

Independent auditor's report
on the summary financial statements of
National Settlement Depository
for the year ended 31 December 2024

March 2025

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Independent auditor’s report

To the shareholders, Supervisory Board and
Audit Committee of Supervisory Board of
National Settlement Depository

Opinion

The accompanying summary financial statements, which comprise the summary statement of profit or loss, summary statement of comprehensive income for the year ended 31 December 2024, the summary statement of financial position as of 31 December 2024, and the summary statement of cash flows, summary statement of changes in equity for the year then ended, and related notes, are derived from the audited financial statements of National Settlement Depository (hereinafter, the “Organization”) for the year ended 31 December 2024 prepared in accordance with IFRS Accounting Standards (the “audited financial statements”).

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements, in accordance with the principles specified in Note 2.

Summary financial statements

The summary financial statements do not contain all the disclosures required by IFRS Accounting Standards. Reading the summary financial statements and the auditor’s report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor’s report thereon.

Audited financial statements and our auditor’s report thereon


We expressed an unmodified audit opinion on the audited financial statements in our report dated 20 March 2025. That report also includes the communication of key audit matters. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period.

Management’s responsibility for the summary financial statements

Management is responsible for the preparation of the summary financial statements in accordance with the principles specified in Note 2.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which are conducted in accordance with International Standard on Auditing (ISA) 810 (Revised) *Engagements to Report on Summary Financial Statements*.



Shinin Gennady Aleksandrovich,
acting on behalf of TSATR – Audit Services Limited Liability Company
on the basis of power of attorney dated 29 February 2024,
partner in charge of the audit resulting in this independent auditor's report
(main registration number 22006013387)

20 March 2025

Details of the auditor

Name: TSATR – Audit Services Limited Liability Company
Record made in the State Register of Legal Entities on 5 December 2002, State Registration Number 1027739707203.
Address: Russia 115035, Moscow, Sadovnicheskaya naberezhnaya, 75.
TSATR – Audit Services Limited Liability Company is a member of Self-regulatory organization of auditors Association "Sodruzhestvo". TSATR – Audit Services Limited Liability Company is included in the control copy of the register of auditors and audit organizations, main registration number 12006020327.

Details of the audited entity

Name: National Settlement Depository
Record made in the State Register of Legal Entities on 30 August 2002, State Registration Number 1027739132563.
Address: Russia 105066, Moscow, Spartakovskaya str., 12.

**Summary Statement of Profit or Loss
for the Year Ended 31 December 2024
(in thousands of Russian Rubles)**

	Notes	Year ended 31 December 2024	Year ended 31 December 2023
Fee and commission income	4	11 617 695	10 625 265
Commission expenses	5	(580 137)	(463 519)
Interest income calculated using the effective interest method	6	34 362 569	21 301 040
Interest expenses	7	(7 131)	(15 622)
Net gain from financial assets at fair value through profit or loss		5 084	13 380
Net gain on financial assets at fair value through other comprehensive income		–	3 679
Net (loss)/gain from foreign currencies		(11 176)	330 322
Other income	8	63 888	54 756
Operating income		45 450 792	31 849 301
Personnel expenses	9	(4 554 736)	(3 245 089)
Administrative and other operating expenses	10	(2 465 875)	(2 135 066)
Profit before other operating expenses and tax		38 430 181	26 469 146
Movement in allowance for expected credit losses		(743 799)	(43 906)
Other impairment and provisions	19	(3 172)	(51 117)
Profit before tax		37 683 210	26 374 123
Income tax expense	11	(7 377 785)	(5 866 675)
Net profit		30 305 425	20 507 448


Chairman of the Executive Board
E.S. Demushkina

20 March 2025
Moscow




Chief Accountant
I.E. Veremeenko

20 March 2025
Moscow

**Summary Statement of Comprehensive Income
for the Year Ended 31 December 2024
(in thousands of Russian Rubles)**

	Notes	Year ended 31 December 2024	Year ended 31 December 2023
Net profit		30 305 425	20 507 448
Other comprehensive income/(loss) that may be reclassified subsequently to profit or loss			
Net change in fair value of debt instruments at fair value through other comprehensive income		214 685	(864 099)
Changes in allowance for expected credit losses of debt instruments at fair value through other comprehensive income		(10 574)	8 639
Net gain on investments at fair value through other comprehensive income reclassified to profit or loss		–	(3 679)
Income tax relating to items that may be reclassified	11	(444)	171 827
Other comprehensive income/(loss) that may be reclassified subsequently to profit or loss			
		203 667	(687 312)
Total comprehensive income		30 509 092	19 820 136

The notes 1-26 form an integral part of these summary financial statements.

Summary Statement of Financial Position
as at 31 December 2024
(in thousands of Russian Rubles)

	Notes	31 December 2024	31 December 2023
Assets			
Cash and cash equivalents	12	754 913 276	52 969 753
Financial assets at fair value through profit or loss	13	52 037	46 954
Due from financial institutions		1 827 564 608	1 647 773 488
Financial assets at fair value through other comprehensive income	14	14 674 425	30 599 463
Investment financial assets at amortised cost	15	16 558 052	–
Property, equipment and right-of-use assets	16	2 569 502	2 405 169
Intangible assets	16	3 873 334	2 327 621
Deferred tax assets	11	651 730	644 302
Other assets	17	1 834 935	1 475 171
Total assets		2 622 691 899	1 738 241 921
Liabilities			
Clients' funds	18	933 934 391	356 529 452
Payables to holders of securities and counterparties		1 623 962 608	1 327 924 938
Other liabilities	19	4 884 886	4 386 565
Total liabilities		2 562 781 885	1 688 840 955
Equity			
Share capital	20	1 193 982	1 193 982
Share premium	20	1 957 050	1 957 050
Investments revaluation reserve		(605 666)	(809 333)
Retained earnings	21	57 364 648	47 059 267
Total equity		59 910 014	49 400 966
Total liabilities and equity		2 622 691 899	1 738 241 921

The notes 1-26 form an integral part of these summary financial statements.

**Summary Statement of Cash Flows
for the Year Ended 31 December 2024
(in thousands of Russian Rubles)**

	Notes	Year ended 31 December 2024	Year ended 31 December 2023
Cash flows from / (used in) operating activities			
Profit before tax		37 683 210	26 374 123
Adjustments for:			
Depreciation of property and equipment, right-of-use assets and amortisation of intangible assets	10	1 043 027	1 009 755
Unrealized gain from operations with non-derivatives at fair value through profit or loss		(5 084)	(13 380)
Net change in other accrued income/expenses		(336 797)	251 198
Change in other provision		(2 633)	55 454
Net change in payments based on the shares of the parent company	9	304 834	131 893
Net change in interest accruals		(826 161)	(300 103)
Effect of changes in foreign exchange rates		5 801 461	(706 690)
Conversion and other foreign exchange operations		(5 790 709)	–
Other expenses		4 774	81 829
Change in allowance for expected credit losses		743 799	43 906
Gain on disposal of financial assets at fair value through other comprehensive income		–	(3 679)
Changes in operating assets and liabilities			
<i>(Increase)/decrease in operating assets</i>			
Due from financial institutions		223 686 201	209 493 316
Other assets		150 617	(346 287)
<i>Increase/(decrease) in operating liabilities</i>			
Clients' funds		572 919 391	(326 446 099)
Payables to holders of securities and counterparties		(77 602 536)	33 597 287
Other liabilities		(1 254 396)	(1 029 072)
Cash flows from / (used in) operating activities before taxation		756 518 999	(57 806 549)
Income tax paid		(7 968 086)	(6 915 254)
Cash flows from / (used in) operating activities		748 550 913	(64 721 803)

The notes 1-26 form an integral part of these summary financial statements.

**Summary Statement of Cash Flows
for the Year Ended 31 December 2024 (continued)
(in thousands of Russian Rubles)**

	Notes	Year ended 31 December 2024	Year ended 31 December 2023
Cash flows from / (used in) investing activities			
Proceeds from disposal and redemption of financial assets at fair value through other comprehensive income		21 753 171	6 611 640
Purchase of financial assets at fair value through other comprehensive income		(5 537 830)	(12 915 995)
Purchase of investment financial assets at amortised cost		(15 896 780)	–
Proceeds from redemption of investment financial assets at amortised cost		192 956	–
Purchase of intangible assets		(2 210 538)	(1 040 548)
Purchase of property and equipment		(399 135)	(114 932)
Cash flows used in investing activities		(2 098 156)	(7 459 835)
Cash flows from / (used in) financing activities			
Dividends paid to the shareholders	21	(20 000 044)	(5 800 007)
Cash outflow for lease liabilities		(14 883)	(8 914)
Cash flows used in financing activities		(20 014 927)	(5 808 948)
Effect of changes in foreign exchange rates on cash and cash equivalents		(11 365 194)	6 326 603
Net increase / (decrease) in cash and cash equivalents		715 072 636	(71 663 983)
Cash and cash equivalents at the beginning of the period	12	52 969 897	124 633 880
Reclassification of restricted funds from cash and cash equivalents, beginning of the period		(13 115 887)	–
Cash and cash equivalents at the end of the period	12	754 926 646	52 969 897

Interest received by NSD from operating activities during the year ended 31 December 2024 amounted to RUB 33 541 676 thousand (31 December 2023: RUB 22 364 775 thousand).

Interest paid by NSD as part of its operating activities during the year ended 31 December 2024 amounted to RUB 618 thousand (31 December 2023: RUB 12 415 thousand) and as part of its financing activities RUB 6 513 thousand (31 December 2023: RUB 3 207 thousand).

**Summary Statement of Changes in Equity
for the Year Ended 31 December 2024
(in thousands of Russian Rubles)**

	Share capital	Share premium	Investments revaluation reserve	Retained earnings	Total equity
31 December 2022	1 193 982	1 957 050	(122 021)	32 351 826	35 380 837
Net profit for the period	–	–	–	20 507 448	20 507 448
Other comprehensive loss for the period	–	–	(687 312)	–	(687 312)
Total comprehensive (loss)/ income for the period	–	–	(687 312)	20 507 448	19 820 136
Dividends declared (Note 21)	–	–	–	(5 800 007)	(5 800 007)
31 December 2023	1 193 982	1 957 050	(809 333)	47 059 267	49 400 966
Net profit for the year	–	–	–	30 305 425	30 305 425
Other comprehensive income for the period	–	–	203 667	–	203 667
Total comprehensive income for period	–	–	203 667	30 305 425	30 509 092
Dividends declared (Note 21)	–	–	–	(20 000 044)	(20 000 044)
31 December 2024	1 193 982	1 957 050	(605 666)	57 364 648	59 910 014

The notes 1-26 form an integral part of these summary financial statements.

Notes to the Summary Financial Statements for the Year Ended 31 December 2024 *(in thousands of Russian Rubles)*

1. Organization

National Settlement Depository (hereinafter, "NSD") is the central depository of the Russian Federation, a part of the Moscow Exchange Group. NSD is Russia's national numbering agency and the substitute numbering agency for the CIS, authorized to assign the international ISIN, CFI, as well as Local Operating Unit of a global system of legal entities identification, authorized to assign LEI codes to the legal entities.

In 2010, Non-Banking Credit Organization Closed Joint-Stock Company MOSCOW INTERBANK CURRENCY EXCHANGE SETTLEMENT HOUSE (hereinafter, "MICEX SH") was reorganized by merger with Closed Joint-Stock Company National Depository Center (hereinafter, "NDC"). Simultaneously, the name MICEX SH was changed to National Settlement Depository. On 31 May 2016 at Annual General Meeting of Shareholders of NSD the company's new business name as Joint Stock Company National Settlement Depository was approved to meet revised standards of the Russian Civil Code. The new business name and respective changes to the company's Charter took effect from 26 July 2016, the day the registration authority recorded new version of the Charter.

