improvement of corporate governance, convocation of and preparation for the AGM; annual reports and Exchange interim operating results; recommendations on profit distribution and dividend size; election of the auditor for the Exchange; reports of the internal audit and internal control services; approval of related-party transactions, etc.

The Supervisory Board was comprised of 19 members prior to the 2014 AGM. At the Extraordinary general meeting of the Exchange's shareholders held on 14 November 2013, it was decided to reduce the membership to 15. After the 2014 AGM, the Board included four independent directors that met all independency criteria set forth in the Clearing Rules, ten non-executive directors and the Chairman of the Executive Board of the Exchange.

SUPERVISORY BOARD

Supervisory Board members as of 1 January 2014		Supervisory Board members elected on 26 June 2014	
<i>Independent directors</i>			
1	Bratanov, Mikhail Valeryevich	1	Bratanov, Mikhail Valeryevich
	Karachinsky, Anatoly Mikhailovich	2	Wang Yuan
2	Mikhailovich	3	Karachinsky, Anatoly Mikhailovich
3	Riess, Rainer	4	Riess, Rainer
4	Li Quingyuan		
<i>Non-executive directors</i>			
5	Beattie, Nicola Jane	5	Beattie, Nicola Jane
6	Buzuev, Alexander Vladimirovich	6	Glodek, Sean
7	Golikov, Andrey Fedorovich	7	Golikov, Andrey Fedorovich
8	Graham, Martin Paul	8	Goreglyad, Valeriy Pavlovich
9	Glodek, Sean	9	Denisov, Yuriy Olegovich
10	Der Megreditchian, Jacques	10	Zlatkis, Bella Ilyinichna
11	Denisov, Yuriy Olegovich	11	Kozlov, Sergey Alexandrovich
12	Jelezko, Oleg Viktorovich	12	Kudrin, Alexey Leonidovich
13	Zlatkis, Bella Ilyinichna	13	Lykov, Sergey Petrovich
14	Ivanova, Nadezhda Yuryevna	14	Shershun, Kirill Yevgenyevich
15	Lykov, Sergey Petrovich		
16	Shvetsov, Sergey Anatolyevich		
17	Shershun, Kirill Yevgenyevich		
18	Yumatov, Andrey Alexandrovich		
<i>Executive director</i>			
	Afanasiev, Alexander Konstantinovich	15	Afanasiev, Alexander Konstantinovich

Information on Supervisory Board members attendance

The Board held ten meetings from 26 June 2014 through 29 December 2014

Name	Number of meetings attended	Participation rate (%)
Kudrin, Alexey Leonidovich	7	70
Lykov, Sergey Petrovich	10	100
Golikov, Andrey Fedorovich	10	100
Afanasiev, Alexander Konstantinovich	8	80
Beattie, Nicola Jane	10	100
Bratanov, Mikhail Valeryevich	10	100
Wang Yuan	9	90
Glodek, Sean	10	100

Goreglyad, Valeriy Pavlovich	9	90
Denisov, Yuriy Olegovich	9	90
Zlatkis, Bella Ilyinichna	9	90
Karachinsky, Anatoly Mikhailovich	8	80
Kozlov, Sergey Alexandrovich	8	80
Riess, Rainer	9	90
Shershun, Kirill Yevgenyevich	10	100

Moscow Exchange Supervisory Board members

Members of the Moscow Exchange Supervisory Board elected by the Annual General Meeting on 25 June 2013⁸.

No	Name	Company name, position	Brief biography
1	Shvetsov, Sergey Anatolyevich – Chairman of the Supervisory Board	Central Bank of the Russian Federation; Deputy Chairman	Date/place of birth: 27.12.1970, Moscow Education: higher Graduate of: Lomonosov Moscow State University Graduation: 1993. Qualification: mathematical economist Specialty: economic cybernetics
2	Afanasiev, Alexander Konstantinovich	Moscow Exchange; CEO	Date/place of birth: 12.01.1962, Moscow Education: higher Graduate of: 1. Moscow Institute of Finance Graduation: 1984 Qualification: economist Specialty: International economic relations 2. Moscow Institute of Finance. Post-graduate studies Graduation: 1987 Science degree: Candidate of Science, Economics
3	Beattie, Nicola Jane	NBXC Ltd. (trading under the name Market Structure Partners); CEO	Date/place of birth: 23.01.1966, Cobham, Surrey, UK Education: higher Graduate of: 1. Gilford Technical College, Gilford, Surrey, UK Graduation: 1985 Qualification: business and secretarial duties (bilingual) under the London Chamber of Commerce Specialty: Business in France 2. Birkbeck College, University of London, UK Graduation: 1998 Qualification: Bachelor of Science

⁸ Information on the Board members is given as of 31 March 2013 which is the last reporting date before new Board members were elected in 2013

No	Name	Company name, position	Brief biography
4	Bratanov, Mikhail Valeryevich	ROSBANK Commercial Bank Corp. (Public Corporation); Director, Depository Department; Head of Societe Generale Securities Services Russia and CIS	Specialty: Management and IT Date/place of birth: 16.05.1973, Dolgoprudniy, Moscow Oblast Education: higher Graduate of: 1. Moscow State College of Electronic Equipment (Polytechnic University) (MGIET TU) Graduation: 1996. Qualification: Engineer of Electronic Equipment; manager-economist 2. Moscow State College of Electronic Equipment (Polytechnic University) (MGIET TU) Postgraduate studies, 2003 Candidate of Science, Economics 3. Moscow School of Management "SKOLKOVO" Graduation: 2011. Qualification: Executive Master of Business Administration
5	Buzuev, Alexander Vladimirovich	UniCredit Bank; Advisor to the Executive Board	Date/ place of birth: 28.02.1955, Moscow Education: higher Graduate of Moscow State Institute of International Relations Graduation: 1977 Qualification: International Economic Relations, English Language Specialty: International Economic Relations
6	Glodek, Sean	Russian Direct Investment Fund; Director, member of Executive Board	Date/place of birth: 17.07.1971, Warsaw, Poland Education: higher Graduate of: 1. Stanford University Graduation: 1996. Qualification: BA Specialty: Economics 2. The Wharton School at the University of Pennsylvania Graduation: 2004. Qualification: MBA Specialty: Finance
7	Golikov, Andrey Fedorovich	temporarily not employed	Date/place of birth: 14.03.1969, Volzhskiy, Volgograd Oblast Education: higher Graduate of: Lomonosov Moscow State University, Dept. of Mechanics & Mathematics Graduation: 1991. Qualification: Mechanical Engineering Specialty: Mechanics
8	Graham, Martin Paul	Secondcap Limited; Board Chairman	Date/place of birth: 14.11.1962, Kingston upon Thames, UK Education: higher Graduation of: London School of Economics and Political Science Graduation: 1985. Qualification: Bachelor of Science

No	Name	Company name, position	Brief biography
			Specialty: economics
9	Denisov, Yuriy Olegovich	temporarily not employed	Date and place of birth: 31.05.1970, Moscow Education: higher Graduate of: Moscow State Institute of International Relations Graduation: 1993 Qualification: : International Economic Relations, English Language Specialty: International Economic Relations
10	Der Megreditchian, Jacques	Sameta - Tax and Legal Consulting; Counsellor	Date/place of birth: 22.10.1959, Moscow Education: higher Graduate of: 1. European Business Institute, Paris Graduation: 1984 2. French Center for Financial Analysis Graduation: 1987 Specialty: Certified European Financial Analyst (CEFA)
11	Jelezko, Oleg Viktorovich	Da Vinci Capital; CEO	Date/place of birth: 26.09.1969, Aktyubinsk Education: higher Graduate of: Moscow Mendeleev Institute of Chemical Technologies Graduation: 1992 Qualification: Production engineer Specialty: chemical technology cybernetics
12	Zlatkis, Bella Ilyinichna	Sberbank of Russia; Deputy Chairman of the Management Board	Date/place of birth: 05.07.1948, Moscow Education: higher Graduate of: 1. Moscow Institute of Finance Graduation: 1970 Qualification: economist Specialty: finance and credit 2. Post-graduate studies in All-Russian Distance Institute of Finance and Economics Graduation: 1978 Candidate of Science, Economics
13	Ivanova, Nadezhda Yuryevna	Central Bank of the Russian Federation; Director of Consolidated Dept of Economics	Date/place of birth: 13.06.1953, Moscow Education: higher Graduate of: Moscow Institute of Finance Graduation: 1975 Qualification: economist Specialty: finance and credit
14	Karachinsky, Anatoly Mikhailovich	IBS Group; Chairman of Advisory Board	Date/place of birth: 12.07.1959, Moscow Education: higher Graduate of: Moscow Institute of Railroad Transport Engineering Graduation: 1981 Qualification: systems technology engineer Specialty: Computers
15	Li Qingyuan	currently not employed	Date and place of birth: 24.06.1950, China Education: higher

No	Name	Company name, position	Brief biography
			Graduate of: 1. Beijing Foreign Languages Institute Graduation: 1976. Qualification: Bachelor of Art Major: English language 2. Renmin University of China Graduation year: 1990. Qualification: Ph.D. Majority: Economics
16	Lykov, Sergey Petrovich	Bank for Development and Foreign Economic Affairs (Vnesheconombank) State Corporation; Member of Executive Board, Deputy Chairman	Date/place of birth: 12.12.1952, Mitishi, Moscow Oblast Education: higher Graduate of: Moscow Institute of Finance Graduation: 1975 Qualification: economist Specialty: International economic relations
17	Rainer, Riess	currently not employed	Date and place of birth: 20.01.1966, Darmstadt, Germany Education: higher Graduate of: 1. University of Miami Graduation year: 1993 Qualification: Master of Business Administration Specialty: Business (Finance, Marketing) 2. Johan Wolfgang Goethe University, Frankfurt Graduation year: 1994. Specialty: Master of Economics Major: Economics
18	Shershun, Kirill Yevgenyevich	CentroCredit Joint Stock Commercial Bank; First Deputy Chairman of the Executive Board	Date/place of birth: 18.05.1962, Moscow Education: higher Graduate of: Moscow Institute of Finance Graduation: 1984. Qualification: economist Specialty: finance and credit
19	Yumatov, Andrey Aleksandrovich	Bank of Moscow; Senior Vice President, Department Director	Date and place of birth: 26.02.1973, Yuzhno-Sakhalinsk, Sakhalin Region. Education: higher Graduate of: Financial Academy under the Government of the Russian Federation Graduation: 1995. Specialty: Global Economy 2. Post graduate studies, Financial Academy under the Government of the Russian Federation, 19995 Candidate of economic sciences

Changes to the composition of the Supervisory Board were introduced by the AGM on 26 June 2014 (Minutes No. 52). The following Directors elected to the Board on 25 June 2013 were not appointed to the new Board:

Shvetsov, Sergey Anatolyevich;
 Buzuev, Alexander Vladimirovich;
 Der Megreditchian, Jacques;
 Li Quingyuan;
 Yumatov, Andrey Alexandrovich;
 Jelezko, Oleg Viktorovich;
 Ivanova, Nadezhda Yuryevna;
 Graham, Martin Paul.

The following new directors were elected to the Board:

Kudrin, Alexey Leonidovich
 Goreglyad, Valeriy Pavlovich
 Wang Yuan
 Kozlov, Sergey Alexandrovich

Members of the Moscow Exchange Supervisory Board elected by the Annual General Meeting on 26 June 2014⁹

No.	Name	Company name; position	Brief biography
1	Kudrin, Alexey Leonidovich, Chairman of the Supervisory Board	St. Petersburg State University; Dean of the Faculty of Liberal Arts and Sciences	Date/place of birth: 12.11.1960, Dobele, Latvia (USSR) Education: higher Graduate of: 1. Leningrad State University Graduation: 1983 Qualification: economist, teacher of political economy Specialty: political economy
2	Afanasiev, Alexander Konstantinovich	Moscow Exchange; CEO	Date/place of birth: 12.01.1962, Moscow Education: higher Graduate of: 1. Moscow Institute of Finance Graduation: 1984 Qualification: economist Specialty: International economic relations 2. Moscow Institute of Finance. Post-graduate studies Graduation: 1987 Science degree: Candidate of Science, Economics
3	Beattie, Nicola Jane	NBXC Ltd. (trading under the name Market Structure Partners); CEO	Date/place of birth: 23.01.1966, Cobham, Surrey, UK Education: higher Graduate of:

⁹ Information of the Board members effective as of 31.12.2014

No.	Name	Company name; position	Brief biography
			<p>1. Gilford Technical College, Gilford, Surrey, UK Graduation: 1985 Qualification: business and secretarial duties (bilingual) under the London Chamber of Commerce Specialty: Business in France</p> <p>2. Birkbeck College, University of London, UK Graduation: 1998 Qualification: Bachelor of Science Specialty: Management and IT</p>
4	Bratanov, Mikhail Valeryevich	ROSBANK Commercial Bank Corp. (Public Corporation); Director, Depository Department Head of Societe Generale Securities Services Russia and CIS	<p>Date/place of birth: 16.05.1973, Dolgoprudny, Moscow Oblast Education: higher Graduate of: 1. Moscow State College of Electronic Equipment (Polytechnic University) (MGIET TU) Graduation: 1996. Qualification: Engineer of Electronic Equipment; manager-economist</p> <p>2. Moscow State College of Electronic Equipment (Polytechnic University) (MGIET TU) Postgraduate studies, 2003 Candidate of Science, Economics</p> <p>3. Moscow School of Management "SKOLKOVO" Graduation: 2011. Qualification: executive master of business administration</p> <p>4. Institute of Directors, UK Graduation: 2014. Qualification: Dip IoD</p>
5	Wang Yuan	China Development Bank; Senior Economist, Head for training and education	<p>Date/place of birth: 17.02.1951, Beijing, China Education: higher Graduate of: 1. School of Foreign Languages of Shanxi University Graduation: 1976. Qualification: Bachelor of Arts Specialty: English Language and Literature</p> <p>2. University of Bradford, UK Graduation: 1987 Qualification: Master of Science Specialty: Development Economics;</p> <p>3. China Europe International Business School Graduation: 1998 Qualification: MBA</p> <p>4. University of Bradford, UK Graduation: 2012</p>

No.	Name	Company name; position	Brief biography
			Qualification: Honorary PhD
6	Glodek, Sean	Russian Direct Investment Fund; Director, member of Executive Board	Date/place of birth: 17.07.1971, Warsaw, Poland Education: higher Graduate of: 1. Stanford University Graduation: 1996. Qualification: BA Specialty: Economics 2. The Wharton School at the University of Pennsylvania Graduation: 2004. Qualification: MBA Specialty: Finance
7	Golikov, Andrey Fedorovich	temporarily not employed	Date/place of birth: 14.03.1969, Volzhskiy, Volgograd Oblast Education: higher Graduate of: Lomonosov Moscow State University, Dept. of Mechanics & Mathematics Graduation: 1991. Qualification: Mechanical Engineering Specialty: Mechanics
8	Goreglyad, Valery Pavlovich	Central Bank of the Russian Federation; Chief Auditor	Date and place of birth: 18.06.1958, Glusk urban settlement, Glusk District, Mogilev Oblast Education: higher Graduate of: Moscow Aviation Institute Graduation: 1981 Qualification: Mechanical Engineer Specialty: Aircraft Production
9	Denisov, Yuriy Olegovich	temporarily not employed	Date and place of birth: 31.05.1970, Moscow Education: higher Graduate of: Moscow State Institute of International Relations Graduation: 1993 Qualification: : International Economic Relations, English Language Specialty: International Economic Relations
10	Zlatkis, Bella Ilyinichna	Sberbank of Russia; Deputy Chairman of the Management Board	Date/place of birth: 05.07.1948, Moscow Education: higher Graduate of: 1. Moscow Institute of Finance Graduation: 1970 Qualification: economist Specialty: finance and credit

No.	Name	Company name; position	Brief biography
			<p>2. Post-graduate studies in All-Russian Distance Institute of Finance and Economics Graduation: 1978 Candidate of Science, Economics</p>
11	Kozlov, Sergey Alexandrovich	VTB 24; Senior Vice President, Deputy Director, Department for Investments	<p>Date/place of birth: 17.06.1972, Moscow Education: higher Graduate of: 1. Moscow Institute of Instrument Engineering Graduation: 1994 Qualification: Electrical and Mechanical Engineer Specialty: Instrument Engineering 2. Institute of Retraining and Professional Development (IRPD) at the Finance Academy under the Government of the Russian Federation Graduation: 1997 Qualification: Economist Specialty: International Economic Relations</p>
12	Karachinsky, Anatoly Mikhailovich	IBS Group; Chairman of Advisory Board	<p>Date/place of birth: 12.07.1959, Moscow Education: higher Graduate of: Moscow Institute of Railroad Transport Engineering Graduation: 1981 Qualification: systems technology engineer Specialty: Computers</p>
13	Lykov, Sergey Petrovich	Bank for Development and Foreign Economic Affairs (Vnesheconombank) State Corporation; Deputy Chairman of Vnesheconombank - Member of the Executive Board	<p>Date/place of birth: 12.12.1952, Mitishi, Moscow Oblast Education: higher Graduate of: Moscow Institute of Finance Graduation: 1975 Qualification: economist Specialty: International economic relations</p>
14	Rainer, Riess	temporarily not employed	<p>Date and place of birth: 20.01.1966, Darmstadt, Germany Education: higher Graduate of: 1. University of Miami Graduation year: 1993 Qualification: Master of Business Administration Specialty: Business (Finance, Marketing) 2. Johan Wolfgang Goethe University, Frankfurt Graduation year: 1994. Specialty: Master of Economics Major: Economics</p>
15	Shershun, Kirill Yevgenyevich	CentroCredit Joint Stock Commercial Bank; First Deputy Chairman of the Executive Board	<p>Date/place of birth: 18.05.1962, Moscow Education: higher Graduate of: Moscow Institute of Finance Graduation: 1984. Qualification: economist</p>

No.	Name	Company name; position	Brief biography
			Specialty: finance and credit

Moscow Exchange shares owned by members of the Supervisory Board:

No Supervisory Board members reported owning shares of the Moscow Exchange during the reporting period.

Dealings in Moscow Exchange shares by members of the Supervisory Board:

No Supervisory Board members executed transactions with Moscow Exchange shares during the reporting period.

ADDITIONAL INFORMATION ON THE SYSTEM OF CORPORATE GOVERNANCE

GENERAL MEETING OF SHAREHOLDERS

The general meeting of the Exchange's shareholders is the supreme governing body of the company. At general meetings, resolutions on strategic issues are adopted. The scope of questions related to the competence of general meetings of shareholders is determined by the federal law On Joint Stock Companies and the Exchange's charter.

In 2014, the Exchange held two general meetings of its shareholders. An absentee extraordinary general meeting took place on 10 February at which shareholders adopted new versions of the company's charter, provisions for the Supervisory Board and guidelines on remuneration and compensation of its members, with good corporate governance practices introduced therein. The EGM also approved the D&O liability insurance agreement for the Moscow Exchange Group, which was on the agenda of the EGM due to the fact that all members of the Supervisory Board were beneficiaries under this agreement.

At the annual general meeting on 26 June shareholders:

- approved the 2013 annual report;
- made resolutions on profit distribution and dividend payment for 2013 with the dividend amount standing at RUB 2.38 per ordinary share;
- approved Ernst & Young Vneshaudit, representing one of the world's largest international accounting firms, as the company's auditor for 2014;
- elected members of the Supervisory Board and revisions commission;
- adopted a new version of the company's charter to bring it in line with recent amendments in legislation and the corporate governance code;
- decided on remuneration for members of the Supervisory Board and revisions commission;
- approved new versions of the Executive Board and revisions commission charters which replaced outdated and irrelevant versions;
- approved new versions of charters for the Supervisory Board and guidelines on remuneration and compensation of its members;
- approved transactions with Exchange's subsidiaries and long-term partners, i.e., those transactions deemed related-party transactions under law;
- decided to terminate Exchange's membership in the Russian Exchange Union following cessation of the union.

In 2014, the Exchange completed the buyback of its 99,852,660 shares (4.2% of the share capital) from its fully-owned subsidiary MICEX-Finance. Following retirement of the shares, existing shareholders' proportional ownership of the company's equity and their return on capital increased. This action also strengthened corporate governance by preventing voting with these shares.

APPOINTMENT, INDUCTION AND TRAINING OF SUPERVISORY BOARD MEMBERS

In accordance with the law On Joint Stock Companies, shareholders holding at least

2% of the Exchange's voting stock are entitled to propose candidates to the Supervisory Board. The number of such candidates cannot exceed the permitted number of Board members. The Exchange's charter stipulates that such proposals must be submitted to the Exchange within 60 days after the end of the financial year.

Shareholders had to submit proposals for candidates to be elected at the 2014 AGM by 1 March 2014.

The number of Supervisory Board members to be elected at the 2014 AGM was fifteen.

The Exchange's Supervisory Board must consider proposals for candidates nominated and decide on whether or not to include the candidates on the AGM voting list within five days after the period determined for sending proposals ends, or by 6 March in 2014.

Any candidates nominated must be included on the voting list, except when:

- Shareholders fail to meet the deadline for submitting proposals set forth in the law On Joint Stock Companies;
- Shareholders do not hold the percentage of voting stock required by the law On Joint Stock Companies;
- The proposal does not comply with requirements stipulated in the law On Joint Stock Companies.

By close of business on 1 March 2014, the Exchange had received proposals for 15 candidates to the Supervisory Board to be elected at the 2014 AGM. All candidates were included on the AGM's voting list.

After the candidates are elected as Supervisory Board members, they are given a brochure with the overall description of the company; the vision, mission and corporate values of the Exchange; its product offerings, revenue structure and trading volumes. The brochure also contains information on the Exchange's share structure and Moscow Exchange Group's major companies; the corporate governance system; collegial bodies; principles of operation for the Supervisory Board, its commissions and Executive Board; biographies of the Supervisory Board and Executive Board members and other relevant information.

To improve activities performed by Supervisory Board, a special session was arranged in 2014 for Supervisory Board members. Terry Waymouth, a business coach at the UK Institute of Directors, was invited to participate in the session to discuss and find solutions for issues relating to corporate governance in the current context, the role of a director and supervisory board and necessary steps to ensure high efficiency of the board activities.

COMMITTEES OF THE MOSCOW EXCHANGE SUPERVISORY BOARD

Committees of the Supervisory Board work to deal in advance with principal matters reserved for the Board, and provide recommendations on them. The committees are composed annually of the Board members and other individuals. Each committee has independent directors. Lists of committee members given below are as of 31 December 2014.

Audit Committee

The primary purpose of the Audit Committee is to ensure the efficient work of the

Supervisory Board of the Moscow Exchange in making decisions on issues concerning control over financial and economic activities.

The key objectives of the Committee are:

1. Control, analysis and participation in consideration of issues in the area of bookkeeping reporting (financial statements);
2. Control, analysis and assessment in the area of risk management and internal control;
3. Maintenance of independence and impartiality in the area of internal and external audit;
4. Control in the area of prevention of and response to mala fide actions of the company's employees and third parties;
5. Support to Moscow Exchange Supervisory Board members in controlling the Moscow Exchange and the Moscow Exchange Group companies' business activities and their personal awareness of such activities.
6. Preview, analysis, preparation and provision of opinions and recommendations to the Moscow Exchange Supervisory Board on issues with regard to functions and objectives of the Audit Committee.
7. Preparation of assessment of the Moscow Exchange auditor's opinion and submission of such assessment as the materials for the AGM of the Moscow Exchange.

Committee members:

Riess Rainer, Chairman

Nicola Jane Beattie

Mikhail Bratanov

Wang Yuan

Yuriy Denisov

Kirill Shershun

Nomination and Remuneration Committee

The primary purpose of the Nomination and Remuneration Committee is to foster effective decision-making by the Supervisory Board on matters concerning activities of the Exchange and other companies directly or indirectly controlled by the Exchange related to nomination of and remuneration paid to the members of supervisory boards and executive management bodies, other key executives and the members of the revision commissions.

The key objective of the Nomination and Remuneration Committee is preliminary review, development and provision of recommendations and conclusions to the Supervisory Board of the Exchange, to supervisory boards of Moscow Exchange Group companies regarding the following matters:

- staff planning (succession planning), enhancement of professional composition and performance efficiency of supervisory boards;
- efficient and transparent remuneration to the members of supervisory boards and the collegial executive body, as well as the person performing the functions of the sole executive body (hereinafter – the members of executive management bodies) and to other key executives;

- priorities of Moscow Exchange and the Moscow Exchange Group activities in relation to nomination of and remuneration paid to the members of supervisory boards and executive management bodies, other key executives as well as the members of revision commissions;
- policies and standards on choosing nominees to supervisory boards and executive management bodies, aiming at attracting qualified specialists;

Committee members:

Andrey Golikov, Chairman

Mikhail Bratanov

Sean Glodek

Yuriy Denisov

Bella Zlatkis

Alexey Kudrin

Sergey Shvetsov

Strategic Planning Committee

The primary purpose of the Strategic Planning Committee is to enhance efficiency of Moscow Exchange and its subsidiaries and affiliates, companies under direct or indirect control of Moscow Exchange in the mid-term and the long-term.

The key objectives of the Committee are:

1. To enhance efficiency and quality of the Supervisory Board operations through preliminary consideration of and elaboration of recommendations regarding strategic planning issues within the competence of the Supervisory Board, and updating the Moscow Exchange Group's current development strategy;
2. To define strategic goals of the Moscow Exchange Group, control over implementation of the Moscow Exchange Group's Development Strategy, adjustment of the Development Strategy;
3. To establish strategic priorities of the Moscow Exchange Group and Moscow Exchange Group initiatives;
4. To assess the performance of Moscow Exchange and Moscow Exchange Group companies over the mid-term and the long-term;
5. To identify and assess the Moscow Exchange Group's key business risks;
6. To define the main source of financing;
7. To manage the securities portfolio of Moscow Exchange and Moscow Exchange Group;
8. To determine the principles of the Moscow Exchange Group's regional policy.

