

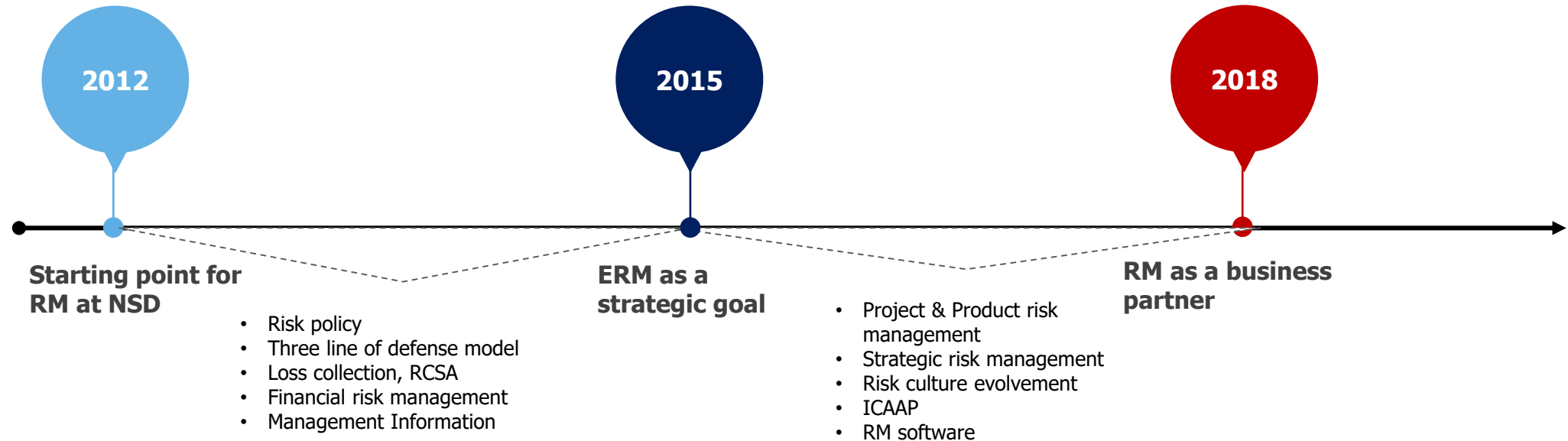


NATIONAL
SETTLEMENT
DEPOSITORY
MOSCOW EXCHANGE GROUP

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Chief Risk Officer NSD

NSD'S RISK MANAGEMENT

NSD'S RISK MANAGEMENT EVOLUTION



Our understanding of ERM application to real-life:

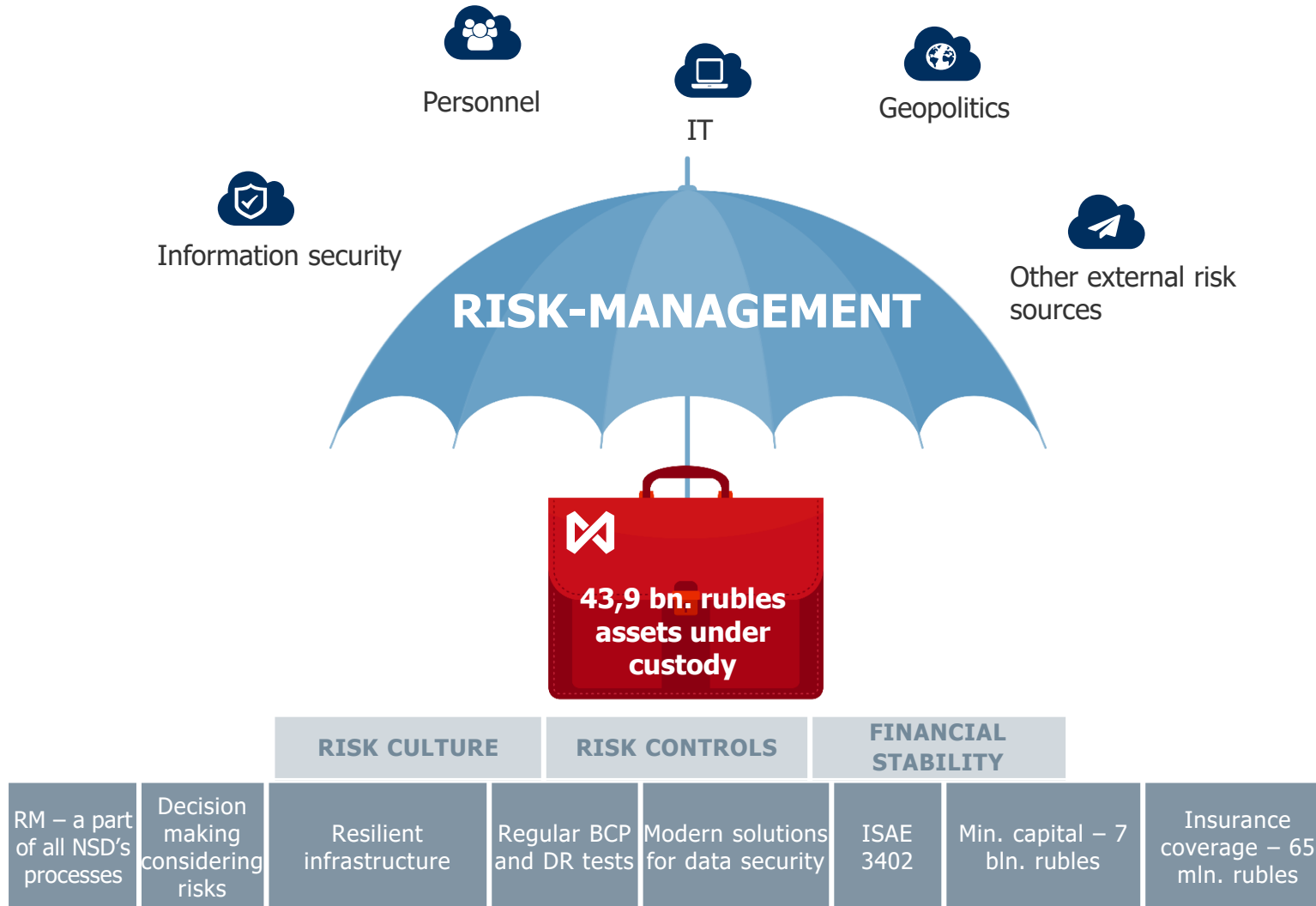
No matter what process or initiative needs to be designed and performed at the Company, risk management should be its' integral part.

RM main goal is to understand and properly manage uncertainties on the Company's strategic and operational objectives ensuring the Company's smooth operation and sustainable growth.

Sources for the inspiration:

- COSO ERM 2014, COSO ERM 2017
- ISO 31000
- CPMI IOSCO Principles

NSD'S RISK MANAGEMENT AS OF TODAY



2018 RESULTS

404
risks under management

88
risks have risk events

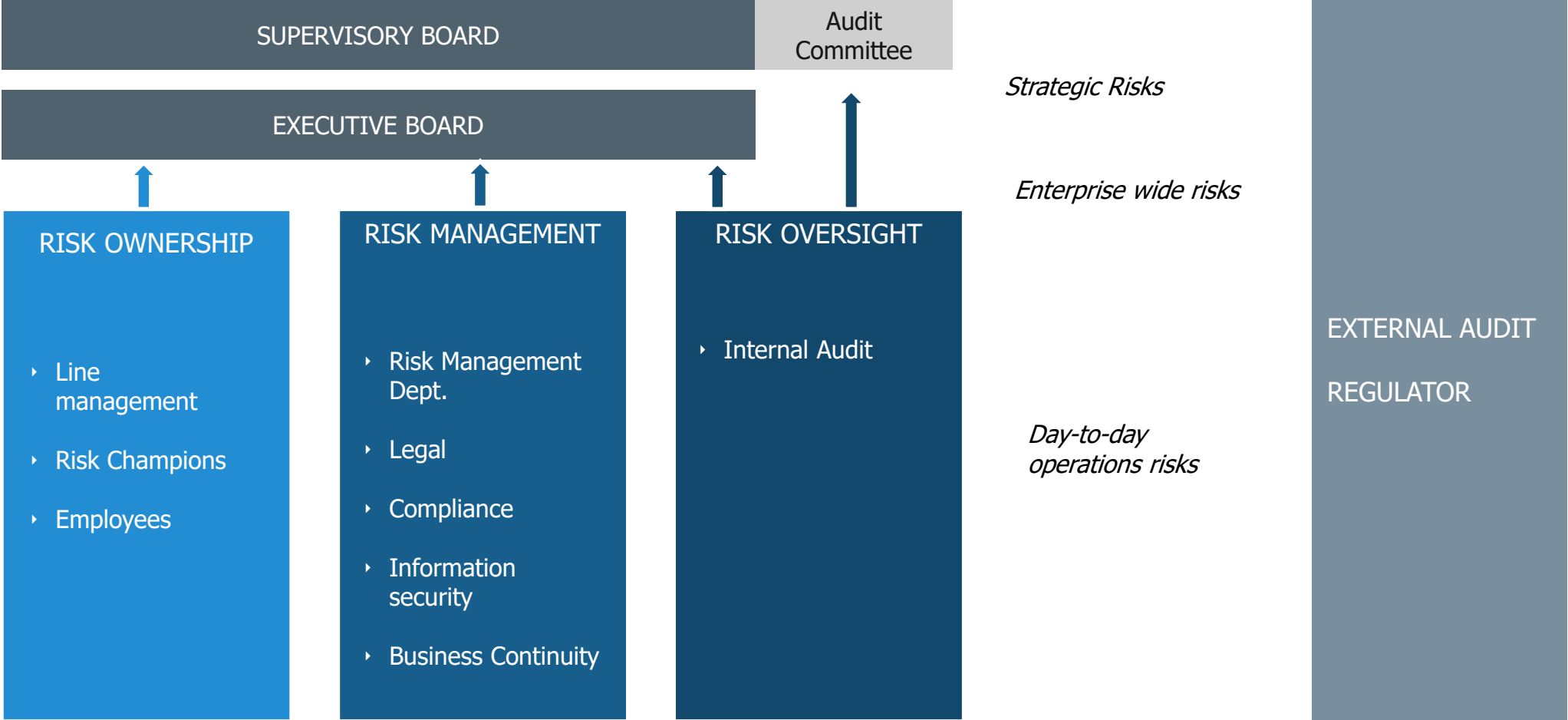
2 out of **88**
risks led to financial losses

16,2 th. rubles
total losses from risks occurred

0
cases of assets under custody loss or data corruption

ORGANIZATION STRUCTURE

THREE LINES OF DEFENSE



Identification → Analyses → Assessment → Response → Monitoring → Reporting → Assurance

RISK MANAGEMENT ROLES & RESPONSIBILITIES

	Employees	Risk Champion	Risk Owner	Risk manager
Identification	R	R	RA	R
Analyses	I	R	RA	C
Assessment	I	C	R	A
Response	I	C	RA	C
Monitoring	I	I	R	A
Reporting	I	C	R	RA

R – Responsible

A – Accountable

C – Consulted before doing

I – Informed after doing

Risk Owner responsible for:

- ✓ understanding what uncertainties (risks) can influence on objectives of it's business process, project or product
- ✓ analyses of risk factors
- ✓ risk probability and impact assessment
- ✓ risk mitigation, acceptance, sharing or avoiding
- ✓ risk level constant monitoring and reporting to the governing bodies.

Risk Champion responsible for:

- ✓ assistance to Risk Owners in risks identification, analyses and response.

Risk Manager responsible for:

- ✓ providing Risk Owners and Risk Champions with methodology and assistance
- ✓ providing management with the adequate information on key risks, mitigation and lessons learned
- ✓ ensuring that risk management as a function meets its objectives and stakeholders expectations

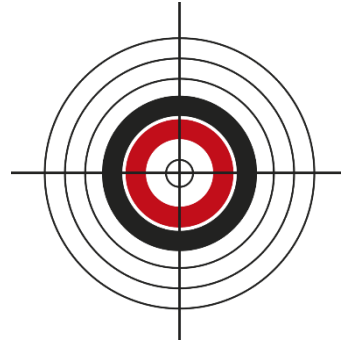
RISK MANAGEMENT PROCESS IN A PROJECT



let's do....



what can go wrong?
is it critical?
what can we do now?
is there a plan B?...



as a result we want to achieve....

