APPROVED

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Methodology for Determining the Risk Appetite Benchmarks of Moscow Exchange

Moscow, 2025

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1. General provisions

1.1. The Methodology for Determining the Risk Appetite Benchmarks (hereinafter, the Methodology) of Moscow Exchange has been developed as part of the risk management system of Moscow Exchange, which combines the activities of a trade organiser and a financial platform operator. The Methodology has been developed in accordance with the Bank of Russia Ordinance No. 4791-U, dated 7 May 2018, 'On the Requirements for Trade Organisers to Create a System for Managing Risks Related to Trading and Transactions with Their Assets and on the Requirements for Trade Organisers' Documents Stipulating Measures to Mitigate the Said Risks and Prevent Conflict of Interest', Federal Law No. 211-FZ, dated 20 July 2020, 'On Financial Transactions Using a Financial Platform' and the following internal documents:

- Rules for Managing Risks Relating to Trade Organiser's and Digital Financial Assets Exchange Operator's Activities;
- Financial Platform Operator Risk Management Rules;
- Financial Risk Management Policy;
- Operational Risk Management Policy;
- Strategic Risk Management Policy;
- Regulatory Risk Management Policy;
- Reputational Risk Management Policy;
- Tax Risk Management Policy;
- Group Risk Management Strategy;
- Other internal documents on management of certain types of risks.

1.2. The Methodology sets a list of risk appetite indicators, rules and parameters for calculating their threshold and actual values.

1.3. The Methodology reflects a unified approach to determining the acceptability of risks for Moscow Exchange. All management decisions at Moscow Exchange are made taking into account the established risk appetite indicators and their threshold values. Risk appetite threshold values are taken into account at all decision-making levels when determining the approach to risk appetite cascading within the Group. Risk appetite threshold values are taken into account at all decision-making levels when determining the approach to risk appetite cascading within the Group.

1.4. Risk appetite indicators and their thresholds are subject to update on an annual basis.

2. Terms and definitions

MOEX Operational Risk Event Database (OREDB) is an electronic repository of information on operational risk events (hereinafter, ORE) and on incidents (events) relating to operational risk, but without having any consequences and negative effects to the company's processes.

Group is MOEX Group companies consisting of the Moscow Exchange, National Settlement Depository (hereinafter, NSD), Central Counterparty National Clearing Centre (hereinafter, NCC), and National Mercantile Exchange (hereinafter, NAMEX).

Degradation is disruption of technological processes of the Group and/or those used by the Group entailing failure to provide or inadequate provision of services related to enabling financial transactions between recipients of financial services and financial institutions and issuers.

ORISBCD is the Operational Risk, Information Security and Business Continuity Department, risk management division of Moscow Exchange.

Risk map is a representation of identified risks. A risk map includes risk assessment criteria: the level of damage from risk realisation and the probability of occurrence of a risk event within a certain period of time.

Compliance risk is a risk of losses due to non-compliance with legislation, internal documents, standards of self-regulatory organisations (if such standards or rules mandatory applicable), and also as a result of sanctions and/or other enforcement measures taken by the oversight bodies. The term regulatory risk is used to describe compliance risks, the former being one (but not the only) component of compliance risks.

Credit risk is a risk of loss resulting from any failure to fulfil, delayed or incomplete fulfilment by the counterparty of their respective contractual obligations.

Tax risk is uncertainty as to business goals achievement owing to tax process related factors, which may materialise as financial losses or other adverse consequences stemming from current or future events and processes in tax relations and tax accounting, or events or processes affecting tax relations and tax accounting.

Non-financial risks (hereinafter, risks) are operational risks (including the risk of information security and business continuity breach), compliance risks, including regulatory ones, reputational risks, strategic risks, legal risks and tax risks.

Operational Risk means a risk of operations disruption for Moscow Exchange as a result of imperfect internal business processes of Moscow Exchange and (or) acts or omission of Moscow Exchange's employees, errors in Moscow Exchange's software and hardware facilities, as well as external exposure and (or) acts or omission of third parties.

Financial Platform Operator's operational risk is a risk of consequences that entail suspension or termination of services, whether in full or in part, and a risk of expenses (losses) for the Financial Platform Operator as a result of failures and/or errors of software and hardware, and/or in the internal business processes, errors of employees and/or as a result of external events that have adverse impact on the Financial Platform Operator.

For the purposes of this Methodology, the term operational risk includes both definitions: operational risk of the Trade Organiser, and operational risk of the Digital Financial Assets Exchange Operator and Financial Platform Operator.

The **cumulative maximum level of risks** is the maximum potential loss that Moscow Exchange is ready to incur if the risks provided for by its risk appetite are realised.

Legal risk is a risk of losses as a result of inefficiently organised legal work leading to errors of law in the Moscow Exchange's activities due to actions of employees or management bodies; breaches of contractual terms and conditions by the Group, as well as by the clients and counterparties of Moscow Exchange; availability of contractual provisions that do not meet the rights and interests of Moscow Exchange; imperfection of the legal system; Moscow Exchange, its clients and counterparties being under the jurisdiction of various states.