Committee members:

Nicola Jane Beattie, Chairman

Alexander Afanasiev

Wang Yuan

Sean Glodek

Andrey Golikov
Yuriy Denisov
Jacques Der Megreditchian
Riess Rainer

Risk Management Committee

The primary purpose of the Risk Management Committee is to assist in improving management of operating, legal, reputational, strategic and other business non-financial risks that the Exchange and Moscow Exchange Group entities may face, with the view to enhance stability and operating efficiency of the Exchange.

Committee members:

Yuriy Denisov, Chairman
Mikhail Bratanov
Valery Goreglyad
Sergey Kozlov
Rainer Riess

Budget Committee

The primary purpose the Budget Committee is to ensure the Supervisory Board's control over accumulation and spending cash funds intended for financial support to Moscow Exchange and companies part of the Moscow Exchange Group.

The key objectives of the Committee are:

1. To define the key principles for Moscow Exchange's and the Group's budgeting and budget spending;
2. To set up the target budget of Moscow Exchange and Moscow Exchange Group timely and accurately;
3. To secure day-to-day management in budgeting of Moscow Exchange and Moscow Exchange Group;
4. To assess effectiveness in budgeting of Moscow Exchange and Moscow Exchange Group.

Committee members:

Mikhail Bratanov, Chairman
Sean Glodek
Andrey Golikov
Sergey Kozlov
Andrey Ponomarev
Kirill Shershun
Evgeny Fetisov

Technical Policy Committee

The primary purpose of the Committee is to develop and enhance the efficiency of Moscow Exchange and Moscow Exchange Group operations through preparing recommendations and experts' opinions for the Supervisory Board of the Moscow Exchange, Boards of Directors (Supervisory Boards) and their committees of Moscow Exchange Group companies regarding technical policy and IT and software solutions development in Moscow Exchange and Moscow Exchange Group companies.

The key objectives of the Committee are:

1. To foster efficient collaboration of Moscow Exchange and Moscow Exchange Group companies with on-exchange securities and commodities markets participants using Moscow Exchange's software and hardware facilities on matters regarding technical policy and IT and software solutions development;
2. To optimise the processes for complete and comprehensive assessment of on-exchange securities and commodities markets participants' demand for IT and software solutions development.
3. To coordinate the activities related to technical policy matters within Moscow Exchange Group and ensuring a centralised policy on matters falling within competence of the Committee.

Committee members:

Anatoly Karachinsky, Chairman

Vladimir Gibenko

Vladimir Kurlyandchik

Mikhail Khasin

Yury Yartsev

Sergey Putyatinskiy

Sergey Poliakoff

REVISION COMMISSION

This commission is elected at the AGM to control financial and business activities of the Exchange, estimate accuracy of information to be given in annual reports and included in the company's annual financial statements. The commission is comprised of three members.

Commission members elected by the AGM on 26 June 2014:

Tatyana Sannikova

Olga Romantsova

Vyacheslav Ulupov

EXECUTIVE BOARD¹⁰

Management of Moscow Exchange's day-to-day operations is carried out by the Chairman of the Executive Board (the Chief Executive Officer) and the Executive Board, which is the collective executive body of Moscow Exchange. The Chairman heads the Executive Board and organises its work.

Chairman of the Executive Board (CEO)

No.	Name	Brief biography	Holding of Moscow Exchange stock	Notes
1	Afanasiev, Alexander Konstantinovich <i>since 21.06.2012</i>	Date/place of birth: 12.01.1962, Moscow Education: higher Graduate of: 1. Moscow Institute of Finance Graduation: 1984 Qualification: economist Specialty: International economic relations 2. Moscow Institute of Finance. Post-graduate studies Graduation: 1987 Science degree: Candidate of Science, Economics	no holding	In accordance with a resolution of the AGM on 20.06.2012 (Minutes No. 44), elected as CEO effective 21.06.2012

Executive Board members:

No.	Name	Brief biography	Holding of the Moscow Exchange stock	Notes
1	Afanasiev, Alexander Konstantinovich <i>since 28.12.2011</i>	Date/place of birth: 12.01.1962, Moscow Education: higher Graduate of: 1. Moscow Institute of Finance Graduation: 1984 Qualification: economist Specialty: International economic relations 2. Moscow Institute of Finance. Post-graduate studies Graduation: 1987 Science degree: Candidate of Science, Economics	no holding	As resolved by the Supervisory Board on 17.11.2011 (Minutes No.14), elected to the Executive Board effective 28.12.2011. In accordance with a resolution of the AGM on 20.06.2012 (Minutes No. 44), elected as the Chairman of the Executive Board effective 21.06.2012
2	Poliakoff, Sergey Olegovich <i>since 24.05.2013</i>	Date/place of birth: 06.10.1960, Moscow Education: higher Graduate of: New York University Graduation: 1991 Qualification: Computer Science Specialty: Master of Science	no holding	As resolved by the Supervisory Board on 23.05.2013 (Minutes No.42), elected to the Executive Board effective 24.05.2013

¹⁰ Information effective as of 31.12.2014

No.	Name	Brief biography	Holding of the Moscow Exchange stock	Notes
3	Fetisov, Evgeny Evgenyevich <i>since 04.02.2013</i>	Date/place of birth: 15.01.1975, Ashkhabad Education: higher Graduate of: Federal Government National Financial Academy Graduation: 1996 Qualification: economist Specialty: global economics	0.00406%*	As resolved by the Supervisory Board on 31.01.2013 – 01.02.2013 (Minutes No.25), elected to the Executive Board effective 04.02.2013
4	Shemetov, Andrey Viktorovich <i>since 12.11.2012</i>	Date/place of birth: 18.07.1974, Bryansk Oblast Education: higher Graduate of: Ordzhonikidze National Management Academy (State University) Graduation: 1996 Qualification: economist Specialty: economics of production management	0.002%**	As resolved by the Supervisory Board on 08.11.2012 (Minutes No.16), elected to the Executive Board effective 12.11.2012
5	Shcheglov, Dmitry Viktorovich <i>since 01.04.2013</i>	Date/place of work: 01.09.1975, Orkhovo-Zuevo, Moscow Oblast Education: higher Graduate of: Moscow State University of Technology ("Stankin") Graduation: 1998 Qualification: automating processes and production PhD in technical sciences	0.00526%***	As resolved by the Supervisory Board on 29.03.2013 (Minutes No.35), elected to the Executive Board effective 01.04.2013

*** Description of transactions for Evgeny Fetisov:**

13.01.2014 – Purchase of Moscow Exchange shares
Shares in ownership before the transaction: 6,070 units
Stake before the transaction: 0.0003%
Shares in ownership after the transaction: 11,070 units
Stake after the transaction: 0.00046%

06.03.2014 – Purchase of Moscow Exchange shares
Shares in ownership before the transaction: 11,070 units
Stake before the transaction: 0.00046%
Shares in ownership after the transaction: 96,649 units
Stake after the transaction: 0.00406%

06.03.2015 – Purchase of Moscow Exchange shares
Shares in ownership before the transaction: 96,649 units
Stake before the transaction: 0.00406%
Shares in ownership after the transaction: 296,649 units
Stake after the transaction: 0.013%

**** Description of transactions for Andrey Shemetov:**

03.03.2014 – Purchase of Moscow Exchange shares

Shares in ownership before the transaction: 0 units

Stake before the transaction: 0%

Shares in ownership after the transaction: 2,500,000 units

Stake after the transaction: 0.105%

04.03.2014 – Sale of Moscow Exchange shares

Shares in ownership before the transaction: 2,500,000 units

Stake before the transaction: 0.105%

Shares in ownership after the transaction: 50,000 units

Stake after the transaction: 0.002%

04.02.2015 – Purchase of Moscow Exchange shares

Shares in ownership before the transaction: 50,000 units

Stake before the transaction: 0.002%

Shares in ownership after the transaction: 775,000 units

Stake after the transaction: 0.034%

05.02.2015 – Sale of Moscow Exchange shares

Shares in ownership before the transaction: 775,000 units

Stake before the transaction: 0.034%

Shares in ownership after the transaction: 75,000 units

Stake after the transaction: 0.003%

***** Description of transactions for Dmitry Shcheglov:**

23.05.2014 – Purchase of Moscow Exchange shares

Shares in ownership before the transaction: 0 units

Stake before the transaction: 0%

Shares in ownership after the transaction: 61,242 units

Stake after the transaction: 0.00269%

05.08.2014 – Purchase of Moscow Exchange shares

Shares in ownership before the transaction: 61,242 units

Stake before the transaction: 0.00269 %

Shares in ownership after the transaction: 119,846 units

Stake after the transaction: 0.00526 %

03.02.2015 – Purchase of Moscow Exchange shares

Shares in ownership before the transaction: 119,846 units

Stake before the transaction: 0.00526%

Shares in ownership after the transaction: 145,825 units

Stake after the transaction: 0.0064%

MANAGEMENT AND BOARD REMUNERATION

The Exchange's leadership structure includes:

- CEO and Executive Board members
- Supervisory Board members

CEO AND EXECUTIVE BOARD REMUNERATION

Remuneration and reimbursement of expenses are paid to the CEO and Executive Board members as stipulated in their respective employment contracts. These contracts, including provisions on salary, bonuses and other incentives, are regulated by Moscow Exchange's Supervisory Board.

A procedure for paying annual bonuses to the CEO and Executive Board members was adopted by the Supervisory Board and included in the employment contracts. According to the procedure, payment of part of the annual bonus is deferred. Thus, 70% of the annual bonus for 2014 was paid after the year's results had been announced, 30% is expected to be paid in equal parts in one and two years' time (i.e., 15% after one calendar year and 15% after two calendar years), in accordance with the relevant Supervisory Board resolution. The deferred part of the bonus for 2015 will be 40%. This allows consideration to be given to risks associated with decisions made by Executive Board members.

Annual bonuses for Executive Board members are linked to company performance and individual key performance indicators (KPIs). The Supervisory Board sets company targets and individual KPIs, determines their influence on bonus size, and evaluates performance. For 2014, the weighting of company targets/individual KPIs in determining bonuses was 50/50 (not applied to CEO). Two of the company's KPIs were included in the CEO's KPIs in 2014.

All Executive Board members participate in the Exchange's long-term incentive plan, which gives them the right to acquire shares in an amount and at a price set by the Supervisory Board.

Total payments made to the CEO and Executive Board members for 2014 was RUB 217 mln distributed as follows:

Remuneration type	Remuneration size, thousands of RUB
Remuneration for serving in a governing body	0
Salary	116,720.15
Bonus	94,214.00
Commissions	0
Perquisites	0
Reimbursement of expenses	0
Other	5,611.74
TOTAL	216,545.89

Supervisory Board Remuneration

The law “On Joint Stock Companies” states that Supervisory Board members may receive remuneration and/or reimbursement of expenses related to their activities as Board members, subject to approval by the AGM. Remuneration and reimbursement amounts are also determined at the AGM.

The amount of remuneration paid to Supervisory Board members in 2014 for service from being elected in 2013 until leaving the board in 2014 was set in accordance with the Moscow Exchange Regulation on Remuneration for Supervisory Board Members, which was approved at the 2014 AGM.

This regulation stipulates that remuneration of a Supervisory Board member is determined at the AGM based on the member’s actual contributions to the Supervisory Board and Board committees during his/her term of service.

Of 19 Supervisory Board members, sixteen received the following remuneration in 2014:

Remuneration type	Remuneration size, thousands of RUB
Remuneration for serving in a governing body	44,875.00
Salary	0
Bonus	0
Commissions	0
Perquisites	0
Reimbursement of expenses	216.65
Other	0
TOTAL	45,091.65

Individual remunerations of Supervisory Board members were as follows in 2014:

№	Supervisory Board Member	Remuneration (for service as a member, as expense reimbursement and other types of remuneration), in thousands of Russian roubles
1.	Sergei Lykov	2,250.00
2.	Andrey Golikov	3,500.00
3.	Nicola Jane Beattie	2,578.65
4.	Mikhail Bratanov	3,000.00
5.	Alexander Buzuev	2,500.00
6.	Sean Glodek	3,000.00
7.	Martin Paul Graham	3,576.58

8.	Yury Denisov	3,500.00
9.	Jacques Der Megreditchian	3,500.00
10.	Oleg Zhelezko	2,250.00
11.	Bella Zlatkis	2,500.00
12.	Anatoly Karachinsky	2,625.00
13.	Li Quingyuan	2,250.00
14.	Rainer Riess	3,061.42
15.	Kirill Shershun	2,500.00
16.	Andrey Yumatov	2,500.00

RELATED-PARTY TRANSACTIONS

By the resolution of the Supervisory Board dated 31.01.2014 (Minutes No. 19):

1. Agreement on termination of Agreement No. 3 on cooperation between the Bank of Russia, Closed Joint Stock Company “Moscow Interbank Currency Exchange” and CJSC “MICEX Stock Exchange” in providing the data on results of trading in securities on CJSC “MICEX Stock Exchange” to the Bank of Russia dated 23 May 2005 on the following terms and conditions:

Parties to the transaction: Moscow Exchange, Bank of Russia and CJSC “MICEX Stock Exchange”.

Subject matter of the transaction: Termination of Agreement No. 3 on cooperation between the Bank of Russia, Closed Joint Stock Company “Moscow Interbank Currency Exchange” and CJSC “MICEX Stock Exchange” in providing the data on results of trading in securities on CJSC “MICEX Stock Exchange” to the Bank of Russia dated 23 May 2005.

Transaction price: This Termination Agreement does not contain provisions on financial obligations of the Parties.

Other essential terms and conditions of the transaction: none.

There are no beneficiaries of the transaction.

2. Agreement on cooperation between the Bank of Russia and Open Joint Stock Company “Moscow Exchange MICEX-RTS” in providing Exchange information to the Bank of Russia on the following terms and conditions:

Parties to the transaction: Moscow Exchange and Bank of Russia.

Subject matter of the transaction: The Moscow Exchange provides Exchange information (data on securities) to the Bank of Russia pursuant to the list of securities delivered by the latter. Moscow Exchange confirms that it is fully empowered to provide Exchange information under this Agreement.

Transaction price: This Agreement does not contain provisions on financial obligations of the Parties.

Other essential terms and conditions of the transaction: Agreement No.2 on cooperation between the Bank of Russia and Open Joint Stock Company “MICEX-RTS” in securities lending operations by the Bank of Russia dated 31 December 2004 terminates starting from the date of providing the Exchange information, stipulated by Bank of Russia letter in accordance with item 3.7.2 of the Agreement.

There are no beneficiaries of the transaction.

3. Agreement on cooperation between the Moscow Exchange and National Settlement Depository in running deposit auctions by Vnesheconombank as a state managing company responsible for trust management of pension savings funds on the following terms and conditions:

Parties to the transaction: Moscow Exchange and National Settlement Depository (NSD).

Subject matter of the transaction: Setting out cooperation and communication procedures for the Moscow Exchange and NSD in running deposit auctions by Vnesheconombank as a state management company responsible for trust management of pension savings funds.

Transaction price: This Agreement does not contain provisions on financial obligations of the Parties.

Other essential terms and conditions of the transaction: This Agreement becomes effective upon signing and remains in force through 31 December 2014. The Agreement shall be automatically extended for each next consecutive year unless either Party submits a written notification of termination to the other Party 10 business days prior to the date of expiration of Agreement.

Agreement No.1 as of 23 November 2009 between MICEX CJSC and MICEX Settlement House CJSC on cooperation in running deposit auctions by Vnesheconombank as a state management company responsible for trust management of pension savings funds shall be terminated upon signing Agreement No.2.

There are no beneficiaries of the transaction.

4. Non-residential Premises Sub-subtenancy Agreement between the Moscow Exchange and RTS Settlement Chamber on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Subtenant) and RTS Settlement Chamber (Sub-subtenant).

Subject matter of the transaction: Subtenant agrees to sub-sublet to Sub-subtenant non-residential premises №5.25 with the total area of 13.63 (thirteen and 63/100) sq.m on the 5th floor of the building located at 4/7 bld. 1, Vozdvizhenka str., Moscow.

Transaction price: Price under sub-subtenancy agreement for the entire period of Agreement shall be USD 7,163.58 excluding VAT, comprising of:

- Rent – USD 6,670.86, excluding VAT;
- Operating services – USD 492.72, excluding VAT.

Monthly rent under this Sub-subtenancy agreement in the event of its renewal for the period less than 5 months will be USD 1,193.93 per month excluding VAT, comprising of:

- rent – USD 1,111.81, excluding VAT;
- operating services – USD 82.12, excluding VAT.

Other essential terms and conditions of the transaction: Sub-subtenancy Agreement shall take effect since a date of signature thereof, cover relations of the Parties arising since 01 January 2014 and be effective till 30 June 2014.

Sub-subtenancy period under this Agreement shall be 6 months, starting from 01 January 2014 through 30 June 2014 with the possibility to extend the period of Agreement for the period not exceeding 5 months from 01 July 2014 through 30 November 2014.

There are no beneficiaries of the transaction.

5. Supplementary Agreement No. 4 between the Moscow Exchange and the Bank of Russia on amendments to Agreement No.2 as of August 11, 2006 on Moscow Exchange's electronic trading system employment by the Bank of Russia to conclude transactions with credit organisations when executing deposit and credit operations in the currency of the Russian Federation on the following terms and conditions:

Parties to the transaction: Moscow Exchange and Bank of Russia.

Subject matter of the transaction: Introduction of amendments in view of expected opening up of an opportunity for the Bank of Russia to run deposit auctions of the new type with Moscow Exchange notification of auction conditions not later than 30 minutes prior to the start of bids collection form the Participants (unlike with other deposit auctions, the Bank of Russia shall not make schedule of such transactions in advance) and an opportunity for credit institutions to early withdraw time deposits placed in the Bank of Russia.

Transaction price: The Supplementary Agreement does not contain provisions on financial obligations of the Parties.

Other essential terms and conditions of the transaction: none.

There are no beneficiaries of the transaction.

By the resolution of the Supervisory Board dated 20.02.2014 (Minutes No. 20):

6. Supplementary Agreement No.1 to Agreement for information supply on indicative rates between the National Foreign Exchange Association and the Moscow Exchange on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Information User) and the National Foreign Exchange Association (Information Owner).

Subject matter of the transaction: change of time in providing the current values of NFEA SWAP Rate to the Information User.

Transaction price: Supplementary Agreement No.1 does not contain provisions on financial obligations of the Parties.

Other essential terms and conditions of the transaction: Provisions of Supplementary Agreement No.1 shall cover the relationship between the parties starting as of 09 January 2014.

There are no beneficiaries of the transaction.

7. Supplementary Agreement No.6 to Contract No.БР-Д-19/495 for interaction in the course of trading in securities on CJSC “MICEX Stock Exchange” between the Moscow Exchange, Bank of Russia, Bank “National Clearing Centre” Closed joint-stock company and CJSC “MICEX Stock Exchange” on the following terms and conditions:

Parties to the transaction: Moscow Exchange; CJSC “MICEX Stock Exchange”; Bank “National Clearing Centre” Closed joint-stock company; Bank of Russia.

Subject matter of the transaction: Change in procedure and time frame for providing data on running Repo Auctions and fixed rate repo trades, introducing the new document format into the MICEX Stock Exchange and Bank of Russia document flow.

Transaction price: The Supplementary Agreement does not contain provisions on financial obligations.

Other essential terms and conditions of the transaction: none.

There are no beneficiaries of the transaction.

By the resolution of the Supervisory Board dated 18.03.2014 (Minutes No. 23):

8. Agreement between the Moscow Exchange and the Bank of Russia for authorisation for the Bank of Russia to use “E-Mail Delivery Module” Automatic Messages Recording and Transportation System on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Licensor) and Bank of Russia (Licensee);

Subject matter of the transaction: authorisation for the Bank of Russia to use “E-Mail Delivery Module” Automatic Messages Recording and Transportation System.

Transaction price: RUB 5,508,000.00 (five million five hundred and eight thousand).

Other essential terms and conditions of the transaction: none.

There are no beneficiaries of the transaction.

By the resolution of the Supervisory Board dated 18.04.2014 (Minutes No. 24):

9. Agreement between the Moscow Exchange and the Bank of Moscow for purchase and sale of one share of the National Settlement Depository on the following terms and conditions:

Parties to the transaction: Open Joint Stock Company “Moscow Exchange MICEX-RTS” (Buyer) and Bank of Moscow (Seller).

Subject matter of the transaction: The Seller undertakes to transfer the ownership of and the Buyer shall accept and pay for 1 (one) book entry registered ordinary share of the National Settlement Depository with the par value RUB 1,000 (one thousand), issue state registration number 10103294C.

Transaction price: the Share price shall be RUB 28,354.3

Other essential terms and conditions of the transaction: none.

There are no beneficiaries of the transaction.

10. Agreement between the Moscow Exchange and Sberbank CIB for purchase and sale of one share of the National Settlement Depository on the following terms and conditions:

Parties to the transaction: Open Joint Stock Company “Moscow Exchange MICEX-RTS” (Buyer) and Sberbank CIB (Seller).

Subject matter of the transaction: The Seller undertakes to transfer the ownership of and the Buyer shall accept and pay for 1 (one) book entry registered ordinary share of the National Settlement Depository with the par value RUB 1,000 (one thousand), issue state registration number 10103294C.

Transaction price: the Share price shall be RUB 28,354.

Other essential terms and conditions of the transaction: none.

There are no beneficiaries of the transaction.

By the resolution of the Supervisory Board dated 16.05.2014 (Minutes No. 26):

11. Supplemental Agreement with shareholders of NSD to Shareholders Agreement with respect to NSD dated 30 June 2011 on the following terms and conditions:

Parties to the transaction:

NSD shareholders: Moscow Exchange, ALOR INVEST CJSC, ALFA-BANK OJSC, ATON Limited Liability Company, State Corporation "Bank for Development and Foreign Economic Affairs" (Vnesheconombank), Kompaniya Brokercreditservice Limited Liability Company, VTB Bank (OJSC), Gazprombank (OJSC), Commercial Bank "J.P. Morgan Bank International" (Limited Liability Company), Deutsche Bank Limited Liability Company, INFINITUM Specialised Depository OJSC, KIT Finance (Limited Liability Company), BANK CREDIT SUISSE (MOSCOW) CJSC, MDM Bank OJSC, IFC METROPOL Limited Liability Company, Morgan Stanley Bank Limited Liability Company, NOMOS-BANK OJSC, OTKRYTIE Brokerage House OJSC, Raiffeisenbank CJSC, Renaissance Broker Limited Liability Company, Joint-Stock Commercial Bank "ROSBANK" (OJSC), BANK SAINT PETERSBURG OJSC, Saint Petersburg Currency Exchange CJSC, Sberbank of Russia OJSC, Sotsinvestbank OJSC, CentroCredit Joint-Stock Commercial Bank (CJSC), UniCredit Bank CJSC, CJSC "Computershare Registrar", Irkol CJSC, Novyi Registrar CJSC, Professional Registration Center CJSC, JSC "DRAGa", Open Joint-Stock Investment Company "ZERICH Capital Management", JOINT-STOCK COMMERCIAL BANK "EVROFINANCE MOSNARBANK".

New shareholders: Euroclear Bank SA/NV, Clearstream Banking S.A., Republican Central Securities Depository (Belarus).

Subject matter of the transaction: By entering into this Supplemental Agreement, new shareholders become parties to the Shareholders Agreement. Under the Supplemental Agreement new shareholders agree to become parties to the Shareholders Agreement. The New Shareholder agrees that it shall become a party to the Agreement and, upon transfer of ownership of shares, shall acquire the same rights and accept the same obligations under the Agreement, as the Shareholders under the Agreement have as at the date of this Supplemental Agreement or will subsequently have.

Transaction price: The Supplemental Agreement does not contain provisions on financial obligations of the parties.

Other essential terms and conditions of the transaction: Moscow Exchange intends to transfer the ownership of one ordinary share in the share capital of National Settlement Depository with the par value of RUB 1,000 (One Thousand) to each of the New Shareholders through entering into share purchase agreement.

There are no beneficiaries of the transaction.

By the resolution of the Supervisory Board dated 09.06.2014 (Minutes No. 28):

12. Supplementary Agreement No. 7 to Contract No. BR-D-19/495 on Securities Trading Coordination at CJSC "MICEX Stock Exchange" as an interested party transaction between the Moscow Exchange, the Bank of Russia, Bank "National Clearing Centre" Closed joint-stock company and CJSC "MICEX Stock Exchange" on the following terms and conditions:

Parties to the transaction:

Moscow Exchange;

CJSC "MICEX Stock Exchange";

Bank "National Clearing Centre" Closed joint-stock company;

Bank of Russia.

Subject matter of the transaction: Changes in the timing, composition and procedure of information submission to the Bank of Russia in implementing the Exchange-Traded REPO with Collateral Management and Securities Market Clearing Settlement Prior to Trade Completion projects and in execution of individual assignments.

Transaction price: The Supplementary Agreement does not contain any financial obligations of the parties.

Other essential terms and conditions of the transaction: none.

There are no beneficiaries of the transaction.

By the resolution of the Supervisory Board dated 11.07.2014 (Minutes No. 2):

13. Information Service Contract No. 112/INFO/NDS between the Moscow Exchange and CentroCredit Bank on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Exchange) and CentroCredit Bank (User).

Subject matter of the transaction: Under this Contract the Moscow Exchange shall provide CentroCredit Bank with the market data to the extent and within the scope determined in the agreement for the use in 1 (one) non-display system of CentroCredit Bank.

Transaction price: The transaction price under this Contract has been determined based on the market data type and the purposes the CentroCredit Bank intends to use such Market data in accordance with Moscow Exchange fees, and equals RUB 15,000 excluding VAT.

Other essential terms and conditions of the transaction: This Contract comes into force upon its signing and shall remain effective until notification of termination from either Party.

Under this Contract the Moscow Exchange shall have the right to amend fees for its services, but no more than once (1) a year by sending a written notification thereof to CentroCredit Bank at least 120 (one hundred and twenty) calendar days prior to effective date of such amendments.

There are no beneficiaries of the transaction.

