



NATIONAL
SETTLEMENT
DEPOSITORY
MOSCOW EXCHANGE GROUP

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AECS D TRAINING SEMINAR **NSD PROFILE**

KEY NSD FACTS AND FIGURES

Systemically important infrastructure as recognized by the Bank of Russia

- CSD
- Settlement depository
- NSD payment system
- Trade repository

Largest settlement depository in Russia, the CIS and Eastern Europe

- Provides both bank and custody services to the clients
- Standardised tariff model similar to that of European market

Lobbying and advocacy voice

- Participant of the major working groups organized by Russian regulators
- Promotion of market developments and shaping through various customer committees and the international consulting committee

Registration, maintenance and validation of identification codes

- National Numbering Agency (NNA) for ISIN and CFI codes
- Substitute Numbering Agency for the CIS countries
- Local Operating Unit (LOU) for assigning Legal Entity Identification (LEI) codes

As of April 1, 2020		
Assets under Custody*, RUB trln*		50.9
Including foreign issuers' securities**		7.4
Number of clients		
	Residents	Non-residents
Depository	601	18
Payment system	354	3
Repository	936	134
January – April, 2020		
	ths pcs	RUB trln
Settled securities transactions	1 280.8	154.1
Settled cash transfers***	334.1	79.7
Settled trades in collateral management	0.14	3.8
Repository transactions	3 792.6	124.0

* Value of securities under custody on behalf of clients on the end of reporting period

** The figures includes foreign issuers' securities and MinFin's eurobonds

*** The figure includes only outgoing cash transfers in RUB and other currencies in RUB equivalent in clients' accounts with NSD

OUR BUSINESS



SECURITIES DEPOSITORY

- Secure post-trading infrastructure
- Safekeeping, settlement of on-exchange and OTC transactions (FOP, DVP)
- Corporate actions
- Issuer services, tax agent services



PAYMENT SYSTEM

- The largest payment system, providing secure and convenient settlements
- Cash settlement services, FX services, authorized currency control, cash accounts maintenance



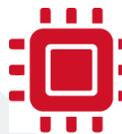
COLLATERAL MANAGEMENT

- Collateral management (tri-party services) and cash and securities netting
- Integration with market and OTC platforms
- Single platform and comprehensive automation of processes



INFORMATION SERVICES

- Consolidated information on securities and corporate actions
- Analytics for the formation and transfer of reports
- Unique source of corporate information



TECHNOLOGICAL SERVICES

- Innovative technologies, high level of comfort for market participants
- SWIFT Service Bureau
- Electronic Documents Transit



REPOSITORY

- The first in Russia systemically important repository
- Number of services for optimization business processes
- Registration of OTC derivative and REPO trades

KEY NSD BUSINESS INITIATIVES (8M19)

COMPLETED AS PART OF THE DEVELOPMENT PLAN 2019-2020

- ✓ **Launch of record-keeping and payment services for Marketplaces**
 - A new Marketplace operation scheme was prepared for distribution of securities (Stage 1. Access to OFZ bonds for individuals (OFZ-n))
 - Works were completed to ensure that the NSD Payment System is prepared (in terms of compliance and technology) to act as a payment platform for the Marketplace (for individuals' deposits).
- ✓ **Registrar of Financial Transactions**
 - The functionality was implemented within the Trade Repository for commercial operations (for individuals' deposits).
 - The functionality was demonstrated to representatives of the Ministry of Finance, Bank of Russia, and State Duma
- ✓ **A foreign nominee account was opened for Raiffeisen Bank International**
- ✓ **Collateral management was launched for liquidity investment by St. Petersburg**
- ✓ **Transit 2.0**
 - Active onboarding of clients (5 banks, 5 corporations)
 - An agreement in principle was reached with VTB and Sberbank to start integration works
- ✓ **Valuation Center**
 - Fair valuation methodologies for floaters, mortgage-backed securities, and Eurobonds of the Russian Ministry of Finance have been prepared and implemented
 - Disclosure of fair value measurements for IFRS 13 purposes was launched, and open testing of corporate Eurobond valuation started

