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PRESENTATION

Operator

Ladies and gentlemen, thank you for standing by, and welcome to the Moscow Exchange Third Quarter 2020 IFRS results. (Operator Instructions) I must advise you that this conference is being recorded today on the 30th of October, 2020.

I would now like to hand the conference over to your first speaker today, Anton Terentiev. Please go ahead, sir.

Anton Terentiev - *Public Joint-Stock Company Moscow Exchange MICEX-RTS - Director of IR*

Thank you. Good afternoon, everyone, and welcome to Moscow Exchange's Third Quarter 2020 IFRS Results Conference Call. As usual, after the prepared remarks, we will have a Q&A session.

Today, we will have on the call our CFO, Max Lapin. Before we start, I would like to remind you that certain statements in this presentation and during the question-and-answer session may relate to future events and expectations and as such, constitute forward-looking statements. Actual results may differ materially from those projections. The company does not intend to update these statements to reflect events occurring after the date of the call prior to the next conference call.

By now, you should have received our press release containing the results for the third quarter 2020. Our management presentation is available on the company's website in the Investor Relations section. I will now hand the call over to Mark Slide. Max, please go ahead.

Maxim Vyacheslavovich Lapin - *Public Joint-Stock Company Moscow Exchange MICEX-RTS - CFO & Member of the Executive Board*

Thank you, Anton. Thank you all for joining us today to discuss Moscow Exchange financial results.

Let's turns to Slide 2. Our delivery on strategic initiatives in the first quarter 2020 and beyond. First, the change continues to add new products. (inaudible), the launches shipping company in Russia from the 3-year loan (inaudible) and raising RUB 43 billion approvals, an equivalent of [USD 0.5] billion. (inaudible) and residential real estate developer for chief, Commission in Citi in late October and raising approximately RUB [3] billion, an equivalent of USD [37] million. Max launched foreign equities trading, a selection of inches from a CP [500] entity now available in both main and pinion stations. And next Monday, the second of November, we will double the amount of available porting stocks. The listing clear change is names like Palo barge and Biron, we plan to expand the opt-in of foreign equities to 50 names by the end of the year.

(inaudible), a leading online development platform in Russia and global trim supply trail transportation group, is second listing some marks. This exemplifies the trend for secondary marketing by Russian company (inaudible), there has been a total of (inaudible) sauces in 2020 year-to-date. We observed continuous expansion of the locality universe. Eight new Russian lower ETFs began trading in the start of the quarter.

(inaudible) track sustainability factor index. We became the second it with an ESG focus on our offering. As a result, 29 (inaudible) total net asset value of approximately RUB 100 billion and now available on (inaudible).

Derivative market continues to expand its product lane. The limit sometimes of Polymetal interval made were launched as well as (inaudible) features on nonmetal stock. Second, we continue to work on new services. A personal finance platform to salsa known as the marketplace project, we implied in the code all clients following a successful stand in terminal launch in early September. Some 6 Russian banks are connected to the platform and are offering deposits to competitors. Up to 10 banks are joining before the end of the year. Russian citizens are welcome to try at (inaudible). The (inaudible) market introduced several novelties such as above a partial disability volumes or synthetic machine on destress, and future or seamless on our futures Commodity derivatives, maximum contract terms were extended on private and years and on year base rates for interest rate swaps became noble.

The NSD introduced relative appeal to the central bank's to meet an increased demand from international investors for trading rubles. This new service allows custodians and manage their liquidity more efficiently, eliminate counterparty risk and in line operations. As a result, more investors will be able to trade in the currency of their choice.

On top of that, MSD launched a new service allowing clients to access and as the aggregate volume on (inaudible) online the city the transaction from de steam derivatives. Third, we continue to develop the client base and partnerships.

At the end of October, the number of the (inaudible) clients exceeded 7 million, an amount of 7.4 million. This means that new than 3 million clients have joined since the beginning of the year. The total number of individual investment accounts has passed the 3 million mark.