By the resolution of the Supervisory Board dated 24.07.2014 (Minutes No. 3):

14. IT Service Agreement between the Moscow Exchange and CJSC "MICEX Stock Exchange" on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Technical Centre) and CJSC "MICEX Stock Exchange" (MICEX Stock Exchange).

Subject matter of the transaction: Under this Agreement the Technical Centre undertakes to render comprehensive IT services to MICEX Stock Exchange as necessary for MICEX Stock Exchange to perform its professional activity as trading organiser having been licensed as a stock exchange aimed at:

- Providing opportunity for MICEX Stock Exchange to use Moscow Exchange's software and hardware tools (firmware) in the amount not exceeding 10% of total resources capacity of Technical center firmware, by providing to MICEX Stock Exchange technical access to the following firmware subsystems of Technical center:

- Trade system of MICEX Stock Exchange;
- Local Back-Office system (for MICEX Stock Exchange) (subsystem of Technical center firmware designed for trades managing and connected with access to database of Trade system of MICEX SE, including subsystems of electronic documents interchange system);
- electronic document flow subsystem of MICEX Stock Exchange;
- electronic document flow subsystem of Clearing Center for securities market
- Ensuring continuous functioning of aforesaid subsystems of Technical center firmware;
- Ensuring MICEX Stock Exchange's data safety;
- Ensuring electronic documents interchange between MICEX Stock Exchange, Technical Centre, Bank "National Clearing Centre" Closed joint-stock company, trade participants, Bank of Russia and others;
- Providing opportunity for MICEX Stock Exchange to employ other services, in particular those used to ensure data exchange between employees; and antivirus protection.

Transaction price: The transaction price under this Agreement is determined based on the costs of services, i.e. RUB 10,073,100 per month inclusive of VAT 18% equalling RUB 1,536,574.58. The transaction price does not exceed 2% of Moscow Exchange' assets book value stated in the recent financial statements.

Other essential terms and conditions of the transaction: This Agreement is concluded for an indefinite period.

The terms and conditions of this Agreement shall be applied retrospectively from 01.01.2014.

There are no beneficiaries of the transaction.

15. IT Service Agreement between the Moscow Exchange and Bank "National Clearing Centre" Closed joint-stock company on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Technical Centre) and Bank "National Clearing Centre" Closed joint-stock company (Clearing Center).

Subject matter of the transaction: Under this Agreement the Technical Centre undertakes to render a comprehensive package of IT services to the Clearing Center as necessary for the Clearing Centre to perform its clearing activity in compliance with the Clearing Rules, aimed at:

- Providing the Clearing Center with opportunity to use firmware resources of Technical Center in the amount of no more than 20% of total volume of Technical Center capacity required for clearing, performed by Clearing Center in accordance with Clearing Rules, by providing for Clearing Center technical access to the following subsystems of Technical Center firmware:

- Clearing subsystem of ASTS trade system (including UNIX);
- Clearing subsystem of FORTS trade system;
- Clearing subsystem of NAVIGATOR trade system;
- ASTS trade system;
- FORTS trade system;

- NAVIGATOR trade system;
- On-line Server system;
- Remote back-office system;
- Electronic document flow subsystem of Clearing Center;
- Electronic document flow system;
- E-mail system
- Ensuring data safety of Clearing Center;
- Ensuring electronic documents interchange between the Clearing Centre, Organiser of trading, Technical Centre, trade participants, Bank of Russia and others;
- Providing opportunity for Clearing Center to employ other services, in particular those used to ensure data exchange between employees; and antivirus protection;
- Providing Clearing Center with specific technological service on the respective markets of the trading organisers.

Transaction price: The transaction price under this Agreement is determined based on the costs of services, i.e. RUB 25,326,900 per month inclusive of VAT 18% equalling RUB 3,863,425.42. The transaction price does not exceed 2% of Moscow Exchange assets book value stated in the recent financial statements.

Other essential terms and conditions of the transaction: This Agreement is concluded for an indefinite period.

The terms and conditions of this Agreement shall be applied retrospectively from 01.01.2014.

There are no beneficiaries of the transaction.

16. Supplementary Agreement No.3 to Contract No.26-11/67 dated April 01, 2011 on HR services between the Moscow Exchange and Bank "National Clearing Centre" Closed joint-stock company on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Contractor) and Bank "National Clearing Centre" Closed joint-stock company (Customer).

Subject matter of the transaction: This Supplementary Agreement determines the amount of expenses on outsourced services and the reimbursement procedure.

Transaction price: The transaction price is determined based on expenses of the Contractor related to outsourcing the services and equals RUB 307,980 (three hundred and seven thousand nine hundred and eighty), including VAT of RUB 46,980 (forty six thousand nine hundred and eighty).

Other essential terms and conditions of the transaction: none.

There are no beneficiaries of the transaction.

17. NDA between the Moscow Exchange and Nicola Jane Beattie, the Exchange's Supervisory Board member, on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Disclosing party) and Nicola Jane Beattie (Receiving party).

Subject matter of the transaction: The Receiving party undertakes to protect and not to disclose confidential information, prevent unauthorised access to such confidential information, its loss or damage and shall be held liable in the default subject to terms and conditions of the NDA.

Transaction price: This NDA does not contain any financial obligations of the parties.

Other essential terms and conditions of the transaction: If the Receiving party fails to perform or improper performs (also unintentionally) its obligations under the NDA, the Receiving party shall compensate the Disclosing party for the loss (real damage) in connection with such failure.

Non-disclosure obligation remains effective during 5 (five) years starting from receiving the confidential information or until such information becomes available to public.

There are no beneficiaries of the transaction.

18. NDA between the Moscow Exchange and Mikhail Bratanov, the Exchange's Supervisory Board member, on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Disclosing party) and Mikhail Bratanov (Receiving party).

Subject matter of the transaction: The Receiving party undertakes to protect and not to disclose confidential information, prevent unauthorised access to such confidential information, its loss or damage and shall be held liable in the default subject to terms and conditions of the NDA.

Transaction price: This NDA does not contain any financial obligations of the parties.

Other essential terms and conditions of the transaction: If the Receiving party fails to perform or improper performs (also unintentionally) its obligations under the NDA, the Receiving party shall compensate the Disclosing party for the loss (real damage) in connection with such failure.

Non-disclosure obligation remains effective during 5 (five) years starting from receiving the confidential information or until such information becomes available to public.

There are no beneficiaries of the transaction.

19. NDA between the Moscow Exchange and Wang Yuan, the Exchange's Supervisory Board member, on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Disclosing party) and Wang Yuan (Receiving party).

Subject matter of the transaction: The Receiving party undertakes to protect and not to disclose confidential information, prevent unauthorised access to such confidential information, its loss or damage and shall be held liable in the default subject to terms and conditions of the NDA.

Transaction price: This NDA does not contain any financial obligations of the parties.

Other essential terms and conditions of the transaction: If the Receiving party fails to perform or improper performs (also unintentionally) its obligations under the

NDA, the Receiving party shall compensate the Disclosing party for the loss (real damage) in connection with such failure.

Non-disclosure obligation remains effective during 5 (five) years starting from receiving the confidential information or until such information becomes available to public.

There are no beneficiaries of the transaction.

20. NDA between the Moscow Exchange and Sean Ian Glodek, the Exchange's Supervisory Board member, on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Disclosing party) and Sean Ian Glodek (Receiving party).

Subject matter of the transaction: The Receiving party undertakes to protect and not to disclose confidential information, prevent unauthorised access to such confidential information, its loss or damage and shall be held liable in the default subject to terms and conditions of the NDA.

Transaction price: This NDA does not contain any financial obligations of the parties.

Other essential terms and conditions of the transaction: If the Receiving party fails to perform or improper performs (also unintentionally) its obligations under the NDA, the Receiving party shall compensate the Disclosing party for the loss (real damage) in connection with such failure.

Non-disclosure obligation remains effective during 3 (three) years starting from receiving the confidential information or until such information becomes available to public.

There are no beneficiaries of the transaction.

21. NDA between the Moscow Exchange and Andrey Golikov, the Exchange's Supervisory Board member, on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Disclosing party) and Andrey Golikov (Receiving party).

Subject matter of the transaction: The Receiving party undertakes to protect and not to disclose confidential information, prevent unauthorised access to such confidential information, its loss or damage and shall be held liable in the default subject to terms and conditions of the NDA.

Transaction price: This NDA does not contain any financial obligations of the parties.

Other essential terms and conditions of the transaction: If the Receiving party fails to perform or improper performs (also unintentionally) its obligations under the NDA, the Receiving party shall compensate the Disclosing party for the loss (real damage) in connection with such failure.

Non-disclosure obligation remains effective during 5 (five) years starting from receiving the confidential information or until such information becomes available to public.

There are no beneficiaries of the transaction.

22. NDA between the Moscow Exchange and Valery Goreglyad, the Exchange's Supervisory Board member, on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Disclosing party) and Valery Goreglyad (Receiving party).

Subject matter of the transaction: The Receiving party undertakes to protect and not to disclose confidential information, prevent unauthorised access to such confidential information, its loss or damage and shall be held liable in the default subject to terms and conditions of the NDA.

Transaction price: This NDA does not contain any financial obligations of the parties.

Other essential terms and conditions of the transaction: If the Receiving party fails to perform or improper performs (also unintentionally) its obligations under the NDA, the Receiving party shall compensate the Disclosing party for the loss (real damage) in connection with such failure.

Non-disclosure obligation remains effective during 5 (five) years starting from receiving the confidential information or until such information becomes available to public.

There are no beneficiaries of the transaction.

24. NDA between the Moscow Exchange and Yuriy Denisov, the Exchange's Supervisory Board member, on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Disclosing party) and Yuriy Denisov (Receiving party).

Subject matter of the transaction: The Receiving party undertakes to protect and not to disclose confidential information, prevent unauthorised access to such confidential information, its loss or damage and shall be held liable in the default subject to terms and conditions of the NDA.

Transaction price: This NDA does not contain any financial obligations of the parties.

Other essential terms and conditions of the transaction: If the Receiving party fails to perform or improper performs (also unintentionally) its obligations under the NDA, the Receiving party shall compensate the Disclosing party for the loss (real damage) in connection with such failure.

Non-disclosure obligation remains effective during 5 (five) years starting from receiving the confidential information or until such information becomes available to public.

There are no beneficiaries of the transaction.

25. NDA between the Moscow Exchange and Bella Zlatkis, the Exchange's Supervisory Board member, on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Disclosing party) and Bella Zlatkis (Receiving party).

Subject matter of the transaction: The Receiving party undertakes to protect and not to disclose confidential information, prevent unauthorised access to such confidential information, its loss or damage and shall be held liable in the default subject to terms and conditions of the NDA.

Transaction price: This NDA does not contain any financial obligations of the parties.

Other essential terms and conditions of the transaction: If the Receiving party fails to perform or improperly performs (also unintentionally) its obligations under the NDA, the Receiving party shall compensate the Disclosing party for the loss (real damage) in connection with such failure.

Non-disclosure obligation remains effective during 5 (five) years starting from receiving the confidential information or until such information becomes available to public.

There are no beneficiaries of the transaction.

26. NDA between the Moscow Exchange and Anatoly Karachinsky, the Exchange's Supervisory Board member, on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Disclosing party) and Anatoly Karachinsky (Receiving party).

Subject matter of the transaction: The Receiving party undertakes to protect and not to disclose confidential information, prevent unauthorised access to such confidential information, its loss or damage and shall be held liable in the default subject to terms and conditions of the NDA.

Transaction price: This NDA does not contain any financial obligations of the parties.

Other essential terms and conditions of the transaction: If the Receiving party fails to perform or improperly performs (also unintentionally) its obligations under the NDA, the Receiving party shall compensate the Disclosing party for the loss (real damage) in connection with such failure.

Non-disclosure obligation remains effective during 5 (five) years starting from receiving the confidential information or until such information becomes available to public.

There are no beneficiaries of the transaction.

27. NDA between the Moscow Exchange and Sergey Kozlov, the Exchange's Supervisory Board member, on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Disclosing party) and Sergey Kozlov (Receiving party).

Subject matter of the transaction: The Receiving party undertakes to protect and not to disclose confidential information, prevent unauthorised access to such confidential information, its loss or damage and shall be held liable in the default subject to terms and conditions of the NDA.

Transaction price: This NDA does not contain any financial obligations of the parties.

Other essential terms and conditions of the transaction: If the Receiving party fails to perform or improperly performs (also unintentionally) its obligations under the NDA, the Receiving party shall compensate the Disclosing party for the loss (real damage) in connection with such failure.

Non-disclosure obligation remains effective during 5 (five) years starting from receiving the confidential information or until such information becomes available to public.

There are no beneficiaries of the transaction.

28. NDA between the Moscow Exchange and Alexey Kudrin, the Exchange's Supervisory Board member, on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Disclosing party) and Alexey Kudrin (Receiving party).

Subject matter of the transaction: The Receiving party undertakes to protect and not to disclose confidential information, prevent unauthorised access to such confidential information, its loss or damage and shall be held liable in the default subject to terms and conditions of the NDA.

Transaction price: This NDA does not contain any financial obligations of the parties.

Other essential terms and conditions of the transaction: If the Receiving party fails to perform or improperly performs (also unintentionally) its obligations under the NDA, the Receiving party shall compensate the Disclosing party for the loss (real damage) in connection with such failure.

Non-disclosure obligation remains effective during 5 (five) years starting from receiving the confidential information or until such information becomes available to public.

There are no beneficiaries of the transaction.

29. NDA between the Moscow Exchange and Sergey Lykov, the Exchange's Supervisory Board member, on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Disclosing party) and Sergey Lykov (Receiving party).

Subject matter of the transaction: The Receiving party undertakes to protect and not to disclose confidential information, prevent unauthorised access to such confidential information, its loss or damage and shall be held liable in the default subject to terms and conditions of the NDA.

Transaction price: This NDA does not contain any financial obligations of the parties.

Other essential terms and conditions of the transaction: If the Receiving party fails to perform or improperly performs (also unintentionally) its obligations under the NDA, the Receiving party shall compensate the Disclosing party for the loss (real damage) in connection with such failure.

Non-disclosure obligation remains effective during 5 (five) years starting from receiving the confidential information or until such information becomes available to public.

There are no beneficiaries of the transaction.

30. NDA between the Moscow Exchange and Rainer Riess, the Exchange's Supervisory Board member, on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Disclosing party) and Rainer Riess (Receiving party).

Subject matter of the transaction: The Receiving party undertakes to protect and not to disclose confidential information, prevent unauthorised access to such confidential information, its loss or damage and shall be held liable in the default subject to terms and conditions of the NDA.

Transaction price: This NDA does not contain any financial obligations of the parties.

Other essential terms and conditions of the transaction: If the Receiving party fails to perform or improperly performs (also unintentionally) its obligations under the NDA, the Receiving party shall compensate the Disclosing party for the loss (real damage) in connection with such failure.

Non-disclosure obligation remains effective during 5 (five) years starting from receiving the confidential information or until such information becomes available to public.

There are no beneficiaries of the transaction.

31. NDA between the Moscow Exchange and Kirill Shershun, the Exchange's Supervisory Board member, on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Disclosing party) and Kirill Shershun (Receiving party).

Subject matter of the transaction: The Receiving party undertakes to protect and not to disclose confidential information, prevent unauthorised access to such confidential information, its loss or damage and shall be held liable in the default subject to terms and conditions of the NDA.

Transaction price: This NDA does not contain any financial obligations of the parties.

Other essential terms and conditions of the transaction: If the Receiving party fails to perform or improperly performs (also unintentionally) its obligations under the NDA, the Receiving party shall compensate the Disclosing party for the loss (real damage) in connection with such failure.

Non-disclosure obligation remains effective during 5 (five) years starting from receiving the confidential information or until such information becomes available to public.

There are no beneficiaries of the transaction.

By the resolution of the Supervisory Board dated 22.08.2014 (Minutes No. 4):

32. Contract of information services No.98/INFO between the Moscow Exchange and Sberbank CIB on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Exchange) and Sberbank CIB (Distributor).

Subject matter of the transaction: Moscow Exchange undertakes to provide Sberbank CIB with training data to the extent agreed in the Contract for distribution among Users (authorised by login and password) by demonstrations on the Sberbank CIB internet sites, distribution by email and to mobile devices via pager, telephone and similar communication for training, testing purposes and demonstrating software and hardware tools capabilities.

Transaction price: The transaction price is based on Moscow Exchange's fees and equals RUB 15,500 per month excl. VAT. The transaction price will not exceed 2% of Exchange's assets book value as of recent reporting date.

Other essential terms and conditions of the transaction: The Contract becomes effective upon signing and remains in force until either party notifies on its

termination. The Contract applies in respect of relationship arising between the Parties from 1 March 2014.

There are no beneficiaries of the transaction.

33. Contract of information services No.99/INFO/NDS between the Moscow Exchange and Sberbank CIB on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Exchange) and Sberbank CIB (User).

Subject matter of the transaction: Moscow Exchange undertakes to provide Sberbank CIB with market data to the extent agreed in the Contract for usage in 1 (one) non-display system of Sberbank CIB.

Transaction price: The transaction price is determined based on the market data type and market data usage in accordance with Moscow Exchange's fees and equals RUB 15,000 per month excl. VAT. The transaction price will not exceed 2% of Exchange's assets book value.

Other essential terms and conditions of the transaction: The Contract becomes effective upon signing and remains in force until either party notifies on its termination. The Contract applies in respect of relationship arising between the Parties from 1 March 2014.

There are no beneficiaries of the transaction.

34. Non-exclusive License Agreement between the Moscow Exchange and Bank "National Clearing Center" on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Licensee) and Bank "National Clearing Center" Closed joint-stock company (Licensor).

Subject matter of the transaction: The Licensor grants the Licensee a license to use the Unified Client Database software.

Transaction price: The Licensor's fee is RUB 334,368 per year payable by equal monthly instalments of RUB 27,864. The Licensor's fee is not subject to VAT.

Other essential terms and conditions of the transaction:

1) Software use: The Licensee will use the Software remotely via a web-browser with intent to obtain information from the Unified Client Database and add it with the data regarding clearing services, generation of reports as needed to perform clearing activities in conformance with clearing rules of NCC.

2) The Licensor will provide the license for the use of software not later than in 5 business days from the date of Agreement.

3) The Agreement becomes effective upon its signing and remains in force throughout a period of one year, unless either Party terminates it by sending a notice thereof 30 days before the date of expiration. The Agreement may be renewed for each next coming year with the same terms and conditions.

4) License territory – Russian Federation.

There are no beneficiaries of the transaction.

By the resolution of the Supervisory Board dated 15.10.2014 (Minutes No. 6):

35. The Listing Service Agreement between the Moscow Exchange and CJSC "MICEX Stock Exchange" on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Company) and CJSC “MICEX Stock Exchange” (Stock Exchange).

Subject matter of the transaction: The Stock Exchange undertakes to provide services to the Company to the extent, in the manner and in accordance with terms and conditions determined in the Listing Rules of the Stock Exchange, in consideration of the class/type/category of securities in respect of which the following services (hereinafter jointly referred to as the Services) are provided:

- inclusion into (change the level of listing) and maintenance of securities in the respective section of the List of securities admitted to trading (hereinafter the List),
- placement of securities (admission of securities to trading in the course of placement),
- assignment of identification number to commercial papers issue (new issue) of commercial papers,
- approval of changes in the decision on issue (new issue) of commercial papers and/or prospectus of commercial papers,
- pre-view of documents on commercial papers,

and the Company undertakes to accept these services and pay for them.

Transaction price: The price of the aforesaid transaction is determined based on the Tariffs (the fees amount charged by the Stock Exchange for services provided according to the Listing Rules), as approved by the Stock Exchange and effective on the date of Services delivery.

The transaction price will not exceed 2% of assets book value.

Other essential terms and conditions of the transaction: This Agreement is a redrafted version of the Agreement № B-010/13 dated 01.02.2013 for listing and maintaining securities in the Quotation List.

There are no beneficiaries of the transaction.

36. Non-Disclosure Agreement between the Moscow Exchange and Sberbank CIB on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Receiving Party) and Sberbank CIB (Disclosing Party).

Subject matter of the transaction: The Moscow Exchange undertakes not to disclose the contents of data, documents and other information provided by Sberbank CIB in the course of the data audit.

Transaction price: This Agreement does not contain any financial obligations of the parties.

Other essential terms and conditions of the transaction: The Agreement becomes effective from the signing by the Parties and remains in force during three (3) years after the data audit completion.

There are no beneficiaries of the transaction.

37. Non-Exclusive Software Use License Agreement between the Moscow Exchange and Sberbank of Russia on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Licensor) and Sberbank of Russia (Licensee).

Subject matter of the transaction: The subject of the transaction is provision by the Licensor to the Licensee of the right of the use of the program for electronic computing machines (ECM) (simple (non-exclusive) license) "MICEX Trade SE" (certificate of state registration of the ECM program No.2007610189 dated 09.01.2007), including all updated versions of this ECM Program to be installed on the remote work places of the Licensee, for the purpose of linking the Licensee to the Trading System of MICEX SE and the Equity & Bond Market Clearing System (software-technical complex designated for securing clearing activity performed by Bank "National Clearing Centre" Closed joint-stock company).

Transaction price: Transaction price is determined based on the Tariffs of the Moscow Exchange and equals RUB 20,350 per month.

Other essential terms and conditions of the transaction: This Agreement becomes effective and binding for the Parties from the signing thereof and shall be valid till 31 December 2014, inclusively. If a notice on the intention of one party to terminate the Agreement is not received by the other party at least 30 calendar days prior to termination of the validity period, the validity period of the Agreement shall be extended for the next calendar year – from 01.01.2015 till 31.12.2015.

There are no beneficiaries of the transaction.

38. Technical Services Agreement between the Moscow Exchange and Vnesheconombank on the following terms and conditions:

Parties to the transaction: Moscow Exchange – Technical Centre, State Corporation "Bank for Development and Foreign Economic Affairs (Vnesheconombank)" – User.

Subject matter of the transaction: The subject of the transaction is making the assignment by the User and assuming by the Technical Centre of obligations with regards to provision to the User of the services related to maintenance of configuration of the device designated for securing the safe internet network data exchange solely between the Technical Centre network segments and the local segment of the User network.

Transaction price: Transaction price is determined based on the Tariffs of the Moscow Exchange and equals RUB 144,000 per year.

Other essential terms and conditions of the transaction: The Agreement becomes effective and binding for the Parties from the signing thereof.

There are no beneficiaries of the transaction.

39. Additional Agreement No. 8 to Agreement No. BR-D-19/495 on interaction in the course of trading in securities on MICEX Stock Exchange between the Moscow Exchange, Bank of Russia, Bank "National Clearing Centre" Closed Joint-Stock Company and CJSC "MICEX Stock Exchange" on the following terms and conditions:

Parties to the transaction: Moscow Exchange; CJSC "MICEX Stock Exchange"; Bank "National Clearing Centre" Closed Joint-Stock Company; Bank of Russia.

Subject matter of the transaction: Change in time frames, content and the manner for delivering the information to the Bank of Russia when implementing "Listing reform" and "Settlement by clearing results before the end of trading on the Equity and Bond Market" projects and accomplishing certain current tasks.

Transaction price: This Additional Agreement does not comprise financial obligations of the parties.

There are no other essential terms and conditions of the transaction.

There are no beneficiaries of the transaction.

By the resolution of the Supervisory Board dated 21.11.2014 (Minutes No. 7):

40. Contract for information services No. 155/INFO/NDS between the Moscow Exchange and Sberbank CIB on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Exchange) and Sberbank CIB (User).

Subject matter of the transaction: The Moscow Exchange undertakes to provide the User with the services of market data provision for usage in an unlimited number of non-display systems, including those used by affiliated of Sberbank CIB. The content of market data is determined by the Contract.

Transaction price: The transaction price, as per the tariffs of the Moscow Exchange, equals RUB 76,500 per month excl. VAT and will not exceed 2% of the book value of the Exchange's assets according to the accounting data as of the recent reporting date.

Other essential terms and conditions of the transaction: The Contract becomes effective upon signing thereof and remains in force until either party notifies on its termination.

The Contract provides for the Exchange's right to revise tariffs for services pursuant to the unilateral procedure, although, no more than once per year.

Since the effective date of the Contract, Contract No. 99/INFO/NDS for market data provision dated 22 August 2014 between the Moscow Exchange and Sberbank CIB shall cease.

There are no beneficiaries of the transaction.

41. Contract on provision for CJSC "MICEX Stock Exchange" of a non-exclusive license for the usage of the software program "MICEX financial markets analysis & monitoring system "SAFRAN 3.0" between the Moscow Exchange and CJSC "MICEX Stock Exchange" on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Licensor) and CJSC "MICEX Stock Exchange" (Licensee).

Subject matter of the transaction: Provision by the Moscow Exchange to CJSC "MICEX Stock Exchange" of a non-exclusive license for the usage of the software program "MICEX financial markets analysis & monitoring system "SAFRAN 3.0".

Transaction price: The transaction price equals RUB 3,264,000.00 (Three million two hundred and sixty four thousand) per year (VAT exempt pursuant to sub-clause 26 clause 2 article 149 of the RF Tax Code) and will not exceed 2% of the book value of the Exchange's assets according to the accounting data as of the recent reporting date.

Other essential terms and conditions of the transaction: The Contract shall be concluded for a period of 1 (One) year. The Contract may be extended for the same period and on the same terms and conditions, if neither party declares of termination of the Contract 30 days prior to the end of the validity period. The terms and conditions of the Contract shall apply to the relations of the parties that arose prior to conclusion thereof, starting from 01.01.2014.

There are no beneficiaries of the transaction.

42. Contract on provision of the right of the usage of the software program “Software interface for link-up of the external systems to the trading complexes of CJSC “MICEX Stock Exchange” (a simple (non-exclusive) license) between the Moscow Exchange and Sberbank of Russia on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Licensor) and Sberbank of Russia (Licensee).