NSD acts as a central depository in accordance with Order No. 12-2761/PZ-I on 6 November 2012 of the Russian Federal Financial Markets Service (hereinafter, "FFMS") in accordance with Russian Federal Law No. 414-FZ of 7 December 2011 *On the Central Securities Depository*.

NSD's activities are carried out based on the following licenses:

- license No. 3294 issued by the Central Bank of the Russian Federation (hereinafter, "CBR") on 4 August 2016 for banking operations;
- license of professional stock market participant No. 045-12042-000100 issued by the Russian Federal Financial Markets Service (hereinafter, "FFMS") on 19 February 2009 for depository activities;
- license No. 045-00004-000010 issued by FFMS on 20 December 2012 for clearing activities;
- license LSZ No. 0009523, Registration No. 13169 H on 27 September 2013, to provide data encryption services, issued by the Centre for Licensing, Certification and Protection of State Secrets of the Federal Security Service (FSB) of Russia;
- license No. 045-01 issued by CBR on 28 December 2016 for repository activities.

NSD functions as an operator of systemically and the nationally important payment system based on the certificate issued by the Bank of Russia on 24 November 2016.

NSD has been the national numbering agency for Russia on the basis of membership in the international Association of National Numbering Agencies (ANNA) since 15 November 1999 and the Substitute Numbering Agency for the CIS countries in accordance with the decision of the general meeting of ANNA since 2007, as well as a local operating unit (Local Operating Unit) assigning international identification codes LEI to legal entities, accredited on 5 January 2018 by the decision of the Global Legal Entity Identifier Foundation, authorized by the Regulatory Oversight Committee.

NSD registered address is: 12 Spartakovskaya str., Moscow, 105066, the Russian Federation.

NSD is a subsidiary of Public Joint-Stock Company Moscow Exchange MICEX-RTS (hereinafter, "Moscow Exchange"). As at 31 December 2024 and 31 December 2023, the share of ownership comprised 99,997%.

NSD has no affiliates or representative offices within the Russian Federation or abroad.

NSD is located in the Russian Federation.

As at 31 December 2024, NSD had 771 employees (31 December 2023: 665 employees).

Notes to the Summary Financial Statements for the Year Ended 31 December 2024 (continued) *(in thousands of Russian Rubles)*

1. Organization (continued)

Operating environment. The aggravation of geopolitical tensions and conflict related to the Ukraine and also packages of sanctions imposed by European Union (the EU), the USA, Great Britain and certain other countries, including those imposed in 2024, against a number of the Russian individuals and certain sectors of the economy, as well as restrictions on certain types of transactions as well as restrictions on certain types of transactions, including blocking of balances on accounts in foreign banks and blocking of payments on Eurobonds of the Russian Federation and Russian entities had still a negative impact on Russian economy.

In response temporary restrictive economic measures have been introduced in the Russian Federation, including prohibition in respect to providing of borrowings by residents to non-residents in foreign currency, crediting foreign currency on the accounts opened in foreign banks by residents, restrictions on execution of payments under securities to foreign investors, restrictions with respect to making deals with parties from certain foreign countries, and also Russian issuers got the opportunity to issue local "substitute" bonds in a simplified way to replace issued blocked Eurobonds.

The above circumstances led to increased volatility on securities and currencies markets and may significantly affect the activities of Russian enterprises in various sectors of the economy.

The blocking economic restrictions previously imposed on NSD by the European Union and Switzerland, as a result of which all of NSD's own and client assets located in the jurisdiction of the EU/Switzerland were frozen, remain in effect.

MOEX and NSD filed a lawsuit to appeal against the imposed sanctions on NSD. The working group of experts of MOEX, NSD and foreign and Russian consultants seeks solutions to unblock customers' assets.

Several regulatory legal acts of the Russian Federation have been issued regulating the temporary regime for making payments on securities issued by Russian entities and for fulfilling obligations to foreign creditors. Under these regulations, payments to foreign creditors must be made through special accounts opened with NSD and other financial institutions (special accounts type "S").

Since December 2023 in accordance with the Decree of the President of the Russian Federation dated 9 September 2023 No. 665 *On a Temporary Procedure for Meeting State Obligations of the Russian Federation Expressed in State Securities the Nominal Price of which Denominated in Foreign Currency and Other Obligations on Foreign Securities to Residents and Foreign Creditors* NSD made a replacement of the obligations in foreign currency for the obligations in rubles to the owners of the foreign securities.

On 19 March 2024 Decree of the President of the Russian Federation No. 198 *On Additional Temporary Economic Measures Related to the Performance of Obligations under Certain Securities* was issued. In accordance with the Decree during the second quarter of 2024 NSD accepted the applications and documents from entities entitled to receive payments held in the type "S" accounts of foreign nominee holders and foreign payment agents with NSD as of 19 March 2024. In August 2024 following the transfer of payments to the applicants, NSD's obligations to international settlement and clearing organizations will be replaced. The rouble-denominated funds received as a result of the replacement will be used to fulfill NSD's obligations to its clients.

In June 2024, the United States and the Great Britain introduced restrictive measures against NSD. NSD's assets in these jurisdictions have been frozen.

NSD has evaluated the potential short-term and long-term implications of changing micro- and macroeconomic conditions on its consolidated interim condensed financial statements, on the regulatory capital and liquidity position of its regulated subsidiaries. This evaluation included various stress-tests. Management of the NSD constantly monitors changes as the situation evolves and the measures taken by the Bank of Russia in order to maintain financial stability in connection with the current geopolitical situation, the imposing of restrictive measures against the Russian Federation. Management currently believes that it has adequate capital and liquidity position to continue to operate the business and mitigate risks associated with the above said circumstances for the foreseeable future. NSD remains vigilant in monitoring day to day changes as the global situation evolves.

The financial statements approval. The Management approved these summary financial statements on 20 March 2025.

**Notes to the Summary Financial Statements
for the Year Ended 31 December 2024 (continued)
(in thousands of Russian Rubles)**

2. Basis of preparation of the summary financial statements and material accounting policy information of financial statements

Basis of preparations of the summary financial statements. These summary financial statements of NSD (hereinafter, "summary financial statements") have been prepared on the basis of the financial statements prepared in accordance with IFRS Accounting Standards as at 31 December 2024 and for the year then ended, by copying from it without any modifications, except references to notes:

- The statement of profit or loss for the year ended 31 December 2024;
- The statement of comprehensive income for the year ended 31 December 2024;
- The statement of financial position as at 31 December 2024;
- The statement of cash flows for the year ended 31 December 2024;
- The statement of changes in equity for the year ended 31 December 2024.

The summary financial statements as at 31 December 2024 and for the year ended 31 December 2024 do not disclose the information listed in the Decision of the Board of Directors of the Bank of Russia dated 24 December 2024 *On the list of information that non-credit financial institutions may elect not to disclose, and the list of information not to be published on the website of the Bank of Russia*, i.e., the following information contained in the notes to the financial statements is not included in these summary financial statements of NSD:

- Information on debtors, creditors, members of the governing bodies of the non-credit financial institution, structure and composition of shareholders (participants), officers of the non-credit financial institution and other parties;
- Information on risks and transactions, the disclosure of which will result (may result) in the imposition of restrictions by foreign states and/or national unions and/or associations and/or state-owned (interstate) entities of foreign states or national unions and/or associations with respect to the non-credit financial institution and/or other parties, and when the above parties are already affected by these restrictions.

In accordance with the above Decision of the Board of Directors of the Bank of Russia NSD does not publish the financial statements for the year ended 31 December 2024 and disclosed summary financial statements for the year ended 31 December 2024.

These financial statements are presented in thousands of Russian Rubles, unless otherwise indicated.

Material accounting policy information of financial statements. Financial statements have been prepared on the assumption that NSD is a going concern and will continue in operation for the foreseeable future.

These financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities that have been measured at fair value.

NSD maintains its accounting records in accordance with Russian Accounting Standards ("RAS"). Financial statements have been prepared from the statutory-based accounting records and adjusted for the purpose of fair presentation in accordance with IFRS.

The Russian ruble exchange rates applied in the preparation of financial statements are presented below:

	31 December 2024	31 December 2023
USD	101,6797	89,6883
EUR	106,1028	99,1919
CNY	13,4272	12,5762

**Notes to the Summary Financial Statements
for the Year Ended 31 December 2024 (continued)
(in thousands of Russian Rubles)**

2. Basis of preparation of the summary financial statements and material accounting policy information of financial statements (continued)

Changes in accounting policies. The accounting policies adopted by NSD in the preparation of financial statements are consistent with those followed in the preparation of NSD's financial statements for the year ended 31 December 2023.

NSD applied for the first-time certain amendments to the standards, which are effective for annual periods beginning on or after 1 January 2024. NSD has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

Below are new Standards, amendments and Interpretations which are effective from 1 January 2024.

Amendments to IAS 1 – Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. In June 2022, the IASB decided to finalize the proposed amendments to IAS 1 and published in the exposure draft Non-current Liabilities with Covenants with some modifications (the 2022 Amendments).

The amendments clarify:

- What is meant by a right to defer settlement;
- That a right to defer must exist at the end of the reporting period;
- That classification is unaffected by the likelihood that an entity will exercise its deferral right;
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification;
- That an entity shall disclose additional information if it classifies liabilities arising from loan arrangements as non-current when the entity's right to defer settlement of those liabilities is subject to the entity complying with covenants within twelve months.

Amendments to IFRS 16 Leases

On 22 September 2022, the IASB issued amendments to IFRS 16 *Leases*, adding guidance on the subsequent measurement of assets and liabilities in sale and leaseback transactions that meet the criteria for a transfer of control of an asset in IFRS 15 *Revenue from Contracts with Customers*.

The amendments require a seller-lessee to measure the lease liability arising from a leaseback in a way that the seller-lessee would not recognize any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

Entities should use IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* to develop an accounting policy for determining how to measure lease payments for such transactions.

The amendments shall be applied retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application of the amendments.

The adoption of these new and revised Standards and Interpretations has not resulted in significant changes to NSD's accounting policies that have affected the amounts reported for the current or prior years.

Inflation accounting. The Russian economy was considered hyperinflationary until 31 December 2002. As such, NSD applied IAS 29 *Financial Reporting in Hyperinflationary Economies*. The effect of applying IAS 29 is that non-monetary items, including components of equity, were restated to the measuring units current at 31 December 2002 by applying the relevant inflation indices to the historical cost, and that these restated values were used as a basis for accounting in subsequent periods.

**Notes to the Summary Financial Statements
for the Year Ended 31 December 2024 (continued)
(in thousands of Russian Rubles)**

2. Basis of preparation of the summary financial statements and material accounting policy information of financial statements (continued)

Financial assets

Initial recognition. All financial assets are measured at fair value at initial recognition, including transaction costs, except for those financial assets classified as at fair value through profit or loss (hereinafter, "FVTPL"). Transaction costs directly attributable to the acquisition of financial assets classified as at FVTPL are recognised immediately in profit or loss.

Impairment. NSD recognises loss allowances for expected credit losses (hereinafter, "ECLs") on the following financial instruments, not measured at FVTPL:

- Due from financial institutions;
- Cash and cash equivalents;
- Debt securities;
- Other financial assets subject to credit risk.

No loss allowances for expected credit losses are recognised on equity investments, financial assets arising from intragroup transactions.