The number of (inaudible) issues on the bond market continues to grow. In the second quarter, 6 contracts, including 12 newcomers, placed [169 shares], present a total of RUB [438] billion. And [20] a platform the Exchange of financial messages and retracement and key use to build the client base. 11 banks and (inaudible) already using it. Today and early next week, marks us holding its annual investment (inaudible) in remote pharma together with (inaudible).

Let us move on to the thematic slides. Slide 3 diversification opportunities, the foreign cars. Some people think that recent launch put in equities trading opens a brand new opportunity for our clients, which has an access to products, global and securities, how abates opportunity at Mark is much more mature. We've been in trading products nominated of 4 securities. Specifically, Eurobonds have been around for more than 10 years. In the current interest rate environment, the demand carbons is growing rapidly. See the market or short. We respond by adding new and longer issues featuring a lot of sites just both for retail vessels. Today, you have (inaudible) bundled splitter bond issues trading our regular electronic order books. More than 20 of them have ADTV above RUB 1 million. Issues were meaningful liquidity for the 1 vessel stores. We at soon until the end of the year. How to from that ETFs and global management have become substantial and not popular measured by both ATV and (inaudible), see the 2 charts on the bottom Speaking of stand-alone foreign equities, they can see convincing increase of value holding cost to get an SD and ripe confections. The ADTV on the (inaudible) are on the top right. Therefore, we have set related to for instruments on the side and only one of them is sort a deadline.

This is because we only added to [524] stocks. Once you build the inverse of 300-plus names in the next couple of quarters, we expect trading in foreign stocks to pick up as well. Dynamics of Pallancata Henrica transaction as well as ETFs (inaudible) group reporters at (inaudible).

Slide 4, (inaudible) systems are pushing companies in operated growth. But absent now the growing number of Russian companies with secondary eastern that feed into the trading event. During the quarter, their share in total equity market volumes approached 20%. The interest was driven by the inclusion of Yandex and Denise, Russian in the Exane activity standing product. Today, we have Malone candidate for inclusion in terms Russian according to recently published research business. It will be interesting to see if said provides further support to (inaudible).

Slide 5, the summary financials for the third quarter plant also to the financials. open income that is 6% year-on-year. Fee income surged by 30% year-on-year, mitigation a 30% decline in net interest income. The share of fees and commission income surpass [7%], the strategic benchmark and reached a record higher 74%. Operating expenses amounted to RUB 4.2 billion in [12%] year-on-year. The recurring cost income ratio increased by 1.9% year-on-year. The increase in OpEx was mainly caused by the expansion of personnel expenses by 24% year-on-year. I'll talk about that later.

Adjusted EBITDA was virtually flat, increasing by 2.6% year-on-year (inaudible) a margin of 7.2%. Adjusted net income added 1.8% year-on-year.

Slide 6 diversified fee and commission income. Overall, commission income growth of 30% earner restaurant double-digit performance by (inaudible) business line. We've got 3 leading contributors synaptic transfer the equities market, the money market and the paste and settlement services. (inaudible) keep at price. The equity market share in the overall fees and commission structure gained 2 percentage points year-on-year as it became the fourth larger business line. It's a significant opponent from the [dead] loss just a few quarters ago. Overall, we delivered an all-time higher fees and commission income for the full quarter in a row.

Slide 1, the money market. Fee income from the money market gains [8%] year-on-year, while trading volumes increased [3%]. The effective fee dynamics is explained by 3 efforts. First, with higher shares of CCP based reports to second, an extension of average repo turns. And third, greater of interest. The overall share of high value-added CCP base able more since in top of interior now stands at 90%, 9-0. Also in October, we launched market makers program for foreign equity support and activity services you might see an Slide 3. It's one of the previous slides.

Slide 8, money market telethon plant and the pars. The average strong exchange rate return increased by [20%] year-on-year, mainly due to the increase of GCC repo than a [26%] range. This agented position AK open interest continue to expand during the third quarter surpassing RUB [2.5] trillion. The need to manage assets and liabilities and the change in economic conditions, shrink and liquidity surplus in the system and professional opens are released by the Ministry of Finance.