Regulatory risk is a risk of expenses (losses) and/or other adverse consequences incurred by Moscow Exchange owing to non-compliance of organised trading activities carried out by the Exchange on the basis of a relevant license and activities of financial platform operator carried out by the Exchange on the basis of inclusion of the Moscow Exchange in the register of financial platform operators with the Russian Federation laws regulating the activities of the Moscow Exchange, as well as with rules of organised trading, rules of financial platform as well as constituent and other internal documents of Moscow Exchange for managing regulatory risks and/or incurred as a result of measures applied to Moscow Exchange by supervisory bodies.

Risk means an event or a condition that, if occurs, has a negative impact on business processes, services, and customers, and also leads or may lead to potential losses in a form of lost revenue, additional expenses or a negative impact on business reputation.

Risk appetite is the maximum amount of risks (acceptable level of risks) which the company is ready to accept to achieve its strategic objectives, expressed as a system of quantitative and qualitative indicators limiting the level of risks accepted.

Information security (IS) risk is the risk associated with the possibility of loss of IS properties (confidentiality, integrity and accessibility) by the information assets as a result of IS threats realisation.

Liquidity risk is a risk of losses resulting from failure to ensure the fulfilment of one's obligations in a timely manner and in full.

Reputational risk is a risk of consequences that entail expenses (losses) or other adverse effects as a result of a negative attitude to the trade organiser by the counterparties of the trade organiser, trading members and their clients, shareholders of Moscow Exchange, the Bank of Russia and other parties that may adversely affect the trade organiser's ability to maintain existing business relations and/or to build new business relations and maintain continuous access to sources of funding.

Market risk is a risk of losses in on- and off-balance-sheet positions arising from movements in market parameters (interest rates, financial instruments prices, exchange rates), as well as resulting in reduced market liquidity regarding positions liquidation/restructuring.

Early Warning Signal (EWS) is the value of the interim indicator level during monitoring (to prevent breach of risk appetite), upon reaching which information is escalated to the management bodies.

Risk Management System (RMS) is a set of rules, documents and measures for identifying and assessing risks, influencing risks, and monitoring their condition in order to minimise financial losses due to adverse changes in risk factors.

Risk event is an event, situation or circumstance that is characterised by realisation (manifestation) of a risk and may be accompanied with infliction of losses on (expenses incurred by) the company.

Stress testing of non-financial risks is modelling various negative scenarios of realisation of non-financial risks that entail financial and non-financial consequences. One of the stress scenarios for operational risks of the Moscow Exchange is load testing. Assessment of Moscow Exchange's software and hardware resistance to significant changes: exceptional, but believable events related to the violation of business processes and the external environment.

Non-financial risk scenario analysis (scenario analysis) is a specially structured forecast of losses and operational and/or other non-financial risk events such losses arise from, based on expertise in

the area where the risks are to be assessed. Scenario analysis involves predicting the occurrence of an operational risk event, the likelihood of its occurrence, and an estimate of the amount of potential loss within the scenario under analysis. Scenario analysis can be done based on collected data on internal and external operational risk events, on expert judgement, on findings from quantitative and qualitative analysis, and on the results of risk self-assessment and control procedures, ongoing operational controls, values of key risk indicators, internal and external audits and audits by external supervisory bodies.

FRU is the Financial Risks Unit, risk management division of Moscow Exchange.

Financial risks are market, credit, liquidity and market risks, including currency risk, interest rate risk of on-balance-sheet position and interest rate risk of the trading portfolio.

2.1. The terms not specifically defined in this section shall be used in the meanings defined by laws and other regulatory legal acts of the Russian Federation, as well as by the internal documents of Moscow Exchange.

3. Goals and objectives of setting the maximum and cumulative maximum risk levels through defining risk appetite

3.1. The main goal of defining risk appetite is to ensure control over the level of risks accepted by Moscow Exchange to achieve its business goals, form a common understanding of acceptable risks at all management levels of Moscow Exchange, achieve strategic and operational goals and develop an efficient risk response process.

3.2. Risk appetite is taken into account in income and expenses planning, budgeting, developing and updating the development strategy and functional strategies of Moscow Exchange, and managing risks as part of the main activity of Moscow Exchange.

3.3. Risk appetite of Moscow Exchange is recorded in the risk map of Moscow Exchange which contains the cumulative (integral) indicator of risk appetite, the risk appetite indicator by types of risk and their approved values.

4. Determining the list of risk appetite indicators and the methodology for determining their threshold and actual values at Moscow Exchange

4.1. As part of RMS, Moscow Exchange identifies, analyses and evaluates risks, determines significant risks, establishes a system of parameters for their measurement and monitoring, monitors their values and, if necessary, ensures risk mitigation measures.

4.2. For each type of significant risk, Moscow Exchange sets the maximum level of risks, as well as the cumulative risk level (hereinafter jointly referred to as risk limits).

4.3. The following tasks are performed to determine the list of risks whose realisation Moscow Exchange considers unacceptable:

- identification of risks inherent in Moscow Exchange's activities;
- identification of possible losses or other negative consequences as a result of materialised risks inherent in Moscow Exchange's activities;
- identification of expectations of heads of structural divisions and management bodies of Moscow Exchange regarding the list of unacceptable risks;
- forming and establishment of risk appetite, EWS and list of unacceptable risks;
- building a system for monitoring compliance with risk appetite and controlling methods of response to unacceptable risks;
- regular reporting based on the results of monitoring and control;
- regular review of risk appetite and previously established list of unacceptable risks.