Definition of default. Critical to the determination of ECLs is the definition of default. The definition of default is used in measuring the amount of ECLs and in the determination of whether the loss allowance is based on 12-month or lifetime ECLs, as default is a component of the probability of default (hereinafter, "PD") which affects both the measurement of ECLs and the identification of a significant increase in credit risk. The Moscow Exchange Group has approved the Methodology for Default Determination, which defines, among other things, the list of conditional and unconditional events of default.

NSD defines unconditional default as the fact of having of at least one of the following events (indications of default):

- The decision of a court to accept a claim for declaring a counterparty insolvent (bankrupt) filed by NSD and any Group company;
- The counterparty files a bankruptcy petition with the court / the court of first instance decides to initiate one of the bankruptcy procedures against the counterparty;
- Persistent insolvency of the counterparty, i.e. failure to fulfill its obligations to any Group company for a period of more than 90 calendar days from the date when they should have been fulfilled, except for cases when the delay occurred as a result of delayed payments due to compliance and/or technical errors in information systems and/or inability of the counterparty to make payments due to restrictive measures when confirming the availability of funds on the counterparty's accounts;
- Revocation/annulment by the Bank of Russia of a license for banking operations or other type of activity in case the revocation/annulment will lead to termination of the activity of the Russian resident counterparty;
- Revocation/annulment of a special permit (license or other basis) for banking operations or other type of activity issued by the competent authority of the state of establishment of a non-resident counterparty in case the revocation/annulment will lead to termination of the counterparty's activity;
- Forced liquidation of the counterparty by decision of the judicial authorities.

Significant increase in credit risk. NSD monitors all financial assets that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk NSD will measure the loss allowance based on lifetime ECLs.

Notes to the Summary Financial Statements for the Year Ended 31 December 2024 (continued) *(in thousands of Russian Rubles)*

2. Basis of preparation of the summary financial statements and material accounting policy information of financial statements (continued)

Financial assets (continued)

When assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, NSD compares the risk of a default occurring to the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default that was anticipated for the remaining maturity at the reporting date when the financial instrument was first recognised. In making this assessment, NSD considers both quantitative and qualitative information that is reasonable, including historical experience and forward-looking information that is available without undue cost or effort, based on NSD's historical experience and expert credit assessment including forward-looking information.

NSD considers a significant increase in credit risk has occurred and the asset is in stage 2 of the impairment model, i.e. the loss allowance is measured as the lifetime ECLs in the following cases:

- When an asset becomes past due over 30 days;
- A decline in the credit ratings given to a resident/non-resident by national/international rating agencies or a decline in the counterparty's internal rating by 3 grades or more over the preceding 12 months (if the recognition period is less than 12 months from the initial recognition);
- Decrease of credit ratings assigned to the resident/non-resident by national/international rating agencies or decrease of the counterparty's internal rating by 6 grades or more from the initial recognition.

Probability of default (PD). Multiple economic scenarios form the basis of determination of the probability of default at initial recognition and for the future. It is the weighting of these different scenarios that forms the basis of a weighted average probability of default that is used to determine whether credit risk has significantly increased.

To determine PD NSD uses:

- Available data from international rating agencies for non-residents;
- Available data from national rating agencies for residents;
- Internal ratings if the data mentioned above is unavailable.

If the counterparty is rated by more than one rating agency, the historical probability of default is determined:

- For the non-resident by the best of the external ratings of the international agencies;
- For the resident by the best rating of the national agencies.

NSD allocates its counterparties to a relevant internal rating in the absence of applicable external ratings depending on their credit quality based on quantitative and qualitative information. Internal and national ratings are mapped to the rating scales of international rating agencies.

Modification and derecognition of financial assets. A modification of a financial asset occurs when the contractual terms governing cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date.

Notes to the Summary Financial Statements for the Year Ended 31 December 2024 (continued) (in thousands of Russian Rubles)

2. Basis of preparation of the summary financial statements and material accounting policy information of financial statements (continued)

Financial assets (continued)

When a financial asset is modified NSD assesses whether this modification results in derecognition. In accordance with NSD's policy a modification results in derecognition when it gives rise to substantially different terms. To determine whether the modified terms differ substantially from the original contractual terms NSD considers the following qualitative factors:

- (a) Contractual cash flows after modification are no longer SPPI;
- (b) Change in currency;
- (c) Change of counterparty;
- (d) The extent of change in interest rates;
- (e) Maturity.

If these do not clearly indicate a substantial modification, then quantitative assessment is performed to compare the present value of the remaining contractual cash flows under the original terms with the contractual cash flows under the revised terms, both amounts discounted at the original effective interest. If the difference in present value is greater than 10%, NSD deems the arrangement is substantially different leading to derecognition.

In the case when the financial asset is derecognised the loss allowance for ECLs is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month ECLs except in the eventual occasions where the new asset is considered to be originated-credit impaired. NSD monitors credit risk of modified financial assets by evaluating qualitative and quantitative information.

When the contractual terms of a financial asset are modified and the modification does not result in derecognition, NSD determines whether the credit risk associated with the financial asset has increased significantly since initial recognition by comparing the remaining lifetime PD estimated based on data at initial recognition and the original contractual terms; with the remaining lifetime PD at the reporting date based on the modified terms.

Where a modification does not lead to derecognition, NSD calculates the modification gain/loss comparing the gross carrying amount before and after the modification (excluding the ECL allowance). Then NSD measures ECL for the modified asset, where the expected cash flows arising from the modified financial asset are included in calculating the expected cash shortfalls from the original asset.

Write-off. Financial assets are written off when NSD has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when NSD determines that the counterparty does not have assets and/or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. NSD may apply enforcement activities to financial assets written off. Recoveries resulting from NSD's enforcement activities will result in impairment gains.

Cash and cash equivalents. Cash and cash equivalents include cash on hand, unrestricted balances on correspondent and deposit accounts with banks with maturity up to one business day. Amounts that are subject to restrictions on their availability are not included in cash and cash equivalents.

Non-financial assets

Property and equipment. Property and equipment purchased after 1 January 2003 is recognised at initial cost less accumulated depreciation and accumulated impairment losses (if any). Property and equipment purchased before 1 January 2003 is recognised at initial amount adjusted for inflation less cumulative depreciation and accumulated impairment losses (if any).

**Notes to the Summary Financial Statements
for the Year Ended 31 December 2024 (continued)
(in thousands of Russian Rubles)**

2. Basis of preparation of the summary financial statements and material accounting policy information of financial statements (continued)

Non-financial assets (continued)

Useful lives of property and equipment. Depreciation is accrued to write down the cost of property and equipment (except land and assets under construction) less residual value on a straight-line basis over their useful lives:

Buildings and structures	2%
Furniture and equipment	20-38%
Motor vehicles	14-32%
Right-of-use assets	10%

Freehold land is not depreciated.

Costs related to repairs and renewals are charged when incurred and included in other operating expenses, unless they qualify for capitalization.

Intangible assets acquired separately. Intangible assets are carried at acquisition cost less any accumulated amortisation and any accumulated impairment losses. Amortisation is charged on a straight-line basis throughout the useful life of the intangible assets at the annual rates:

Licenses	20%
Trademarks	25%
Computer software	14-50%

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Internally developed intangible assets. Development costs that are directly associated with the production of identifiable and unique software products controlled by NSD are capitalised and an internally generated intangible asset is recognised only if it is probable that it will generate economic benefits exceeding costs beyond one year and the development costs can be measured reliably. An internally generated intangible asset is recognised only if NSD has the technical feasibility, resources and intention to complete the development and to use the product. Direct costs include software development employee costs and an appropriate portion of relevant overheads. Expenditure on research activities is recognised as an expense in the period in which it is incurred.

Subsequent expenditure on intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Derecognition of intangible assets. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in profit or loss when the asset is derecognised.

Interest income and interest expense. Interest income and expense for all financial instruments except for measured or designated as at fair value through profit or loss (FVTPL) are recognized in the profit or loss in 'Interest income calculated using the effective interest method' and 'Interest expense'.

Interest revenue on all financial assets at FVTPL is recognised using the contractual interest rate in 'Other interest income' in the statement of profit or loss. The transaction costs for such assets are recognized in profit or loss at initial recognition.

Notes to the Summary Financial Statements for the Year Ended 31 December 2024 (continued) *(in thousands of Russian Rubles)*

2. Basis of preparation of the summary financial statements and material accounting policy information of financial statements (continued)

Fee and commission income and expense. The main source of NSD's revenue is through fees for services provided. Revenue is measured based on the consideration specified in a contract with a customer. NSD recognizes revenue as services are performed and as it satisfies its obligations to provide service to a customer. Revenue for services provided over a period is recognised pro rata over the contractual term and consists of commission income on operations with long-term financial instruments, depository fees, and other.

Fee and commission expenses with regards to services are accounted for as the services are received.

Payments based on the shares of the parent company. The Moscow Exchange Group implements 2 types of long-term motivation program, in accordance to which grants to some employees of NSD:

- The right to receive equity instruments of Moscow Exchange on the terms settled in individual contracts, which entitles employees to receive cash with the subsequent opportunity of purchase of Moscow Exchange ordinary shares. Such rights are accounted for as cash-settled share-based payments.
- The right to receive cash consideration which amount is linked to the future market price of Moscow Exchange shares. Such rights are accounted for as cash-settled share-based payments.

The costs of cash-settled share-based programs are recognised, together with a corresponding increase of provision for share-based payments in liabilities over the period in which the performance and/or service conditions are fulfilled.

The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and NSD's best estimate of the number of equity instruments that will ultimately vest. The income statement expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period (Note 9).

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the period.

Depository activities. NSD provides depository services to its customers, which include transactions with securities on their depository accounts. Assets accepted and liabilities incurred under the depository activities are not included in NSD's Financial Statements. NSD accepts the operational risk on these activities, but NSD's customers bear the credit and market risks associated with such operations. Revenue for provision of depository services is recognised as services are provided.

Foreign currencies. Monetary assets and liabilities denominated in foreign currencies are translated at the Russian ruble exchange rate as at the reporting date. Transactions in currencies other than functional currency are recorded at the exchange rate ruling at the date of the transaction. Gains or losses from such transactions are included into net gain from foreign currencies.

New or amended standards issued but not yet effective. Below are the following new and revised IFRSs that have been issued as at these financial statements publication date but are not required for application and were not early applied by NSD to these financial statements for the year ended 31 December 2024:

- Amendments to IAS 21 – *Lack of Exchangeability*;
- Amendments to IFRS 7 and IFRS 9 – *Amendments to the Classification and Measurement of Financial Instruments*;
- *Annual Improvements to IFRS Accounting Standards – Volume 11*;
- IFRS 18 *Presentation and Disclosure in Financial Statements*;
- IFRS 19 *Subsidiaries without Public Accountability: Disclosures*.

**Notes to the Summary Financial Statements
for the Year Ended 31 December 2024 (continued)
(in thousands of Russian Rubles)**

2. Basis of preparation of the summary financial statements and material accounting policy information of financial statements (continued)

New or amended standards issued but not yet effective (continued)

The management of the NSD does not expect that the application of these amendments could have an impact on the NSD's financial statements in future periods, expected as note below:

IFRS 18 Presentation and Disclosure in Financial Statements. In April 2024, the IASB issued a new standard, IFRS 18 *Presentation and Disclosure in Financial Statements*, which will replace IAS 1 *Presentation of Financial Statements*. IFRS 18 introduces new requirements, the most important of which are:

- On the classification of income and expenses in the statement of profit or loss into three defined categories corresponding to operating, investing and financing activities. It also requires all entities to provide new defined subtotals, such as:
 - Operating profit or loss; and
 - Profit or loss before financing and income taxes.
- On the disclosure of information on management-defined performance measures in the financial statements, including reconciliation of those measures to the closest total or subtotal presented in the statement of profit or loss;
- On the presentation of aggregated and disaggregated financial information in the primary financial statements and in the notes.