You may have all contributed to the higher aggregate positions in the money market. Slide 9, the past. Cision commissions are on the past and title on improved by 26% year-on-year. The main factor behind the growth for the 12% expansion of average asset price (inaudible) on the pole at MSD. The growth was registered across all asset cases, but while most pronounced in government bonds, The gap between growth rates of fee income and assets and deposits as a result of business lines beyond safety in collateral management services is particularly well in that quarter and a higher demand (inaudible).

In the products market, Slide 10. The foreign exchange market fees increased by 14% annual trading volumes at 23%, while slot volumes contracted by 3.3% year-on-year. The higher share of spot trading demand the primary explanation of effectively dynamics. In durable peer were the main computer to test market dynamics more for Experis. The number of active clients of parts [40] available per quarter, like a [5%] year-on-year with return clients driving the growth. The spot market now has a higher retail volume share of [13%], up 6 percentage points year-on-year. Corporate volumes added 17% year-on-year and more market share in third quarter versus onshore OTC reached 47% versus 43% in the third quarter last year. And the demand for CCP services remains strong. The speed ban trading volumes exceeded USD 2.7 billion in the quarter.

I start on the pack in a mark to Slide 11. Fee income from the equities market growth 88% year-on-year following a nearly equivalent increase in raising loans of 63%. The insignificant discrepancy between volume dynamics was due to the titer structure. That provides incentives for higher volume traded.

It the same effect as in the first and second quarters. In other words, our key client generated sufficient volumes to get into lower tariff brackets. The fee income as well as volumes are supported by MOEX Index level average a quarterly historical high of [2,970] points. The last of taking loans remains elevated. MOEX market share versus the LSC in 3-month or start improved 10 percentage points year-on-year to 7% for the 9 months 2020 region, we start high.

(inaudible) contingents as well as porting stocks are now admitted to after our strategy, bringing the number of available instruments the [62] versus [325 at] launch. open stock will be at Maxi and creatinine, a tail alert in November.

The derivatives market on Slide 12. The fee income commodities increased by 18% year-on-year, trading loans for on-exchange contracts were up by 33% year-on-year. ForEx issues as the main volume in (inaudible) year-on-year, the discrepancy between volumes and fees is due to the shift in the mix towards less profitable ForEx and in derivatives and a low share of options, a few commodities we do it a sore present services in well despite the negative performance of the particular mid- lower oil prices. This include and half natural gas to insurance (inaudible) listen to launch with the actions on (inaudible).

Slide 13. I select income is of The line showed a strong performance with fee income rising by [43%] year-on-year. Listing fees grew [34] percentage on client bad expertise for accelerated replacement, information services in [29%], mainly due to the ruble weakening and proceeds from information part Sales of software and technical services, we are up by 21%, up by software commission at (inaudible). As in the last 2 quarters, other fee and commission income was largely driven by additional fees for recording individual creating collateral in Europe and Swiss franc client outers. Those fees were introduced at the beginning of the year.

Fixed income market, Slide 14. Fee income from the bond market improved by 18% year-on-year, whereas trading volumes added 23% year-on-year. To observe an easy tool increasing primary market activity due to the low base effect and record high (inaudible) placement model. The share of government bank placement in total primary market amount to 84%. The discrepancy between fees and (inaudible) entrant platforms, first saw low traction of corporate placement; second, higher share shutdown of (inaudible); and third, higher share of less profitable, negotiated trades versus electronic order books in the cake market. To sum it up, the declined interest rate environment supported primary market.

Slide 15. Interest and balance incomes in the third quarter. Net interest and finance income decreased by 30% year-on-year. Core NII was down by a predictable [17%] year-on-year. The negative factor of decline in interest rates, coupled with a normalized level of client ounces largely explains the corresponding please. The effective yield narrowed by [0.6] percentage points on the investment portfolio values to usually unchanged, decreasing by near 2.2% year-on-year. The client funds currency mix changed. opening our view is really due to the additional fees balances. We expected that. The share of year balances owns half, but that of dollar more than doubled.