Subject matter of the transaction: The subject of the transaction is provision by the Licensor to the Licensee of the right of the usage of the software program “Software interface for link-up of the external systems to the trading complexes of CJSC “MICEX Stock Exchange” (a simple (non-exclusive) license) (certificate of state registration of the software program No. 2006610694 dated 07.02.2006), including all updated versions of this Software Program to be installed on remote working places of the Licensee, for the purpose of link-up of the Licensee to the trading system and the clearing system (the software complex designated for ensuring clearing activity performed by Bank “National Clearing Centre” Closed joint-stock company).

Transaction price: The transaction price is determined in accordance with the tariffs of the Moscow Exchange and equals RUB 9,000 per month.

Other essential terms and conditions of the transaction: The Contract takes effect and becomes mandatory for the parties upon signing thereof and remains in force within one calendar year. If no one party notifies another party of the intention to terminate the Contract not less than 30 calendar days prior to the end of the validity period, the validity period shall be extended until 31.12.2015.

There are no beneficiaries of the transaction.

43. Contract on rendering technical services between the Moscow Exchange and Sberbank of Russia on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Technical Centre) and Sberbank of Russia (User).

Subject matter of the transaction: The subject of the transaction is rendering by the Technical Centre to the User of the services related to technical support of link-up through the external software means to the software complex of the Exchange operating as per FIX protocol, for the purpose of link-up of the User to the trading system and clearing system.

Transaction price: The transaction price is determined in accordance with the tariffs of the Moscow Exchange and equals RUB 11,800 per month (inclusive of VAT).

Other essential terms and conditions of the transaction: The Contract takes effect and becomes mandatory for the parties upon signing thereof and remains in force until 31.12.2014. If no one party notifies another party of the intention to terminate the Contract not less than 30 calendar days prior to the end of the validity period, the validity period shall be extended until 31.12.2019.

There are no beneficiaries of the transaction.

44. Supplementary Agreement No. 9 to Agreement No. БР-Д-19/495 on interaction in the course of trading in securities on MICEX Stock Exchange between the Moscow Exchange, Bank of Russia, Bank “National Clearing Centre” Closed joint-stock company and CJSC “MICEX SE” on the following terms and conditions:

Parties to the transaction: Moscow Exchange; CJSC “MICEX SE”; Bank “National Clearing Centre” Closed joint-stock company (NCC); Bank of Russia.

Subject matter of the transaction: Change in time frames, content and the manner for delivering the information to the Bank of Russia when implementing the “Repo auction with the Bank of Russia with settlement in foreign currency” project and certain current tasks.

Transaction price: This Additional Agreement does not describe financial obligations of the parties.

There are no other essential terms and conditions of the transaction.

There are no beneficiaries of the transaction.

45. Supplementary Agreement No. 8 to the Contract on interaction in the course of conduct of trading and additional sessions of the Uniform Trading Session between the Moscow Exchange, Bank “National Clearing Centre” Closed joint-stock company (NCC) and the Bank of Russia on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Exchange), Bank “National Clearing Centre” Closed-joint Stock Company (NCC); Bank of Russia.

Subject matter of the transaction: Supplementary Agreement No. 8 to the Contract on interaction in the course of conduct of trading and additional sessions of the Uniform Trading Session dated 10 December 2007 (hereinafter, the “Trilateral Contract”) makes the following amendments to the Trilateral Contract by restating it in a new version:

- amendments in connection with implementation of the project related to division of statuses of the Trading Members and the Clearing Members on the FX Market and the precious metals market:
 - a procedure of conclusion of transactions in the course of conduct of an additional session was changed to the effect that such transactions are deemed to be OTC ones;
 - swap transactions with the Bank of Russia for the purpose of provision of liquidity to NCC in US dollars and EUR for fulfilment of obligations before a bona fide Clearing Member will be concluded with the use of Reuters-Dealing, on the market terms, rather than in the course of additional sessions;
 - a procedure of settlements under swap transactions to be concluded with the use of Reuters-Dealing was determined.
- a procedure of interaction of the parties in the course of conduct of the Auctions with the Bank of Russia was determined;
- the possibility for NCC to apply to the Bank of Russia for liquidity in Russian roubles, US dollars and EUR for fulfilment of obligations before a bona fide Clearing Member not only on the FX Market but also on other market, clearing for which is performed by NCC, was provided for;
- a preliminary exchange certificate in EUR was added.

Transaction price: Supplementary Agreement No. 8 to the Trilateral Contract doesn't comprise any financial liabilities of the parties.

Other essential terms and conditions of the transaction: Supplementary Agreement No. 8 to the Contract becomes effective upon signing thereof by the parties.

There are no beneficiaries of the transaction.

46. Supplementary Agreement No. 9 to the Contract on interaction between CJSC «MICEX Stock Exchange» and Bank «National Clearing Centre» Closed joint-stock company (NCC) in the course of arrangement and conduct of the Uniform Trading Session and the services of collection, retention and transfer of the commission fees to the Administrator of the UTS Trading System dated 10 December 2007 between the Moscow Exchange and Bank «National Clearing Centre» Closed joint-stock company on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Exchange) and Bank «National Clearing Centre» Closed-joint Stock Company (NCC).

Subject matter of the transaction: Supplementary Agreement No. 9 to the Contract on interaction between CJSC «MICEX SE» and NCC in the course of arrangement and conduct of the Uniform Trading Session and the services of collection, retention and transfer of the commission fees to the Administrator of the UTS Trading System dated 10 December 2007 (hereinafter, the «Agreement») makes the following amendments to the Contract by restating it in a new version:

- clients identification procedure was clarified;
- amendments were made to the reports for the purposes of reflection and provision of respective information depending on a member type: Trading Member or Clearing Member;
- interaction in the area of an additional session was excluded, due to a change of the status of transactions to be concluded for OTC one.

Transaction price: Supplementary Agreement No. 9 to the Contract doesn't comprise any financial liabilities of the parties.

Other essential terms and conditions of the transaction: Supplementary Agreement No. 9 to the Contract becomes effective upon signing thereof by the parties.

There are no beneficiaries of the transaction.

By the resolution of the Supervisory Board dated 28.11.2014 (Minutes No. 8):

47. Contract on provision of the right of the usage of the software program «Software interface for link-up of the external systems to the trading complexes of MICEX SE (a simple (non-exclusive) license) between the Moscow Exchange and Vnesheconombank on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Licensor) and Vnesheconombank (Licensee).

Subject matter of the transaction: The subject of the transaction is provision by the Licensor to the Licensee of the right of the usage of the software program «Software interface for link-up of the external systems to the trading complexes of MICEX SE (a simple (non-exclusive) license) (certificate of state registration of the software program No. 2006610694 dated 07.02.2006), including all updated versions of this Software Program to be installed on remote working places of the Licensee, for the purpose of link-up of the Licensee to the trading system and the clearing system (the software complex designated for ensuring clearing activity performed by Bank «National Clearing Centre» Closed-joint Stock Company).

Transaction price: The transaction price is determined in accordance with the Tariffs for provision to the Licensee of the right of the usage of the software program «Software interface for link-up of the external systems to the trading complexes» and equals RUB 2,000 per month, VAT free.

Other essential terms and conditions of the transaction: The Contract is executed for a period of one calendar year. The contract period may be extended for every next following year, unless either party notifies the other party of the intention to terminate the Contract in writing.

There are no beneficiaries of the transaction.

48. Additional Agreement to Non-residential Premises Lease Agreement No. 87-16/13-47 dated 01.08.2014 between the Moscow Exchange and NSD on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Lessee) and the National Settlement Depository (NSD) (Lessor).

Subject matter of the transaction: the increase of space leased 12, Spartakovskaya, Moscow by 150.2 m². This space is equal to the part of premises numbered 5 and premises on the 2nd floor of the building (according to the Bureau of Technical Inventory plan). The total area will make 453.4 m² (four hundred and fifty three 4/10 sq.m).

Transaction price: the size of monthly lease payment under the Agreement will be adjusted upward by RUB 558,464.95 to reach RUB 1,401,596.18 net of VAT.

The total lease payment for the period of the Agreement, considering the Additional Agreement provisions will be 13,183,698.18 plus VAT (18%), i.e. 2,373,065.67. The lease payment comprises of:

- Payment for the use of premises, i.e. RUB 12,561,427.62 net of VAT;
- Payment for the use of furniture, i.e. RUB 622,270.55 net of VAT.

Other essential terms and conditions of the transaction: the Additional Agreement becomes effective upon signature, will apply to relationship between the parties arising from 1 December 2014 and remain in force throughout 30 June 2015.

There are no beneficiaries of the transaction.

49. Additional Agreement to Non-residential Premises Lease Agreement No. 87-16/13-31 dated 29.11.2013 between the Moscow Exchange and NSD on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Lessor) and the National Settlement Depository (NSD) (Lessee).

Subject matter of the transaction: the increase of space leased at 1/13 building 8, Sredny Kislovsky pereulok, Moscow by 79.7 m². This space is equal to the area of premises numbered 53-54A and 55 on the 5th of the building (numbered 11, 12, 13, 14 according to the Territorial Bureau of Technical Inventory plan). The total area will make 322.1 m² (three hundred and twenty two 1/10 sq.m).

Transaction price: the size of monthly lease payment under the Agreement will be adjusted upward by RUB 332,084.95 to reach RUB 1,342,083.33 net of VAT.

The total lease payment for the period of the Agreement considering the Additional Agreement thereto will be RUB 11,774,152.1 plus VAT (18%), i.e. RUB 2,119,347.38.

Other essential terms and conditions of the transaction: the Additional Agreement becomes effective upon signature, will apply to relationship between the parties arising from 10 September 2014 and remain in force throughout 31 October 2014.

There are no beneficiaries of the transaction.

50. Non-residential Premises Lease Agreement between the Moscow Exchange and NSD on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Lessor) and the National Settlement Depository (NSD) (Lessee).

Subject matter of the transaction: the Lessor leases to the Lessee for a fee non-residential premises numbered 7 and 8 located on the 3rd floor, and 1-10, 11-14, 19-21 located on the 5th floor at 1/13 building 8, Sredny Kislovsky pereulok, Moscow, to carry out activities which conform to its charter. Total area of premises to be leased under the Agreement will be 322.1 m² (three hundred and twenty two 1/10 sq.m)

Transaction price: the size of monthly lease payment under the Agreement will be RUB 1,342,083.33 net of VAT.

The total lease payment for the period of the Agreement will be RUB 14,762,916.63 plus VAT (18%) of RUB 2,657,325.

Other essential terms and conditions of the transaction: the Agreement becomes effective upon signature and will apply to relation between the parties arising from 1 November 2014 and remains in force throughout 30 September 2015.

There are no beneficiaries of the transaction.

51. Agreement for car parking space lease between the Moscow Exchange and Bank “National Clearing Centre” Closed-joint Stock Company on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Lessor) and Bank “National Clearing Centre” Closed-joint Stock Company (NCC) (Lessee).

Subject matter of the transaction: The lessor leases to the Lessee for a lease payment 6 (six) car parking spaces numbered 4, 5, 6, 8, 9, 10 and located in the basement of the building 11, Bolshoy Kislovsky pereulok for Lessee’s cars parking.

Transaction price: the size of monthly payment per 6 (six) parking spaces per month will be RUB 102,660.00 including VAT (18%) of RUB 18,478.80.

The total price for the period of Agreement will be RUB 1,129,260 including VAT (18%) of RUB 203,266.80

Other essential terms and conditions of the transaction: the Agreement for Car Parking Space Lease becomes effective upon signature and will apply to relation between the parties arising from 1 November 2014. The lease period will be from 1 November 2014 throughout 30 September 2015.

There are no beneficiaries of the transaction.

52. Agreement for provision of the right to use the “Gateway Access Server” between the Moscow Exchange and Sberbank of Russia on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Licensor) and Sberbank of Russia (Licensee).

Subject matter of the transaction: The Licensor grants the Licensee the right to use the main and backup software X-stream Distribution Gateway (hereinafter the Software) (the rights are granted on the grounds of the Agreement between OMX

TECHNOLOGY AB and the Moscow Exchange dated 27.12.2012). The permissible number of connections will be from 21 and over.

The software use method will be to write to memory of computer (access server) and further to start the software for connection to the trading system of the Licensor operating on the X-stream platform.

Transaction price: The price of transaction will be RUB 1,825,120 comprising of fee for software installation and configuration services RUB 40,120 with VAT, and license fee 1,785,000 free of VAT.

Other essential terms and conditions of the transaction: The Agreement becomes effective and binds the Parties upon signature, and will remain in force throughout 31 December 2019.

There are no beneficiaries of the transaction.

By the resolution of the Supervisory Board dated 16.12.2014 (Minutes No. 9):

53. Interaction Agreement between the Moscow Exchange and the Bank of Russia on the following terms and conditions:

Parties to the transaction: Moscow Exchange and Bank of Russia.

Subject matter of the transaction: The Agreement determines the basic principles for the Moscow Exchange and Bank of Russia interaction while the Bank of Russia provides unsecured loans to credit institutions with the use of the Moscow Exchange's electronic trading system. The interaction procedures include data interchange when appointing authorised persons and making changes to the rules of conducting credit auctions when the Bank of Russia provides unsecured loans to credit organisations, interchange of data on participants (credit organisations); credit transaction interaction, interaction in the course of and in the follow up of credit transactions execution, and emergency situation interaction.

Transaction price: This Agreement does not describe financial obligations of the Parties.

Other essential terms and conditions of the transaction: The planned Agreement will replace the existing Agreement №1/20 dated 20 October 2008 on interaction in the process of credit auctions when the Bank of Russia provides unsecured loans to the credit organisations with the use of the MICEX electronic trading system.

There are no beneficiaries of the transaction.

By the resolution of the Supervisory Board dated 29.12.2014 (Minutes No. 10):

54. Additional Agreement No. 1 to Agreement on Participation in Client-ClearingBank system No. KKB01/10 dated 15.06.2010 between the Moscow Exchange and Bank "National Clearing Centre" Closed joint-stock company on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Participant) and Bank "National Clearing Centre" Closed joint-stock company (NCC).

Subject matter of the transaction: Additional Agreement No. 1 is making amendments into relations of the parties with respect to writing off commission fees and the procedure of suspension of the Participant's access to the System, namely:

- payment of the services related to operation of Client-ClearingBank system shall be made monthly, by writing off on the latest business day of rendering the services

by NCC of the commission fees in accordance with the Fees of the Participant's bank account opened with NCC, without an additional order of the Participant;

- in case of insufficient funds on the Participant's bank account required for writing off the commission fees by NCC, NCC shall have the right to suspend the Participant's access to the System.

Transaction price: to be determined in accordance with the Commission Fees for services rendered to NCC clients.

The transaction price will not exceed 2% of the book value of the assets.

Other essential terms and conditions of the transaction: Additional Agreement No. 1 becomes effective upon signature thereof and applies to relations of the Parties that arose starting from 01.12.2014.

There are no beneficiaries of the transaction.

By the resolution of the Supervisory Board dated 10.02.2014 (Minutes No. 51):

55. Agreement to insure liability of Supervisory Board (Board of Directors) members and officers of Moscow Exchange and its subsidiaries (D&O Liability Insurance Agreement) between the Moscow Exchange and AIG, CJSC on the following terms and conditions:

Parties to the transaction: Moscow Exchange (the Policyholder) and AIG, CJSC (the Insurer).

Subject matter of the transaction: In case of any insured event indicated in the D&O Liability Insurance Agreement the Insurer undertakes to pay out an insurance compensation (depending on the insured event) to a respective insured person and/or any other person eligible for such compensation.

Transaction price: The price of the purchased services shall be based on the insurance premium payable under the D&O Liability Insurance Agreement. The insurance premium is not more than one hundred forty five thousand and nine hundred (145,900) US dollars.

Other essential terms and conditions of the transaction: Insurance period: from 14 February 2014 to 30 June 2015. Coverage amount: fifty million (50,000,000) US dollars. Aggregate additional coverage amount for independent directors: ten million (10,000,000) US dollars.

Beneficiaries: The Policyholder and its subsidiaries, members of the supervisory boards (boards of directors) and/or officers of the Policyholder and its subsidiaries.

By the resolution of the Supervisory Board dated 26.06.2014 (Minutes No. 52):

56. Transactions for rendering services on calling and conducting General Meetings of Shareholders which may be made between Moscow Exchange and CJSC STATUS in the course of ordinary business on the following terms and conditions:

Parties to the transaction: Moscow Exchange and CJSC STATUS.

Transaction price: The maximum value of all transactions to be made in the term preceding the next Annual General Meeting of Shareholders of Moscow Exchange is RUB 5,500,000 (five million five hundred thousand).

Other essential terms and conditions of the transaction: Before the next Moscow Exchange Annual General Meeting of Shareholders, the said transactions may be

made, amended and terminated in accordance with the procedure set by the parties to the transaction.

There are no beneficiaries of the transaction.

57. Transactions on placement of temporarily spare cash of the Moscow Exchange on Sberbank of Russia deposits which may be made by the Moscow Exchange in the future in the course of ordinary business between the Moscow Exchange and Sberbank of Russia on the following terms and conditions:

Parties to the transaction: Moscow Exchange and Sberbank of Russia.

Transaction price: The maximum amount (value) of each transaction on placement of temporarily spare cash on Sberbank of Russia deposits is RUB 3,000,000,000 (three billion) including the deposit amount and interest estimated on the basis of interest rate set by Sberbank of Russia; the maximum amount (value) of all transactions to be made in the term preceding the next Annual General Meeting of Shareholders on the placement of temporarily spare cash on deposits is RUB 36,000,000,000 (thirty six billion); total spare cash on several deposits simultaneously should not exceed RUB 3,000,000,000 (three billion); in the event of cash being placed in foreign currency, the value of the transaction is set at the exchange rate of the Bank of Russia on the date of the depositary transaction.

Other essential terms and conditions of the transaction: Before the next Moscow Exchange Annual General Meeting of Shareholders, the said transactions may be made, amended and terminated in accordance with the procedure set by the parties to the transaction.

There are no beneficiaries of the transaction.

58. Transactions on placement of temporarily spare cash of the Moscow Exchange on National Clearing Centre deposits which may be made by the Moscow Exchange in the future in the course of ordinary business between the Moscow Exchange and Bank “National Clearing Centre” Closed joint-stock company on the following terms and conditions:

Parties to the transaction: Moscow Exchange and Bank “National Clearing Centre” Closed joint-stock company.

Transaction price: The maximum amount (value) of each transaction on placement of temporarily spare cash on National Clearing Centre deposits is 7,000,000,000 (seven billion), including the date of the deposit and interest estimated based on the interest rate set by the National Clearing Centre; the maximum amount (value) of all transactions to be made in the term preceding the next Annual General Meeting of Shareholders on the placement of temporarily spare cash on deposits is RUB 84,000,000,000 (eighty four billion); the total amount of cash placed on several deposits at the same time should not exceed RUB 7,000,000,000 (seven billion); in the event of cash being placed in foreign currency the transaction amount is set at the exchange rate of the Bank of Russia on the date of the depositary transaction.

Other essential terms and conditions of the transaction: Before the next Moscow Exchange Annual General Meeting of Shareholders, the said transactions may be made, amended and terminated in accordance with the procedure set by the parties to the transaction.

There are no beneficiaries of the transaction.

59. Conversion transaction (buying and selling one currency for another) which may be made by the Moscow Exchange in the future in the course of ordinary business between the Moscow Exchange and Bank “National Clearing Centre” Closed joint-stock company on the following terms and conditions:

Parties to the transaction: Moscow Exchange and Bank “National Clearing Centre” Closed joint-stock company.

Transaction price: The maximum amount of each conversion transaction (buying and selling one currency for another) is the rouble equivalent of USD 100,000,000 (one hundred million) at the exchange rate of the National Clearing Centre on the date of the transaction; with the maximum amount (value) of total conversion transactions to be made in the term preceding the next Annual General Meeting of Shareholders not exceeding the rouble equivalent of USD 1,200,000,000 (one billion two hundred million).

Other essential terms and conditions of the transaction: Before the next Moscow Exchange Annual General Meeting of Shareholders, the said transactions may be made, amended and terminated in accordance with the procedure set by the parties to the transaction.

There are no beneficiaries of the transaction.

60. Transactions which may be made by the Moscow Exchange in the future in the course of ordinary business:

with CJSC “MICEX Stock Exchange|:

– on commercial lease

Transaction price: The maximum amount (value) of each transaction is RUB 16,500,000.00 per year. The maximum amount of lease payments on all transactions per year is RUB 28,700,000.00.

Other essential terms and conditions of the transaction: Before the next Moscow Exchange Annual General Meeting of Shareholders, the said transactions may be made, amended and terminated in accordance with the procedure set by the parties to the transaction.

There are no beneficiaries of the transaction.

with NSD:

– on commercial lease

Transaction price: The maximum amount (value) of each transaction is RUB 15,600,000.00 per year. The maximum amount of lease payments on all transactions per year is RUB 29,050,000.00;

Other essential terms and conditions of the transaction: Before the next Moscow Exchange Annual General Meeting of Shareholders, the said transactions may be made, amended and terminated in accordance with the procedure set by the parties to the transaction.

There are no beneficiaries of the transaction.

– on the lease of parking spaces

Transaction price: The maximum amount (value) of each transaction is RUB 206,000.00 per year. The maximum amount of lease payments on all transactions per year is RUB 206,000.00.

Other essential terms and conditions of the transaction: Before the next Moscow Exchange Annual General Meeting of Shareholders, the said transactions may be made, amended and terminated in accordance with the procedure set by the parties to the transaction.

There are no beneficiaries of the transaction.

with Bank “National Clearing Centre” Closed joint-stock company:

– on commercial lease

Transaction price: The maximum amount (value) of each transaction is RUB 73,200,000.00 per year. The maximum amount of lease payments on all transactions per year is RUB 89,500,000.00.

Other essential terms and conditions of the transaction: Before the next Moscow Exchange Annual General Meeting of Shareholders, the said transactions may be made, amended and terminated in accordance with the procedure set by the parties to the transaction.

There are no beneficiaries of the transaction.

– on the lease of parking spaces

Transaction price: the maximum amount (value) of each transaction is RUB 1,044,000.00 per year. The maximum amount of lease payments on all transactions per year is RUB 1,044,000.00.

Other essential terms and conditions of the transaction: Before the next Moscow Exchange Annual General Meeting of Shareholders, the said transactions may be made, amended and terminated in accordance with the procedure set by the parties to the transaction.

There are no beneficiaries of the transaction.

with the National Mercantile Exchange:

– on commercial lease

Transaction price: The maximum amount (value) of each transaction is RUB 910,000.00 per year. The maximum amount of lease payments on all transactions per year is RUB 910,000.00.

Other essential terms and conditions of the transaction: Before the next Moscow Exchange Annual General Meeting of Shareholders, the said transactions may be made, amended and terminated in accordance with the procedure set by the parties to the transaction.

There are no beneficiaries of the transaction.

61. Agreement No.76/2 dated 01.11.2011 on IT services for the securities market between the Moscow Exchange and CJSC “MICEX Stock Exchange” on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Technical Centre) and CJSC “MICEX Stock Exchange” (MICEX Stock Exchange).

Subject matter of the transaction: The Technical Centre provides MICEX Stock Exchange with IT services that enable MICEX Stock Exchange to operate on the securities market as of a stock exchange with trading system and aiming at:

- ensuring continuous data processing and interchange between MICEX Stock Exchange, Bank "National Clearing Centre" Closed joint-stock company (NCC) and other trading members;
- providing opportunity for MICEX Stock Exchange to use Technical Centre's software and hardware necessary to maintain securities market operations on MICEX Stock Exchange;
- MICEX Stock Exchange accessing to Technical Centre's software and hardware subsystems;
- ensuring continuous operations of Technical Centre's software and hardware subsystems;
- ensuring electron document interchange;
- arranging data storage system for MICEX Stock Exchange data stored on Technical Centre's software and hardware;
- arranging data protection system for MICEX Stock Exchange data stored on Technical Centre's software and hardware;
- opportunity to use Technical Centre's public sources.

Transaction price: RUB 1,449,911,366 (one billion four hundred and forty nine million nine hundred and eleven thousand three hundred and sixty six).

Other essential terms and conditions of the transaction: none.

There are no beneficiaries of the transaction.

LARGE TRANSACTIONS

In 2014 Moscow Exchange did not conclude any large transactions as defined by the law On Joint Stock Companies.

Moscow Exchange's charter does not include a provision for any other kinds of transactions subject to approval as large transactions.

ENERGY CONSUMPTION: REPORT ON VOLUME OF ENERGY CONSUMED

As a socially responsible business, Moscow Exchange is highly attentive to minimising its consumption of energy. It employs advanced energy saving instruments and equipment, controls its electric load distribution at various points during the day and monitors its electricity consumption.

I. ENERGY CONSUMED IN 2014 IN NATURAL AND MONETARY TERMS

1. At the Bolshoy Kislovskiy Pereulok premises (Bolshoy Kislovskiy Pereulok 11 and 13, Sredniy Kislovskiy Pereulok 1/13, bldg 4 and 8):

- Heat consumption: 2,215.246 Gcal totalling RUB 2,710,443 (ex. VAT).
- Electricity consumption: 6,717,425 kW totalling RUB 24,748,981 (ex. VAT).
- Cold water consumption: 28,593.356 cum totalling RUB 760,869 (ex. VAT).

2. At Ulitsa Vozdvizhenka 4/7, Bldg 1:

- Heat consumption: 867,108 Gcal totalling RUB 1,052,781 (ex. VAT).
- Electricity consumption: 1,309,039 kW totalling RUB 4,833,853 (ex. VAT).
- Cold water consumption: 5,978 cum totalling RUB 149,909 (ex. VAT).

Moscow Exchange has not signed any direct contracts with utilities providers for the property at Ulitsa Vozdvizhenka 4/7, Bldg 1; the amounts shown above are a variable part of the rent.

II. FUEL AND LUBRICANT CONSUMPTION

Moscow Exchange in 2014 consumed 92,089.466 litres of gasoline and diesel totalling RUB 2,986,055.74 (ex. VAT).