IFRS 18 has also introduced limited changes to the statement of cash flows and certain other changes.

Entities shall apply IFRS 18 for annual reporting periods beginning on or after January 1, 2027. Earlier application is permitted. NSD is currently assessing the impact of these amendments on its financial statements.

Amendments to IAS 21 Lack of Exchangeability. On 20 August 2023, the IASB issued amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates*. The amendments introduce the definition of "convertible currency" and give explanations.

The amendments explain the following:

- A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations;
- Entities assess whether a currency is exchangeable into another currency at a measurement date and for a specified purpose. A currency is not exchangeable into the other currency if the entity is able to obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose;
- In case there are several exchange rates the requirements of the standard is not changed, however the requirement regarding if exchangeability between two currencies is temporarily lacking, the rate used is the first subsequent rate at which exchanges could be made, has now been removed. In such cases it is required to estimate the spot exchange rate;
- New requirements to information disclosure are added. An entity is required to disclose information about:
 - The nature and financial effects of the currency not being exchangeable into the other currency;
 - The spot exchange rate(s) used;
 - The estimation process;
 - The risks to which the entity is exposed because of the currency not being exchangeable into the other currency.

The amendments apply to the periods beginning on or after 1 January 2025. Early application is acceptable. NSD is currently assessing the impact of these amendments on its financial statements.

Notes to the Summary Financial Statements for the Year Ended 31 December 2024 (continued) *(in thousands of Russian Rubles)*

3. Critical accounting judgments and key sources of estimation uncertainty for the preparation of financial statements

In the process of applying NSD's accounting policies, management is required to make judgments, assumptions and estimates about carrying amounts of assets and liabilities that are not readily apparent from other sources. Estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant under certain circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on a regular basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the change affects only the respective period, and in future periods if the change affects both current and future periods.

Judgements and critical estimates made by NSD in the process of applying the accounting policies were consistent with those disclosed in the annual financial statements for the year ended 31 December 2023, except for the following updates made to expected credit loss (ECL) estimation model:

- Adjusted the amount at risk exposed to default (EAD) on demand assets: introduced the use of the actual account balance instead of the average daily account balance for the previous five years.

As at 1 July 2024 these changes resulted in an increase in the allowance for expected credit losses (ECL) in the amount of RUB 350 605 thousand.

Key sources of critical accounting judgments

Business model assessment. Classification and measurement of financial assets depends on the results of the SPPI and the business model test. NSD determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. NSD monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. NSD conducts assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change and so a prospective change to the classification of those assets.

Significant increase of credit risk. Expected credit losses are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased NSD takes into account the information listed above.

Deferred income tax assets recognition. The recognised deferred tax assets represent amount of income tax, which may be recovered through future income tax expenses and is recorded in the statement of financial position. Deferred income tax assets are recorded to the extent that realisation of the related tax benefit is probable. The future taxable profits and the amount of tax benefits that are probable in the future are based on management expectations that are believed to be reasonable under the circumstances (Note 11).

The management of NSD is confident that no valuation allowance against deferred tax assets at the reporting date is considered necessary because it is more likely than the deferred tax asset will be fully realised. The carrying value of deferred tax assets amounted to RUB 651 730 thousand and RUB 644 302 thousand as at 31 December 2024 and 2023, respectively.

Key sources of estimation uncertainty

Probability of default. PD constitutes a key input in measuring ECL. PD is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. See Note 26 for more details, including analysis of the sensitivity of the reported ECL to changes in PD resulting from changes in economic drivers.

Loss given default. LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements. See Note 2 for more details.

**Notes to the Summary Financial Statements
for the Year Ended 31 December 2024 (continued)
(in thousands of Russian Rubles)**

3. Critical accounting judgments and key sources of estimation uncertainty for the preparation of financial statements (continued)

Key sources of estimation uncertainty (continued)

Provision. NSD is subject to litigations. Such litigations may lead to orders to pay against NSD. If it is more likely than not that an outflow of resources will occur, a provision will be recognised based on an estimate of the most probable amount necessary to settle the obligation if such amount is reasonably estimable. NSD determines whether there is a possible obligation from past events, evaluates the probability that an outflow will occur and estimates the potential amount of the outflow. As the outcome of litigation is usually uncertain, the judgement is reviewed continuously. See Note 22 for further information.

Impairment of fixed and intangible assets. At the end of each reporting period, NSD assesses the recoverable amount of fixed and intangible assets to determine whether there is any indication of impairment. Regardless of whether there is any indication of impairment, an entity also reviews an intangible asset with an indefinite useful life or an intangible asset that is not yet available for use for impairment at least annually. If the calculated recoverable amount of an asset (or cash-generating unit) is lower than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in the statement of comprehensive income.

Useful lives of fixed and intangible assets. NSD annually reviews the expected useful life of fixed and intangible assets. When determining the useful life of an asset, the following factors are taken into account: expected use of the asset, normal life cycle, technical obsolescence, earlier termination of licences, technical feasibility up to the date of anticipated use of the asset etc.

Valuation of financial instruments. For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include:

- Using recent arm's length market transactions;
- Reference to the current fair value of another instrument that is substantially the same;
- A discounted cash flow analysis or other valuation models;
- Using the local market approach as advantageous;
- Using risk-free yield curve calculated based on sovereign bonds and adjusted for credit-spread derived from observable data on proxy instruments, traded on active market.

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 25.

Share-based payments. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the instrument and volatility and making assumptions about them.

4. Fee and commission income

	Year ended 31 December 2024	Year ended 31 December 2023
Depository services	8 119 953	7 060 485
Collateral management services and clearing services	2 190 466	2 772 590
Settlement services	626 451	279 447
Information services	268 443	230 529
Repository services	256 132	160 945
Sale of technical services	156 250	121 269
Total fee and commission income	11 617 695	10 625 265

**Notes to the Summary Financial Statements
for the Year Ended 31 December 2024 (continued)
(in thousands of Russian Rubles)**

5. Commission expenses

	Year ended 31 December 2024	Year ended 31 December 2023
Depository service commissions	495 256	413 317
Settlement service commissions	55 990	27 514
Registrar services	26 768	19 162
Other	2 123	3 526
Total commission expenses	580 137	463 519

6. Interest income calculated using the effective interest method

	Year ended 31 December 2024	Year ended 31 December 2023
Interest income on deposits	18 915 277	12 706 104
Interest income on correspondent accounts with other banks	11 763 594	6 459 192
Interest income on financial assets at fair value through other comprehensive income	2 183 918	2 135 744
Interest income on investment financial assets at amortised cost	1 499 780	–
Total interest income calculated using the effective interest method	34 362 569	21 301 040

7. Interest expenses

	Year ended 31 December 2024	Year ended 31 December 2023
Interest expense on lease liabilities	6 513	3 207
Interest expenses on correspondent accounts with banks	618	12 415
Total interest expenses	7 131	15 622

8. Other income

	Year ended 31 December 2024	Year ended 31 December 2023
Income from lease	38 941	33 934
Penalties for operations	966	1 349
Write off payable	109	4 169
Property tax refund	–	6 665
Other	23 872	8 639
Total other income	63 888	54 756

**Notes to the Summary Financial Statements
for the Year Ended 31 December 2024 (continued)
(in thousands of Russian Rubles)**

9. Personnel expenses

	Year ended 31 December 2024	Year ended 31 December 2023
Personnel expenses except payments based on the shares of the parent company	3 401 732	2 537 320
Payroll related taxes	848 169	575 876
Payments based on the shares of the parent company	304 834	131 893
Total personnel expenses	4 554 735	3 245 089

Payment programs based on the shares of parent company. NSD has the long-term incentive program, based on the parent company's shares, which entitles employees to receive cash with the subsequent opportunity of purchase of Moscow Exchange ordinary shares (hereinafter – "LTIP").

The following table illustrates the number and weighted average fair value of shares granted at the date of the grant of rights (hereinafter – "WAFV") and movements in rights to receive shares under the LTIP:

	Number	WAFV
Outstanding as at 31 December 2022	2 055 229	115,36
Exercised	(464 381)	115,45
Forfeited	(264 150)	103,91
Modification	(107 520)	115,34
Outstanding as at 31 December 2023	1 219 178	122,17
Exercised	(599 881)	138,05
Modification	140 422	122,07
Outstanding as at 31 December 2024	759 719	120,35

The weighted average remaining contractual life of the LTIP for the share options outstanding as at 31 December 2024 is 0,5 years (31 December 2023: 1,04 years).

In 2023 a new program of cash-settled instruments was introduced (hereinafter – "Program 2023"). The amount of cash consideration to be received by the employees is linked to the future market price of the Moscow Exchange's shares. The rights vest when the employee continues to be employed by the Moscow Exchange' Group at the vesting date. The maximum contractual vesting period is five and a half years. The fair value is remeasured at each reporting date using a binomial model.

The following table illustrates the number and weighted average fair value of instruments granted and movements in rights to receive instruments under the Program 2023:

	Number	WAFV
Outstanding as at 31 December 2023	22 290 033	37,88
Exercised	2 708 192	35,40
Forfeited	(8 593 021)	43,07
Modification	(2 081 390)	87,30
Outstanding as at 31 December 2024	14 323 814	41,98

**Notes to the Summary Financial Statements
for the Year Ended 31 December 2024 (continued)
(in thousands of Russian Rubles)**

9. Personnel expenses (continued)

Payment programs based on the shares of parent company (continued)

The weighted average remaining contractual life of the outstanding cash-settled instruments as at 31 December 2024 is 2,46 years (31 December 2023 is 3,18 years).

The following table lists the inputs to the models used for the granted instruments under the new cash settled program during the year ended 31 December 2024 and 31 December 2023:

Assumption	Cash settled	
	31 December 2024	31 December 2023
Expected volatility	30,50%	29,26%
Risk-free interest rate	18,30%	11,75%
Weighted average share price, RUB	183,61	189,36
Weighted average dividend yield	5,87%	6,65%

The expected volatility assumption is based on realized volatility of returns of quoted shares of Moscow Exchange.

As at 31 December 2024 liabilities under the new program of cash-settled instruments are amounted to RUB 163 080 thousand (31 December 2023: RUB 83 280 thousand) and are included in Personnel remuneration provision within Other liabilities (Note 19).

During the year ended 31 December 2024 expenses under the Program 2023 amounted to RUB 261 500 thousand (during the year ended 31 December 2023: RUB 83 280 thousand) and are included in Payments based on the shares of the parent company within Personnel expenses.

10. Administrative and other operating expenses

	Year ended 31 December 2024	Year ended 31 December 2023
Amortisation of intangible assets (Note 16)	788 910	808 315
Maintenance of property and equipment and intangible assets	656 405	470 754
Professional services	292 787	156 878
Depreciation of property and equipment and right-of-use assets (Note 16)	254 117	201 440
Taxes (other than income tax)	192 372	138 790
Communication and telecommunication	71 609	68 188
Advertising and marketing cost	61 390	14 993
Insurance	48 408	47 853
Write-off of materials and low value equipment	28 261	7 318
Security	14 455	11 813
Business trip expenses	10 750	10 275
Charity	6 000	104 000
Loss on disposal of property and equipment, intangible assets and software development expenses	4 773	81 829
Other	35 639	12 620
Total administrative and other operating expenses	2 465 876	2 135 066

Professional services comprise consulting, audit and legal services.

**Notes to the Summary Financial Statements
for the Year Ended 31 December 2024 (continued)
(in thousands of Russian Rubles)**

11. Income tax

NSD calculates current income tax based on the tax accounts maintained and prepared in accordance with the tax regulations of the Russian Federation, which may differ from IFRS.