As for the composition of the investment portfolio, total deposits in current currency mainly or constituents where smaller share approval deposits remain (inaudible).

Slide 16, the operating expenses exceeding provisions. Operating expense in third quarter 2020 increased by 12% year-on-year. This brought 9-month OpEx growth to 5.7% year-on-year, below the guidance range of [7-8.5%.] Personnel expenses added 22% year-on-year, and became the main driver behind OpEx menus. This result explanation. Personnel expenses we growing decompose into 4 components. 11.9% extra percentage points come from bonus accruals for the 9 months, stemming from (inaudible) and some KPIs. But the observed for the 9 months that our KPIs were hit above the targeted level. Therefore, we have provisional extra bonus for the year already expanding it this year.

4.5% are related to the marketplace. 4.4% stems from the new LTIP program and the remainder 1.6% are other factors.

Total G&A costs (inaudible) changed, taken by of 0.6% due to the offsetting effect from increase in amortization in terms of on decreasing depreciation of PP&E. Together with the equipment and intangibles maintenance, the line added 4.6%. Remaining admin expenses are virtually reflect all around about 0.8% year-on-year on the OpEx outlook. What, first at the development of marketplace progresses and we expand acceleration of spending during the fourth quarter. We will continue hiring personal for the projects. Second porters, let's say, migration or flexible shareable layout is also underway, where the bulk of our personnel team working comp. We're still expecting that OpEx returns to a normalized run rate as we all enter 2020. The revised guidance for this year stands at 7.5%, 8.5%. It's narrow by 50 bps from the previous guidance.

CapEx for the quarter amounted to RUB 800 million. We also update the financial year 2020 CapEx guidance to the range of RUB 2.6 billion to - RUB 2.8 billion from the previous guidance of RUB 2.7 billion.

In conclusion, let me address the marketplace project. Now on member of Fios Local Financial Services. It was launched as planned in early September in time in family mode. On October 15, in a site large commercial became an available to all clients. Commented, there is a limited selection market as pipes, we are on track to make all the projects or at the registration available by the end of the year. The obligatory car drivers liability as will be added in November as planned. As for the fees, we charge approximately [0.25] basis points -- of the deposit size plus RUB 400 for courier services (inaudible). The ultimate time is negotiable depending on the degree of banks environment in the project. We intend to keep client acquisition costs that were compared to banks' own sales channels.

This concludes my review of at another solid quarter for the Moscow Exchange. We are now ready to take questions. Welcome.

Operator

(Operator Instructions) The first question comes from the line of Mikhail Shlemov from VTB Capital.

Mikhail Shlemov - *VTB Capital, Research Division - Equities Analyst*

I have 2 questions actually. The first one is regarding the NII. Previously, I think you've been guiding that the average run rate on the NII part should have been in the range from RUB 3 billion to RUB 3.5 billion. But just like given that you're obviously at the lower end of a range and where in the low interest rate environment pretty much across the currencies. Is this guidance on the NII sustainable? Or you are wishing to revise it?

The second question is actually about the revenue mix. Obviously, the low interest rate environment has helped you to reach your revenue mix target in terms of the fees. Is there something also where you want to refresh a strategic target of 75%, which you are having in the strategy?

Maxim Vyacheslavovich Lapin - *Public Joint-Stock Company Moscow Exchange MICEX-RTS - CFO & Member of the Executive Board*

Those are good questions. Turning to the NII, so the sale guidance or a range estimate. When we've been talking previously when you have been talking about, let's say, RUB [3] million, probably RUB [3.5] billion range, with them entering the low range of the guidance the more sustainable. So [3.5%] are first to a potential fly out if it happens. So the CBR rate remains unchanged for a couple of already CBR announcement. So our expectation that We are, let's say, probably a little bit so of RUB 3 billion for the quarter run rate for the core NII. If we realize some gains, we would have but potential on top of that. So corona a little bit south of RUB 3 billion a quarter with additional building activities realized gains, it might be slightly above. So not the best estimate. Another driver to keep in mind is the amount of plan balances. We came back to the original volume that we have for the quarter before the pandemic situation. So we think that client balances are relatively stable. We have a little bit more rubels, little bit more dollars, which helps.

