



Address by the Acting Chairman of the Executive Board



Maria Krasnova,
Acting Chairman of the Executive Board, NSD

DEAR SHAREHOLDERS, PARTNERS, AND COLLEAGUES,

The past year was a challenge for the global and Russian financial systems, including us. Despite all the difficulties, we managed to maintain the company's financial strength and operational reliability. Thanks to the digital solutions implemented earlier, we retained our employees and efficiently organized business processes in the new environment, in full compliance with our obligations to clients and with the regulatory requirements.

While maintaining focus on our clients and their objectives and values, we continue to reinforce our market positions, rapidly developing our core custody business, offering new complementary services, and launching new projects and initiatives.

All of that helped us finish 2020 with record-high performance figures. In particular, the value of assets in custody at NSD increased 20.8% year-on-year to the equivalent of RUB 63.6 trillion. The fee and commission income surged 23.5% to reach RUB 7.5 billion, while the net profit grew 14.6% and exceeded RUB 4.2 billion.

Thanks to the timely adaptation to the new environment, we maintained the customer satisfaction index at a consistently high level, 8.99 points on a ten-point scale.

We continued implementing the NSD Development Strategy approved in 2019, which provided strategic guidance and direction, with a focus on three aspects: reliability, effectiveness, and development. As a systemically important financial market infrastructure, we put special emphasis on the quality and reliability of our IT solutions, business continuity, information security, risk management, and regulatory compliance. The roll-out of infrastructure for the launch of U.S. securities trading on the Moscow Exchange, the launch of a DVP-2 settlement service via correspondent accounts with the Bank of Russia, and the development of the Registrar of Financial Transactions and the financial messaging service Transit 2.0 all represented a logical extension of the change program launched earlier. In addition, the best practices of CSDs across the globe and the opportunities opened up by modern technology inspire us for new ambitious plans.

I would like to thank NSD's staff, Supervisory Board members, Customer Committee members, shareholders, and partners for their support. Together, we are on the right track towards the common goals.