4.4. To determine the maximum risk level, as well as the cumulative maximum risk level, Moscow Exchange uses the following methods:

4.4.1. Assessment of potential consequences from risk realisation based on historical data and setting maximum values for indicators at the level of average values for several selected years;

4.4.2. Identification and analysis of the most likely risk scenarios, and setting benchmark thresholds at the level of the obtained values;

4.4.3. Assessment of the impact of potential losses on the financial results of Moscow Exchange and setting risk appetite based on the size of the potential loss, in which there is no impact on the implementation of strategic initiatives of Moscow Exchange;

4.4.4. Risk stress testing for certain types of risk to establish the maximum expected losses from the materialised risks;

4.5. Risk appetite of Moscow Exchange is set by the Supervisory Board of Moscow Exchange for the next calendar period in relation to risks recognised as major risks and medium risks for Moscow Exchange.

4.6. When determining the risk appetite, Moscow Exchange proceeds from the concept of going concern in adverse conditions and results of scenario analysis and stress testing.

4.7. Threshold values of risk appetite indicators of Moscow Exchange have qualitative or quantitative expression. The qualitative expression of risk appetite implies that risk appetite does not have clear quantitative indicators, i.e. it represents a general statement of what is permissible, acceptable or unacceptable for Moscow Exchange in pursuit of its strategy and goals.

4.8. The general list of risk appetite indicators for Moscow Exchange and the methodology for determining their threshold and actual values are presented in Appendix 1.

4.9. In order to establish risk appetite, Moscow Exchange defines the following set of indicators:

Credit risk:

1. Expected losses (investments for income), % of portfolio;
2. Expected losses under nostro accounts/settlement accounts ("A" and "B" rated counterparties), % of balances.

Market risk:

1. VaR 99% 10D of the FX risk open currency position, % of own funds;
2. Potential revaluation of the trading portfolio of sovereign and corporate securities under a stress scenario, % of min. own funds
3. Investments into pre-IPO funds, RUB billion.

Legal risk:

1. Losses from the legal risk realisation, RUB million.

Tax risk:

1. Losses from the tax risk realisation, RUB million.

Compliance (regulatory) risk:

1. Number of compliance (regulatory) risk occurrences;
2. Losses from the compliance (regulatory) risk realisation, RUB million.

Operational risk (operational risk benchmarks):

1. Real-time systems availability, %;
2. Availability of systems ensuring other client services[1], %;
3. Losses from the operational risk realisation, RUB million;
4. Number of IT incidents that lead to non-availability of real time systems, incidents.

Information security risks:

1. - Operational reliability incidents in accordance with 779-P, which resulted in service unavailability exceeding the permissible idle time for the technological process,
   - Information security incidents with high impact,

[1]Calculations include the availability indicators for MOEX: Personal Account pages, the Moscow Exchange website, MOEX Treasury, Marketplace, DFA Exchange Operator, provided that the unavailability of the system entails a complete suspension of the service and the impossibility of providing it in an alternative way.

with reputational damage in the form of negative media coverage, q-ty of incidents

2. Operational reliability incidents in accordance with 779-P, which resulted in service unavailability exceeding the permissible idle time for the technological process, without causing reputational damage, q-ty of incidents.

Reputational risk:

1. Customer churn as a result of the reputational risk.

5. Determining the list of risk appetite indicators and the methodology for defining their threshold and actual values at the Group

5.1. The Supervisory Board of Moscow Exchange recommends that the Supervisory Boards of the Group companies set the indicators specified in Appendix 1.

5.2. The Group's risk appetite is set with a horizon for the year 2026 in relation to the risks recognised as significant at the Group level, or medium risks inherent to Group companies and measured equally.

5.3. In order to establish risk appetite of the Group, it is recommended to use the following set of indicators that reflect the risk level:

Credit risk:

1. Expected losses (investments for income), % of portfolio;
2. Expected losses under nostro accounts/settlement accounts (“A” and “B” rated counterparties), % of balances;
3. Potential losses on transactions with “C” rated counterparties, RUB million.

Market risk:

1. VaR 99% 10D of the FX risk open currency position, % of own funds;
2. Potential revaluation of the trading portfolio of sovereign and corporate securities under a stress scenario, min. own funds.

Legal risk:

1. Losses from the legal risk realisation, RUB million.

Tax risk:

1. Losses from the tax risk realisation, RUB million.

Compliance (regulatory) risk:

1. Number of compliance (regulatory) risk occurrences;
2. Losses from the compliance (regulatory) risk realisation, RUB million.

Operational risk (operational risk benchmarks)**:**

1. Real-time systems availability, %;
2. Availability of systems ensuring other client services, %[2];
3. Losses from the operational risk realisation, RUB million;
4. Number of IT incidents that lead to non-availability of real time systems, incidents.

Information security risks:

1. - Operational reliability incidents in accordance with 779-P, which resulted in service unavailability exceeding the permissible idle time for the technological process,
   - Information security incidents with high impact,
   with reputational damage in the form of negative media coverage, q-ty of incidents
2. Operational reliability incidents in accordance with 779-P, which resulted in service unavailability exceeding the permissible idle time for the technological process, without causing reputational damage, q-ty of incidents.

Custodial risk:

1. Share of vault precious metals (gold) as a percentage of total precious metals (gold), %
2. NSD custodial risk event-related losses, RUB million.