If you will chip in the fees that we are generating from euro custody euro clarities, (inaudible) effective some would be 3-plus. But those fees are accounted for in the fee and commission.

As for the revenue mix, I think that's kind of a good question. Yes, we hit and surpassed the strategic benchmark of would see having [30%] and [70%] is in a commission. Now we have like [1%] NRI [3.4%] fee commission We look at this as the strategic market achieved earlier than we expected due to our sustainable expansion in the equities market this year due to return measures and the money market and the bond market due to healthy interest rate environment for the liquidity management and the bond placements.

So we think that we surpassed the strategic benchmark. We don't have like another benchmark We Have in mind, but the direction is moving in the right way. So it makes us more predictable as well. We've heard from many investors and many analysts that higher share fees and commissions versus MII is supported for the multiple of the company. I hope this answers your question.

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Yury Olegovich Denisov - *Public Joint-Stock Company Moscow Exchange MICEX-RTS - Chairman of the Executive Board, CEO*

Yes, I'll just add a quick word that we were talking about the run rate for core NII, not the total NII because the total contains the revelation that we can foresee. But the core NII range, the realistic run rate range is something like 2.8% to 3% now. That's where we are sitting at the moment.

QUESTIONS AND ANSWERS

Operator

That's The next question comes from the line of Serge Garamita from Resins & Bank.

Sergey Garamita - *Raiffeisen CENTROBANK AG, Research Division - Analyst*

Yes. Actually, I have a question regarding OpEx guidance. So this range, 7.5% to 8.5% growth in OpEx. Does this 1% reflects (inaudible) through costs for marketplace? This is the first question.

The second question regards your capital position. So could you give an update regarding your required capital? It was around RUB 80 billion, RUB 81 billion. And now as we see, we already have more than RUB 97 billion in cash position. So you've already, basically, up to the level of cash available for dividend distribution next time comparable to the 2019 level already. So -- and you still have like 2, 3 months -- 2 to 3 quarters before the next dividend payment.

So my question is, could you give an update on the required capital level? Is it still RUB 81 billion?

And my final question regarding your CapEx. Is this a one-off increase in CapEx guidance? Does it reflect any additional CapEx for marketplace or something else? Because You mentioned in the press release that you (inaudible) during planned investments in KASE for this year. So What's the reason for the CapEx increase for this?

Maxim Vyacheslavovich Lapin - *Public Joint-Stock Company Moscow Exchange MICEX-RTS - CFO & Member of the Executive Board*

Serge, let me start with the OpEx guidance. The very early start of the guidance at the beginning of the year, was wider on the lower range because it didn't account for the low range of the guidance was pretty much conservative about the speed of marketplace development and the risk of potential weakening approval. The higher range of the guidance was slated for somewhat carbo and full set market marketplace development. So that's why we are moving up the low ratio of the guidance because it becomes relevant because marketplace [15] under some weaken from ruble, but we are not moving the higher range of the guidance not a roll. So that's the logic behind it.

The logic behind CapEx guidance is virtually the same. We have impact some impact from devaluation because CapEx has, let's say, hardware and licenses components, which are billable, let's say, dollars or (inaudible), on one hand. On the other hand, CapEx includes full speed market development, which is happening. Therefore, we are (inaudible) to the higher range of the CapEx guidance that we had the past we are moving in accordance with the aggressive (inaudible) for the marketplace that we have with a more in as we planned. But you might also consider yet more additional factor. We are looking at the change of regulation of Russia that some software might be VAT, value-added taxation, chargeable as of 1st of January next year. Therefore, we are considering that we would be able to buy some of that software in December, and therefore, under this year, VAT taxation, which is absent for some particular parts of software. So that's what we are looking in to. It's quite an effective solution because by an earlier to remains like 20% cheaper if acquisition of software is done by the end of the year. And since there are a lot of software is like amortizable, as an amortizable asset, it might also fall into the slightly increased CapEx guidance.