RISK FACTORS

In this mandatory section of the annual report, Moscow Exchange lists potential operating risks and describes steps that the Exchange takes to monitor and mitigate them.

Political Risks

Moscow Exchange may face operating risks related to possible changes in the political and economic situation in Russia that could affect the company's business.

To reduce political risks during the course of its operations, the Exchange monitors the political and economic situation and builds high-probability political and economic scenarios. The results of such research are later considered in the Exchange's approved development plan and when implementing new projects.

Political and economic instability in Russia may be detrimental for businesses in the country. The Russian economy relies to a significant degree on the pricing and export of crude oil and other minerals and also on the global market environment. For instance, the global financial turmoil of 2008-2009 changed the operating environment for most Russian business entities significantly, by triggering capital outflow and a slump in manufacturing, trade and investments. Uncertainty as to the scale and duration of the current economic crisis and capital cost may affect the Exchange's financial standing, performance and economic prospects.

Corporate Management Risks

During the course of the Exchange's operations, corporate management risks may arise from untimely or incorrect executive decisions, delayed solutions to controversies that trigger litigation, media publications and other factors that could affect the Exchange's business reputation.

To minimise corporate management risks, the Exchange's internal documents set out the meeting and decision-making procedures for management regarding operational issues, with measures designed to prevent conflicts of interest and procedures to enforce such internal procedures.

Operating Risks

Moscow Exchange's operations may be impacted by operating risks, i.e., risks of potential loss caused by mismatch with the company's profile and scale, legal non-compliance of corporate procedures and regulations and failure of executives and employees to observe them, inadequate functionality or failure of IT and other systems used by Moscow Exchange Group, and as a result of external events.

Moscow Exchange has implemented a series of measures to improve management of operating risks:

- a dedicated subdivision to handle operating risks was established;
- operational risk across the company's divisions was assessed;
- collection of information concerning events associated with operational risk was arranged;
- a database of operational risks was created;
- a procedure for assessing each operational risk was established and a procedure for making a decision on further actions concerning such risk was

introduced. An action plan is being developed for each risk for which a resolution was made to reduce it;

- a procedure for independent control to enforce mitigation plans for identified operating risks was introduced;
- a series of personnel trainings on operational risk management was arranged.

The Executive Board considers operational risk issues on a monthly basis. Operational risks and issues, together with issues of legal, reputational and regulatory risk, are discussed on a regular basis by the Risks Commission, which reports to the Supervisory Board.

To ensure information security and integrity of business processes:

- independent audits of IT control processes are conducted;
- basic IT control processes to match international practices CobIT and ITSM are adopted;
- periodical audits in companies that purchase the Exchange's market data are arranged;
- Information Security procedures have been considerably optimised, and preliminary work to prepare for compliance certification under IT security standard ISO27001 completed;
- an Operations Continuity and Recovery Plan for the Moscow Exchange Group's business divisions has been drafted;
- the project of Exchange's backup office expansion was initiated;
- certification to ISO 22301 has been prepared.

Currently, the key system availability ratio is maintained at 99.98%, which is equal or higher than that of other major international exchanges.

Regulatory (Compliance) Risks

In its operations as an organiser of trading, Moscow Exchange may face compliance (regulatory) risks, potentially leading to reputational risk. To reduce the risks related to trading parties' or Exchange employees' activities and to protect the rights and lawful interests of investors, the following system of measures has been established:

- creation and approval of corporate documents regulating the activities of Moscow Exchange as a trading venue, ensuring compliance with the laws, regulations and statutes of the Bank of Russia;
- creation of rules to prevent, detect, and stop unlawful use of insider information and/or market rigging;
- ongoing monitoring of participant activities on the exchange market (filing requests and entering transactions) to detect unusual events, including ones that may destabilise the market, with monitoring results submitted to the Bank of Russia;
- Anti-money laundering and terrorism control efforts;
- Anti-corruption efforts;
- Efforts to prevent, detect and eliminate conflicts of interest;
- Processing and analysis of customers' applications;
- Establishment and enforcement of requirements to protect confidential and restricted-use information, commercial secrets and personal information to prevent unauthorised access;

- Control of access to classified and insider information, and commercial secrets strictly in compliance with regulations.

Central Counterparty Risks

One of the main credit risks to which the Group is exposed is risk associated with the performance of central clearing for members. In case of a clearing member default, the central counterparty must fulfil its obligations to non-defaulting members. Managing this risk is one of the Group's core activities. An integrated system for monitoring and managing the risk has been developed that comprises the following:

- a division responsible for designing risk-management methodologies and procedures;
- margin requirements for clearing members' open interest;
- the guarantee of funds to cover simultaneous defaults of the two largest clearing members;
- periodic stress tests of members' positions to check collateral and guarantee fund sufficiency for periods of high market uncertainty;
- procedures for settlement of default situations to minimise losses;
- close cooperation with regulators (including the Bank of Russia) in central counterparty risk management.

In the event of a clearing member defaulting and insufficiency of collateral and guarantee funds, the central counterparty's capital may be involved in paying off the defaulter's debts

Legal Risks

In the course of its operations, Moscow Exchange is likely to confront legal risks that may affect its performance.

The list of legal risks that arise during operations of Moscow Exchange includes risks of newly enacted legal acts and other legislation that may affect professional activities on financial markets, resulting in compromised competitive ability, lost sources of revenues and other adverse outcomes for professional operations on the securities market.

To minimise legal risks, the Exchange uses the following system of checks:

- tracking of legislative bills that would regulate Exchange operations, and submitting relevant proposals;
- monitoring of changes to legal acts and regulations, and examination of international law and judicial practices in issues relevant to the operations of Moscow Exchange;
- expert evaluation of corporate documents and contracts signed for legal compliance with federal law and other applicable regulation;
- interaction with the Russian government and Central Bank of Russia on issues related to newly established requirements to regulation of exchange markets, with recommendations and explanations as required.

Credit Risks

In the course of its operations, the Exchange faces credit risks, the sources of which

are:

- transactions to place available funds with counterparties, including funds deposited with other banks;
- administrative, business and other transactions with counterparties that require prepayment.

Moscow Exchange Group manages credit risks centrally, taking into consideration the credit risk profiles and risk levels of individual units in the Group.

Expert evaluation of credit risks by counterparties is based on analysis of their respective financial reports and other available information about their operations.

Methods of credit risk management include:

- setting priorities (criteria) to deposit available funds by Moscow Exchange;
- establishing limits for the deposit of funds.

Liquidity Risks

Moscow Exchange may be exposed to liquidity risk if it incurs losses following its failure to ensure full and timely performance of its obligations to participants and counterparts. Such losses may take place if available assets are insufficient to fulfil such obligations because the company's financial assets and liabilities are inadequately balanced.

During the reporting period, the Exchange adhered to its regular, highly conservative liquidity management policy. The liquidity risk management method implied diversification across transactions maturity while placing temporary available funds.

International Business Risks (Country-Specific Risks)

Moscow Exchange has embarked upon a range of investment projects in several foreign states, and owns holdings in the assets of corporate entities (in Ukraine and Kazakhstan). Potential shift of political balance, changes in local law or deteriorating social and business climate might affect evolution and activities of these projects. To minimise the risks, it is necessary to continuously monitor the situation in the host countries of Moscow Exchange and its subsidiaries, and to ensure timely and adequate response to ongoing changes.

Risks of Force Majeure

Should they arise, emergencies (forces majeures) such as failure and/or physical destruction (demolition) of buildings, utility networks, equipment or information databases may impact the Exchange's operations.

This may disrupt the functioning of the Exchange's markets during emergencies.

To reduce the risk of forces majeures, Moscow Exchange does the following:

- Ensures that two IT centres are always available (main and standby), both able to support the operations of the main IT systems used to organise trading on Moscow Exchange;
- maintains an up-to-date action plan in case of need to switch to the capacity of the standby IT centre, and conducts regular drills of operating sequences under the plan;
- maintains redundant computer units and telecommunications equipment at each IT centre, with additional communication channels also available;

- maintains project solutions built in to applied systems to ensure distribution of loads and backup at the level of access servers and main data processing servers;
- uses a computer with built-in duplicate main units as a platform for the most critical tasks;
- uses telecommunication devices with inbuilt duplicate main units;
- uses highly robust, high-redundancy equipment to store databases and other critical information;
- ensures working performance of procedures for regular (at least daily) multi-level backups for all critical data, which also provide for storage of regularly updated backup copies in specially equipped reinforced facilities (safe boxes) away from the IT centre premises;
- backs up (in special cases, with multiple copies) all internal workstations in digital data processing systems, both at main and standby computer centres;
- ensures that the rooms of both the main and standby computer centres have automatic fire fighting systems;
- maintains a 24/7 monitoring system to control computer and telecommunication resources and the condition of the rooms of the computer centres (both main and standby).

Sanction Risks:

The introduction of economic sanctions against Russia makes further deceleration of the rate of growth of the Russian economy in general and its financial sector in particular highly probable, which may have adverse implications on Moscow Exchange's profitability. In this regards, Moscow Exchange develops efforts to preserve and ensure growth in the operating income, in particular, by offering new products and services to market participants, while controlling costs.

In addition, the risks of the U.S. and EU imposing economic sanctions on the Moscow Exchange and its subsidiaries may arise, that could indirectly affect the Exchange's operating model and the its cooperation with foreign partners. To reduce this risk, Moscow Exchange is developing the plans for its operations under possible sanctions and is diversifying its global footprint.

There is also a risk of freezing of some of Moscow Exchange's shares in Ukrainian companies, though the effect on Moscow Exchange's financial standing would not be significant, given the low value of these assets.

D&O liability insurance

Moscow Exchange has signed a D&O (directors & officers) liability insurance agreement with regard to Supervisory Board members and senior managers of the Moscow Exchange Group. The insurer is AIG, one of the leading companies offering this type of insurance.

The terms of the D&O liability insurance are as follows:

1. Insurance coverage:

A-level coverage is for directors, officers, directors of stand-alone enterprises and

independent (non-executive) directors, when the insurer indemnifies for losses of every insured person.

B-level coverage is for directors, officers, directors of stand-alone enterprises and independent (non-executive) directors, when the insurer indemnifies the company for losses which company paid out for insured person.

C-level coverage provides the company with indemnification only for claims related to securities.

2. Insurance period: from 14 February 2014 to 30 June 2015 (both dates inclusive).

3. Retroactive date: 20 June 2012.

4. Continuity date: 14 February 2013.

5. Territory covered: worldwide, including the US and Canada

6. Liability limit (including defence costs):

Aggregated (for all and each event insured): 50,000,000 (fifty million) US dollars.

At least 1,000,000 (one million) US dollars per one independent director with the aggregated limit of 10,000,000 (ten million) US dollars for all independent directors.

7. Franchise:

A-level coverage: not applicable.

B-level and C-level coverage: maximum 150,000 (one hundred fifty thousand) US dollars in relation to claims filed in the US and Canada, and 100,000 (one hundred thousand) US dollars in relation to claims filed in other countries.

8. Cost of insurance: 145,900 US dollars.

EXTERNAL AUDITOR

Full business name: Closed Joint-Stock Company Ernst & Young Vneshaudit (Taxpayer ID 7717025097, State Registration Number 1027739199333).

Address: 115035 Moscow Sadovnicheskaya naberezhnaya 77 building 1.

Full name of a self-governing organisation of which the auditor is a member: Non Profit Partnership Audit Chamber of Russia.

Address of a self-governing organisation of which the auditor is a member: 105120 Moscow 3rd Syromyatnichesky per. 3/9 Building 3

Team of auditors:

- Evgeniya Zaichikova, partner,
- Anna Lapina, senior manager,
- Anna Ratinskaya, manager.

The audit of Moscow Exchange's annual financial statements and Moscow Exchange Group's consolidated financial statements for 2014 will cost RUB 3.75 mln, exclusive of VAT.

Closed Joint-Stock Company Ernst & Young Vneshaudit did not render any other services except audit to Moscow Exchange in 2014.

**OPEN JOINT-STOCK COMPANY
MOSCOW EXCHANGE
MICEX-RTS
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

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Independent auditor's report

To the Shareholders and the Executive Board of
OJSC Moscow Exchange MICEX-RTS

We have audited the accompanying consolidated financial statements of OJSC Moscow Exchange MICEX-RTS and its subsidiaries, which comprise the consolidated statement of profit or loss and consolidated statement of comprehensive income for the year 2014, the consolidated statement of financial position as at 31 December 2014, and the consolidated statement of cash flows and consolidated statement of changes in equity for the year 2014, and a summary of significant accounting policies and other explanatory information.

Audited entity's responsibility for the consolidated financial statements

Management of the audited entity is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the fairness of these consolidated financial statements based on our audit.

We conducted our audit in accordance with the federal standards on auditing effective in the Russian Federation and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The audit procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of OJSC Moscow Exchange MICEX-RTS and its subsidiaries as at 31 December 2014, and their financial performance and cash flows for the year 2014 in accordance with International Financial Reporting Standards.



E.V. Zaichikova
Partner
Ernst & Young Vneshaudit CJSC

11 March 2015

Details of the audited entity

Name: OJSC Moscow Exchange MICEX-RTS
Record made in the State Register of Legal Entities on 19 December 2011, State Registration Number 1027739387411.
Address: 125009, 13, Bolshoy Kislovsky per., Moscow, Russia.

Details of the auditor

Name: Ernst & Young Vneshaudit CJSC
Record made in the State Register of Legal Entities on 16 September 2002, State Registration Number 1027739199333.
Address: Russia 115035, Moscow, Sadovnicheskaya naberezhnaya, 77, building 1.
CJSC Ernst & Young Vneshaudit is a member of self-regulatory organization of Non Profit partnership "Russian Audit Chamber" ("NP APR"). CJSC Ernst & Young Vneshaudit is included in the control copy of the register of auditors and audit organizations, main registration number 10301017410.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED DECEMBER 31, 2014

(IN THOUSANDS OF RUSSIAN RUBLES)

	Notes	Year ended December 31, 2014	Year ended December 31, 2014
Fee and commission income	7	15 585 951	12 792 116
Interest and other finance income	8	13 989 692	11 238 543
Interest expense		(530 566)	(5 280)
Net loss on financial assets available-for-sale	9	(1 588 205)	(672 539)
Foreign exchange gains less losses	10	2 408 489	1 194 224
Other operating income	11	528 682	58 909
OPERATING INCOME		30 394 043	24 605 973
Administrative and other operating expenses	12	(4 978 494)	(5 029 989)
Personnel expenses	13	(5 394 764)	(4 827 004)
OPERATING PROFIT		20 020 785	14 748 980
Interest expense in respect of written put option over own shares		-	(199 686)
Share of profits of associates		7 356	74 605
PROFIT BEFORE TAX		20 028 141	14 623 899
Income tax expense	14	(4 034 976)	(3 042 205)
NET PROFIT		15 993 165	11 581 694
ATTRIBUTABLE TO:			
Equity holders of the parent		16 041 416	11 586 770
Non-controlling interest		(48 251)	(5 076)
EARNINGS PER SHARE			
Basic earnings per share, rubles	29	7,21	5,23
Diluted earnings per share, rubles	29	7,18	5,22



Chairman of the Executive Board
AFANASIEV A.K.

March 6, 2015
Moscow



Chief Financial Officer
FETISOV E.E.

March 6, 2015
Moscow

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2014

(IN THOUSANDS OF RUSSIAN RUBLES)

	Year ended December 31, 2014	Year ended December 31, 2014
NET PROFIT	15 993 165	11 581 694
OTHER COMPREHENSIVE INCOME THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS:		
Exchange differences on translating foreign operations	(44 269)	35 895
Net loss resulting from revaluation of investments available-for-sale	(2 897 556)	(1 020 952)
Net loss on investments available-for sale reclassified to profit or loss	9	1 588 205
Income tax relating to items that may be reclassified	261 871	69 682
OTHER COMPREHENSIVE LOSSES THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS	(1 091 749)	(242 836)
TOTAL COMPREHENSIVE INCOME	14 901 416	11 338 858
ATTRIBUTABLE TO:		
Equity holders of the parent	14 923 977	11 325 839
Non-controlling interest	(22 561)	13 019
TOTAL COMPREHENSIVE INCOME	14 901 416	11 338 858

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED DECEMBER 31, 2014

(IN THOUSANDS OF RUSSIAN RUBLES)

	Notes	December 31, 2014	December 31, 2013
ASSETS			
Cash and cash equivalents	15	1 163 783 135	255 041 610
Financial assets at fair value through profit or loss	16	11 441 991	16 199 725
Due from financial institutions	17	39 828 042	28 959 295
Central counterparty financial assets	18	139 609 774	47 008 536
Assets held for sale		–	2 723 667
Investments available-for-sale	19	80 950 315	74 252 052
Investments in associates	20	46 132	93 149
Property and equipment	21	6 050 342	6 262 365
Intangible assets	22	18 150 283	18 782 590
Goodwill	23	15 971 420	16 071 458
Current tax prepayments		39 467	210 547
Deferred tax asset	14	172 596	186 564
Other assets	24	1 461 375	673 063
TOTAL ASSETS		1 477 504 872	466 464 621
LIABILITIES			
Balances of market participants	25	1 231 999 104	322 250 561
Central counterparty financial liabilities	18	139 609 774	47 008 536
Distributions payable to holders of securities		6 353 006	3 670 761
Loans payable		–	50 858
Liabilities related to assets held for sale		–	5 864 695
Deferred tax liability	14	4 015 600	3 824 032
Current tax payables		736 669	76 305
Other liabilities	26	2 943 262	1 924 722
TOTAL LIABILITIES		1 385 657 415	384 670 470

	Notes	December 31, 2014	December 31, 2013
EQUITY			
Share capital	27	2 498 144	2 597 997
Share premium	27	32 527 989	38 953 810
Treasury shares	27	(3 364 997)	(10 194 083)
Foreign currency translation reserve		(62 480)	7 479
Investments revaluation reserve		(1 328 162)	(280 682)
Share-based payments		437 354	367 972
Retained earnings	28	60 735 592	49 999 048
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		91 443 440	81 451 541
Non-controlling interest		404 017	342 610
TOTAL EQUITY		91 847 457	81 794 151
TOTAL LIABILITIES AND EQUITY		1 477 504 872	466 464 621

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2014

(IN THOUSANDS OF RUSSIAN RUBLES)

	Notes	Year ended December 31, 2014	Year ended December 31, 2014
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES:			
Profit before tax		20 028 141	14 623 899
ADJUSTMENTS FOR:			
Depreciation and amortization charge	12	1 588 018	1 569 490
Interest expense on written put option on own shares		–	199 686
Fair value adjustment on securities at fair value through profit or loss		369 215	(107 889)
Share-based payment expense		233 827	287 752
Unrealized (gain) / loss on foreign exchange operations		(53 531)	218 680
Share of profits of associates		(7 356)	(74 605)
Loss on disposal of investments available-for-sale	9	1 588 205	672 539
Net change in interest accruals		3 246	(129 032)
Net loss on disposal of property and equipment and intangible assets	12	26 413	156 122
Gain from revaluation of previously held equity interest in the acquiree	6	(38 664)	–
Impairment of goodwill and other intangible assets	12	209 775	–
Impairment of other assets		8 698	27 637
Impairment of investments in associates	12	–	118 715
Bargain gain	6	(18 596)	–
Provision for onerous contracts	12	173 203	–
Gain on disposal of non-current assets held for sale	11	(313 560)	–
CHANGES IN OPERATING ASSETS AND LIABILITIES:			
Due from financial institutions		(5 066 891)	(15 110 563)
Financial assets at fair value through profit or loss		(146 417)	1 465 565
Central counterparty financial assets		(92 601 238)	(44 185 092)
Other assets		(195 941)	(36 431)
Balances of market participants		588 493 842	64 578 215
Central counterparty financial liabilities		92 601 238	44 185 092
Distributions payable to holders of securities		2 682 245	(766 095)
Other liabilities		696 231	(412 871)
Cash flows from operating activities before taxation		610 260 103	67 280 814
Income tax paid		(2 752 593)	(2 826 984)
CASH FLOWS FROM OPERATING ACTIVITIES		607 507 510	64 453 830

	Notes	Year ended December 31, 2014	Year ended December 31, 2013
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES:			
Purchase of investments available-for-sale		(60 565 857)	(63 758 159)
Proceeds from disposal of investments available-for-sale		58 870 341	46 003 713
Purchase of property and equipment and intangible assets		(1 110 508)	(1 044 626)
Proceeds from redemption of investments held-to-maturity		–	520 069
Proceeds from disposal of property and equipment and intangible assets		5 370	25 071
Proceeds from sale of investments in associates		593 890	–
Acquisition of subsidiaries, net of cash acquired	6	5 857	–
Disposal of subsidiaries, net of cash disposed		440 000	–
CASH FLOWS USED IN INVESTING ACTIVITIES		(1 760 907)	(18 253 932)
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES:			
Dividends paid		(5 310 171)	(2 726 452)
Sale of treasury shares		138 967	41 502
Acquisition of non-controlling interest in subsidiaries		(2 057)	(27)
Disposal of non-controlling interest in subsidiaries		–	1 519
IPO proceeds, net of transaction costs paid		–	5 757 600
Acquisition of treasury shares		–	(1 527 896)
Loans (repaid) / received		(50 068)	30 055
Proceeds from issue of ordinary shares		–	5 822
CASH FLOWS (USED IN) / FROM FINANCING ACTIVITIES		(5 223 329)	1 582 123
Effect of changes in foreign exchange rates on cash and cash equivalents		306 199 374	15 921 982
NET INCREASE IN CASH AND CASH EQUIVALENTS		906 722 648	63 704 003
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	15	257 060 487	193 356 484
CASH AND CASH EQUIVALENTS, END OF YEAR	15	1 163 783 135	257 060 487

Interest received by the Group during the year ended December 31, 2014, amounted to RUB 14 464 307 thousand (December 31, 2013: RUB 11 014 096 thousand).

Interest paid by the Group during the year ended December 31, 2014, amounted to RUB 531 357 thousand (December 31, 2013: RUB 4 720 thousand).

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2014

(IN THOUSANDS OF RUSSIAN RUBLES)

	Уставный капитал	Эмиссионный доход	Собственные выкупленные акции	Выпущенный опцион пут на собственные акции
DECEMBER 31, 2012	2 416 918	27 403 927	(2 860 714)	(21 054 656)
Net profit	–	–	–	–
Other comprehensive income	–	–	–	–
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	–	–	–	–
TRANSACTIONS WITH OWNERS				
Issue of shares	181 079	13 113 763	(13 289 020)	–
Sale of treasury shares in IPO	–	(1 588 097)	7 367 316	–
Expiration of IPO-related written put option	–	–	–	21 054 656
Repurchase of treasury shares	–	–	(1 527 896)	–
Dividends declared	–	–	–	–
Share-based payments	–	24 217	116 231	–
Acquisition of non-controlling interest	–	–	–	–
Disposal of non-controlling interest	–	–	–	–
TOTAL TRANSACTIONS WITH OWNERS	181 079	11 549 883	(7 333 369)	21 054 656
DECEMBER 31, 2013	2 597 997	38 953 810	(10 194 083)	–
Net profit	–	–	–	–
Other comprehensive income	–	–	–	–
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	–	–	–	–
TRANSACTIONS WITH OWNERS				
Cancellation of treasury shares	(99 853)	(6 416 523)	6 516 376	–
Share-based payments	–	(9 298)	312 710	–
Acquisition of subsidiary	–	–	–	–
Dividends declared	–	–	–	–
Acquisition of non-controlling interest	–	–	–	–
TOTAL TRANSACTIONS WITH OWNERS	(99 853)	(6 425 821)	6 829 086	–
DECEMBER 31, 2014	2 498 144	32 527 989	(3 364 997)	–

Резерв переоценки инвестиций	Выплаты, основанные на акциях	Резерв по переводу в валюту представления данных	Нераспределенная прибыль	Итого капитал, приходящийся на акционеров материнской компании	Неконтрольные доли участия	Итого капитал
(1 951)	179 166	(10 321)	38 674 893	44 747 262	328 140	45 075 402
–	–	–	11 586 770	11 586 770	(5 076)	11 581 694
(278 731)	–	17 800	–	(260 931)	18 095	(242 836)
(278 731)	–	17 800	11 586 770	11 325 839	13 019	11 338 858
–	–	–	–	5 822	–	5 822
–	–	–	–	5 779 219	–	5 779 219
–	–	–	2 463 796	23 518 452	–	23 518 452
–	–	–	–	(1 527 896)	–	(1 527 896)
–	–	–	(2 726 362)	(2 726 362)	(90)	(2 726 452)
–	188 806	–	–	329 254	–	329 254
–	–	–	(17)	(17)	(10)	(27)
–	–	–	(32)	(32)	1 551	1 519
–	188 806	–	(262 615)	25 378 440	1 451	25 379 891
(280 682)	367 972	7 479	49 999 048	81 451 541	342 610	81 794 151
–	–	–	16 041 416	16 041 416	(48 251)	15 993 165
(1 047 480)	–	(69 959)	–	(1 117 439)	25 690	(1 091 749)
(1 047 480)	–	(69 959)	16 041 416	14 923 977	(22 561)	14 901 416
–	–	–	–	–	–	–
–	69 382	–	–	372 794	–	372 794
–	–	–	–	–	91 326	91 326
–	–	–	(5 310 139)	(5 310 139)	(34)	(5 310 173)
–	–	–	5 267	5 267	(7 324)	(2 057)
–	69 382	–	(5 304 872)	(4 932 078)	83 968	(4 848 110)
(1 328 162)	437 354	(62 480)	60 735 592	91 443 440	404 017	91 847 457

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

(IN THOUSANDS OF RUSSIAN RUBLES, UNLESS OTHERWISE INDICATED)

1. ORGANIZATION

Open Joint-Stock Company Moscow Exchange MICEX-RTS (Moscow Exchange) is a stock exchange based in Moscow, Russian Federation. It was established as closed joint-stock company "Moscow Interbank Currency Exchange" (MICEX) in 1992. In December 2011 the company was reorganized into the form of open joint-stock company and renamed to Open Joint-Stock Company MICEX-RTS. In July 2012 the name of the company was changed to Open Joint-Stock Company Moscow Exchange MICEX-RTS.