Reputational risk:

1. Number of negative information occasions causing negative stories in mass media/social networks about MOEX Group, occasions.

Strategic risk:

1. Underperformance versus commission income plan, %

[2]Calculations include the availability indicators for MOEX: Personal Account pages, the Moscow Exchange website, MOEX Treasury, Marketplace, DFA Exchange Operator; for NCC: customer interaction services (Clearing Terminal, EDO, SWIFT, SPFS), SAPFIR, NCC's website; for NSD – Web-Client (Corporate Governance, Corporate Event, Collateral Management, Repository, Transit Untyped Electronic Document, Mutual Fund web-clients), Fast Payment System, web-client of banking services, Integration Gateway, FTR, SPFS, SWIFT and NSD website, for NAMEX - website and personal account, provided that the unavailability of the system entails a complete suspension of the service and the impossibility of providing it in an alternative way.

6. Risk appetite compliance monitoring and reporting for Moscow Exchange

6.1. Monitoring of compliance with the established quantitative and qualitative indicators of risk appetite is conducted on an ongoing basis.

6.2. The procedure for controlling risk appetite indicators includes measures to compare the results of monitoring the risk level with the established risk appetite thresholds on a regular basis. Based on the results of monitoring, the dynamics of the indicator is determined, appropriate measures are initiated in case of detection of achievement and/or breach of threshold values, and reports are prepared.

6.3. Monitoring of risk appetite compliance and the reporting is performed in accordance with Table 1:

Table 1. Area of responsibility for developing and monitoring the Group's risk appetite indicators

Corporate body/Structural division	Area of responsibility
Supervisory Board Moscow Exchange	Sets the composition of indicators and threshold for risk appetite of the Group and Moscow Exchange and monitors compliance with risk appetite at the level of the Group and Moscow Exchange, recommends indicators and their thresholds to companies in the Group. In the event of a breach of risk appetite, the Chairman of the Supervisory Board of Moscow Exchange and the Chairman of the Risk Management Committee call for an extraordinary meeting. They are notified by DORISBC upon the triggering / breach of an EWS and receive data regarding the causes of the breach. as well as mitigation actions already taken and those planned. Informing is carried out no later than one day from the date of detection.
Risk Management Committee of Moscow Exchange, Risk Committee of NCC	They are notified upon the triggering or breach of an EWS and receive data regarding the causes of the breach, as well as the actions already taken and those planned for regulatory measures. The Chairman of the Committee may initiate an extraordinary meeting of the Committee on the recommendation of any of its members[3].
Executive Board of Moscow Exchange	Responsible for controlling compliance with the decomposition of the Group's risk appetite indicators by subsidiaries. Is informed when an EWS is reached or risk appetite is breached.
Supervisory Board of NCC, Supervisory Board of NSD, Supervisory Board of NAMEX	Responsible for setting the pool of indicators and threshold for risk appetite at the individual level based considering the recommendations from the Supervisory Board of Moscow Exchange on decomposition of the Group's risk appetite.
Risk Committee of NCC, Audit Committee of NSD, Audit Committee of NAMEX	Should be informed when an EWS or risk appetite is reached/breached and should receive information on the causes for the breach of EWS and risk appetite, along with information about measures to address the situation. The Chairman of the Committee may initiate an extraordinary meeting of the Committee on the recommendation of any of its members[1].
Executive Board of NCC, Executive Board of NSD, Executive Board of NAMEX	Should be informed when an EWS or risk appetite is reached/breached for the Group's company.
Moscow Exchange Risk Management	Monitors compliance with risk appetite and limits at the Group level, ensures generation of reports on compliance with risk appetite.
NCC Risk Management, NSD Risk Management, NAMEX Risk Management	Monitors compliance with risk appetite and limits at the solo level.

[3]For making appropriate decisions to regulate the risk appetite indicator and prevent its breach.

6.4. When setting risk appetite, Moscow Exchange assesses the impact of risks for Moscow Exchange on the financial stability by assessing potential risk event(s), the occurrence of which, considering the probability of its (their) occurrence and the degree of influence, would lead to losses for Moscow Exchange.

6.5. Moscow Exchange identifies risks occurrence though risk appetite indicator monitoring, the values for which are calculated on a monthly basis by the divisions responsible for managing certain types of risks and consolidated by the Operational Risk, Information Security and Business Continuity Department (ORISBCD). An employee of the structural division responsible for risk management jointly with the ORISBCD analyses risks occurred, assesses the risk level, checks for threshold breaches, the reasons for and consequences from such breaches.

6.6. In the event of realisation of the events that resulted in EWS violation, not later than the day following the day of detection of EWS violation the ORISBCD shall generate a newsletter to the members of the Executive Board and members of the Risk Management Committee of Moscow Exchange Supervisory Board, members of the Moscow Exchange Supervisory Board. The newsletter includes information about the undertaken and planned measures to address the situation. If the EWS indicator for the Group is reached, when the indicator for one of the companies is not violated at the same time, the Committees of the Supervisory Boards are informed (listed in Table 1), and the Supervisory Boards of the Group companies.