So this answers your 2 questions mostly to the capital level question. Yes, we do announce in our investor presentation on Slide 6. You made this representation by the investor presentation are pulled back on the website, the capital position that we have. It's roughly around RUB [80] billion, all in all, like regulatory requirements, and we are moving slightly above that.

I got to remind you that our regulatory capital for MTC is quite proportional to the volume of trading and the volume of collateral. Collateral Remains of launching. So what we're not thinking is impacting the level of collateral requirement and (inaudible). NCC is well capitalized, and we are recur decently capitalized for the dividend that another annual that you touched upon.

We will be taking some refinement about those RUB [8] billion capital requirement benchmark. We were then talking about it in the coming quarters. As for the dividend calculation and dividend calculation, there is CapEx, but there are potential M&A shifting, there are the changes in regulated capital, which are somewhat proportional to the volume of trading. So we have some proportionality in the capital level agin like working capital per type of proportionality of other companies, but it's quite limited. So the dividend calculation, we're really looking at the capital adequacy of, I'd say, for the first quarter of the year, that's when the dividend calculation is taking place. so therefore, I would say that for the dividend calculation we might have like was it to go, but not much more than that, then dividend cap update happens. That's not quite like halfway of the year as you might calculate in the (inaudible) dividend decision is due in March.

I hope this helps that. I think we are poised for register on capital position for the company, adequate capital levels are pretty much confined OpEx, CapEx growth for this year. And how does cash flow are available to equity for 2020, that might be expected.

Sergey Garamita - *Raiffeisen CENTROBANK AG, Research Division - Analyst*

And final question regarding CapEx. Where do you see the sustainable level in view of the ruble depreciation, et cetera, et cetera? So where do you see the (inaudible)?

Maxim Vyacheslavovich Lapin - *Public Joint-Stock Company Moscow Exchange MICEX-RTS - CFO & Member of the Executive Board*

Very (inaudible) speaking, CapEx is 50% nominated and to also be there directly to dollars. So we have some devaluation (inaudible), let's say, half of CapEx. Then we will have for the next year some further development of marketplace because we will be developing the commercial loans functional to a little bit (inaudible) for those lines of code development. And we will have some additional CapEx for the data center update, because we moved into new data center several years back. It's time to update some of the service and how clear because of the tactical policy.

I will be talking about the CapEx guidance for 2021 in March. So far, we are going through the budgeting cycle. But I would think our point that we are striving to make our business with predictable level, of course, and we are (inaudible) do that. The only flexible pain that we have is the speed of marketplace coding up. So we are looking, so far, into the user experience of the marketplace (inaudible). It went live for everyone in the country just a couple of weeks ago. So it's too early to tell, but we have several scenarios for the marketplace development. We are looking at them by the end of the year. And by March, we'll have a good guidance for 2021.

Anton Terentiev - *Public Joint-Stock Company Moscow Exchange MICEX-RTS - Director of IR*

Yes, we are now Since we discussing capital and marketplace, I will just read out a couple of questions that we have in the webcasting interface versus from (inaudible). what trend in ruble balances will be in the future? From what does it depend mainly? So Max has just touched on the level of client balances, but in rubles, mainly will depend on the amount of trading volumes. And at the same time, where we stand right now is, historically, in the historical context is quite sustainable level.

And the second question is from Samarth Agrawal from Citi. Congratulations on launch of the Marketplace project and thanks for the additional details. Just one query. I understand it is early stages, but could you comment on the initial customer feedback that you have received? And one more, if I may, Could you comment on progress on operational efficiency program at NCC announced in Q2?