The legal address of Moscow Exchange: 13 Bolshoy Kislovsky per., Moscow, the Russian Federation.

Moscow Exchange Group ("the Group") is an integrated exchange structure that provides financial market participants with a full set of competitive trading, clearing, settlement, depository and information services. The Group operates on the following markets: foreign currencies exchange market, government securities and money market, market of derivative financial instruments, equities market, corporate and regional bonds market, commodities market.

Moscow Exchange is the parent company of the Group, which includes the following entities:

Name	Principal activities	December 31, 2014	December 31, 2013
		Voting rights, %	Voting rights, %
CJSC MICEX Stock Exchange (MICEX SE)	Stock exchange operations	100%	100%
NCO CJSC National Settlement Depository (NSD)	Depository, clearing and settlement services	99,997%	99,997%
CJSC National Clearing Center (NCC)	Banking and clearing operations	100%	100%
CJSC Clearing Center RTS (CC RTS)	Financial activities	–	100%
Non-banking Credit Organisation Settlement Chamber RTS CJSC (SC RTS)	Settlement services	–	100%
CJSC DCC (former CJSC Depository Clearing Company) (DCC)	Depository services	99,995%	99,995%
Open Joint-Stock Company Evraziyskaia Trading System Commodity Exchange (ETS)	Commodities exchange operations	60,82%	60,82%
LLC MICEX Finance (MICEX Finance)	Financial activities	100%	100%
LLC MICEX Cyprus (MICEX Cyprus)	Financial activities	100%	100%
CJSC MICEX-Information Technologies (MICEX-IT)	IT services, operator of electronic trading platform	–	100%
PJSC PFTS Stock Exchange (PFTS SE)	Stock exchange operations	50,02%	50,02%
LLC ME Technology (former LLC E-Stock)	Technical support of exchange activities, IT services	100%	100%
CJSC National Mercantile Exchange (NAMEX)	Commodities exchange operations	61,90%	36,51%

MICEX SE provides services for Securities Market Sections of the Group.

NSD is the central securities depository of the Russian Federation. NSD is the Russian national numbering agency and the substitute

numbering agency for the Commonwealth of Independent States (CIS), authorized to assign the international ISIN, CFI and pre-LEI codes. NSD holds licenses for depository, clearing and settlement operations issued by the Central Bank of Russia (CBR).

NCC performs functions of a clearing organization and central counterparty on the financial market. NCC has a license for clearing activities.

PFTS SE is a stock exchange, which has a stock exchange license in Ukraine and facilitates spot trading.

MICEX Finance and MICEX (CYPRUS) LTD are established for facilitating financial activities of the Group.

Until December 2012 CC RTS provided clearing services for Derivatives Market and Securities Market ("Standard" sector) Sections of the Group. At the end of 2012 this line of business was transferred to NCC. In August 2014 CC RTS was merged with NCC.

SC RTS was a non-banking credit institution and had a license to perform settlement services issued by the CBR. In August 2014 SC RTS was merged with NCC.

DCC provides depository services. DCC has licenses to perform depository activities.

LLC ME Technology provides technical support of exchange activities and IT services to Moscow Exchange clients.

ETS is a commodity exchange, which has a license for organisation of trading in commodities in Kazakhstan.

In 2014 the Group obtained control over CJSC National Mercantile Exchange (NAMEX), which is a commodity exchange operating in Russia (refer to Note 6).

In 2014 the Group sold its stake in its subsidiary MICEX-IT.

Moscow Exchange and all subsidiaries are located in Russia, except for ETS, PFTS SE and MICEX (CYPRUS) LTD. ETS is located in Kazakhstan, PFTS SE is located in Ukraine and MICEX (CYPRUS) LTD is registered in Cyprus.

The Group has 1 636 employees as at December 31, 2014 (December 31, 2013: 1 692 employees).

2. BASIS OF PRESENTATION

STATEMENT OF COMPLIANCE

These Consolidated Financial Statements of the Group have been prepared in accordance with the International Financial Reporting Standards ("IFRS").

BASIS OF PRESENTATION

These Consolidated Financial Statements are presented in thousands of Russian rubles, unless otherwise indicated. These Consolidated Financial Statements have been prepared on the historical cost basis except for certain financial assets and liabilities that are measured at fair value.

Moscow Exchange and its subsidiaries registered in the Russian Federation maintain their accounting records in accordance with Russian Accounting Standards ("RAS"). Foreign subsidiaries of the Group maintain their accounting records in accordance with the accounting standards of the countries in which they operate. These Consolidated Financial Statements have been prepared on basis of the statutory accounting records and have been adjusted to conform to IFRS.

INFLATION ACCOUNTING

The Russian economy was considered hyperinflationary until December 31, 2002. As such, the Group applied IAS 29 Financial Reporting in Hyperinflationary Economies. The effect of applying IAS 29 is that non-monetary items, including components of equity, were restated to the measuring units current at December 31, 2002 by applying the relevant inflation indices to the historical cost, and that these restated values were used as a basis for accounting in subsequent periods.

3. SIGNIFICANT ACCOUNTING POLICIES

BASIS FOR CONSOLIDATION

Subsidiaries are investees controlled by the Group. The Group controls an investee when it is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. In particular, the Group consolidates investees that it controls on the basis of de facto circumstances. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated in full; unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, accounting policies for subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction. Losses are attributed to the non-controlling interests even if that results in a deficit balance.

If the Group loses control over a subsidiary, it derecognises the assets (including goodwill) and liabilities of the subsidiary, the carrying amount of any non-controlling interests, the cumulative translation differences, recorded in equity; recognises the fair value of the consideration received, the fair value of any investment retained and any surplus or deficit in profit or loss and reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss.

BUSINESS COMBINATIONS

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the fair value of the acquirer's previously held equity

interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

GOODWILL

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment at least annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss in the Consolidated Statement of Profit or Loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associate is described below.

INVESTMENTS IN ASSOCIATES

Associates are entities in which the Group generally has between 20% and 50% of the voting rights, or is otherwise able to exercise significant influence, but which it does not control or jointly control. Investments in associates are accounted for under the equity method and are initially recognised at cost, including goodwill. Subsequent changes in the carrying value reflect the post-acquisition changes in the Group's share of net assets of the associate. The Group's share of its associates' profits or losses is recognised in profit or loss, and its share of movements in reserves is recognised in other comprehensive income. However, when the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless the Group is obliged to make further payments to, or on behalf of, the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates; unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

RECOGNITION OF REVENUE

Commission income

Commissions are recognized when services are provided.

Recognition of interest income

Interest income is recognized on an accrual basis using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating the interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Once a financial asset has been written down as a result of impairment, interest income is thereafter recognized using the rate of interest used to discount future cash flows for the purpose of measuring the impairment loss.

Interest earned on central counterparty financial assets is presented net of interest expense incurred in respect of the offsetting financial liabilities within gains or losses on financial assets carried at fair value.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, unrestricted balances on correspondent and deposit accounts with banks with maturity up to one business day. Amounts that are subject to restrictions on their availability, including minimum reserve deposits with the CBR, are not included in cash and cash equivalents.

FINANCIAL ASSETS

The Group recognizes financial assets and liabilities in its Consolidated Statement of Financial Position when it becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets and liabilities are recognized using settlement date accounting.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets are classified into the following specified categories: financial assets "at fair value through profit or loss" (FVTPL), "held-to-maturity" investments (HTM), "available-for-sale" (AFS) financial assets and "loans and receivables". The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets at fair value through profit or loss

Financial assets are classified as at FVTPL when the financial asset is held for trading.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial assets that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not a designated and effective hedging instrument.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend earned on the financial asset. Fair value is determined in the manner described in Note 32.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Group has the positive intent and ability to hold to maturity. HTM investments are measured at amortised cost using the effective interest method less any impairment.

Loans and receivables

Loans and receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Available-for-sale financial assets

Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale or are not classified in any of the three preceding categories. After initial recognition available-for-sale financial assets are measured at fair value with gains or losses being recognised in other comprehensive income until the investment is derecognised or until the investment is determined to be impaired at which time the cumulative gain or loss previously reported in other comprehensive income is reclassified to the Consolidated Statement of Profit or Loss. However, interest calculated using the effective interest method is recognised in profit or loss.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been negatively affected.

For financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- probability that the debtor will enter bankruptcy or financial reorganisation; or
- disappearance of an active market for that financial asset as a result of financial difficulties.

For financial assets carried at amortised cost, the amount of impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of loans, receivables and investments held-to-maturity, where the carrying amount is reduced through the use of an allowance account. When a loan or a receivable is considered uncollectible, it is written off against the allowance account.

Derecognition of financial assets

A financial asset (or, where applicable a part of the financial asset or part of a group of similar financial assets) is derecognized where:

- rights to receive cash flows from the asset have expired;
- the Group has transferred its rights to receive cash flows from the asset or retained the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement;
- the Group either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

After a transfer, the Group reassesses the extent to which it has retained the risks and rewards of ownership of the transferred asset.

If substantially all the risks and rewards have been neither retained nor transferred, the Group assesses whether or not it has retained control of the asset. If it has not retained control, the asset is derecognized. Where the Group retained control of the asset, it continues to recognise the asset to the extent of its continuing involvement.

Offsetting of financial assets

Financial assets and financial liabilities are offset and the net amount is reported in the Consolidated Statement of Financial Position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liability simultaneously.

CENTRAL COUNTERPARTY FINANCIAL ASSETS AND LIABILITIES

NCC acts as a central counterparty (CCP) and guarantees settlements of certain exchange transactions. Receivables and payables on such deals that may be offset against a clearing member are reported net in accordance with IAS 32 and are recognized in the Consolidated Statement of Financial Position at the net fair value based on daily settlement prices.

Sales and purchases of securities and currency via the CCP are recognised and simultaneously derecognised at the settlement date.

For the products that are marked to market the Group recognises gains and losses on open positions of clearing members on each exchange day. The variation margin is used to settle gains and losses on open positions resulting from market price fluctuations on a daily basis. The variation margin does not comprise collateral as it is a daily offsetting of gains and losses in cash. Products that are marked to market are therefore not reported in the Consolidated Statement of Financial Position.

Receivables and payables under repurchase transactions (repo) are classified as loans and receivables and carried at amortised cost.

COLLATERAL OF CENTRAL COUNTERPARTY

As the Group guarantees the settlement of certain traded contracts, it has established a multi-level collateral system. The central pillar of the collateral system is the daily determination of the overall risk per clearing member (margin) to be covered by cash and securities collateral.

Securities collateral is not derecognised by the clearing member providing the collateral. As the transfer of securities does not meet the conditions for derecognition, the securities are not recognised as assets.

In addition to these daily collateral payments, market participants must make contributions to the risk-covering fund which is described in Note 25.

FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS ISSUED

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognized directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Financial liabilities

Financial liabilities are classified as either financial liabilities "at FVTPL" or "other financial liabilities".

Financial liabilities at fair value through profit or loss

Financial liabilities classified as "at FVTPL" include CCP financial liabilities and certain derivatives.

Other financial liabilities

Other financial liabilities, including banks deposits and balances of market participants, loans payable, distributions payable to holders of securities and other liabilities, are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the

rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Distributions payable to holders of securities comprise dividends and coupon amounts received by the Group from the issuers of securities on behalf of customers of the Group, for which the Group also provides depository services. The normal settlement period for distribution of dividends and coupon amounts to its customers is three days. Amounts of dividends and coupons payable to clients are stated at their contractual values.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit and loss.

PRECIOUS METALS

Precious metals are represented by physical precious metals and accounts in precious metals. Precious metals are recorded on the reporting date at CBR prices, which approximate fair values. Corresponding accounts in precious metals are recorded within Due from financial institutions and physical precious metals are recorded within Other assets. Clients' accounts in precious metals are recorded within Balances of market participants. Precious metals are not financial instruments and therefore excluded from financial risk management disclosures in accordance with IFRS 7.

PROPERTY AND EQUIPMENT

Property and equipment is carried at historical cost less accumulated depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method:

Buildings and other real estate	2%
Furniture and equipment	20%

Freehold land is not depreciated.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

INTANGIBLE ASSETS

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives at the annual rates of 10% - 25%. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Amortisation is recognised on a straight-line basis at the annual rate of 4%. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Internally developed intangible assets

Development costs that are directly associated with the production of identifiable and unique software products controlled by the

Group are capitalised and an internally generated intangible asset is recognised only if it is probable that it will generate economic benefits exceeding costs beyond one year and the development costs can be measured reliably. An internally generated intangible asset is recognised only if the Group has the technical feasibility, resources and intention to complete the development and to use the product. Direct costs include software development employee costs and an appropriate portion of relevant overheads. Expenditure on research activities is recognised as an expense in the period in which it is incurred.

Subsequent expenditure on intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Impairment of tangible and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount

rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

ASSETS CLASSIFIED AS HELD FOR SALE

The Group classifies a non-current asset (or a disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the non-current asset (or disposal group) must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups) and its sale must be highly probable.

The sale qualifies as highly probable if the Group's management is committed to a plan to sell the non-current asset (or disposal group) and an active program to locate a buyer and complete the plan must have been initiated. Further, the non-current asset (or disposal group) must have been actively marketed for a sale at price that is reasonable in relation to its current fair value and in addition the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification of the non-current asset (or disposal group) as held for sale.

The Group measures an asset (or disposal group) classified as held for sale at the lower of its carrying amount and fair value less costs to sell. The Group recognises an impairment loss for any initial or subsequent write-down of the asset (or disposal group) to fair value

less costs to sell if events or changes in circumstance indicate that their carrying amount may be impaired.

TAXATION

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and

liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Operating taxes

Countries where the Group operates also have various other taxes, which are assessed on the Group's activities. These taxes are included as a component of operating expenses in the Consolidated Statement of Profit or Loss.

SHARE-BASED PAYMENTS

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity within Share-based payments reserve, over the period in which the performance and/or service conditions are fulfilled.

The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The income statement expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense (Note 13).

PROVISIONS

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made.

CONTINGENCIES

Contingent liabilities are not recognized in the Consolidated Statement of Financial Position but are disclosed unless the possibility of any outflow in settlement is remote. A contingent asset is not recognized in the Consolidated Statement of Financial Position but disclosed when an inflow of economic benefits is probable.

FIDUCIARY ACTIVITIES

The Group provides custodial services to its customers which include transactions with securities on their custody accounts. Assets accepted and liabilities incurred under the fiduciary activities are not included in the Group's Consolidated Financial Statements. The Group accepts the operational risk on these activities, but the Group's customers bear the credit and market risks associated with such operations. Revenue for provision of fiduciary services is recognized as services are provided.

FOREIGN CURRENCIES

In preparing the financial statements of each individual Group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purposes of presenting Consolidated Financial Statements, the assets and liabilities of the Group's foreign operations are translated into RUB using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (attributed to non-controlling interest as appropriate).

Goodwill and fair value adjustments on identifiable assets and liabilities acquired arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

EARNINGS PER SHARE

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

SEGMENT REPORTING

An operating segment is a component of a Group that engages in business activities from which it may earn revenues and incur

expenses (including revenues and expenses relating to transactions with other components of the same Group); whose operating and financial results are regularly reviewed by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. As at December 31, 2014 and December 31, 2013, the Group comprised a single operating segment.

ADOPTION OF NEW AND REVISED STANDARDS

In the current period, the Group has adopted all of the new and revised Standards and Interpretations issued by the IASB and IFRIC of the IASB that are relevant to its operations and effective for reporting periods ending on December 31, 2014.

The adoption of these new and revised Standards and Interpretations has not resulted in significant changes to the Group's accounting policies that have affected the amounts reported for the current or prior years.

Amendments resulting from Improvements to IFRSs to the following standards did not have any impact on the accounting policies, financial position or performance of the Group:

Amendments to IAS 32 – Offsetting Financial Assets and Financial Liabilities

These amendments clarify the meaning of "currently has a legally enforceable right to set-off" and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting. These amendments had no impact on the Group's financial position.

Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36 Impairment of Assets)

The amendments remove the requirement to disclose the recoverable amount when a CGU contains goodwill or indefinite lived intangible assets but there has been no impairment. The amendments had no impact on the Group.

Annual improvements 2010-2012 Cycle

These improvements are effective from 1 July 2014 and do not have any material impact on the Group. They include:

IFRS 2 Share-based Payment

This improvement is applied prospectively and clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including:

- A performance condition must contain a service condition
- A performance target must be met while the counterparty is rendering service
- A performance target may relate to the operations or activities of an entity, or to those of another entity in the same group
- A performance condition may be a market or non-market condition
- If the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied.

IFRS 3 Business Combinations

The amendment is applied prospectively and clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of IFRS 9 (or IAS 39, as applicable).

Amendments to IFRS 13 Short-term Receivables and Payables

This amendment to IFRS 13 clarifies in the Basis for Conclusions that short-term receivables and payables with no stated interest rates can be measured at invoice amounts when the effect of discounting is immaterial.

IFRS 13 Fair Value Measurement (Annual improvements 2011-2013 Cycle)

The amendment is applied prospectively and clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IFRS 9 (or IAS 39, as applicable).

NEW AND REVISED IFRSS IN ISSUE BUT NOT YET EFFECTIVE

Standards issued but not yet effective up to the date of issuance of the Group's financial statements are listed below. This listing of standards and interpretations issued are those that the Group reasonably expects to have an impact on disclosures, financial

position or performance when applied at a future date. The Group intends to adopt these standards when they become effective.

IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of IFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before 1 February 2015. The adoption of IFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but will potentially have no impact on classification and measurements of financial liabilities.

IFRS 15 Revenue

IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Revenue arising from lease contracts within the scope of IAS 17 Leases, insurance contracts within the scope of IFRS 4 Insurance Contracts and financial instruments and other contractual rights and obligations within the scope of IAS 39 Financial Instruments: Recognition and Measurement (or IFRS 9 Financial Instruments, if early adopted) is out of IFRS 15 scope and is dealt by respective standards.

Under IFRS 15 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognising revenue.

The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2017 with early adoption permitted. The Group is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date.

Annual improvements 2012-2014 Cycle

These improvements are effective on or after 1 January 2016 and are not expected to have a material impact on the Group. They include:

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations – changes in methods of disposal

Assets (or disposal groups) are generally disposed of either through sale or through distribution to owners. The amendment to IFRS 5 clarifies that changing from one of these disposal methods to the other should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is therefore no interruption of the application of the requirements in IFRS 5. The amendment also clarifies that changing the disposal method does not change the date of classification. The amendment must be applied prospectively to changes in methods of disposal that occur in annual periods beginning on or after 1 January 2016, with earlier application permitted.

IFRS 7 Financial Instruments: Disclosures - applicability of the offsetting disclosures to condensed interim financial statements

In December 2011, IFRS 7 was amended to add guidance on offsetting of financial assets and financial liabilities. In the effective date and transition for that amendment IFRS 7 states that "An entity shall apply those amendments for annual periods beginning on or after 1 January 2013 and interim periods within those annual periods. The interim disclosure standard, IAS 34, does not reflect this requirement, however, and it is not clear whether those disclosures are required in the condensed interim financial report.

The amendment removes the phrase 'and interim periods within those annual periods', clarifying that these IFRS 7 disclosures are not required in the condensed interim financial report. The amendment must be applied retrospectively for annual periods beginning on or after 1 January 2016, with earlier application permitted.

IAS 34 Interim Financial Reporting – disclosure of information 'elsewhere in the interim financial report'

The amendment states that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report (e.g., in the management commentary or risk report). The

Board specified that the other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. If users do not have access to the other information in this manner, then the interim financial report is incomplete. The amendment should be applied retrospectively for annual periods beginning on or after 1 January 2016, with earlier application permitted.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies the Management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

KEY SOURCES OF ESTIMATION UNCERTAINTY

Impairment of receivables

The Group regularly reviews its receivables to assess for impairment. The Group's receivables impairment provisions are established to recognize incurred impairment losses in its portfolio of receivables.

The Group uses Management's judgment to estimate the amount of any impairment loss in cases where the debtor has financial difficulties and there are few available sources of historical data relating to similar debtors. Similarly, the Group estimates changes in future cash flows based on past performance, past counterparty behavior, observable data indicating an adverse change in the payment status, and national or local economic conditions that correlate with defaults on assets in the group.

As at December 31, 2014, the gross receivables totalled RUB 629 465 thousand (December 31, 2013: RUB 420 075 thousand) and allowance for impairment losses amounted to RUB 37 743 thousand (December 31, 2013: RUB 29 045 thousand).

Valuation of financial instruments

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include:

- Using recent arm's length market transactions;
- Reference to the current fair value of another instrument that is substantially the same;
- A discounted cash flow analysis or other valuation models.

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 32.

Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option and volatility and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 13.

5. CHANGES IN PRESENTATION

Changes were made to the presentation of the following items in the consolidated statement of financial position, compared to consolidated statement of financial position for the year ended December 31, 2013, as the current presentation provides better view of the financial performance of the Group:

	As previously reported	Reclassification of accounts in precious metals	As presented in this Financial Statements
Due from financial institutions	28 930 254	29 041	28 959 295
Other assets	702 104	(29 041)	673 063
Balances of market participants	322 192 809	57 752	322 250 561
Other liabilities	1 982 474	(57 752)	1 924 722

6. BUSINESS COMBINATION

On January 1, 2014, the Group obtained control over CJSC National Mercantile Exchange (NAMEX), which is a commodity exchange operating in Russia. The acquisition was made following the Group's strategy to develop its commodity market.

The fair value of identifiable assets and liabilities of NAMEX at the date of acquisition were:

ASSETS	
Cash and cash equivalents	28 911
Due from financial institutions	128 910
Intangible assets	103 063
Current tax prepayments	2 521
Other assets	8 742
TOTAL ASSETS	272 147
LIABILITIES	
Balances of market participants	22 329
Deferred tax liability	19 480
Other liabilities	9 048
TOTAL LIABILITIES	50 857
NET IDENTIFIABLE ASSETS AND LIABILITIES	221 290
Non-controlling interest	(91 326)
Fair value of previously held equity interest in the acquiree	(88 314)
Gain from a bargain purchase (included in other operating income)	(18 596)
CONSIDERATION TRANSFERRED	23 054
CASH FLOW ON ACQUISITION	
Consideration paid by cash	(23 054)
Cash acquired with the subsidiary	28 911
NET CASH FLOW ON ACQUISITION (INCLUDED IN CASH FLOWS FROM INVESTING ACTIVITIES)	5 857

The Group has elected to measure the non-controlling interest in the acquiree at the non-controlling interests's proportionate share of the acquiree's identifiable net assets.

The Group recognised a gain of RUB 38 664 thousand as a result of remeasuring to fair value the equity interest in NAMEX held by the Group before the business combination.

7. FEE AND COMMISSION INCOME

	Year ended December 31, 2014	Year ended December 31, 2013
Foreign exchange	3 407 973	2 411 555
Money market	3 235 000	2 530 608
Depository and settlement services	3 188 631	2 322 788
Securities market	3 150 871	3 000 805
Derivatives	1 636 573	1 566 046
Sale of software and technical services	496 169	496 146
Information services	436 168	301 286
Other	34 566	162 882
TOTAL FEE AND COMMISSION INCOME	15 585 951	12 792 116

Income from securities market comprises fees and commissions from equities trading, bonds trading, listing and service fees:

	Year ended December 31, 2014	Year ended December 31, 2013
Equities	1 765 744	1 403 671
Bonds	1 034 095	1 379 112
Listing and other service fees	351 032	218 022
TOTAL FEE AND COMMISSION INCOME FROM SECURITIES MARKET	3 150 871	3 000 805

8. INTEREST AND OTHER FINANCE INCOME

	Year ended December 31, 2014	Year ended December 31, 2013
INCOME ON SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		
Interest income	952 105	632 392
Net (loss) / profit on securities at fair value through profit or loss	(470 579)	94 855
TOTAL INCOME ON SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	481 526	727 247
INTEREST INCOME ON FINANCIAL ASSETS OTHER THAN AT FAIR VALUE THROUGH PROFIT OR LOSS		
Interest on cash and cash equivalents and due from financial institutions	7 597 358	5 201 376
Interest income on investments available-for-sale	5 910 808	5 299 122
Interest on investments held-to-maturity	–	10 798
TOTAL INTEREST INCOME ON FINANCIAL ASSETS OTHER THAN AT FAIR VALUE THROUGH PROFIT OR LOSS	13 508 166	10 511 296
TOTAL INTEREST AND OTHER FINANCE INCOME	13 989 692	11 238 543

9. NET LOSS ON FINANCIAL ASSETS AVAILABLE-FOR-SALE

In the year ended December 31, 2014 the Group recognized a net loss on financial assets available-for-sale of RUB 1 588 205 thousand (year ended December 31, 2013: loss of RUB 672 539 thousand). The loss resulted from the sale of high yield bonds held by the Group. Interest income received on these bonds exceeded the losses realised on the sale of such securities.

10. FOREIGN EXCHANGE GAINS LESS LOSSES

	Year ended December 31, 2014	Year ended December 31, 2013
Foreign exchange swaps	2 224 540	1 156 261
Net other foreign exchange gain	183 949	37 963
TOTAL FOREIGN EXCHANGE GAINS LESS LOSSES	2 408 489	1 194 224

The Group enters into foreign exchange swaps for the purposes of short-term investments and liquidity management.