6.7. Should events resulting in reaching / breaching risk appetite be detected, not later than the day following the day of detection of risk appetite violation, the ORISBCD shall generate a newsletter to the members of the Moscow Exchange Executive Board, members of the Risk Management Committee of the Moscow Exchange's Supervisory Board, and the members of the Supervisory Board of the Moscow Exchange on the realised events. The newsletter includes information about the undertaken and planned measures to address the situation. If the Risk appetite indicator for the Group is reached, when the indicator for one of the companies is not violated at the same time, the Committees of the Supervisory Boards are informed (listed in Table 1) and the Supervisory Boards of the Group.

6.8. Upon the results of monitoring of Moscow Exchange's risk appetite, the ORISBCD shall form a report to be submitted for the Moscow Exchange Executive Board on a monthly basis, and for the Risk Management Committee and the members of the Supervisory Board of Moscow Exchange – on a quarterly basis. The report shall contain information on the list of risk appetite indicators, the level of risk at the reporting date, information on risk occurrences and measures to eliminate violations and reduce the level of risk (if necessary).

6.9. When detecting a breach of EWS and risk appetite, and when reducing or eliminating risks, the ORISBCD jointly with the responsible divisions shall adhere to the following procedure:

6.9.1. Determine the cause for the breach or identify factors that may contribute to the realisation of the identified risk;

6.9.2. Identify the possible consequences that may arise from such a risk;

6.9.3. Determine the list of employees of Moscow Exchange responsible for the area of risk factor occurrences and risk realisation consequences;

6.9.4. If a risk occurs, decisions are made as to the measures necessary to mitigate certain risks that affect the level of risks accepted by Moscow Exchange;

6.9.5. Develop, together with the employees named in paragraph 6.9.3, a set of measures aimed at eliminating the risk factors, or risk consequences mitigation measures, or measures aimed at eliminating the risk.

6.9.6. Agree with the heads of structural divisions of Moscow Exchange on the timeframes and persons responsible for the implementation of such measures.

6.9.7. The ORISBCD controls the timeframes and implementation of the assigned measures.

6.9.8. If necessary, the ORISBCD prepares reports on the status of implementation of the measures for the collegial management bodies of Moscow Exchange.

6.10. In the case of realisation of related risks (where realisation of one event leads to realisation of several risks), the actual amount of losses or allowances for expected losses should be recorded as a fact for all types of related risks with the corresponding note and detailing which risk was the original source and which related risks arose.

6.11. If there is a high probability that the risk would be realised and allowances for expected losses are created, such allowances should be recorded as the actual value of risk appetite in the period in which they were created, not as an accumulated total. The accumulated total is recorded for the values of allowances for expected losses for the year. Additionally, the report records the status of all created allowances for expected losses that were previously reflected in the report on compliance with the threshold values of risk appetite benchmarks.

6.12. In respect of risks recognised as significant, Moscow Exchange develops internal documents, and a plan of efforts to mitigate or eliminate such risks (hereinafter, the action plan), and ensures that the action plan and its implementation procedure are communicated to the authorised management bodies of Moscow Exchange.

6.13. An extraordinary revision of individual indicators, methods of their calculation and/or threshold levels of indicators is possible in the following cases:

- when there are objective reasons for the violation of the risk appetite indicator, for example, when market conditions change;
- when making changes to the Development Strategy of Moscow Exchange and/or Group companies, or to the Risk Management Strategy;
- upon the recommendation of the members of the Supervisory Board of Moscow Exchange.

6.14. When assessing the risk management effectiveness, an analysis of the effectiveness of the activities to identify risks, eliminate breaches and/or implement other measures to mitigate or eliminate such risks is performed.

6.15. The procedure for monitoring compliance with the procedure for detecting breaches of risk limits includes independent inspections of the Internal Audit Service (IAS) at least once every three years[4].

7. Risk appetite compliance monitoring and reporting for the Group

7.1. Each Group company sets its own risk appetite threshold values which are adopted by the Supervisory Board of the respective Group company. The Group's risk appetite threshold values are determined and recommended by the Supervisory Board of Moscow Exchange.

7.2. The procedure for establishing the Group's risk appetite includes the following steps:

7.2.1. Identification of risks that are significant at the level of each individual company and the entire Group;

7.2.2. Determining the composition and thresholds of indicators that will be included in the Group's risk appetite;

7.2.3. Decomposition of the Group's risk appetite indicators into individual companies within the Group;

7.2.4. Determining the composition and thresholds of indicators that will be included in the Group companies' risk appetite in addition to the decomposed portion of the Group's risk appetite.

7.3. The scheme of escalation of information about risk appetite is reflected in Table 1.

7.4. Moscow Exchange aggregates Group companies' risk appetite reporting quarterly for the purpose of providing it to the authorised management bodies of Moscow Exchange.

7.5. The Moscow Exchange's risk appetite reports are regularly submitted to its Executive Board each month, to its Risk Management Committee every quarter (for the Group), and to its Supervisory Board annually (for the Group).

[4]Unless otherwise required by Bank of Russia regulations.

