



WELCOME ADDRESS BY THE CHAIRPERSON OF NSD'S EXECUTIVE BOARD



Dear Shareholders, Partners, and Colleagues,

Over the past year, NSD boosted its standing as a systemically important infrastructure of the Russian financial market. The value of assets in custody at NSD increased 17.1% year-on-year to the equivalent of RUB 52.67 trillion. As CSD, NSD sees sustainable growth in its complementary services that add value to clients, namely: Trade Repository's services (15.2 million OTC derivative trades reported to the Trade Repository for the amount of RUB 558.5 trillion); collateral management services in repo trades (RUB 20.3 trillion); cash settlement of on-exchange and OTC transactions (RUB 532.9 trillion, including RUB 48.4 trillion worth of 'delivery-versus-payment' transactions); SWIFT Service Bureau services; electronic data interchange services; and information products and services (including Valuation Center services). NSD proactively researches and implements innovative solutions, in particular those relating to automation of business processes, distributed ledger technology, etc.

We have made much progress in our financials: our net profit and fee and commission income jumped 356% and 16.5%, respectively, against 2018. Our cost-to-income ratio (CTOI) is higher than the target range and amounted to 66.2% based on the results of 2019.

The Customer Satisfaction Index is still at a high level of 8.98 points, similar to the level reached in 2018.

The approval in 2019 of NSD's Development Strategy 2024 by NSD's Supervisory Board was a key milestone for the company. The Strategy is an intrinsic part of the Moscow Exchange Group's Development Strategy, which implies that the development of all of the Group companies will be synchronized and benefit from synergies.

The Strategy 2024 focuses on three key areas of growth: a) settlement and custody infrastructure; b) new services and customer segments; and c) data assets.

I would like to thank our employees, members of the Supervisory Board and Customer Committees, and our shareholders and partners for their support to the company. My confidence in successful implementation of NSD's new strategy stems from our strong performance over the company's entire history.

Eddie Astanin,
Chairman of the Executive Board, NSD



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- 10