Deferred taxes reflect the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amount used for tax purposes.

Temporary differences relate mostly to different methods of income and expense recognition, as well as to recorded values of certain assets. The standard corporate income tax rate for companies (including banks) was 20% for 2024 and 2023. The corporate income tax rate applicable to interest (coupon) income on state and municipal bonds and mortgage-backed bonds was 15% in 2024 and 2023.

Income tax expense includes the amount of security payment for windfall tax in the amount of RUB 597 668 thousand imposed by Federal Law No. 414-FZ *On Windfall Tax* dated 4 August 2023, which establishes the procedure for calculation and payment of the one-off tax on profits earned in previous tax periods. NSD took the opportunity to reduce the tax amount by making a security payment.

On 12 July 2024, Federal Law No. 176-FZ *On Amendments to Parts One and Two of the Tax Code of the Russian Federation, Certain Legislative Acts of the Russian Federation, and the Annulment of Certain Provisions of Legislative Acts of the Russian Federation* was adopted introduced an increase in the income tax rate from 20% to 25% from 1 January 2025.

The analysis of the temporary differences as at 31 December 2024 is presented below:

	31 December 2023	Recognised in profit or loss	Recognised in other comprehen- sive income	31 December 2024
Tax effect from deductible temporary differences				
Cash and cash equivalents and due from financial institutions	31 331	183 679	–	215 010
Financial assets at fair value through other comprehensive income	234 858	(175 032)	(444)	59 382
Property, equipment and right-of-use assets	37 215	8 817	–	46 032
Intangible assets	67 334	13 171	–	80 505
Other assets	52 543	37 181	–	89 724
Clients' funds	5 238	1 309	–	6 547
Other liabilities	226 502	60 393	–	286 895
Total tax effect from deductible temporary differences	655 021	129 518	(444)	784 095
Tax effect from taxable temporary differences				
Financial assets at fair value through profit or loss	(4 041)	(2 280)	–	(6 321)
Investment financial assets at amortised cost	–	(115 202)	–	(115 202)
Property, equipment and right-of-use assets	(6 678)	(4 164)	–	(10 842)
Total tax effect from taxable temporary differences	(10 719)	(121 646)	–	(132 365)
Deferred tax assets	644 302	7 872	(444)	651 730

**Notes to the Summary Financial Statements
for the Year Ended 31 December 2024 (continued)
(in thousands of Russian Rubles)**

11. Income tax (continued)

The analysis of the temporary differences as at 31 December 2023 is presented below:

	31 December 2022	Recognised in profit or loss	Recognised in other comprehen- sive income	31 December 2023
Tax effect from deductible temporary differences				
Cash and cash equivalents and due from financial institutions	7 517	23 814	–	31 331
Financial assets at fair value through other comprehensive income	78 939	(15 908)	171 827	234 858
Property, equipment and right-of-use assets	20 665	16 550	–	37 215
Intangible assets	58 770	8 564	–	67 334
Other assets	38 875	13 668	–	52 543
Clients' funds	5 229	9	–	5 238
Payables to holders of securities and counterparties	1 401 038	(1 401 038)	–	–
Other liabilities	189 479	37 023	–	226 502
Total tax effect from deductible temporary differences	1 800 512	(1 317 318)	171 827	655 021
Tax effect from taxable temporary differences				
Due from financial institutions	(1 382 178)	1 382 178	–	–
Financial assets at fair value through profit or loss	(1 364)	(2 677)	–	(4 041)
Property, equipment and right-of-use assets	–	(6 678)	–	(6 678)
Total tax effect from taxable temporary differences	(1 383 542)	1 372 823	–	(10 719)
Deferred tax assets	416 970	55 505	171 827	644 302

**Notes to the Summary Financial Statements
for the Year Ended 31 December 2024 (continued)
(in thousands of Russian Rubles)**

11. Income tax (continued)

Reconciliation of income tax expense and accounting for the year ended 31 December 2024 and 31 December 2023 is presented below:

	Year ended 31 December 2024	Year ended 31 December 2023
Profit before income tax	37 683 210	26 374 123
Statutory tax rate	20%	20%
Tax at the statutory tax rate (20%)	7 536 642	5 274 825
Tax effect of income taxed at rates different from the statutory tax rate	(139 190)	(100 065)
Tax effect of non-taxable expenses	70 114	92 905
Effect of the income tax rate change	(89 968)	–
Windfall tax	–	597 668
Adjustments in respect of current income tax of previous years	187	1 342
Income tax expense	7 377 785	5 866 675
Current income tax expense	7 385 470	5 323 170
Windfall tax	–	597 668
Adjustments in respect of current income tax of previous years	187	1 342
Deferred taxation movement due to origination and reversal of temporary differences	(7 872)	(55 505)
Income tax expense	7 377 785	5 866 675

12. Cash and cash equivalents

The information on cash and cash equivalents as at 31 December 2024 and 31 December 2023 is provided below:

	31 December 2024	31 December 2023
Balances with credit institutions	754 923 986	52 967 287
Cash on hand	2 660	2 610
Total cash and cash equivalents	754 926 646	52 969 897
Less allowance for expected credit losses	(13 370)	(144)
Total cash and cash equivalents	754 913 276	52 969 753

As at 31 December 2024, NSD has balances with four counterparties (31 December 2023: two counterparties) each of which is greater than 10% of equity. The total aggregate amount of these balances is RUB 747 182 928 thousand or 99% of total cash and cash equivalents as at 31 December 2024 (31 December 2023: RUB 44 493 557 thousand or 84% of total cash and cash equivalents).

**Notes to the Summary Financial Statements
for the Year Ended 31 December 2024 (continued)
(in thousands of Russian Rubles)**

13. Financial assets at fair value through profit or loss

	31 December 2024	31 December 2023
Shares issued by foreign companies	52 037	46 954
Total financial assets at fair value through profit or loss	52 037	46 954

14. Financial assets at fair value through other comprehensive income

	31 December 2024	31 December 2023
Bonds issued by the Russian issuers	14 674 425	30 599 463
Total financial assets at fair value through other comprehensive income	14 674 425	30 599 463

15. Investment financial assets at amortised cost

	31 December 2024
Bonds issued by the Russian issuers	16 584 722
Total investment financial assets at amortised cost before allowance for ECL	16 584 722
Less allowance for ECL	(26 670)
Total investment financial assets at amortised cost	16 558 052

Since 2024, in managing the securities portfolio, NSD began to actively use the business model, the purpose of which is to retain financial assets to receive the cash flows by the contract, and acquired debt securities that were classified as measured at amortised cost. There were no such assets in 2023.

**Notes to the Summary Financial Statements
for the Year Ended 31 December 2024 (continued)
(in thousands of Russian Rubles)**

16. Property and equipment, right-of-use assets and intangible assets

	Land	Buildings and other real estate	Other property and equipment	Right-of-use assets	Intangible assets	Intangible assets in development	Total
Cost							
31 December 2022	94 139	2 684 210	1 429 229	49 954	6 171 909	223 737	10 653 178
Additions	–	–	144 932	4 480	698 739	196 166	1 014 317
Reclassification	–	–	–	–	202 851	(202 851)	–
Modification and remeasurement	–	–	–	67	–	–	67
Disposals	–	–	(11 318)	–	(67 960)	(81 282)	(160 560)
31 December 2023	94 139	2 684 210	1 532 843	54 501	7 005 539	135 770	11 507 002
Additions	–	–	399 135	3 771	732 246	1 606 388	2 741 540
Reclassification	–	–	–	–	51 564	(51 564)	–
Modification and remeasurement	–	–	–	16 306	–	–	16 306
Disposals	–	–	(78 590)	–	(42 755)	(1 005)	(122 350)
31 December 2024	94 139	2 684 210	1 853 388	74 578	7 746 594	1 689 589	14 142 498
Accumulated depreciation and impairment							
31 December 2022	–	613 189	1 142 047	14 619	4 073 333	–	5 843 188
Charge for the period	–	53 684	141 264	6 492	808 315	–	1 009 755
Written off on disposal	–	–	(10 771)	–	(67 960)	–	(78 731)
31 December 2023	–	666 873	1 272 540	21 111	4 813 688	–	6 774 212
Charge for the period	–	53 831	190 186	10 100	788 910	–	1 043 027
Written off on disposal	–	–	(77 828)	–	(39 749)	–	(117 577)
31 December 2024	–	720 704	1 384 898	31 211	5 562 849	–	7 699 662
Net book value							
31 December 2023	94 139	2 017 337	260 303	33 390	2 191 851	135 770	4 732 790
31 December 2024	94 139	1 963 506	468 490	43 367	2 183 745	1 689 589	6 442 836

Intangible assets include computer software, trademarks and licenses.

As at 31 December 2024, NSD's historical cost of fully depreciated property and equipment amounts to RUB 864 103 thousand (31 December 2023: RUB 910 939 thousand).

As at 31 December 2024, NSD's historical cost of fully depreciated intangible assets amounts to RUB 3 719 064 thousand (31 December 2023: RUB 2 799 939 thousand).

As at 31 December 2024 the book value of right-of-use assets is represented by leased premises in the amount of RUB 35 924 thousand, parking spaces in the amount of RUB 462 thousand and equipment in the amount RUB 6 982 thousand (31 December 2023: RUB 24 161 thousand, RUB 626 thousand and RUB 8 603 thousand accordingly).

**Notes to the Summary Financial Statements
for the Year Ended 31 December 2024 (continued)
(in thousands of Russian Rubles)**

16. Property and equipment, right-of-use assets and intangible assets (continued)

The amounts recognised in profit or loss related to NSD's lease contracts are as follows:

	Year ended 31 December 2024	Year ended 31 December 2023
Amounts recognised in profit or loss		
Depreciations expense on right-of-use assets	10 100	6 492
Interest expense on lease liabilities	6 513	3 207
Expense relating to short-term leases	6 078	403
	22 691	10 102

17. Other assets

	31 December 2024	31 December 2023
Other financial assets		
Services and other accounts receivable	1 085 975	1 075 432
Less allowance for ECL	(43 926)	(17 747)
Total other financial assets	1 042 049	1 057 685
Other non-financial assets		
Taxes prepayments	664 980	101 076
Prepaid expenses	233 007	299 220
Non-current assets prepaid	63 460	191 556
Total other non-financial assets before allowance for impairment	961 447	591 852
Less allowance for impairment	(168 561)	(174 366)
Total other non-financial assets	792 886	417 486
Total other assets	1 834 935	1 475 171

The impairment allowance for other non-financial assets was created due to the suspension of services by the counterparties.

An analysis of impairment and provisions for other non-financial assets for the Year ended 31 December 2024 is as follows:

	Year ended 31 December 2024	Year ended 31 December 2023
Beginning of the period	174 366	170 029
(Reversal)/ charge for the period	(5 805)	4 337
End of the period	168 561	174 366

**Notes to the Summary Financial Statements
for the Year Ended 31 December 2024 (continued)
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18. Clients' funds

	31 December 2024	31 December 2023
Accounts of clearing participants	603 280 100	488 947
Current and settlement accounts	326 303 085	354 415 996
Nominal accounts	4 253 253	1 539 480
Risk-covering funds	97 953	85 029
Total clients' funds	933 934 391	356 529 452

As at 31 December 2024 NSD's balances of market participants in the amount of RUB 824 288 818 thousand (88%), (31 December 2023: RUB 284 922 681 thousand (80%)) related to 10 market participants.