Annex 1

The general list of risk appetite indicators and the methodology for determining their threshold and actual values

TYPE OF RISK	INDICATOR	METHODOLOGY FOR CALCULATING THE ACTUAL VALUE	THRESHOLD LEVELS	
			EARLY WARNING SIGNAL	RISK APPETITE
OPERATIONAL [5]	Real-time systems availability	The **actual value** is calculated in accordance with the Key Systems Reliability Indicators Calculation Methodology of Moscow Exchange. The actual value is calculated taking into account all suspensions of trading that occurred during the reporting period, as registered in OREDB.	The **early warning signal** is set based on historical events associated with interruptions in the operation of systems ensuring other client services, as registered in OREDB.	The **risk appetite value** is determined on the basis of the worst-case scenario (set of events) associated with non-availability of real time systems in accordance with the Key Systems Reliability Indicators Calculation Methodology over a 5-year horizon (historical minimum).
	Accessibility of systems[6] ensuring other client services[7]	**The actual value** of the indicator includes all interruptions in the operation of systems ensuring other client services during the reporting period, as registered in OREDB	**The early warning signal** is set based on historical events associated with interruptions in the operation of systems ensuring other client services, as registered in OREDB.	**The risk appetite value** is determined based on the worst-case scenario (set of events) associated with the interruption in the operation of systems ensuring other client services, as registered in OREDB.
	Losses from the operational risk realisation	**The actual value** is calculated based on the losses actually registered in OREDB[8] in accordance with the Operational Risk Management Policy as the cumulative financial consequences (direct losses) of operational risk events, reflected in the accounts of allowances and accounting losses.	The **early warning signal** is set on the basis of historical losses registered in OREDB and the assessment of potential losses from events registered in OREDB in accordance with the Operational Risk Management Policy as a share in the Group's IFRS capital.	The **risk appetite value** is set on the basis of historical losses registered in OREDB and the assessment of potential losses from events registered in OREDB in accordance with the Operational Risk Management Policy as a share in the Group's IFRS capital.

[5]Operational risk– operational risk benchmarks

[6]Criteria for selecting systems to calculate the risk appetite indicator "Availability of other client services":

1) Systems, facilitating client services which are significant for individual clients/trading members/issuers
2) Systems. facilitating client services which interruption may involve reputational risks through demand for such services from individual clients/trading members/issuers.

[7]Calculations include the availability indicators for MOEX: Personal Account pages, the Moscow Exchange website, MOEX Treasury, Marketplace, DFA Exchange Operator; for NCC: customer interaction services (Clearing Terminal, EDO, SWIFT, SPFS), SAPFIR, NCC's website; for NSD – Web-Client (Corporate Governance, Corporate Event, Collateral Management, Repository, Transit Untyped Electronic Document, Mutual Fund web-clients), Fast Payment System, web-client of banking services, Integration Gateway, FTR, SPFS, SWIFT and NSD website, for NAMEX - website and personal account, provided that the unavailability of the system entails a complete suspension of the service and the impossibility of providing it in an alternative way.

[8]Operational risk event losses recorded on accounting books in the current period, which relate to the previous reporting period, are factored into risk appetite metrics of the reporting period in which the losses are recorded in the accounting records. Whereby, the report for the previous reporting period is not reapproved. The indicator factors into loss from non-financial risk materialization not covered by values of loss from legal, regulatory and tax risks.

TYPE OF RISK	INDICATOR	METHODOLOGY FOR CALCULATING THE ACTUAL VALUE	THRESHOLD LEVELS	
			EARLY WARNING SIGNAL	RISK APPETITE
	Number of IT incidents preventing access to real-time systems	The **actual value** is calculated based on OREs actually registered OREDB that led to the complete suspension of the provision of services to clients.	The **early warning signal** is set based on historical events, as registered in OREDB. OREs under the category "Software and hardware failures" that led to the suspension of the provision of services to clients	The **risk appetite value** is determined on the basis of the worst-case scenario (set of events) leading to the suspension of the provision of services to clients and systems over a 5-year horizon (historical minimum), taking into account the adjustment for the implementation of the Stabilisation and Reliability programme.
IS RISK	Operational reliability incidents in accordance with 779-P, which resulted in service unavailability exceeding the permissible idle time for the technological process, without causing reputational damage, q-ty of incidents.	The **actual value** is calculated based on actual occurrences of operational reliability incidents, which resulted in service unavailability exceeding the permissible idle time for the technological process, without causing reputational damage in the form of negative media coverage	The **early warning signal** is set expertly based on the historical values of the corresponding indicator.	The **risk appetite value** is set expertly based on the historical values of the corresponding indicator.
CUSTODIAL	Share of vault precious metals (gold) as a percentage of total precious metals (gold).	The **actual value** is calculated as the ratio of the volume of precious metals (gold) in RUB stored in bank vaults with internal rating at least A2 and/or internal rating of AA(ru)[9], as well as in ROSINCAS, Goznak to the sum of the volume of precious metals (gold) stored in RUB in bank vaults and the volume of precious metals (gold) stored in RUB in non-bank vaults.	The **early warning signal** determines a remaining expected maximum possible portion for non-bank vault storage services usage required for operating activities, given the precious metals (gold) market growth plans. It will be regarded as a breach if the breach continues for five working days (such time shall be enough to transport precious metals (gold) from non-bank vaults to bank vaults and make the indicator stabilised).	The **risk appetite value** determines a remaining maximum possible portion for non-bank vault storage services usage required for operating activities, given the precious metals (gold) market growth plans. It will be regarded as a breach if the breach continues for five working days (such time shall be enough to transport precious metals (gold) from non-bank vaults to bank vaults and make the indicator stabilised).
COMPLIANCE (REGULATORY) RISK[10]	Number of compliance (regulatory) risk occurrences[11]	**Actual value:** the number of events for the reporting period is calculated in accordance with the criteria of materiality of consequences, which the realisation of	The **early warning signal** is calculated expertly together with the Internal	The **risk appetite value** is calculated expertly together with the Internal Control Service and the Internal Control and Compliance Department.