11. OTHER OPERATING INCOME

	Year ended December 31, 2014	Year ended December 31, 2013
Gain on sale of MICEX-IT (Note 1)	313 560	–
Advisory fee	83 364	–
Revaluation of previously owned share in NAMEX (Note 6)	38 664	–
Bargain gain on acquisition of NAMEX (Note 6)	18 596	–
Income from lease	18 451	22 732
Other income	56 047	36 177
TOTAL OTHER OPERATING INCOME	528 682	58 909

12. ADMINISTRATIVE AND OTHER OPERATING EXPENSES

	Year ended December 31, 2014	Year ended December 31, 2013
Amortisation of intangible assets	1 094 849	1 039 778
Professional services	616 172	570 687
Equipment and intangible assets maintenance	507 548	384 547
Depreciation of property and equipment	493 169	529 712
Rent and office maintenance	435 073	408 987
Taxes, other than income tax	429 535	622 804
Market makers fees	363 350	557 123
Advertising and marketing costs	309 429	265 120
Impairment of goodwill and other intangible assets (Notes 22, 23)	209 775	–
Provision for onerous contracts (Note 26)	173 203	–
Communication services	115 721	137 404
Business trip expenses	57 535	55 811
Security expenses	34 052	34 672
Charity	31 981	21 041
Loss on disposal of property, equipment and intangible assets	26 413	156 122
Transport expenses	21 543	23 795
Impairment of investments in associates	–	118 715
Other	59 146	103 671
TOTAL ADMINISTRATIVE AND OTHER OPERATING EXPENSES	4 978 494	5 029 989

During the year ended December 31, 2014 the Group recognised impairment of goodwill and other intangible assets related to the Ukrainian business at the amount of RUB 180 970 thousand and impairment of DCC intangible assets in the amount of RUB 28 805 thousand.

Professional services comprise consulting, audit, insurance, legal services and other.

The Group has made several changes in presentation of the administrative expenses for the year ended December 31, 2013 in order to improve the understanding of the Group's operations:

	As previously reported	Reclassification to transport expenses	Reclassification of communication channels and services	Reclassification of VAT on information services and rent	Presentation of membership fees and conference organisation as advertising costs	Reclassification of representation and other administrative expenses to other expenses	Other reclassifications	As presented in this Report
Professional services	899 449	–	(137 404)	(117 603)	(59 351)	–	(14 404)	570 687
Taxes, other than income tax	505 201	–	–	117 603	–	–	–	622 804
Equipment and intangible assets maintenance	385 996	–	–	–	–	–	(1 449)	384 547
Rent and office maintenance	381 703	–	–	–	–	–	27 284	408 987
Advertising and marketing costs	257 027	–	–	–	59 351	(39 180)	(12 078)	265 120
Communication services	–	–	137 404	–	–	–	–	137 404
Transport expenses	–	23 795	–	–	–	–	–	23 795
Business trip expenses	73 456	(17 645)	–	–	–	–	–	55 811
Other	69 994	(6 150)	–	–	–	39 180	647	103 671

13. PERSONNEL EXPENSES

	Year ended December 31, 2014	Year ended December 31, 2013
Short-term benefits except for share-based payments	4 452 393	3 955 335
Payroll related taxes	708 544	583 917
Share-based payment expense	233 827	287 752
TOTAL PERSONNEL EXPENSES	5 394 764	4 827 004

The Group grants equity-settled share options to senior management and some employees. The options give to holders a choice either to purchase the full number of shares at exercise price or to get shares in amount of fair value of the option at exercise date for free. A majority of the options vest when the employee continues to be employed by the Group at the vesting date. The maximum contractual term of the options is four years. The fair value of the options is measured at the grant date using a binomial model taking into account the terms and conditions upon which the instruments were granted.

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options:

	Number	WAEP
Outstanding at 1 January 2013	42 027 058	47,53
Granted	14 500 004	47,86
Exercised	(1 781 053)	49,05
Forfeited	(5 533 337)	46,90
Expired	(5 888 948)	49,05
OUTSTANDING AT 31 DECEMBER 2013	43 323 724	47,50
Granted	500 000	60,64
Exercised	(4 791 769)	48,12
Forfeited	(133 334)	46,90
Expired	(6 041 264)	48,12
OUTSTANDING AT 31 DECEMBER 2014	32 857 357	47,50

WAEP for exercised options in the table above is calculated based on the contractual exercise price.

The weighted average share price for share options exercised in 2014 at the date of exercise was RUB 63,40 (in the year ended December 31, 2013: RUB 57,24).

The weighted average remaining contractual life for the share options outstanding as at December 31, 2014 was 0,51 years (December 31, 2013: 0,97 years). The weighted average fair value of options granted during the year ended December 31, 2014 was RUB 19,98 (December 31, 2013: RUB 17,04) per 1 option. Exercise prices for options outstanding as at December 31, 2014 were RUB 46,9 – RUB 60,64 (December 31, 2013: RUB 46,9 – RUB 55).

The following table lists the inputs to the models used:

Assumption	Value
Expected volatility	32,2%
Risk-free interest rate	14,7%
Weighted average share price, RUB	61,37
Dividend yield	5,1%

The volatility assumption is based on implied volatilities of quoted shares of similar stock exchanges.

14. INCOME TAX

The Group provides for taxes based on the tax accounts maintained and prepared in accordance with the tax regulations of countries where the Group and its subsidiaries operate and which may differ from IFRS.

Deferred taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. Temporary differences relate mostly to different methods of income and expense recognition, as well as to recorded values of certain assets.

The tax rate used for the reconciliations between tax expense and accounting profit is the corporate tax rate of 20% payable by corporate entities in the Russian Federation on taxable profits under the tax law in that jurisdiction.

Temporary differences comprise:

	Consolidated statement of financial position		Consolidated statement of profit or loss	
	December 31, 2014	December 31, 2013	Year ended December 31, 2014	Year ended December 31, 2013
TAX EFFECT FROM DEDUCTIBLE TEMPORARY DIFFERENCES				
Financial assets at fair value through profit or loss	31 148	9 507	21 641	(20 243)
Investments in associates and investments available-for-sale	1 743	17 227	(247 941)	(41 456)
Property and equipment and intangible assets	16 383	13 731	2 652	168
Other assets	9 032	8 785	(2 766)	5 795
Tax loss carried forward	119 758	46 991	72 767	(725)
Other liabilities	361 005	207 748	152 124	(4 923)
TOTAL TAX EFFECT FROM DEDUCTIBLE TEMPORARY DIFFERENCES	539 069	303 989	(1 523)	(61 384)

	Consolidated statement of financial position		Consolidated statement of profit or loss	
	December 31, 2014	December 31, 2013	Year ended December 31, 2014	Year ended December 31, 2013
TAX EFFECT FROM TAXABLE TEMPORARY DIFFERENCES				
Cash and cash equivalents	(16 802)	(276)	(16 526)	(26)
Financial assets at fair value through profit or loss	(1 386)	(7 507)	6 121	(217)
Central counterparty financial assets	(3 709)	(152)	(3 557)	3 024
Assets held for sale	–	(44 807)	44 807	(44 807)
Investments in associates and investments available-for-sale	(611 337)	(7 544)	(603 793)	39 040
Investments held-to-maturity	–	–	–	10
Property and equipment and intangible assets	(3 741 184)	(3 878 865)	158 294	170 272
Other assets	(6 814)	(719)	(6 095)	602
Other liabilities	(841)	(1 587)	746	1 605
TOTAL TAX EFFECT FROM TAXABLE TEMPORARY DIFFERENCES	(4 382 073)	(3 941 457)	(420 003)	169 503
DEFERRED TAX (EXPENSE) / INCOME			(421 526)	108 119
DEFERRED INCOME TAX ASSETS	172 596	186 564		
DEFERRED INCOME TAX LIABILITIES	(4 015 600)	(3 824 032)		

Reconciliation of income tax expense and accounting profit for the year ended December 31, 2014 and 2013, are explained below:

	Year ended December 31, 2014	Year ended December 31, 2013
PROFIT BEFORE INCOME TAX	20 028 141	14 623 899
Tax at the statutory tax rate (20%)	4 005 628	2 924 780
Non-deductible expenses for tax purposes	176 340	249 935
Tax effect of income taxed at rates different from the prime rate	(145 736)	(133 836)
Non-taxable gain on acquisition of subsidiary	(10 734)	–
Deferred tax from a previously unrecognised temporary difference of a prior period	(5 925)	1 816
Adjustments in respect of current income tax of previous years	15 403	(22 051)
Previously unrecognized deferred tax related to subsidiary transferred to disposal group	–	21 561
INCOME TAX EXPENSE	4 034 976	3 042 205
Current income tax expense	3 613 450	3 150 324
Deferred taxation movement due to origination and reversal of temporary differences	494 293	(108 844)
Deferred taxation movement due to tax losses carried forward	(72 767)	725
INCOME TAX EXPENSE	4 034 976	3 042 205

	Year ended December 31, 2014	Year ended December 31, 2013
BEGINNING OF THE YEAR – DEFERRED TAX ASSETS	186 564	103 178
BEGINNING OF THE YEAR – DEFERRED TAX LIABILITIES	(3 824 032)	(3 884 784)
Change in deferred income tax balances recognized in profit or loss	(421 526)	108 119
Changes in deferred income tax balances recognized in other comprehensive income	232 457	29 323
Deferred income tax liabilities arising from business combinations (Note 6)	(19 480)	–
Effect of movements in exchange rates	3 013	278
Deferred income tax transferred to assets of disposal group held for sale	–	(3 069)
Deferred income tax recognized directly in equity	–	9 487
END OF THE YEAR - DEFERRED TAX ASSETS	172 596	186 564
END OF THE YEAR - DEFERRED TAX LIABILITIES	(4 015 600)	(3 824 032)

15. CASH AND CASH EQUIVALENTS

	December 31, 2014	December 31, 2013
Correspondent accounts and overnight deposits with banks	709 479 571	239 107 706
— Russian Federation	137 318 085	56 377 719
— Organization for Economic Cooperation and Development countries	571 850 610	182 703 813
— other countries	310 876	26 174
Balances with the CBR	454 292 284	15 930 165
Cash on hand	11 280	3 739
TOTAL CASH AND CASH EQUIVALENTS	1 163 783 135	255 041 610
Cash and cash equivalents attributable to Assets of disposal group held for sale	–	2 018 877
CASH AND CASH EQUIVALENTS FOR THE PURPOSE OF CONSOLIDATED STATEMENT OF CASH FLOWS	1 163 783 135	257 060 487

As at December 31, 2014, the Group has balances with thirteen counterparties each of which is greater than 10% of equity (December 31, 2013: eight counterparties). The total aggregate amount of these balances is 1 096 605 986 RUB thousand or 94% of total cash and cash equivalents as at December 31, 2014 (December 31, 2013: RUB 246 742 735 thousand or 97% of total cash and cash equivalents).

Guarantee and risk-covering funds (Note 25) are placed on current accounts with large OECD banks, the CBR and large Russian banks (Fitch credit rating BBB).

For the purpose of Consolidated Statement of Cash Flows, cash and cash equivalents do not include cash and cash equivalents attributable to Assets of disposal group held for sale (December 31, 2013: RUB 2 018 877 thousand).

16. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31, 2014	December 31, 2013
Bonds issued by Russian Federation	11 383 661	16 131 684
Shares issued by Russian companies	58 330	62 999
Derivative financial instruments at fair value through profit or loss	–	5 042
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	11 441 991	16 199 725

17. DUE FROM FINANCIAL INSTITUTIONS

	December 31, 2014	December 31, 2013
Interbank loans and term deposits	37 811 023	27 050 050
Mandatory cash balances with the CBR (restricted)	1 976 071	1 557 523
Short-term reverse repo receivable from financial institutions	–	319 283
Correspondent accounts in precious metals	26 084	29 041
Receivables on broker and clearing operations	14 864	3 398
TOTAL DUE FROM FINANCIAL INSTITUTIONS	39 828 042	28 959 295

As at December 31, 2014, there were no short-term REPO receivables. As at December 31, 2013, the fair value of bonds pledged under short-term reverse repo was RUB 348 223 thousand.

18. CENTRAL COUNTERPARTY FINANCIAL ASSETS AND LIABILITIES

	December 31, 2014	December 31, 2013
Repo transactions	104 401 146	44 706 755
Currency transactions	35 208 628	2 301 781
TOTAL CENTRAL COUNTERPARTY FINANCIAL ASSETS AND LIABILITIES	139 609 774	47 008 536

CCP financial assets are receivables under currency and repo transactions and CCP financial liabilities are payables under offsetting transactions, which the Group entered with market participants as a CCP. The fair value of securities purchased and sold by the Group under repo transactions is RUB 122 730 390 thousand (December 31, 2013: RUB 50 210 672 thousand).

As at December 31, 2014 and 2013, none of these assets were past due.

CCP financial assets and liabilities under currency transactions represent fair values of overnight currency deals. Gross claims and liabilities with individual counterparties are offset in accordance with IAS 32. Information about financial assets offset against financial liabilities in the statement of financial position is disclosed in Note 35.

19. INVESTMENTS AVAILABLE-FOR-SALE

	December 31, 2014	December 31, 2013
Bonds issued by Russian Federation	34 444 650	29 660 287
Bonds issued by Russian banks	20 087 467	12 099 104
Bonds issued by Russian companies	18 678 427	22 512 072
Bonds issued by foreign companies	7 659 963	9 779 971
Bonds issued by Russian Federation subjects and Municipal bonds	45 501	113 494
Shares issued by foreign companies	20 630	46 019
Shares issued by Russian companies	13 677	41 105
TOTAL INVESTMENTS AVAILABLE-FOR-SALE	80 950 315	74 252 052

20. INVESTMENTS IN ASSOCIATES

As at December 31, 2014 investments in associates are presented as follows:

	December 31, 2014				
	Ownership interest	Principal place of business	Country of incorporation	Nature of activities	Carrying value
Open Joint-Stock Company "Ukrainian Exchange" (UEX)	43,08%	Ukraine	Ukraine	Stock exchange operations	46 132
TOTAL INVESTMENTS IN ASSOCIATES					46 132

As at December 31, 2013 investments in associates are presented as follows:

	December 31, 2014				
	Ownership interest	Principal place of business	Country of incorporation	Nature of activities	Carrying value
CJSC National Mercantile Exchange (NAMEX)	36,51%	Russian Federation	Russian Federation	Commodity exchange operations	49 650
Open Joint-Stock Company "Ukrainian Exchange" (UEX)	43,08%	Ukraine	Ukraine	Stock exchange operations	43 499
TOTAL INVESTMENTS IN ASSOCIATES					93 149

In January 2014 the Group purchased 22,22% stake of NAMEX and acquired control (refer to Note 6). In July 2014 the Group acquired additional 3,17% stake of NAMEX.

As at December 31, 2014, and for the year ended, assets, liabilities, revenue and net profit of the associates are presented as follows:

	December 31, 2014		Year ended December 31, 2014	
	Assets	Liabilities	Revenue	Net profit
UEX	147 585	38 424	63 253	17 075

As at December 31, 2013, and for the year ended, assets, liabilities, revenue and net profit of the associates are presented as follows:

	December 31, 2013		Year ended December 31, 2013	
	Assets	Liabilities	Revenue	Net profit
NAMEX	160 922	28 670	124 259	41 900
UEX	143 881	42 909	43 286	(6 226)

21. PROPERTY AND EQUIPMENT

	Land	Buildings and other real estate	Furniture and equipment	Total
COST				
DECEMBER 31, 2012	221 147	5 874 838	3 118 677	9 214 662
Additions	–	104 336	359 047	463 383
Disposals	–	–	(93 317)	(93 317)
Reclassification to assets held for sale	–	–	(25 045)	(25 045)
Effect of movements in exchange rates	687	4 194	929	5 810
DECEMBER 31, 2013	221 834	5 983 368	3 360 291	9 565 493
Additions	–	161	253 491	253 652
Acquisition through business combination (Note 6)	–	–	6	6
Disposals	–	–	(201 199)	(201 199)
Effect of movements in exchange rates	5 950	35 298	6 291	47 539
DECEMBER 31, 2014	227 784	6 018 827	3 418 880	9 665 491
ACCUMULATED DEPRECIATION				
DECEMBER 31, 2012	–	871 952	1 987 477	2 859 429
Charge for the year	–	121 143	408 569	529 712
Disposals	–	–	(67 777)	(67 777)
Reclassification to assets held for sale	–	–	(18 829)	(18 829)
Effect of movements in exchange rates	–	232	361	593
DECEMBER 31, 2013	–	993 327	2 309 801	3 303 128
Charge for the year	–	121 393	371 776	493 169
Disposals	–	–	(188 795)	(188 795)
Effect of movements in exchange rates	–	3 668	3 979	7 647
DECEMBER 31, 2014	–	1 118 388	2 496 761	3 615 149
NET BOOK VALUE				
DECEMBER 31, 2013	221 834	4 990 041	1 050 490	6 262 365
DECEMBER 31, 2014	227 784	4 900 439	922 119	6 050 342

As at December 31, 2014, historical cost of fully depreciated property and equipment amounts to RUB 1 684 769 thousand (December 31, 2013: RUB 1 337 452 thousand).

22. INTANGIBLE ASSETS

	Software and licenses	Client base	Total
COST DECEMBER 31, 2012	1 663 931	19 503 594	21 167 525
Additions	581 243	–	581 243
Disposals	(232 652)	–	(232 652)
Reclassification to assets held for sale	(93 838)	–	(93 838)
Effect of movements in exchange rates	7 438	–	7 438
DECEMBER 31, 2013	1 926 122	19 503 594	21 429 716
Acquisition through business combination (Note 6)	-	103 063	103 063
Additions	530 428	–	530 428
Disposals	(107 501)	–	(107 501)
Effect of movements in exchange rates	(13 938)	–	(13 938)
DECEMBER 31, 2014	2 335 111	19 606 657	21 941 768
ACCUMULATED DEPRECIATION AND IMPAIRMENT DECEMBER 31, 2012	511 348	1 192 401	1 703 749
Charge for the year	259 634	780 144	1 039 778
Disposals	(76 999)	–	(76 999)
Reclassification to assets held for sale	(19 937)	–	(19 937)
Effect of movements in exchange rates	535	–	535
DECEMBER 31, 2013	674 581	1 972 545	2 647 126
Charge for the year	310 582	784 267	1 094 849
Impairment (Note 12)	128 511	–	128 511
Disposals	(88 117)	–	(88 117)
Effect of movements in exchange rates	9 116	–	9 116
DECEMBER 31, 2014	1 034 673	2 756 812	3 791 485
NET BOOK VALUE DECEMBER 31, 2013	1 251 541	17 531 049	18 782 590
DECEMBER 31, 2014	1 300 438	16 849 845	18 150 283

23. GOODWILL

	Year ended December 31, 2014	Year ended December 31, 2013
AS AT JANUARY 1	16 071 458	16 066 094
Effect of movements in exchange rates	(18 774)	5 364
Impairment (Note 12)	(81 264)	–
AS AT DECEMBER 31	15 971 420	16 071 458

IMPAIRMENT TESTS FOR GOODWILL

For the purposes of impairment testing, goodwill is allocated to the whole Moscow Exchange Group, which represents the lowest level at which the goodwill is monitored for internal management purposes.

As at December 31, 2014 the recoverable amount for the Group has been determined based on calculations of fair value less cost of disposal. Fair value is determined based on market capitalisation of the Group using quoted price on shares of the Group.

The resulted fair value less cost of disposal of the Group in amount of RUB 131 522 566 thousand exceeds the net carrying amount of its assets and liabilities.

24. OTHER ASSETS

	December 31, 2014	December 31, 2013
OTHER FINANCIAL ASSETS:		
Receivables on services rendered and other operations	629 465	420 075
Less allowance for impairment	(37 743)	(29 045)
TOTAL OTHER FINANCIAL ASSETS	591 722	391 030
OTHER NON-FINANCIAL ASSETS:		
Non-current assets prepaid	369 847	21 315
Prepaid expenses	231 365	161 316
Precious metals	203 866	28 711
Taxes receivable other than income tax	57 402	56 392
Other	7 173	14 299
TOTAL OTHER ASSETS	1 461 375	673 063

25. BALANCES OF MARKET PARTICIPANTS

	December 31, 2014	December 31, 2013
Accounts of clearing participants	1 165 525 375	272 695 597
Other current and settlement accounts	63 003 423	45 805 803
Risk-covering funds	3 240 356	3 691 409
Accounts in precious metals	229 950	57 752
TOTAL BALANCES OF MARKET PARTICIPANTS	1 231 999 104	322 250 561

Accounts of clearing participants include margins deposited by clearing participants to cover risks arising from open positions and to guarantee payment of commissions. The purpose of margins is to support clearing settlements on the market and to cover risks arising from open positions of market participants, including operations of market participants, where the Group acts as a central counterparty. If an initial margin requirement exceeds the collateral posted by a market participant in the guarantee fund, the participant is required to cover the deficit by posting additional margin for the unsettled trades or to reduce the open position to an appropriate level. The margins is payable to a market participant when it closes its positions. The Group places guarantee fund amounts on current accounts and deposits with reputable banks or short-term repo receivables (Notes 15, 17).

Market participants also pledge traded securities to the guarantee fund as collateral for their obligations. These securities are blocked at the participants' custody accounts in NSD and DCC. These securities are not assets of the Group and are not recognised in the Consolidated Statement of the Financial Position.

The risk-covering funds comprise contributions deposited by market participants. The purpose of these funds is to provide additional insurance to the market participants in respect of the ability of the Group to guarantee proper settlements of open positions in case of a market participant default. The minimum contribution amount per one participant is determined by the NCC Supervisory Board and it is approved by the Derivatives Market Committee, the Currency Market Committee, the Securities Market Committee and the Securities Lending & REPO Committee. Risk-covering funds amounts are only used to cover the deficit if a margin posted by a trading participant is not sufficient to cover its losses. The Group places cash received from the market participants in the risk-covering funds with top-rated banks (Notes 15, 17).

26. OTHER LIABILITIES

	December 31, 2014	December 31, 2013
OTHER FINANCIAL LIABILITIES		
Payables to employees	1 678 394	1 194 828
Trade payables	683 606	412 380
Dividends payable	2	-
TOTAL OTHER FINANCIAL LIABILITIES	2 362 002	1 607 208
OTHER NON-FINANCIAL LIABILITIES		
Advances received	258 985	202 582
Taxes payable, other than income tax	148 165	114 857
Provision for onerous contracts (Note 12)	173 203	-
Other	907	75
TOTAL OTHER LIABILITIES	2 943 262	1 924 722

27. SHARE CAPITAL AND SHARE PREMIUM

The share capital of Moscow exchange comprises ordinary shares with a par value of RUB 1 each:

	Authorized shares (number of shares)	Ordinary shares issued and fully paid (number of shares)	Treasury shares (number of shares)
DECEMBER 31, 2012	2 578 200 000	2 197 409 846	(58 135 826)
Issue of additional shares	-	181 079 307	(181 000 000)
Sale of treasury shares during IPO	-	-	109 090 910
Purchase of treasury shares	-	-	(27 943 570)
Exercised options (Note 13)	-	-	1 781 053
DECEMBER 31, 2013	2 578 200 000	2 378 489 153	(156 207 433)
Cancellation of treasury shares	-	(99 852 660)	99 852 660
Exercised options (Note 13)	-	-	4 791 769
DECEMBER 31, 2014	2 578 200 000	2 278 636 493	(51 563 004)

Share premium represents an excess of contributions received over the nominal value of shares issued.

During the first quarter of 2014 the Group cancelled 99 852 660 treasury shares.

In 2014 the Group distributed to employees 4 791 769 treasury shares under exercised share options (2013: 1 781 053 treasury shares) (Note 13).

28. RETAINED EARNINGS

During the year ended December 31, 2014, the Group paid dividends for the year ended December 31, 2013, to the owners of the parent of RUB 5 310 139 thousand (December 31, 2013: RUB 2 726 362 thousand). The amount of dividends per share for the year ended December 31, 2014, is RUB 2,39 per ordinary share (December 31, 2013: 1,23 per ordinary share).

The Group's distributable reserves are limited to the amount of reserves reported in the statutory financial statements of the Group members. Non-distributable reserves comprise a reserve fund, which is created according to the statutory regulations, to cover risks, including future losses and other unforeseen risks and contingencies.

29. EARNINGS PER SHARE

The calculation of earnings per share is based on the profit for the year attributable to shareholders of the Group and the weighted average number of ordinary outstanding during the year, calculated as shown below.

	Year ended December 31, 2014	Year ended December 31, 2013
NET PROFIT ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	16 041 416	11 586 770
WEIGHTED AVERAGE NUMBER OF SHARES	2 225 687 215	2 213 386 812
Effect of dilutive share options	8 048 739	7 012 702
WEIGHTED AVERAGE NUMBER OF SHARES ADJUSTED FOR THE EFFECT OF DILUTION	2 233 735 954	2 220 399 514
Basic earnings per share, RUB	7,21	5,23
Diluted earnings per share, RUB	7,18	5,22

30. COMMITMENTS AND CONTINGENCIES

Operating lease commitments – Where the Group is the lessee, the future minimum lease payments under non-cancellable operating leases of premises, parking slots and cars are as follows:

	December 31, 2014	December 31, 2013
Less than 1 year	284 618	195 936
More than 1 year and no more than 5 years	41 963	640 412
Over 5 years	1 152	206 182
TOTAL OPERATING LEASE COMMITMENTS	327 733	1 042 530

Legal proceedings – From time to time and in the normal course of business, claims against the Group may be received from customers and counterparties. The Management believes that such claims may not have a material impact on its financial and operational activities and that no material losses will be incurred, and accordingly no provision has been made in these Consolidated Financial Statements.

Operating environment – Russia continues economic reforms and development of its legal, tax and regulatory frameworks as required by a market economy. The future stability of the Russian economy is largely dependent upon these reforms and developments and the effectiveness of economic, financial and monetary measures undertaken by the government.

In 2014, the Russian economy was negatively impacted by a significant drop in crude oil prices and a significant devaluation of the Russian Rouble, as well as sanctions imposed on Russia by several countries. In December 2014, the Rouble interest rates have increased significantly after the Central Bank of Russia raised its key rate to 17%. Russia's credit rating was downgraded by Fitch Ratings in January 2015 to BBB-, whilst Standard & Poor's cut it to BB+, putting it below investment grade for the first time in a decade. Moody's Investors Service and Fitch Ratings still have Russia as investment grade. The Central Bank's key interest rate decreased in February 2015 from 17,0% p.a. to 15,0%. The combination of the above resulted in reduced access to capital, a higher cost of capital, increased inflation and uncertainty regarding economic growth, which could negatively affect the Group's future financial position, results of operations and business prospects. Management believes it is taking appropriate measures to support the sustainability of the Group's business in the current circumstances.

