



**NATIONAL
SETTLEMENT
DEPOSITORY**
MOSCOW EXCHANGE GROUP

Anna Volodina
Chief Risk Officer NSD

NSD'S RISK MANAGEMENT

NSD'S RISK MANAGEMENT EVOLUTION



Our understanding of ERM application to real-life:

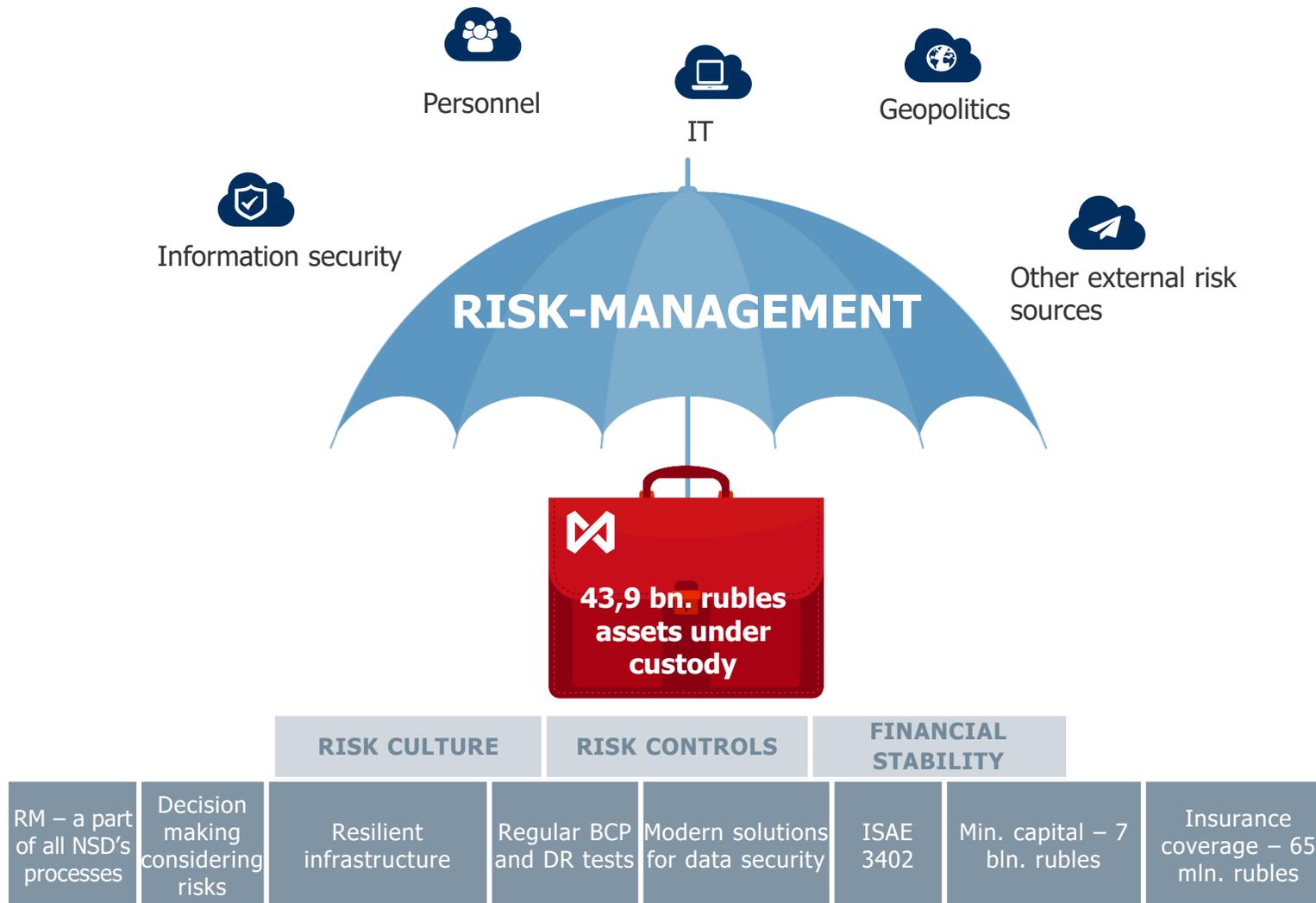
No matter what process or initiative needs to be designed and performed at the Company, risk management should be its' integral part.

