



STRATEGY 2024



In 2019, NSD's Supervisory Board approved NSD's strategy for the next five years Strategy 2024.

NSD's Mission – to be a reliable and trusted provider of high-tech infrastructure solutions and contribute to the implementation of the national policy aimed at the development of innovative technologies in the financial market.

Vladislav Bodnarchuk,
Director of Marketing
and Sales Department

Strategic Vision – to become the infrastructure foundation of the Russian financial market ecosystem, the regional leader which provides services for various types of assets and complimentary services creating added value for market participants.

The Strategy 2024 focuses on three key areas of growth: a) settlement and custody infrastructure (our key business); b) new services and customer segments; and c) data assets (the «new oil»).

SETTLEMENT AND CUSTODY INFRASTRUCTURE

Maintaining and ensuring evolution of NSD’s positions as the leading provider of post-trade services contributing to the competitiveness of the Russian financial market infrastructure:

- Maintenance of operational reliability
- Infrastructure modernization: infrastructure consolidation, collateral management and segregated account structure
- Integration into the global market: regional ICSD in the Eurasian space

As part of the **settlement and custody infrastructure** area of focus, our strategic priority is to maintain and ensure evolution of NSD as CSD and regional leader in the post-trade services market, integrated into the global financial market, both in the West and in the East. We are seeking to become a regional hub: thanks to our links with the global CSDs, foreign investors may invest not only in the Russian market, but also in the markets of Russia’s neighbouring countries. NSD’s settlement services will also be improved, with clients getting access to DVP settlement in ‘central bank money’.

We see new opportunities in building platform-based solutions for the market. We all know what Internet is, virtually all companies across the globe use it in their business, designing business apps for users. The Strategy 2024 seeks to transform NSD into an «infrastructure Internet» of the Russian financial market. By using NSD’s «infrastructure Internet», our clients and partners will be able to grow their businesses efficiently and in the interests of their customers, to increase the margin of their transactions (by tapping into new revenue streams and/or reducing costs), and to safely keep their assets at NSD.

The **development of new services and customer segments** involves development of products and services in the traditional B2B segment. We have been actively developing project Transit 2.0 that seeks to add more corporate clients to the Group’s client base. In addition, our plans are to enter a new B2B2C (business-to-business-to-customers) segment, as part of the Marketplace project in which NSD will play the key role of Registrar of Financial Transactions (RoFT).

NEW SERVICES AND CUSTOMER SEGMENTS

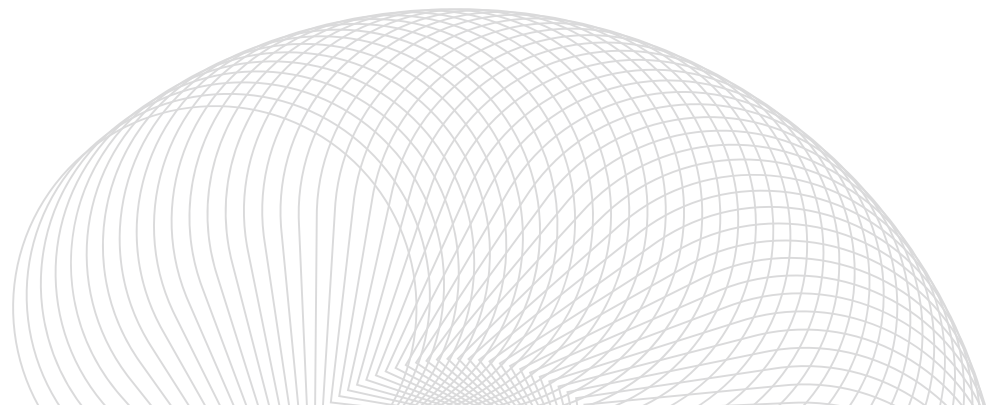
Strategic Priorities

Diversification of income by offering new products and services that add value to clients:

- Launch of custody and settlement services for marketplaces/online trading platforms, pension and insurance industry, sub-federal and corporate segments
- Management of new collateral types, and digital asset servicing
- Implementation of complementary services and innovative technologies, including blockchain technology



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The Strategy provides that NSD will diversify its sources of income by developing and marketing new products and services that add value to both existing and new clients, including corporations. In particular, the Strategy focuses on:

- Development of the clearing and collateral management functionality for such creditors as regional governments and corporations.
- Creation of ecosystems based on the financial messaging platform, NSD Payment System, and blockchain platforms for transactions in digital assets (tokens). This initiative contributes to the national policy aimed at digitalization of Russia's economy.

The development of data assets involves roll-out of new products and services based on the unique data (BigData) being accumulated by NSD, and development of the Valuation Center and RegTech solutions.

DATA ASSETS

Unlocking the potential of data as the 'new oil':

- Development of NSD's information services as the 'gold standard' for financial market players
- BigData-based analytical solutions
- RegTech development

The new Strategy has specific focus on IMPROVEMENT OF THE RISK MANAGEMENT SYSTEM. NSD remains the safekeeper of all assets in the Russian market, and NSD's systemic and national importance guides our approach to risk management tools and practices. Thanks to our expertise, we are capable to manage all types of financial and nonfinancial risks in NSD's business. The key areas of focus of our Strategy include efforts to ensure that NSD meets the required standards in business continuity and information security.