[9]assigned by a rating agency accredited by the Bank of Russia.

[10]Due to the specific nature of the compliance risk, the parameters of risk appetite are set for compliance areas: licensed activities, anti-money laundering and countering terrorism financing (AML/CFT), FATCA/CRS, countering insider trading and manipulation, ethics/conflict of interest. At the same time, zones with zero risk tolerance are highlighted: sanctions and corruption

[11]In accordance with the consequences materiality criteria as set out in "Key approaches to compliance risk management of Moscow Exchange" that the implementation of compliance risks may lead to, in order to recognise such risks as having an impact on risk appetite.

TYPE OF RISK	INDICATOR	METHODOLOGY FOR CALCULATING THE ACTUAL VALUE	THRESHOLD LEVELS	
			EARLY WARNING SIGNAL	RISK APPETITE
		compliance risks may lead to, in order to recognise such risks as having a bearing on risk appetite as per the main approaches to compliance risk management, namely: violation of the law of the Russian Federation that involves pecuniary sanctions from the supervisory authorities; being handed a prescription from the Bank of Russia to eliminate breaches of the legislation; obtaining recommendations from the Bank of Russia as part of its oversight over the Exchange's compliance with legal requirements, containing references to specific regulatory legal acts in case the Exchange issues a motivated judgement on the assessment of existing risks.	Control Service and the Internal Control and Compliance Department.	
	Losses from the compliance (regulatory) risk realisation[12]	The **actual value**: the sum of cash payments made upon the decision of the supervisory authorities (except the Russian Federal Tax Service) in the reporting period.	The **early warning signal** is calculated expertly together with Moscow Exchange Group compliance team.	The **risk appetite value** is calculated expertly together with Moscow Exchange Group compliance team. The amount of cash payments is calculated by the decision of the supervisory authorities for the past reporting period based on the maximum amount of the fine and with the assumption of fines in the amount of no more than 3 (depending on the area of compliance risk).
LEGAL[13]	Losses from the legal risk realisation[14]	The **actual value** is calculated as the sum on claims, accepted by the courts for proceedings over the past period, assessed with a high probability of a negative outcome of the litigation, and payments as decided by the courts, and out of court so that valid claims can be satisfied.	**The early warning signal** is calculated expertly together with the Chief Legal Officer as a share of the Group's capital according to IFRS.	The **risk appetite value** is calculated expertly together with the Chief Legal Officer as a share of the Group's capital according to IFRS.
TAX	Losses from the tax risk realisation	The **actual value** is determined: 1) For MOEX and NCC: as tax arrears subject to withholding as a withholding agent and the amount of penalties from tax arrears as a taxpayer and a withholding agent. In this case, the amount of	The **early warning signal** is calculated together with the Director for Taxation of the Finance Unit.	The **risk appetite value** is calculated together with the Director for Taxation of the Finance Unit.

[12]In accordance with the consequences materiality criteria as set out in "Key approaches to compliance risk management of Moscow Exchange" that the implementation of compliance risks may lead to, in order to recognise such risks as having an impact on risk appetite.

[13]For NSD, when calculating the actual values of the indicator, amounts of losses (provisions) of the NSD arising from the occurrence of systemic stress events, such as the confiscation (debiting) of assets as through unfriendly actions, are not included.

[14] The loss reporting methodology aligns with the methodology for accounting for operational risk losses.

TYPE OF RISK	INDICATOR	METHODOLOGY FOR CALCULATING THE ACTUAL VALUE	THRESHOLD LEVELS	
			EARLY WARNING SIGNAL	RISK APPETITE
		penalties is calculated based on a 90-day period (the assumed duration of a desk audit); 2) amounts of tax arrears, penalties, and fines associated with specific potential risks (fines for risks carried over from 2024 and earlier, as from 2025 the National Settlement Depository is under tax monitoring)		
REPUTATIONAL	Number of negative newsworthy events causing negative stories in mass media/social networks about MOEX Group	The **actual value** is determined as the number of negative newsworthy events causing negative stories in mass media/social networks about MOEX Group. A newsworthy event is taken into account if two or more media outlets/social networks from the list of mass media/social networks to be monitored has published/reposted the news.	The **early warning signal** is calculated expertly together with the Department for Marketing and Communications.	The **risk appetite value** is calculated expertly together with the Department for Marketing and Communications.
	Customer churn as a result of the reputational risk	The **actual value** is calculated as the share of TOP 500 clients who did not make a single transaction during the analysed period in the total volume of the Exchange clients in comparison with the same value of the previous reporting period (month).[15]	The **early warning signal** is calculated as two standard deviations from the churn rate for the past 12 months.	The **risk appetite value** is calculated as four standard deviations from the churn rate for the past 12 months.
STRATEGIC	Underperformance versus commission income plan, %	The **actual value** is determined as a difference between the actual value of the annual commission income according to the management reporting data for a quarter and the planned value of commission income for the same quarter.	The **early warning signal** for the "Underperformance versus Commission Income Plan" benchmark is determined on an expert basis, taking into account historical data.	The **risk-appetite value** for the "Underperformance versus Commission Income Plan" benchmark is determined on an expert basis, taking into account historical data.
CREDIT	EL (investments for income), % of portfolio;	The **actual value** is calculated by the formula EL = $\frac{\sum PD * LGD * EAD}{\sum EAD}$, % of portfolio, where PD is a weighted average probability of default over a one-year horizon for assets; LGD is a weighted average loss at default; EAD – investment volumes with collateral. PD, LGD and EAD values are calculated in accordance with the Regulation "On the Procedure for the Formation of Estimated Allowances for Expected Credit Losses (for the purposes of IFRS 9)".	The **early warning signal** is determined based on historical data and projected (business plan) investment portfolio provided by the Treasury.	The **risk appetite value** is determined based on historical data and projected (business plan) investment portfolio provided by the Treasury. Full use of credit risk limits is considered as well.