Taxation – Some provisions of the Russian tax, currency and customs legislation as at present in force are defined not clearly enough, which frequently leads to different interpretations (that can be applied to the past legal matters), selective and inconsistent application and also in some cases to changes that are hard to predict.

The Management's interpretation of such legislation as applied to its operations and activity may be challenged by the relevant regional and federal authorities. The tax authorities may be taking a more assertive position in their interpretation of the legislation and assessments, and it is possible that transactions and activities that have not been challenged in the past may be challenged. As a result, significant additional taxes, penalties and interest may be assessed.

The Group's Management believes its interpretation of the relevant legislation is appropriate and that the tax positions of the Group will be confirmed.

Generally, taxpayers are subject to tax audits with respect to three calendar years preceding the year when the decision to audit was taken. However, completed audits do not exclude the possibility of subsequent additional tax audits performed by upper-level tax inspectorates reviewing the results of tax audits of their subordinate tax inspectorates.

31. TRANSACTIONS WITH RELATED PARTIES

Intragroup transactions have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

(A) TRANSACTIONS WITH KEY MANAGEMENT

Key management personnel comprises members of the Executive Board and the Board of Directors. The total remuneration paid to key management personnel includes short-term benefits (salary, bonuses, payroll related taxes, insurance, health care, etc.) and share-based payment expense.

	Year ended December 31, 2014	Year ended December 31, 2013
Short-term employee benefits	381 272	241 701
Share-based payment expense	81 411	203 479
TOTAL REMUNERATION OF KEY MANAGEMENT PERSONNEL	462 683	445 180

(B) TRANSACTIONS WITH GOVERNMENT-RELATED ENTITIES

The Central Bank of Russia sold an 11,7% stake in Moscow Exchange to the market on 2 July 2014. The sale is in line with the Central Bank's obligation under the Federal Law # 251-FZ dated July 23, 2013 to completely exit the shareholder capital of Moscow Exchange by 1 January 2016. As the result of the sale, the entities controlled by the Russian Federation together hold less than 50% of voting shares of Moscow Exchange. Accordingly, as at December 31, 2014 the Russian Federation exercised significant influence over Moscow Exchange.

The Group considers government-related entities as related parties if Russian Federation has control, joint control or significant influence over the entity. In the ordinary course of business the Group provides stock exchange services to government-related entities, places funds with government-related banks and bonds issued by the Russian Federation and government-related entities.

(C) TRANSACTIONS WITH ASSOCIATES

Included in the Consolidated Statement of Financial Position were the following amounts that arose on transactions with associates:

	December 31, 2014	December 31, 2013
Investments in associates	46 132	93 149
Other assets	766	2 662
Balances of market participants	–	9 539
Loans payable	–	50 790
Other liabilities	253	449

Included in the Consolidated Statement of Profit or Loss are the following amounts that arose due to transactions with associates:

	Year ended December 31, 2014	Year ended December 31, 2013
Share of profits of associates	7 356	74 605
Fee and commission income and other operating income	1 844	40 470
Foreign currency difference	132	(579)
Administrative and other operating expenses	(2 389)	(31 141)
Interest expense	–	(2 636)

32. FAIR VALUE MEASUREMENTS

The Group performs a fair value assessment of its financial assets and liabilities, as required by IFRS 7 Financial Instruments: Disclosures. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability.

The Group measures fair values for financial assets recorded on the statement of financial position at fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Quoted market prices in an active market (that are unadjusted) for identical assets or liabilities.

- Level 2: Valuation techniques (for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable).
- Level 3: Valuation techniques (for which the lowest level input that is significant to the fair value measurement is unobservable).

The foreign currency forward contracts are measured based on observable spot exchange rates and the yield curves of the respective currencies.

The fair value of the unquoted debt securities has been determined using a discounted cash flow model, by reference to quoted market prices for similar instruments.

The fair value of unquoted equity instruments has been determined based on market approach using price/net assets ratio for similar companies.

The table below analyses financial assets and liabilities measured at fair value at December 31, 2014, by the level in the fair value hierarchy into which the fair value measurement is categorised:

	December 31, 2014			Total
	Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss	11 383 661	–	58 330	11 441 991
Central counterparty financial assets and liabilities (currency transactions)	35 208 628	–	–	35 208 628
Investments available-for-sale	76 025 196	4 890 812	34 307	80 950 315

Financial assets and liabilities measured at fair value at December 31, 2013, by the level in the fair value hierarchy into which the fair value measurement is categorised:

	December 31, 2013			Total
	Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss	16 131 684	5 042	62 999	16 199 725
Central counterparty financial assets (currency transactions)	2 301 781	–	–	2 301 781
Investments available-for-sale	71 047 470	3 117 458	87 124	74 252 052

The following table shows a reconciliation for year ended December 31, 2014 and December 31, 2013, for fair value measurements in Level 3 of the fair value hierarchy:

	FVTPL	AFS
BALANCE AT DECEMBER 31, 2012	66 960	167 913
Loss recognized in net loss on financial assets at fair value through profit or loss	(3 961)	–
Level 3 securities sold	–	(38 697)
Loss recognized in net loss on financial assets available-for-sale	–	(42 264)
Foreign exchange gain	–	172
BALANCE AT DECEMBER 31, 2013	62 999	87 124
Loss recognized in net loss on financial assets at fair value through profit or loss	(4 669)	–
Loss recognized in net loss on financial assets available-for-sale	–	(2 001)
Level 3 securities purchased	–	–
Level 3 securities sold	–	(78 599)
Foreign exchange gain	–	1 907
BALANCE AT DECEMBER 31, 2014	58 330	34 307

Management of the Group considers that the fair value of financial assets and liabilities approximates their carrying value.

33. CAPITAL MANAGEMENT

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as net profit divided by total equity, excluding non-controlling interests. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The capital structure of the Group consists of the shareholder's equity, which includes capital issued, reserves and retained earnings. The allocation of capital between specific operations and activities is, to a large extent, driven by optimization of the return achieved on the capital allocated. Although maximization of return

on risk-adjusted capital is the principal basis used in determining how capital is allocated within the Group to particular operations or activities, it is not the sole basis used for decision making. Account is also taken of synergies with other operations and activities, the availability of management and other resources and the fit of the activity with the longer term strategic objectives. The policies in respect of capital management and allocation are regularly reviewed by the Board of Directors through approval and review within annual budgets.

The Group entities are subject to capital requirements established by the CBR in respect of the minimum amount of own funds for each entity depending on the nature of their activities. NSD and NCC as credit institutions have to maintain a ratio of capital to risk weighted assets (statutory capital ratio N1) above the prescribed minimum level, which is 10% for banks (NCC) and 12% for non-banking credit institutions (NSD).

Regulatory capital ratios for the major Group companies were as follows:

	Own funds		Own funds requirements		Capital adequacy ratio	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Moscow Exchange	65 163 411	37 534 813	100 000	150 000	–	–
NCC	38 541 880	28 755 467	300 000	180 000	13,47	21,69
NSD	9 406 903	7 308 475	4 000 000	4 000 000	27,38	30,32
NAMEX	138 940	128 218	100 000	50 000	–	–
MICEXSE	1 770 994	1 221 879	100 000	150 000	–	–
DCC	1 322 777	1 262 180	15 000	250 000	–	–
SC RTS	–	1 131 005	–	–	–	87,86

The Group companies had complied in full with all its externally imposed capital requirements at all times.

34. RISK MANAGEMENT POLICIES

Risk management is a material element of the Group's activities and is applied to the following risks inherent to the Group's activity: credit, liquidity, operational risks and market risk, the latter being subdivided into currency, interest rate risks. The main objective of financial risk management is to identify the sources of risks and measure risks, develop risk management policies, create risk controls, including setting of limits and further ensure compliance with the established limits.

The Group recognizes that it is essential to have efficient risk management procedures in place. To enable this, the Group has established a risk management framework, whose main purpose is to protect the Group from risk and allow it to achieve its performance objectives. A description of the Group's risk management policies in relation to those risks is as follows. Through the risk management framework, the Group manages the following risks.

LIQUIDITY RISK

Liquidity risk is the risk that the Group will have insufficient funds to meet its financial liabilities. Liquidity risk exists when the maturities of assets and liabilities do not match. The matching and/or controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to the management of financial institutions, including the Group. An unmatched position potentially enhances profitability, but can also increase the risk of losses.

The Group's approach to management of liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the reputation.

The Group seeks to actively support a diversified and stable funding base comprising settlement accounts of trading, clearing and settlement participants, other corporate clients, accompanied by diversified portfolios of highly liquid assets, in order to be able to respond quickly and smoothly to unforeseen liquidity requirements.

The maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature, are important factors in assessing the liquidity of the Group and its exposure to changes in interest and exchange rates.

Management expects that the cash flows from certain financial assets will be different from their contractual terms either because the Management has the discretionary ability to manage the cash flows or because past experience indicates that cash flows will differ from contractual terms. In the tables below the financial assets and liabilities are presented on a discounted basis and are based on their expected cash flows.

The presentation below is based upon the information provided internally to key management personnel of the Group. Table for the year ended December 31, 2014 does not include equity instruments.

	Up to 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	Maturity undefined	December 31, 2014 Total
FINANCIAL ASSETS						
Cash and cash equivalents	1 163 783 135	–	–	–	–	1 163 783 135
Financial assets at fair value through profit or loss	11 383 661	–	–	–	58 330	11 441 991
Due from financial institutions	31 193 497	8 205 364	403 097	–	–	39 801 958
Central counterparty financial assets	139 609 774	–	–	–	–	139 609 774
Investments available-for-sale	77 278 676	1 481 361	2 155 971	–	34 307	80 950 315
Other financial assets	566 480	21 634	3 608	–	–	591 722
TOTAL FINANCIAL ASSETS	1 423 815 223	9 708 359	2 562 676	–	92 637	1 436 178 895
FINANCIAL LIABILITIES						
Balances of market participants	1 231 769 154	–	–	–	–	1 231 769 15
Central counterparty financial liabilities	139 609 774	–	–	–	–	139 609 774
Distributions payable to holders of securities	6 353 006	–	–	–	–	6 353 006
Other financial liabilities	747 872	1 334 948	279 182	–	–	2 362 002
TOTAL FINANCIAL LIABILITIES	1 378 479 806	1 334 948	279 182	–	–	1 380 093 936
LIQUIDITY GAP	45 335 417	8 373 411	2 283 494	–	92 637	
CUMULATIVE LIQUIDITY GAP	45 335 417	53 708 828	55 992 322	55 992 322	56 084 959	

	Up to 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	Maturity undefined	December 31, 2014 Total
FINANCIAL ASSETS						
Cash and cash equivalents	255 041 610	–	–	–	–	255 041 610
Cash and cash equivalents included into Disposal Group	2 018 877	–	–	–	–	2 018 877
Financial assets at fair value though profit or loss	16 136 726	–	–	–	62 999	16 199 725
Due from financial institutions	20 716 288	7 036 179	1 177 787	–	–	28 930 254
Central counterparty financial assets	47 008 536	–	–	–	–	47 008 536
Investments available-for-sale	58 083 942	973 050	9 980 316	5 127 620	87 124	74 252 052
Other financial assets	345 225	45 805	–	–	–	391 030
TOTAL FINANCIAL ASSETS	399 351 204	8 055 034	11 158 103	5 127 620	150 123	423 842 084
FINANCIAL LIABILITIES						
Balances of market participants	322 192 809	–	–	–	–	322 192 809
Balances of market participants includ- ed into Disposal Group	5 836 964	–	–	–	–	5 836 964
Central counterparty financial liabilities	47 008 536	–	–	–	–	47 008 536
Distributions payable to holders of securities	3 670 761	–	–	–	–	3 670 761
Loans payable	68	30 493	20 297	–	–	50 858
Other financial liabilities	381 539	1 052 857	172 812	–	–	1 607 208
TOTAL FINANCIAL LIABILITIES	379 090 677	1 083 350	193 109	–	–	380 367 136
LIQUIDITY GAP	20 260 527	6 971 684	10 964 994	5 127 620	150 123	
CUMULATIVE LIQUIDITY GAP	20 260 527	27 232 211	38 197 205	43 324 825	43 474 948	

Undiscounted cash flows on financial liabilities are approximately equal to cash flows presented in the analysis of liquidity risk above.

The Group presents available-for-sale securities included in CBR Lombard list as matured in one month.

INTEREST RATE RISK

Interest rate risk is the risk that movements in interest rates will affect the Group's income or the value of its portfolios of financial assets.

The Group is exposed to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Interest margins may increase as a result of such changes

but may also reduce or create losses in the event that unexpected movements arise.

Management of relevant Group entities are responsible for asset-liability management in respect of individual Group entities.

Designated functional units within individual Group entities and at the Group level, including Treasury, are responsible for interest rate risk management.

As the majority of financial instruments of the Group are fixed rate contracts, maturity dates of interest-bearing assets and liabilities are also their repricing dates.

An analysis of sensitivity of profit or loss and equity as a result of changes in the fair value of financial assets carried at fair value due

to changes in the interest rates based on positions existing as at December 31, 2014 and December 31, 2013, and a reasonably

possible changes of 570 bp (December 31, 2013: 100 bp) symmetrical fall or rise in all yield curves is as follows:

	Year ended December 31, 2014		Year ended December 31, 2013	
	Net profit	Equity	Net profit	Equity
570 bp parallel rise (December 31, 2013: 100 bp)	(287 010)	(2 501 382)	(179 077)	(755 345)
570 bp parallel fall (December 31, 2013: 100 bp)	302 279	2 391 036	182 361	767 729

CREDIT RISK

The Group is exposed to credit risk, which is the risk that one party to a financial assets will fail to discharge an obligation and cause the other party to incur a financial loss.

The Group controls credit risk by setting limits on a counterparty or on a group of related counterparties. The Group monitors such risks on a regular basis and revises the limits. Credit risk limits in each company of the Group are approved by the Executive Board based on the credit risk management system that is approved by the Moscow Exchange Board of Directors. Credit risk is managed by means of regular analysis of the existing and potential counterparties' ability to repay interest and the principal amount of debt and, if required, by means of changing the credit limits.

To safeguard the Group against the risk of default by the clearing member before it has settled its outstanding transactions, the clearing conditions require the clearing member to deposit margins and collateral in the form of cash or securities on a daily basis or an intraday basis in the amount stipulated by the Group. Collateral deposited by clearing members is included into the guarantee fund (Note 25).

In addition to providing margin and collateral payments for current transactions, clearing members must contribute to a risk-covering fund. The risk-covering fund (Note 25) provides collective protection against the financial consequences of any default of a clearing member that is not covered by the individual margins of the clearing member concerned.

Principal types of collateral accepted by the Group include liquid securities and cash contributions in Roubles, US Dollars and Euros. Eligible types of collateral depend on the market and the type of the exposure.

MAXIMUM CREDIT RISK EXPOSURE

The Group's maximum exposure to credit risk equals to the carrying value of assets that bear credit risk.

As at December 31, 2014 included into other assets are overdue receivables of RUB 13 489 thousand (December 31, 2013: RUB 27 421 thousand).

Financial assets are graded according to the current credit rating that has been issued by an internationally regarded agency such as Fitch, Standard & Poor's and Moody's. The highest possible rating is AAA. Investment grade financial assets have ratings from AAA to BBB-. Financial assets which have ratings lower than BBB- are classed as speculative grade.

As at December 31, 2014 and 2013, balances with the CBR are graded in accordance with the sovereign credit rating of the Russian Federation.

The following table details the credit ratings of financial assets held by the Group as at December 31, 2014:

	AA	A	BBB	less BBB-	Not rated	December 31, 2014 Total
FINANCIAL ASSETS:						
Cash and cash equivalents	166 858 504	300 067 370	574 521 580	122 312 923	11 478	1 163 771 855
Financial assets at fair value though profit or loss	–	–	11 383 661	–	–	11 383 661
Due from financial institutions	415 618	–	21 559 107	17 649 305	177 928	39 801 958
Central counterparty financial assets	–	–	27 314 385	42 691 101	69 604 288	139 609 774
Investments available-for-sale	–	504 866	60 556 658	19 854 484	–	80 916 008
Other financial assets	10 847	756	188 649	51 078	340 392	591 722

The following table details the credit ratings of financial assets held by the Group as at December 31, 2013:

	AA	A	BBB	less BBB-	Not rated	December 31, 2013 Total
FINANCIAL ASSETS:						
Cash and cash equivalents	6 154 438	145 176 963	102 707 655	156 283	842 532	255 037 871
Cash and cash equivalents included into Disposal Group	–	–	2 018 877	–	–	2 018 877
Financial assets at fair value though profit or loss	–	–	16 131 684	–	5 042	16 136 726
Due from financial institutions	5 001 218	–	23 297 950	113 202	517 884	28 930 254
Central counterparty financial assets	–	–	4 560 874	3 444 162	39 003 500	47 008 536
Investments available-for-sale	–	–	53 854 903	20 310 025	–	74 164 928
Other financial assets	10 335	1 133	121 109	17 778	240 675	391 030

CURRENCY RISK

The Group is exposed to effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. Currency risk mainly results from open foreign currency positions. The Executive Boards of relevant Group entities set limits on the level of currency risk exposures by currencies.

The Group's exposure to foreign currency exchange rate risk is presented in the tables below:

	RUB	USD	EUR	Other currencies	December 31, 2014, Total
FINANCIAL ASSETS					
Cash and cash equivalents	172 077 336	650 659 700	338 296 260	2 749 839	1 163 783 135
Financial assets at fair value through profit or loss	11 441 991	–	–	–	11 441 991
Due from financial institutions	39 127 956	389 488	–	284 514	39 801 958
Central counterparty financial assets	139 609 774	–	–	–	139 609 774
Investments available-for-sale	61 587 322	19 356 099	1 291	5 603	80 950 315
Other financial assets	563 340	23 462	–	4 920	591 722
TOTAL FINANCIAL ASSETS	424 407 719	670 428 749	338 297 551	3 044 876	1 436 178 895
FINANCIAL LIABILITIES					
Balances of market participants	222 405 081	668 939 001	337 689 014	2 736 058	1 231 769 154
Central counterparty financial liabilities	139 609 774	–	–	–	139 609 774
Distributions payable to holders of securities	5 680 932	672 073	–	1	6 353 006
Other financial liabilities	1 921 817	112 088	288 970	39 127	2 362 002
TOTAL FINANCIAL LIABILITIES	369 617 604	669 723 162	337 977 984	2 775 186	1 380 093 936
OPEN POSITION	54 790 115	705 587	319 567	269 690	

	RUB	USD	EUR	Other currencies	December 31, 2013 Total
FINANCIAL ASSETS					
Cash and cash equivalents	41 851 256	141 898 447	71 156 758	135 149	255 041 610
Cash and cash equivalents included into Disposal Group	2 018 877	–	–	–	2 018 877
Financial assets at fair value through profit or loss	16 199 725	–	–	–	16 199 725
Due from financial institutions	23 297 950	5 320 502	–	311 802	28 930 254
Central counterparty financial assets	47 008 536	–	–	–	47 008 536
Investments available-for-sale	64 218 741	10 028 325	1 493	3 493	74 252 052
Other financial assets	351 096	27 736	1 088	11 110	391 030
TOTAL FINANCIAL ASSETS	194 946 181	157 275 010	71 159 339	461 554	423 842 084
FINANCIAL LIABILITIES					
Balances of market participants	95 872 731	155 201 369	70 999 945	118 764	322 192 809
Balances of market participants included into Disposal Group	5 836 964	–	–	–	5 836 964
Central counterparty financial liabilities	47 008 536	–	–	–	47 008 536
Distributions payable to holders of securities	3 311 499	358 974	–	288	3 670 761
Loans payable	50 858	–	–	–	50 858
Other financial liabilities	1 536 541	36 779	20 505	13 383	1 607 208
TOTAL FINANCIAL LIABILITIES	153 617 129	155 597 122	71 020 450	132 435	380 367 136
DERIVATIVES	1 480 029	(1 480 029)	–	–	–
OPEN POSITION	42 809 081	197 859	138 889	329 119	

The following exchange rates are applied during the period:

	December 31, 2014		December 31, 2013	
	USD	EUR	USD	EUR
Minimum	32,6587	45,0559	29,9251	39,6385
Maximum	67,7851	84,5890	33,4656	45,3688
Average	38,6025	50,9928	31,9063	42,4001
Year-end	56,2584	68,3427	32,7292	44,9699

An analysis of sensitivity of profit or loss and equity to changes in the foreign currency exchange rates based on positions existing as at December 31, 2014 and December 31, 2013, and a reasonably possible changes of Russian Rouble to USD and Euro exchange rates is as follows:

	December 31, 2014		December 31, 2013	
	USD	EUR	USD	EUR
	26%	26%	10%	10%
26% ruble appreciation (December 31, 2013: 10%)	(146 762)	(66 470)	(15 829)	(11 111)
26% ruble depreciation (December 31, 2013: 10%)	146 762	66 470	15 829	11 111

GEOGRAPHICAL CONCENTRATION

All assets of the Group consist of balances on operations in the Russian Federation, except for:

- Correspondent accounts and deposits with top OECD banks, which are reported in cash and cash equivalents (Note 15);
- Other deposits with top OECD banks, which are reported in balances due from financial institutions of as at December 31, 2014: RUB 415 618 thousand (December 31, 2013: RUB 5 001 218 thousand) (Note 17);
- Balances placed by CJSC PFTS Stock Exchange with one of the top Ukrainian banks that are reported in cash and cash equivalents of RUB 3 875 thousand as at December 31, 2014 (December 31, 2013: RUB 1 272 thousand) and in due from financial institutions of RUB 284 514 thousand as at December 31, 2014 (December 31, 2013: 311 802);
- Short-term reverse repo receivable from a financial institution registered in Cyprus (Note 17);
- Balances placed by ETS with one of the top Kazakh banks that are reported in cash and cash equivalents of RUB 24 049 thousand as at December 31, 2014 (December 31, 2013: RUB 10 464 thousand).

OPERATIONAL RISK

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the internal processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour or IT failure.

The objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the reputation with

overall cost effectiveness and avoid control procedures which restrict initiative and creativity.

The Board of Directors has overall responsibility for the oversight of operational risk management, reviewing risk management policies and procedures. The risk assessment, reporting and control procedures vary by exposure type, but share a common methodology developed and updated periodically by the risk management personnel.

Both external and internal risk factors are identified and managed throughout the business units within their functional duties. The primary responsibility for the implementation of controls to address operational risk is assigned to management within each business unit.

35. OFFSETTING OF FINANCIAL INSTRUMENTS

Gross claims and liabilities with individual counterparties under CCP currency transactions are offset in accordance with IAS 32.

Direct and reverse repo transactions with individual counterparties are subject to clearing rules that create a contingent right of set-off that does not qualify for offsetting.

Clearing participants are required to deposit collateral in the form of cash or securities for current deals and make contribution to a risk-covering fund, as described in Note 34. Clearing rules give the Group right to use these amounts under certain conditions (e.g. in case of default).

The table below shows financial assets and liabilities offset in the statement of financial position, as well as the effect of clearing agreements that do not result in an offset in the statement of financial position:

	December 31, 2014			Related amounts not set off in the statement of the financial position		
	Gross claims	Gross liabilities	Net amount presented in financial statements	Financial instruments	Cash collateral received	Net amount
Central counterparty financial assets (repo transactions)	104 401 146	—	104 401 146	(104 401 146)	—	—
Central counterparty financial assets (currency transactions)	55 522 604	(20 313 976)	35 208 628	—	(35 208 628)	—
Central counterparty financial liabilities (repo transactions)	—	(104 401 146)	(104 401 146)	104 401 146	—	—
Central counterparty financial liabilities (currency transactions)	6 103 596	(41 312 224)	(35 208 628)	—	—	(35 208 628)

	December 31, 2013			Related amounts not set off in the statement of the financial position		
	Gross claims	Gross liabilities	Net amount presented in financial statements	Financial instruments	Cash collateral received	Net amount
Central counterparty financial assets (repo transactions)	44 706 755	–	44 706 755	(44 706 755)	–	–
Central counterparty financial assets (currency transactions)	2 607 544	(305 763)	2 301 781	–	(2 301 781)	–
Central counterparty financial liabilities (repo transactions)	–	(44 706 755)	(44 706 755)	44 706 755	–	–
Central counterparty financial liabilities (currency transactions)	345 871	(2 647 652)	(2 301 781)	–	–	(2 301 781)

36. EVENTS AFTER THE REPORTING DATE

As at March 5, 2015 the Supervisory Board of Moscow Exchange recommended to the shareholders to approve 2014 dividends of RUB 3.87 per ordinary share. The total amount of recommended dividends is RUB 8 818 323 thousand.

SUPPLEMENTARY INFORMATION – FIDUCIARY ASSETS (UNAUDITED)

	Fair value for shares / Par value for bonds	
	December 31, 2014 (RUB mln)	December 31, 2013 (RUB mln)
Corporate shares	11 126 646	12 136 819
Corporate bonds	5 911 379	4 660 383
Bonds issued by Russian Federation	4 693 164	3 734 835
Eurobonds	2 480 483	564 874
Bonds of RF subjects and municipal bodies	450 702	461 741
Units of mutual investment funds	280 993	205 004
TOTAL	24 943 367	21 763 656

The Group has insurance policies from Open Joint Stock Insurance Company Ingosstrakh. The insurance packages comprise fraud, errors and omissions coverage and a comprehensive liability and crime policy. The comprehensive liability and crime policy has been developed especially for insuring professional risks of clearing houses and central securities depositories. The total coverage level for the packages of insurance is USD 65 million (December 31, 2013: USD 65 million).