19. Other liabilities

	31 December 2024	31 December 2023
Other financial liabilities		
Payables for services	300 542	290 061
Payroll settlements	99 786	79 234
Lease liabilities	49 354	37 647
Other	4 258	8 836
Total other financial liabilities	453 940	415 778
Other non-financial liabilities		
Tax agent liabilities regarding payables to holders of securities	2 990 554	2 543 723
Personnel remuneration provision	605 370	687 517
Advances received for depository services	446 419	374 673
Liabilities under payments based on the shares of the parent company	216 184	209 180
Taxes payable other than income tax	172 374	155 694
Other provisions	45	–
Total other liabilities	4 884 886	4 386 565

Maturity analysis of lease liabilities as at 31 December 2024 and 31 December 2023 is provided below:

	31 December 2024	31 December 2023
Maturity analysis of lease liabilities		
Less than one year	16 378	9 577
One to two years	16 034	9 477
Two to three years	16 078	9 133
Three to four years	15 342	9 133
Four to five years	–	8 460
Less unearned interest	(14 478)	(8 133)
Lease liabilities	49 354	37 647

**Notes to the Summary Financial Statements
for the Year Ended 31 December 2024 (continued)
(in thousands of Russian Rubles)**

19. Other liabilities (continued)

The table below details changes in the NSD's lease liabilities arising from financial activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the NSD's statement of cash flows as cash flows from financing activities.

31 December 2022	38 835
Financing cash flows	(8 941)
Modification and remeasurement	67
New leases	4 480
Other changes	3 206
31 December 2023	37 647
Financing cash flows	(14 883)
Modification and remeasurement	16 306
New leases	3 771
Other changes	6 513
31 December 2024	49 354

20. Share capital and share premium

As at 31 December 2024 and 31 December 2023 NSD's share capital comprised of 1 180 675 ordinary registered shares with par value of RUB 1 000 each.

Share capital is reported in accordance with IAS 29 *Financial Reporting in Hyperinflationary Economies*. As at 31 December 2024 and 31 December 2023 the share capital including inflation adjustment amounted to RUB 1 193 982 thousand.

Share premium represents an excess of the sale price of NSD's share over their par value. Share premium was formed as a result of a merger of NDC and MICEX SH (Note 1) and sale of shares to the former shareholders of NDC.

NSD has the right to place an additional 74 325 ordinary shares with a par value of 1 thousand rubles each. In case of placement of the declared shares, the volume of rights granted by these shares will be similar to the volume of rights granted by the placed ordinary shares.

21. Retained earnings

During the year ended 31 December 2024, NSD declared and paid dividends on ordinary shares for the year ended 31 December 2023 in the amount of RUB 20 000 004 thousand, the amount of dividends per share is RUB 16 939,50 per ordinary share (during the year ended 31 December 2023: declared and paid dividends on ordinary shares for the year ended 31 December 2022 in the amount of RUB 5 800 007 thousand, the amount of dividends per share is RUB 4 912,45 per ordinary share).

NSD's distributable reserves are limited to the amount of reserves reported in the statutory financial statements of NSD. Non-distributable reserves comprise a reserve fund, which is created according to the statutory regulations to cover risks, including future losses and other unforeseen risks and contingencies. The reserve fund was formed in accordance with Articles of association of NSD providing for the establishment of a reserve for these purposes of not less than 15% of the share capital NSD according to RAS.

As at 31 December 2024 and 31 December 2023 reserve fund amounted to RUB 177 101 thousand.

Notes to the Summary Financial Statements for the Year Ended 31 December 2024 (continued) *(in thousands of Russian Rubles)*

22. Commitments and contingencies

Legal proceedings. NSD interacts with clients and counterparties on a number of the lawsuits and claims. According to management's estimates, based on existing business and judicial practice, such lawsuits and claims cannot have a significant impact on financial and economic activities, and NSD will not incur significant losses. Accordingly, no provisions were created in the financial statements.

Fiduciary activities. NSD provides depository services to its customers. As at 31 December 2024 and 31 December 2023, NSD had customer securities totalling 79 226 billion items and 89 950 billion items, respectively, in its nominal holder accounts. NSD accepts the operational risk on depository activities, credit and market risks for these transactions are borne by NSD's clients.

When funds are credited to NSD's clients' account with a bank or a foreign depository and the correspondent bank or foreign depository establishes restrictions on NSD's account for the use of the received funds for reasons beyond NSD's control, NSD has the right to establish restrictions on debiting the received funds from the client's bank account with NSD in the amount equal to the amount of the restriction or not to transfer the specified funds to the client.

Taxation. A substantial part of the activities of NSD carried out in the Russian Federation. Some provisions of the Russian tax, currency and customs legislation as at present in force are defined not clearly enough, which frequently leads to different interpretations (that can be applied to the past legal matters), selective and inconsistent application and also in some cases to changes that are hard to predict.

NSD's management interpretation of such legislation as applied to its operations and activity may be challenged by the relevant regional and federal authorities. Recent trends in tax law enforcement practice suggest that the tax authorities may be taking a more assertive position in their interpretation and application of this legislation and assessments. It is therefore possible that transactions and activities of NSD that have not been challenged in the past may be challenged at any time in the future. As a result, significant additional taxes, penalties, interest and NSD's accounting methods may be assessed by the relevant authorities. At the same time, it is not possible to determine the amounts of accruals for possible, but not submitted claims, as well as to assess the likelihood of an unfavourable outcome in the event of claims from the tax authorities

Fiscal periods remain open and subject to review by the tax authorities for a period of three calendar years immediately preceding the year in which the decision to conduct a tax review is taken. Under certain circumstances tax reviews may cover longer periods.

As at 31 December 2024 management believes that its interpretation of the relevant legislation is appropriate and that NSD's tax, currency and customs positions will be sustained from the tax and judicial authorities.

Insurance. NSD has insurance policies from Ingosstrakh Insurance Company. The insurance packages comprise fraud, errors and omissions coverage and a comprehensive liability and crime policy. The comprehensive liability and crime policy have been developed especially for insuring professional risks of clearing houses and central securities depositories. The total coverage level for the packages of insurance at 31 December 2024 is RUB 7 800 000 thousand (31 December 2023: RUB 7 800 000 thousand).

Notes to the Summary Financial Statements for the Year Ended 31 December 2024 (continued) (in thousands of Russian Rubles)

23. Transactions with related parties

Transactions with key management. Key management personnel comprise members of the Supervisory Board, Chairman of the Executive Board and members of the Executive Board. The total remuneration paid to key management personnel includes short-term benefits (salary, bonuses, payroll related taxes, insurance, health care, etc.), long-term benefits and payments based on the shares of the parent company.

Included in the statement of financial position are the following amounts that arose on transactions with key management personnel:

	31 December 2024	31 December 2023
Other liabilities	499 246	480 775

Included in the statement of profit or loss are the following amounts that arose due to transactions with key management personnel:

	Year ended 31 December 2024	Year ended 31 December 2023
Short-term employee benefits except payments based on the shares of the parent company	814 062	326 140
Payments based on the shares of the parent company	278 005	113 630
Long-term employee benefits	136 365	52 889
Total remuneration of key management personnel	1 228 432	492 659

24. Capital management

The capital structure of NSD consists of share capital, share premium and retained earnings.

NSD performs capital management in order to:

- Assess capital adequacy for the coverage of significant risks;
- Plan capital based on a comprehensive evaluation of significant risks, NSD's testing of resistance to internal and external risk factors (stress testing), business development targets, NSD's development strategy, capital adequacy requirements established by the Bank of Russia.

NSD's capital and operations are planned annually for the period of 1 year.

The capital amount required to cover losses if significant risks materialize, including in response to stress conditions, (planned economic capital level) is set by the Supervisory Board of NSD.

NSD's capital is assessed as adequate when all of the following conditions are met:

- NSD's capital is adequate to cover capital requirements with respect to all significant risks calculated in accordance with the Regulation on the Procedure for Stress Testing and NSD's Capital Adequacy Assessment;
- NSD complies with minimum regulatory capital requirements for all licensed types of activities;
- Capital adequacy ratio set by the Bank of Russia for non-banking credit institution that has been assigned the status of a central depository is met.

**Notes to the Summary Financial Statements
for the Year Ended 31 December 2024 (continued)
(in thousands of Russian Rubles)**

24. Capital management (continued)

The planned economic capital structure of NSD includes:

- Capital required to cover current risks;
- Supplementary capital for stress;
- Allowance for inaccuracy of the existing stress-testing models;
- Capital reserve for development.

The CBR established special requirements for credit institutions and banking groups in respect of the minimum amount of capital adequacy calculated based on RAS financial statements. The CBR requires non-banking credit institutions to maintain a ratio of capital to risk-weighted assets ("capital adequacy ratio") at a level exceeding the minimum ratio of 12% until 1 July 2024. From 2 July 2024, in accordance with the Directive of the Bank of Russia dated 28 July 2023 №6472-U, the capital adequacy ratio of the central depository (N1cd) established as a minimum permissible measure equal to 100 percent. In November 2012, FFMS assigned NSD the status of a central depository. Since then, NSD's minimum equity requirement has been set at RUB 4 billion.

Capital adequacy and mandatory equity ratios for NSD were as follows:

Equity		Mandatory equity		Capital adequacy ratio	
31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023
56 795 906	47 149 976	4 000 000	4 000 000	472,93	117,25

As at 31 December 2024 and 31 December 2023, NSD was in full compliance with all envisaged external requirements for capital adequacy and mandatory equity.

25. Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in conducting operations on a voluntary basis between market participants at the measurement date.

NSD measures fair values for financial assets recorded on the statement of financial position at fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: quoted market prices in an active market (that are unadjusted) for identical assets or liabilities.
- Level 2: valuation techniques (for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable).
- Level 3: valuation techniques (for which the lowest level input that is significant to the fair value measurement is unobservable).

The foreign currency forward contracts are measured based on observable spot exchange rates and the yield curves of the respective currencies.

The fair value of the unquoted equity securities is determined using discounted cash flow method representing the calculation of the present value of expected future cash flows to the reporting date for which unobservable inputs are used.

**Notes to the Summary Financial Statements
for the Year Ended 31 December 2024 (continued)
(in thousands of Russian Rubles)**

25. Fair value measurements (continued)

The table below analyses financial assets and liabilities measured at fair value as at 31 December 2024, by the level in the fair value hierarchy into which the fair value measurement is categorized:

	Level 1	Level 3	Total
Financial assets at fair value through profit or loss	–	52 037	52 037
Financial assets at fair value through other comprehensive income	14 674 425	–	14 674 425

The table below analyses financial assets and liabilities measured at fair value as at 31 December 2023, by the level in the fair value hierarchy into which the fair value measurement is categorized:

	Level 1	Level 3	Total
Financial assets at fair value through profit or loss	–	46 954	46 954
Financial assets at fair value through other comprehensive income	30 599 463	–	30 599 463

Assets and liabilities fair value of which is disclosed

The fair value of cash and cash equivalents, due from financial institutions, other financial assets, clients' funds, payables to holders of securities and counterparties and other financial liabilities as at 31 December 2024 and 31 December 2023 refer to level 2 hierarchy of fair value.

Management of NSD considers that the fair value of cash and cash equivalents, due from financial institutions, other financial assets, payables to holders of securities and counterparties and other financial liabilities not carried at fair value in statement of financial position approximates their carrying value due to their short-term nature.

The fair value of investment financial assets at amortised cost as at 31 December 2024 is RUB 15 261 594 thousand and belongs to level 1 hierarchy of fair value.

Transfers between level 1 and 2

For assets and liabilities that are recognised at fair value on a recurring basis, NSD determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

There were no transfers between levels during 2024 and 2023.