KEY DIRECTIONS AND STRATEGIC PRIORITIES 2019-2024

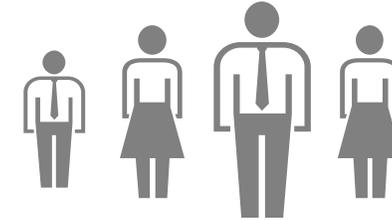
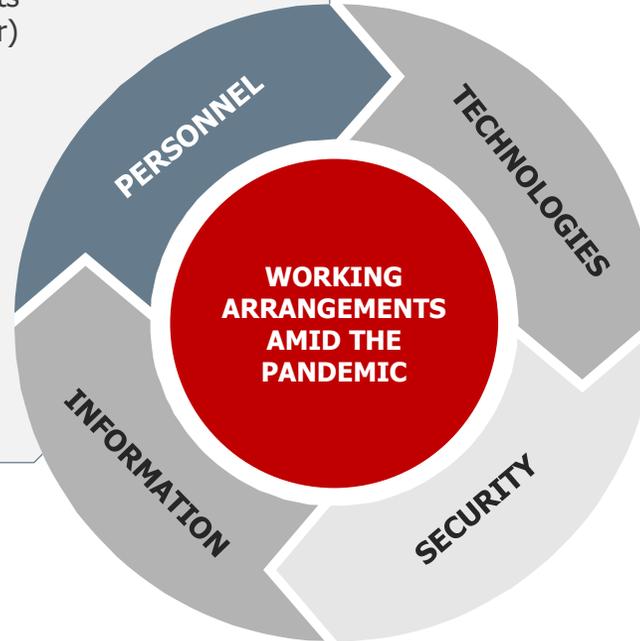


THE PLAN OF ACTIONS TO COUNTER THE PANDEMIC 2020

was prepared in a very short time, with active involvement of a number of NSD's business units and regular involvement of NSD's senior managers, which has contributed to prompt decision-making, idea generation, and flexible implementation of preventive measures



- Taking all sanitary and health measures* required by the Moscow City Mayor's Decrees and recommended by the Federal Service for Surveillance on Consumer Rights Protection and Human Wellbeing (Rospotrebnadzor)
- Sending most employees to work from home
- Imposing restrictions on office visits and physical meetings
- Waiver of the statutory limits applicable to a sick pay
- Making changes to a number of processes and procedures required for work-from-home arrangements (document control, HR management, support)



Work-from-home arrangements were planned earlier as part of the business continuity strategy

*Sanitary and health measures:

- More thorough and frequent cleaning of the office premises; complete disinfection on a weekly basis; canteen closure
- Procurement of personal hygiene aids / personal protective equipment for staff; installation of dispensers and air cleaners
- Staff health monitoring; screening of employees upon their arrival at the office: temperature checks, symptom control
- Restricted access to the office (access control lists); access control system
- Confinement (self-isolation) of staff from high-risk groups; quarantine (work from home) for employees exposed to a high risk of infection (for the duration of the incubation period)
- COVID-19 testing of staff

THANK YOU!



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 - Perception of market services offered by the Company and its subsidiaries
 - Volatility (a) of the Russian economy and the securities market and (b) sectors with a high level of competition that the Company and its subsidiaries operate
 - Changes in (a) domestic and international legislation and tax regulation and (b) state policies related to financial markets and securities markets
 - Competition increase from new players on the Russian market
 - The ability to keep pace with rapid changes in science and technology environment, including the ability to use advanced features that are popular with the Company's and its subsidiaries' customers
 - The ability to maintain continuity of the process of introduction of new competitive products and services, while keeping the competitiveness
 - The ability to attract new customers on the domestic market and in foreign jurisdictions
 - The ability to increase the offer of products in foreign jurisdictions
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