Maxim Vyacheslavovich Lapin - *Public Joint-Stock Company Moscow Exchange MICEX-RTS - CFO & Member of the Executive Board*

Yes. As for the Marketplace feedback, we ramp through September in terms to hammer out technical potential marks and glitches and it went out fine. So we are satisfied with the friend and family family mode. Friends and family mode is over. The marketplace project fills out the customers the best. So far, The feedback what the majority or just like the inversion funnel, the in the customers and they are observing the conversion ratios and collecting like focused feedback on the technical components.

The good feedback will be when we will expand by the end of this year, the selection of banks who have like [6] banks at the moment when we expand like [10 plus] banks a wide range of products. It will be the proper time customer (inaudible). And as for the second question, Anton, would you please remind me the second question?

Anton Terentiev - *Public Joint-Stock Company Moscow Exchange MICEX-RTS - Director of IR*

Yes, sure. The progress, it's about the progress on operational efficiency program at NCC that we announced the previous quarter.

Maxim Vyacheslavovich Lapin - *Public Joint-Stock Company Moscow Exchange MICEX-RTS - CFO & Member of the Executive Board*

The operational program at NCC is aimed at the recent management MCC as management NCC or basically this (inaudible) focus on 2 full automate (inaudible) for all of the clearing regimes. Other, let's say, risk controls and cybersecurity. So this operational program is aimed on to preventing risk from (inaudible). We have a selection of reason that happened with the NCC in the past. Therefore, it is a rational excise program for the risk retention per se. (inaudible) that is rolling out just fine, one of the KPIs for the company. We will be looking at it through the efficiency of costs, so let's say, risks and bait analysis of Vermaat that are required to support diminish this profile. So we will be talking about those cost profiles for the operational risk management in the year to come.

So far, while other costs will happen through this year, they went into this year OpEx numbers, and they are within the guidance that we have.

Let me remind just one more time. It's not the pure cost cutting program per se. It's a risk management problem to revamp operational risk from happening (inaudible), let's say, where roughly 4 trillion transactions in ruble occur on a daily basis. So that's a lot. So there, we shouldn't have any revisions on reserves.

Anton Terentiev - *Public Joint-Stock Company Moscow Exchange MICEX-RTS - Director of IR*

Thank you, Max. We are ready to take further questions over the phone.

Operator

The next question comes from the line of Julian 0 from BCS GM.

Elena Tsareva - *BCS Financial Group, Research Division - Senior Banking Analyst*

I have several follow-ups on the questions asked earlier. So one question, a follow-up on NII. So given we had a very strong trading volume update in third quarter, we had balances actually contracting quarter-over-quarter. So what could be the like explanation for such decline in client balances despite volumes actually grow? This is my first question.

Maxim Vyacheslavovich Lapin - *Public Joint-Stock Company Moscow Exchange MICEX-RTS - CFO & Member of the Executive Board*

On just went back to normal. So Elena, on average, I should say, if you would compare the . Yes, let's look at Slide 15 So the client basis in the third quarter are less what we had in the first quarter, the similar quarters last year. We are having lasers modality that we change reduction. But all in all, It's the same amount. What I would look into that given that a vast majority of net interest income has been generated in rubles, the share of rubles high. The share of prebook is higher because will serve a collateral currency and a settlement currency. Second one, it's a single account for collateral settlement purposes. Since settlements are being done in rubles and second proportion (inaudible), that's why the amount of total rate is increasing. The year-end dollar collateral, let's say, [3] (inaudible) and that are being driven by the ForEx market. So and ForEx market, we shall be collateral and the stent counts for the product deals on ForEx market. They would be volatile, but the impact on NII is relatively limited. So the time we are back to a normal level of collateral, nothing special happening this year.

We is not observed like unusual points.

Elena Tsareva - *BCS Financial Group, Research Division - Senior Banking Analyst*

Understood. My second question is about OpEx for you. height. So you're saying that for (inaudible), you may see OpEx going to run rate normalized run rate. So what is the run rate normalized run rate? Do you see for OpEx maybe for the next year, just maybe some kind of range?