**Notes to the Summary Financial Statements
for the Year Ended 31 December 2024 (continued)
(in thousands of Russian Rubles)**

25. Fair value measurements (continued)

Transfers between level 1 and 2 (continued)

The following table shows a reconciliation for year ended 31 December 2024 and 31 December 2023 for fair value measurements in Level 3 of the fair value hierarchy:

	Financial assets at fair value through profit or loss
Balance as at 31 December 2022	33 574
Gains reported in profit or loss	2 579
Foreign exchange	10 801
Balance as at 31 December 2023	46 954
Gains reported in profit or loss	1 635
Foreign exchange	3 448
Balance as at 31 December 2024	52 037

26. Risk management policies

Risk management is an integral part of NSD's activities. NSD distinguishes the following significant risks: credit, operational, market, liquidity. Market risk includes currency risk, interest rate risk and price risk.

Risk management core objectives include identification of sources of risks, measurement of risk levels, development of risk management policies and implementation of risk controls, including setting limits and further compliance with them.

Risk management is carried out in accordance with NSD's Risk Management Policy, NSD's Risk and Capital Management Strategy, Rules for managing NSD's risks associated with the implementation of activities of the central depository, Regulations on the Risk Management Department, Regulations on the Risk Committee under the Management Board of NSD, as well as individual policies and methods for types of risks and risk management tools.

Risk management system participants include all divisions of NSD as well as management and advisory bodies of NSD.

Depending on the competencies of the divisions, there are three lines (levels) of defense providing for the involvement of each employee of NSD in the risk management process:

The first line (level) of defense is represented by all employees of NSD involved in the risk management process as part of their day-to-day work. Competencies of NSD divisions in terms of risk management are determined in accordance with the NSD's internal documents including Regulations on divisions. Their competencies as part of the risk management system include:

- Identification, collections, assessment of risks, designing and implementing risk mitigation procedures as envisaged by internal documents of NSD;
- Development of specific recovery plans for business processes as part of the general business continuity and business recovery plan of NSD, participation in recovery procedures to ensure the continuity of business processes, taking preventive measures;
- Executing decisions of NSD's management bodies to the extent relating to risk management issues.

**Notes to the Summary Financial Statements
for the Year Ended 31 December 2024 (continued)**
(in thousands of Russian Rubles)

26. Risk management policies (continued)

The second line (level) of defense is represented by divisions responsible for the organization of processes and the application of risk management tools: Risk Management Department, Internal Control Department, Legal Department, Business Continuity Service, Information Security Department, Security Department. Their competencies include:

- Collection, analysis and assessment of risks in NSD;
- Development of a risk management methodology;
- Participation in the development of proposals on the improvement of business processes and controls to mitigate risks;
- Monitoring of planned events to mitigate risks;
- Preparation of risk management reports.

The third line (level) of defense is represented by the Internal Audit Department of NSD. Competencies of the Internal Audit Department as part of the risk management system include:

- Review and assessment of efficiency of NSD's risk management and internal control systems and the execution of decisions of NSD's management bodies;
- Review of completeness of application and efficiency of the risk assessment methodology and risk management procedures;
- Review of reliability of the internal control system with respect to the use of automated systems;
- Review of risk management and internal control processes and procedures including the compliance of internal documents with regulatory requirements and self-regulatory organization standards;
- Review of activities of the departments.

Roles and responsibilities are allocated between management and advisory bodies of NSD as follows:

Supervisory Board of NSD:

- Approves internal documents of a conceptual nature i.e., setting out the main principles of the risk management system of NSD;
- Reviews regular risk management and internal capital adequacy assessment procedures (ICAAP) reports;
- Approves the amount of NSD's economic capital;
- Exercises control over risk management activities of NSD's executive bodies and assesses the efficiency of risk management procedures in NSD;
- Exercises control over the completeness and frequency of reviews by the Internal Audit Department of the efficiency of the risk assessment methodology and risk management procedures;
- Develops recommendations for the General Meeting of Shareholders with respect to dividends to be paid to NSD's shareholders based on the Organization's economic capital;
- Approves the development strategy of NSD and functional strategies developed for its implementation;
- Approves the risk management system development strategy and monitors the status of its implementation;
- Considers issues with respect to organization, monitoring and control over the compensation system and other issues specified in Instruction of the Bank of Russia No. 154-I dated 17 June 2014.

**Notes to the Summary Financial Statements
for the Year Ended 31 December 2024 (continued)**
(in thousands of Russian Rubles)

26. Risk management policies (continued)

Audit Committee of the Supervisory Board of NSD:

- Reviews, approves and makes recommendations to the Supervisory Board of NSD for approval of risk management internal documents prior to their submission for approval by the Supervisory Board of NSD;
- Reviews, preliminary approves and makes recommendations to the Supervisory Board of NSD for approval of the risk management system development strategy and risk appetite of NSD;
- Makes recommendations to the Supervisory Board of NSD for improvement of the existing risk management tools;
- Reviews regular reports on the status of the risk management system development strategy implementation and makes recommendations to the management of NSD and/or the Supervisory Board of NSD;
- Reviews regular risk management and ICAAP reports and makes recommendations to the management of NSD and/or the Supervisory Board of NSD;
- Reviews, approves and recommends to the Supervisory Board to approve the amount of NSD's economic capital before it is submitted for approval by Supervisory Board of NSD.

Budget Committee of the Supervisory Board of NSD:

- Approves the amount of NSD's economic capital;
- Approves the amount of dividends to be paid to NSD's shareholders based on the Organization's economic capital.
- Central Securities Depository Customer Committee:
 - Reviews and approves rules for the management of risks associated with NSD's activities and the internal document regulating the procedure for handling complaints and requests from customers.

Committee for Quality Control and Risk Management:

- Makes recommendations on the customer policy of NSD;
- Raws up proposals for customer services of NSD;
- Makes risk management recommendations in terms of the financial market infrastructure including risks posed by NSD and its participants;
- Preliminary approves internal documents including rules for the management of credit, operational and other risks including risks associated with the combination of clearing and other activities, measures to ensure the uninterrupted operation of software and hardware systems intended for clearing operations, measures aimed at preventing and managing the conflict of interests with respect to clearing operations and the combination of clearing and other activities.

Chairman of the Management Board of NSD and Management Board of NSD:

- Allocate risk management roles and responsibilities to NSD's employees and divisions;
- Ensure the adoption of internal documents including risk management rules and procedures;
- Approve methodologies and decide the frequency of assessments of various risks;
- Maintain the capital adequacy ratio of NSD within the established limits;
- Approve the amount of NSD's economic capital;
- Ensure the risk management process of NSD;
- Take risk management decisions, manage the recovery of business processes in accordance with internal documents aimed at business continuity and business recovery.

Notes to the Summary Financial Statements for the Year Ended 31 December 2024 (continued) *(in thousands of Russian Rubles)*

26. Risk management policies (continued)

Risk Management Committee of the Management Board of NSD:

- Considers risk acceptance issues and makes recommendations to the Management Board of NSD for their acceptance;
- Makes recommendations with respect to the distribution of authority and responsibilities related to risk management between the heads of NSD's divisions to comply with the main risk management principles;
- Draws up proposals to improve risk management procedures in NSD;
- Draws up proposals on contingency plans and is responsible for the analysis of a crisis scenario and the initiation of corrective measures, if required;
- Monitors events/facts that may compromise customers' interests or affect the financial sustainability, NSD reputation, identifies the causes and makes recommendations on corrective measures.

Risk Management Committee for Payment System of the Management Board of NSD:

- Establishes criteria and assesses the risk management system in the NSD Payment System;
- Draws up proposals and makes recommendations resulting from the assessment of the risk management system in the NSD Payment System;
- Makes recommendations on information security, reliability and continuity of the NSD Payment System;
- Considers issues of risk monitoring in the NSD Payment System.

The Risk Management Department is responsible for risk management issues. The Risk Management Department is responsible for identifying and assessing risks, setting risk limits, determining capital requirements for their coverage, as well as exercising control over the compliance with the above limits for certain portfolios, types of activity and NSD as a whole. The Risk Management Department is the center ensuring a single risk management approach, methods and exercising control over the compliance of risk management processes with the existing methodology.

The following is a description of NSD's risk management policy for each significant risk.

Credit risk. NSD uses credit risk management approaches under requirements of the Russian regulators, based on the best international practices and standards. NSD's assets are exposed to credit risk, which is defined as the risk of losses resulting from a default or improper performance of their obligations to NSD by its counterparties.

NSD's credit risk assessment includes the assessment of the credit portfolio and other assets involving credit risks (portfolio analysis) as well as the assessment of credit risks related to specific counterparties.

The portfolio analysis is the analysis of changes in the structure of assets exposed to credit risk and credit risk concentration. The evaluation of the quality of the credit portfolio enables a judgment to be made of the possibility of the credit risk on assets and an estimate of expected losses. The analysis of the credit risk concentration enables an assessment to be made of the credit portfolio diversification level by counterparty.

NSD's counterparty assessment is made in accordance with an expert evaluation of the counterparties' credit risks based on the analysis of their respective financial statements and other available information about their activity. The expert evaluation results include an analytical report containing conclusions on the level of the counterparty's credit quality, the acceptability of parameters of planned transactions and proposed risk mitigation techniques by counterparty. Methods of credit risk management include:

- Establishment of the limits for counterparty banks;
- Creation of allowances for possible losses.

As explained in Note 2, NSD monitors all financial assets that are subject to impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk NSD will measure the loss allowance based on lifetime rather than 12-month ECL.

Notes to the Summary Financial Statements for the Year Ended 31 December 2024 (continued) (in thousands of Russian Rubles)

26. Risk management policies (continued)

Credit risk (continued)

In order to assess the financial condition of counterparties and the level of credit risk assumed by them, NSD has developed and continuously improves its internal rating system. NSD's internal rating system includes ten categories. Internal rating information is based on a combination of actual financial reporting data and nonfinancial information, including expert judgment regarding the credit risk of the counterparty. The analysis takes into account the nature of the risk and type of counterparty. Internal ratings are determined using qualitative and quantitative factors that indicate the risk that a counterparty may default on its obligations NSD.

Internal ratings serve as a basis for assessing the time pattern of probability of default and subsequent estimation of expected credit losses.

NSD analyzes all data collected using statistical models and assesses the probability of default of the counterparty over the remaining term of the exposed instruments and its possible evolution over time in order to subsequently calculate an allowance for expected credit losses.

NSD considers that the credit risk on a financial asset has increased significantly since initial recognition if contractual payments are overdue by more than 30 days or if the counterparty's external credit rating or internal rating has been downgraded by 3 notches in the preceding 12 months or by 6 notches or more since initial recognition of the financial asset.

NSD has monitoring procedures in place to validate the effectiveness of the criteria used to identify a significant increase in credit risk. This means that a significant increase in credit risk is identified before an event of default occurs or before a payment becomes 31 days or more overdue or a counterparty's credit rating is downgraded by 3 notches or more. NSD tests its internal ratings annually based on historical data to determine whether the internal ratings adequately and timely take into account credit risk factors.

In order to determine the amount of expected credit losses, NSD assesses the level of credit risk for those financial instruments that give rise to financial assets exposed to credit risk (Note 2).

NSD assesses the level of credit risk for a financial instrument on a monthly basis as at the reporting date throughout the life of that financial instrument, taking into account the provisioning period.

NSD uses the following methodological approaches to estimate provisions:

- Determining the probability of counterparty default (PD) and the amount at risk (EAD) depending on the stage of impairment and the characteristics of the asset;
- Determination of the risk-free value of the financial asset and the amount of expected losses (EL);
- Receivables are reserved taking into account their grouping;
- Determination of the stage of the economic cycle for the planned reservation period in order to determine the value of the macroeconomic coefficient.