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

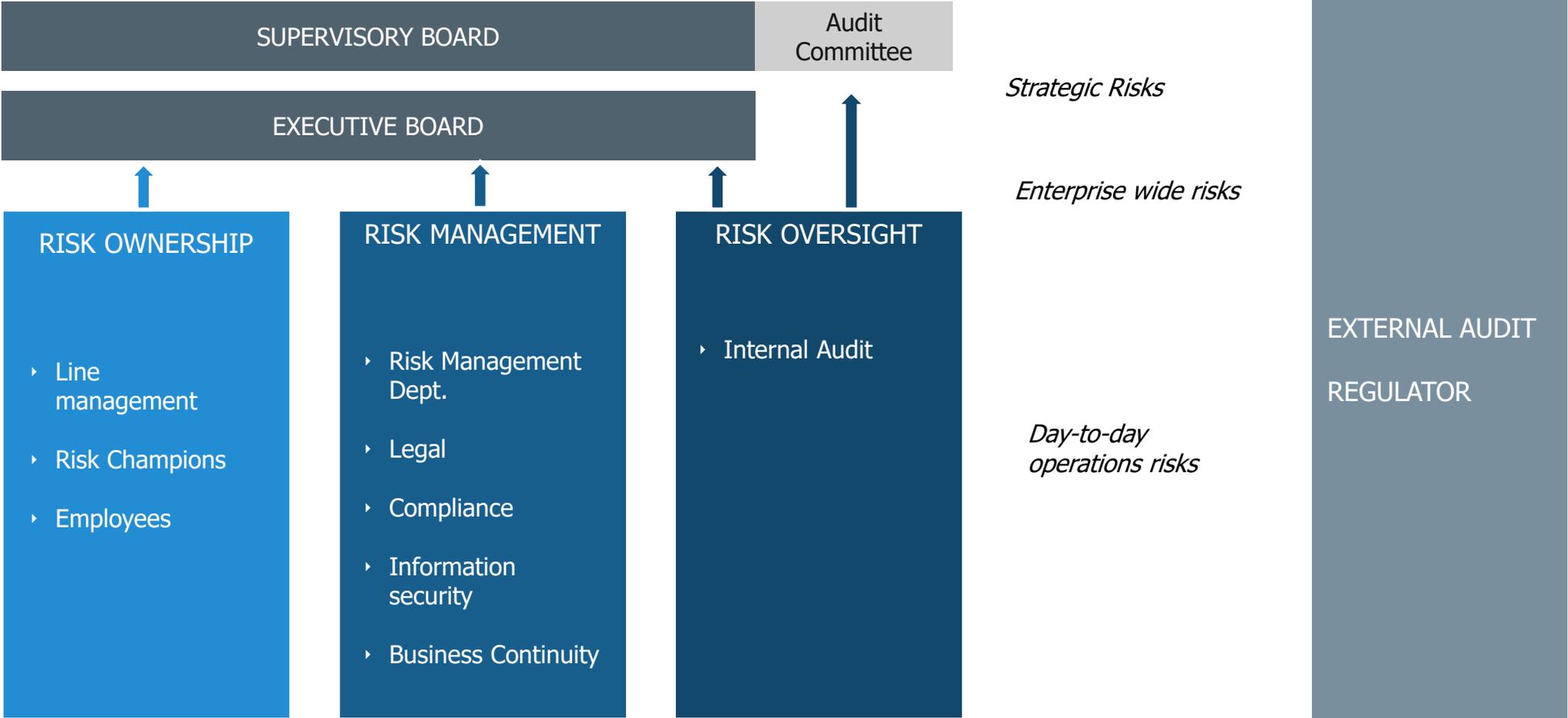
2 out of **88**
risks led to financial losses

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!



**NATIONAL
SETTLEMENT
DEPOSITORY**
MOSCOW EXCHANGE GROUP

DISCLAIMER

- This presentation has been prepared and issued by NSD (the "Company"). Unless otherwise stated, the Company is the source for all data contained in this document. Such data is provided as at the date of this document and is subject to change without notice
- This document does not constitute or form part of, and should not be construed as, an offer or invitation for the sale or subscription of, or a solicitation of any offer to buy or subscribe for, any securities, nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with, any offer, contract, commitment or investment decision relating thereto, nor does it constitute a recommendation regarding the securities of the Company
- The information in this document has not been independently verified. No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy or completeness of the information or opinions contained herein. None of the Company, or any of its subsidiaries or affiliates or any of such person's directors, officers or employees, advisers or other representatives, accepts any liability whatsoever (whether in negligence or otherwise) arising, directly or indirectly, from the use of this document or otherwise arising in connection therewith
- This presentation includes forward-looking statements. All statements other than statements of historical fact included in this presentation, including, without limitation, those regarding our financial position, business strategy, management plans and objectives for future operations are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause our actual results, performance, achievements or industry results to be materially different from those expressed or implied by these forward-looking statements. These forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we expect to operate in the future. Important factors that could cause our actual results, performance, achievements or industry results to differ materially from those in the forward-looking statements include, among other factors:
 - Perception of market services offered by the Company and its subsidiaries
 - Volatility (a) of the Russian economy and the securities market and (b) sectors with a high level of competition that the Company and its subsidiaries operate
 - Changes in (a) domestic and international legislation and tax regulation and (b) state policies related to financial markets and securities markets
 - Competition increase from new players on the Russian market
 - The ability to keep pace with rapid changes in science and technology environment, including the ability to use advanced features that are popular with the Company's and its subsidiaries' customers
 - The ability to maintain continuity of the process of introduction of new competitive products and services, while keeping the competitiveness
 - The ability to attract new customers on the domestic market and in foreign jurisdictions
 - The ability to increase the offer of products in foreign jurisdictions
- Forward-looking statements speak only as of the date of this presentation and we expressly disclaim any obligation or undertaking to release any update of, or revisions to, any forward-looking statements in this presentation as a result of any change in our expectations or any change in events, conditions or circumstances on which these forward-looking statements are based