[15]If these clients have shown continuous activity over the previous 12 months (i.e. they executed transactions every month). A group of clients with occasional but major transactions (e.g. one-off participation in redemption/placement transactions) is not included in the calculation.

TYPE OF RISK	INDICATOR	METHODOLOGY FOR CALCULATING THE ACTUAL VALUE	THRESHOLD LEVELS	
			EARLY WARNING SIGNAL	RISK APPETITE
		It is calculated for assets generated from instruments where funds have been specifically allocated for income purposes. This does not include correspondent / settlement accounts in RUB / FX.		
	EL under nostro accounts/settlement accounts ("A" and "B" rated counterparties), % of balances	The **actual value** is calculated by the formula EL = $\frac{\sum PD * LGD * EAD}{\sum EAD}$, % of balance volume, where PD is a weighted average probability of default over a one-year horizon for correspondent/settlement accounts; LGD is a weighted average loss at default; EAD is a balance on correspondent/settlement account. PD, LGD, EAD indicators and the algorithm for choosing an internal rating / rating assigned by a credit rating agency and/or an international rating agency to calculate PD are determined in accordance with the methodology described in the Regulation "On the Procedure for the Formation of Estimated Allowances for Expected Credit Losses (for the purposes of IFRS 9)". The standard approach to estimating EL can be adjusted, including the use of the credit risk assessment for the underlying asset[16] in the calculation of EL, taking into account regulatory easing and/or the specifics of settlements between credit institutions and/or confirmation by counterparties of their rating structure of funds placement in underlying assets.	The **early warning signal** is determined on the basis of historical data and business plan, taking into account the high uncertainty in implementing a new scheme for settlements in CNY and possible volatility of currency balances on certain days.	The **risk appetite value** is determined on the basis of historical data and business plan, taking into account the high uncertainty in implementing a new scheme for settlements in CNY and possible volatility of currency balances on certain days.
	Potential losses on transactions with "C" rated counterparties	The **actual value** is calculated as maximum possible loss on all counterparties (non-residents) internally rated "C" in a counterparty default stress scenario vein correlation.	The **early warning signal** is kept at 2024 levels due to considerable uncertainty in 2025.	The **risk appetite values** are kept at 2024 levels due to considerable uncertainty in 2025.
MARKET	Potential revaluation of the trading portfolio of sovereign and corporate securities under a stress	The **actual value** is determined based on scenario analysis of change in yields for various stress historical periods. Expected losses on the securities portfolio are calculated relative to the minimum amount of planned/forecast own funds (over a 12-	The **early warning signal** is set at ~ -10-15% of rusk appetite value.	The **risk appetite value** is based on the weighted average across Group members and represents an absolute loss amount (in RUB), corresponding to the level established for 2023.

[16]The underlying asset credit risk means the rating structure of the end placement of funds by the counterparty with whom the funds of the MOEX Group's participants were in turn placed

TYPE OF RISK	INDICATOR	METHODOLOGY FOR CALCULATING THE ACTUAL VALUE	THRESHOLD LEVELS	
			EARLY WARNING SIGNAL	RISK APPETITE
	scenario, % of min. own funds	month horizon, from the reporting date of calculation, taking into account the impact of stress factors and corrective measures).		
	VaR 99% 10D of the FX risk open currency position, % of own funds;	The **actual value** is calculated based on the metric of VaR 99% over a 10D open currency position revaluation risk assessment horizon.	The **early warning signal** is calculated as the currency risk exposure of Moscow Exchange, NCC and NSD set for the EWS purposes in relation to the total amount of own funds.	**The risk appetite value** is calculated as the total FX risk appetite of Moscow Exchange, NCC and NSD in relation to the total amount of own funds.
	Investments volumes into pre-IPO funds	The **actual value** is calculated based on the investment commitments actually undertaken.	The **early warning signal** is not determined	The **risk appetite value** is measured as a limit on the amount of maximum investments into funds
ZERO TOLERANCE INDICATORS				
IS RISK	- Operational reliability incidents in accordance with 779-P, which resulted in service unavailability exceeding the permissible idle time for the technological process, - Information security incidents with high impact, with reputational damage in the form of negative media coverage, q-ty of incidents	Operational reliability incidents in accordance with 779-P, which resulted in service unavailability exceeding the permissible idle time for the technological process / IS incidents with high impact causing reputational damage in the form of negative media coverage.		
CUSTODIAL RISK	NSD custodial risk event-related losses, RUB million.	It is calculated from the number of risk occurrences recorded in the Database on Risks and Risk Events for the reporting period		