The procedure for determining the required amount of reserves formation includes the following assessment steps:

- Determination of the provision period;
- Determination of the stage of the economic cycle for the next planned provisioning period;
- Determination of the stage of current impairment of a financial instrument.

For financial instruments exposed to credit risk, NSD calculates expected credit losses by estimating the expected cash flows considering all contractual terms of the financial instrument over the next 12 months or over the life of the asset (depending on the stage).

**Notes to the Summary Financial Statements
for the Year Ended 31 December 2024 (continued)
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26. Risk management policies (continued)

Credit risk (continued)

NSD assesses the counterparty's financial position and whether there is any indication that the financial instrument may be impaired based on the amount's receivable, the counterparties the period of delay in the fulfillment of the obligation. Depending on the impairment indicators identified by NSD, the financial instrument is assigned classified into one of three stages of impairment.

Default determination is an important consideration in assessing expected credit losses. The criteria for determining default are described in Note 2.

In its assessment of significant increase in credit risk as well as in its measurement of ECL NSD uses forward-looking information to create a "baseline scenario" of the future dynamics of relevant economic indicators, as well as a representative set of other possible forecast scenarios to assess the sensitivity of the results to changes in parameters. The external information used includes data and forecasts published in accordance with national legislation and compliance with monetary regulations.

NSD uses ruble zero-coupon yield curves (hereinafter – "CBD") in its measurement of macroeconomic factor for the purpose of the measurement of ECL.

Maximum credit risk exposure. NSD's maximum exposure to credit risk equals to the carrying value of financial assets exposed to credit risk.

As at 31 December 2024 included into other assets are overdue receivables of RUB 10 107 thousand (31 December 2023: RUB 6 255 thousand).

Financial assets are classified according to the current credit ratings issued by international rating agencies (Fitch Ratings, Standard & Poor's and Moody's Investor Service) for non-residents and the current credit ratings issued by Russian national rating agencies (ACRA and Expert RA) for residents (including sovereign counterparties). Russian national ratings are mapped to the scales of international rating agencies.

The highest possible rating is AAA. Investment grade financial assets have ratings from AAA to BBB-. Financial assets which have ratings lower than BBB- are classed as speculative grade.

Liquidity risk. Liquidity risk is the risk of facing the situation where available funds are insufficient to meet current financial liabilities. Liquidity risk arises when the terms of the claim for active transactions do not match the maturities of obligations

The main purpose of liquidity management is to ensure NSD's ability to perform its obligations not only under normal market conditions but also in cases of unforeseen emergencies without suffering unacceptable losses or risk of damaging its business reputation.

The main methods of limiting and reducing liquidity risk:

- Procedures for assessing the level of liquid assets required to settle liabilities at maturity;
- Ensuring access to various sources of financing;
- Development of action plans in case of unavailability of these sources;
- Daily liquidity monitoring;
- Regular stress testing on liquidity risk in various scenarios;
- Setting restrictions on the placement of temporarily available funds in terms of terms and instruments, taking into account the results of the liquidity analysis;
- Daily assessment of outflows and inflows of funds.

**Notes to the Summary Financial Statements
for the Year Ended 31 December 2024 (continued)
(in thousands of Russian Rubles)**

26. Risk management policies (continued)

Liquidity risk (continued)

According to Russian laws and internal regulations, NSD is entitled to make investments in accordance with the limits stipulated by mandatory regulations.

The liquidity position is controlled on a daily basis by the Treasury Operations Department and the Accounting and Reporting Department of NSD in accordance with the internal regulations.

Management expects that the cash flows from certain financial assets will be different from their contractual terms either because NSD has the discretionary ability to manage the cash flows or because past experience indicates that cash flows will differ from contractual terms. In the tables below the financial assets and liabilities are presented on a discounted basis and are based on their expected cash flows.

Market risk. Market risk is the risk of losses due to changes in market variables such as interest rates, foreign exchange rates, and prices of financial instruments.

The main methods of limiting and reducing Market risk:

- Determining the structure of your own securities portfolio;
- Measuring market risk and determining capital requirements for market risk;
- Determining the value of instruments in your own securities portfolio;
- Monitoring and regular review of Risk factors;
- Control of market risk limits for own securities portfolio;
- Control of concentration limits by type of instruments;
- Conducting stress testing, back-testing;
- Sensitivity analysis.

Interest rate risk. Interest rate risk is the risk of changes in interest income or the financial instruments price due to the interest rate changes.

NSD's financial result is exposed to the effects of fluctuations in the prevailing levels of market interest rates on its financial positions and cash flows. Interest margin may increase, decrease or lead to losses as a result of unexpected movements.

In order to measure the impact of interest rate risk on the fair value of financial instruments NSD conducts periodic assessments of potential losses, which may be triggered by negative changes in market environment. The Risk Management Department conducts periodic monitoring of the current financial results of NSD, assesses the sensitivity of the impact of interest rate risk on portfolio fair value and income.

The results of the sensitivity analysis of the impact of interest rate risk on the fair value of debt securities measured at FVTOCI included in own portfolio as at 31 December 2024 and 31 December 2023 are presented in the table below:

	At 31 December 2024		At 31 December 2023	
	Net profit	Equity	Net profit	Equity
Interest rates rise	–	(479 110)	–	(565 395)
Interest rate fall	–	325 238	–	415 154

Notes to the Summary Financial Statements for the Year Ended 31 December 2024 (continued) (in thousands of Russian Rubles)

26. Risk management policies (continued)

Market risk (continued)

Sensitivity analysis is performed based on the risks of interest rate fluctuations at the reporting date. The calculation uses the assumption of interest rate changes from 86 to 207 basis points (31 December 2023: 86 to 207 basis points) depending on the maturity of the security and the direction of interest rate changes (growth or decline). These interest rate scenarios are derived from historical data on changes in the OFZ coupon-free yield curve (G-curve)

Currency risk. Currency risk is the risk of changes in financial instruments value due to the exchange rates fluctuations. The financial position and cash flows of NSD are subject to the influence of such fluctuations. The main source of currency risk are open foreign currency positions. NSD maintains control over the currency risk through monitoring of open foreign currency positions.

The following exchange rates are applied during the period:

	31 December 2024			31 December 2023		
	USD	EUR	CNY	USD	EUR	CNY
Minimum	82,6282	89,0914	11,1652	67,5744	72,7908	9,8949
Maximum	109,5782	116,1410	14,8382	101,3598	110,6847	13,8926
Average	92,6567	100,2801	12,7524	85,7492	92,8046	12,0486
Year-end	101,6797	106,1028	13,4272	89,6883	99,1919	12,5762

Price risk. Price risk is the risk of potential losses as a result of adverse changes in the market value of the financial instruments forming the NSD's portfolio.

The basis for assessing price risk is the value of securities that are measured at fair value through profit and loss and measured at fair value through other comprehensive income, if there is an intention to sell in the short term, reflected in NSD's internal documents.

The procedure for calculating indicators that characterize the magnitude of price risk is determined by the Financial Risk Assessment Method of NSD, approved by NSD's Executive Board. If there is a portfolio of securities that are sensitive to changes in market value, a sensitivity analysis is made to the possible changes in market value, which will coincide with the sensitivity of changes in interest rates (Note 26 "Interest Rate Risk").

In order to manage price risk, limits on investments in financial market instruments, limits on the maximum loss from investing in financial market instruments and other limits, as appropriate, may be established.

Operational risk. Operational risk is the risk of potential losses resulting from the fact that NSD's internal rules and procedures for transactions are inadequate to the nature and scope of its business and/or the current legislative requirements; from failure by NSD's employees and/or other persons to comply with such internal rules and procedures (through unintentional or deliberate action, or omission); from inadequacy/insufficiency of the operational features/characteristics of informational, technical and other systems used by NSD and/or their failures/breakdowns; and from external impacts.

The sources of operational risk are:

- Improper/unlawful conduct by employees of NSD (including internal fraud);
- Shortcomings in the organizational structure and internal documents of NSD in terms of the delegation of authority to divisions and employees, rules and procedures for transactions and their documentation and recognition, non-compliance with established rules and procedures by NSD's employees, inefficiency of internal controls (risk of internal processes);
- Malfunction of systems and equipment (risk of information technologies);
- Adverse external events beyond NSD's control (including external fraud, cyber and other crimes, man-made and natural disasters).

**Notes to the Summary Financial Statements
for the Year Ended 31 December 2024 (continued)**
(in thousands of Russian Rubles)

26. Risk management policies (continued)

Market risk (continued)

Basic operational risk management methods:

- Development of the organizational structure, internal rules and procedures for transactions, delegation of authority, approval (agreement) and accountability for the transactions in a way that allows eliminating (minimizing) exposure to the operational risk;
- Development of controls taking into account the results of the analysis of statistical data performed to identify operational risks typical for NSD based on the repeated operational risk issues;
- Control over the compliance with the established rules and procedures as part of the internal control system;
- Development of transaction and data protection automation technology;
- Insurance, including both traditional types of property and personal insurance (insurance of buildings, other property (including currency values and internal securities) against destruction, damage and loss caused by natural disasters and other random events, or through actions of third parties or employees of NSD; insurance of employees against accidents and injury to health), and insurance against occupation-specific risks, both comprehensive risk insurance and by individual risk;
- Development of a system of measures to ensure continuity of financial and business operations, including contingency plans (business continuity plan and/or business recovery plan).

The methods of management of the operational risk arising from a combination of various types of activities by NSD include processes preventing the use of confidential information:

- Ensure territorial, organizational and technical, functional, information isolation of NSD divisions involved in various types of professional activity;
- Develop measures to differentiate rights to transactions in performing various types of activity;
- Prevent employees from other NSD divisions involved in other types of activity from access to the available confidential information;
- Develop measures to establish liability for the provision of confidential information to employees of other NSD divisions involved in other types of activity.

The procedures preventing the use of confidential information related to various types of NSD's activity are described in internal regulations on interaction between divisions.

Legal risk. Legal risk is the risk of incurring losses as a result of inefficient organization of legal work leading to legal errors in the activities of NSD due to the actions of employees or management boards; violation of contractual terms and conditions by NSD, as well as by its clients and counterparties; imperfection of the legal system; NSD, its clients and counterparties being under the jurisdiction of different countries. Losses arising from the realisation of legal risk are reflected in the risk event database along with losses from the realisation of operational risk.

**Notes to the Summary Financial Statements
for the Year Ended 31 December 2024 (continued)**
(in thousands of Russian Rubles)

26. Risk management policies (continued)

Legal risk (continued)

The purpose of legal risk management is to maintain the risk accepted by NSD at the level determined by NSD in accordance with the strategic objectives. The priority is to ensure maximum safety of assets and capital by reducing (eliminating) possible losses, including in the form of cash payments based on court rulings (decisions). The purpose of legal risk management is achieved on the basis of a systematic, comprehensive approach, which involves solving the following tasks:

- Analysis of risks arising from differences between Russian legislation and the legislation and business customs of foreign countries with whose residents NSD enters into contractual relations and the adoption of necessary response measures;
- Development of standard forms of contracts, subsequently used for contractual relations of NSD with clients and counterparties;
- Establishing an internal procedure for coordinating (approving) contracts concluded by NSD and transactions carried out, and other transactions that differ from standardized/ typical ones;
- Analysis of the impact of legal risk factors on the performance indicators and business reputation of NSD;
- Continuous monitoring of changes in the legislation of the Russian Federation and ensuring timely updating of the internal NSD's documents;
- Ensuring compliance with legislation of the documentation used to formalize transactions and other transactions;
- Timeliness of considering changes in legislation and reflecting such changes in the internal documents and contractual documentation of the NSD;
- Mandatory compliance by all NSD's employees with the requirements established by the internal NSD's documents.