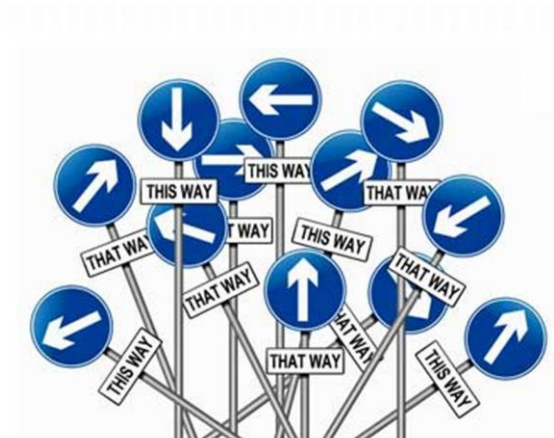


perform what was planned
while performing analyze the changes in risks
make decisions considering actual risks

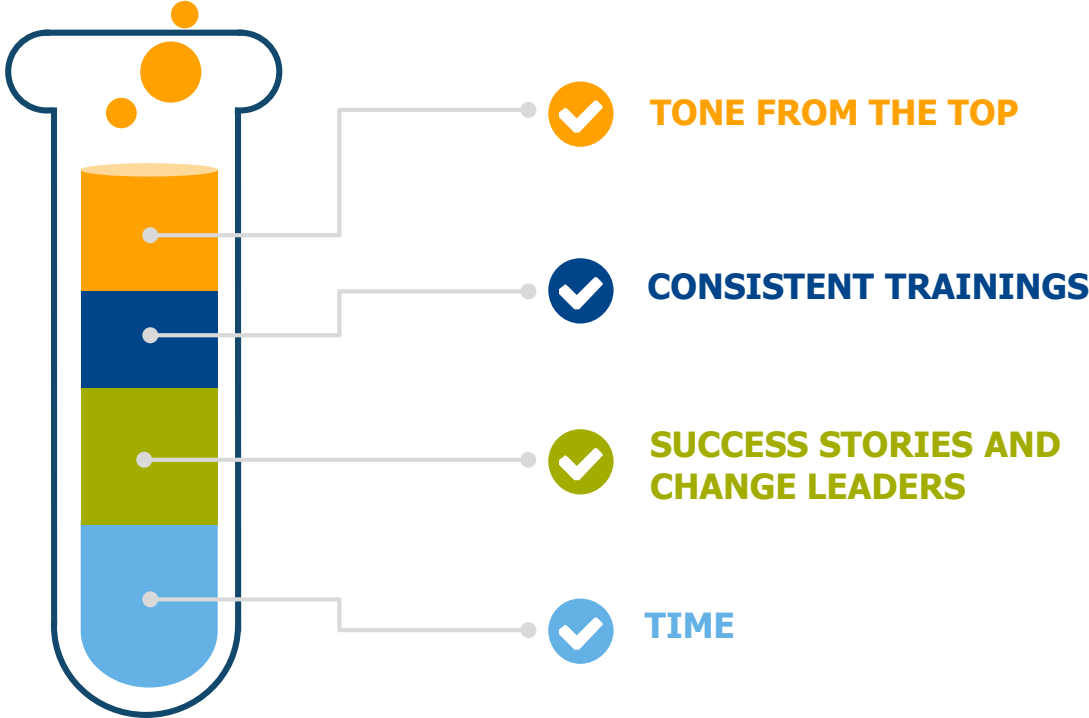


RISK CULTURE

THE MOST UNCLEAR AND COMPLEX TASK IN RISK MANAGEMENT



RISK CULTURE MUST HAVE



THANK YOU!



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 - Competition increase from new players on the Russian market
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 - The ability to maintain continuity of the process of introduction of new competitive products and services, while keeping the competitiveness
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