Maxim Vyacheslavovich Lapin - *Public Joint-Stock Company Moscow Exchange MICEX-RTS - CFO & Member of the Executive Board*

We're working to your numbers. Yes. very good question Elena. We are working out on the budget for next year. In fact, in our company, we are issued from 1-year budget into 3-year business plan. So to keep it aligned with the strategy. In the second year, our goal for the cost was very much simple. The fees and commission go about 10% cost definitely we should be growing at CAGR below 10%. So, for next year, we are not pricing guidance. We'd like to repeat the (inaudible) that we already the data we already developed. So that we should have for operations for the fees and commissions and fees and -- the operating cost. I will be made will be tougher next year because we have a very huge fees and commission run-up for 2020. But let me see, our internal aim that business, excluding marketplace, should behave as before. The marketplace project is sensitive (inaudible), I would say, advertising rubles being spent to acquire clients. We have many like of these scenarios for marketplace ramp-up, and that's the only (inaudible) relatively less predictable amount of spending from next year.

The range is not that big. (inaudible) it before March while we see how the first wave of marketing and customer acquisition went. So before March, they have not outlined a specific guidance. But other discipline should remain the same.

Elena Tsareva - *BCS Financial Group, Research Division - Senior Banking Analyst*

So I assume that like a normalized run rate, excluding marketplace, cost could be like around 7% growth a year? Or this is not what you are going to?

Maxim Vyacheslavovich Lapin - *Public Joint-Stock Company Moscow Exchange MICEX-RTS - CFO & Member of the Executive Board*

Normalized means excluding marketplace because marketplace is an advertising carrier into. So for Marketplace, I cannot talk a number, but for the business as we fish without marketplace, we'd like to repeat what happened this year or the year before and what's (inaudible) strategy. We are still nailing down the range that we are planning for next year.

Elena Tsareva - *BCS Financial Group, Research Division - Senior Banking Analyst*

And just a minor question on provision increase. So what is the rationale? It's not a major amount, but for 9 months it's at like RUB 300 million something. So what is the rationale of pickup of the provision? And also, if you could just remind the main calculations behind this provision.

Maxim Vyacheslavovich Lapin - *Public Joint-Stock Company Moscow Exchange MICEX-RTS - CFO & Member of the Executive Board*

It's very down. It's purely CVS expansion that affects the calculated provision on the bond portfolio that we hold. The way it happened through the year. Let's say, in the first quarter, when volatility hit, we had that IFRS 9 expansion on the bond portfolio (inaudible) RUB 850 million. Then we wound down this provision of approximately RUB 600 million in the second quarter because (inaudible) down. Now we are, let's say, because volatility is somewhat up on the third quarter, we (inaudible) some of that provision because of the CVS adjustments. So I would say that this provision (inaudible) are proportional to whatever is happening in the CDS universe -- CDS range on the Russian debt universe. That's it. We didn't have any defaults, we do have, let's say, any cash losses. So it's pure calculate provision.

Operator

The next question comes to the line of Andrey Klapko from Gazprombank.

Andrey Klapko - *Gazprombank (Joint Stock Company), Research Division - Senior Banking Analyst*

In your presentation in equities section, you voiced about the tariff structure changes to stimulate the bigger ticket volumes. What are your plans to the -- like fine-tuning the the tariff lines across the segments? If you could share about the like upcoming decisions would be very helpful.

Maxim Vyacheslavovich Lapin - *Public Joint-Stock Company Moscow Exchange MICEX-RTS - CFO & Member of the Executive Board*

Well, good question. One refinement and one projection. We are not changing -- really not change the debt structure for the (inaudible). The very simple thing happened that some of the traders hit up the certain level of volume when they get the volume discount based on the volume of trading. So the tariff structure remains the same as it was disclosed on our website. Roughly speaking, the basic flat tariff is 1.8 basis points for the equity market on both factors. If you trade more, you might have some discount, but they are not let bid. They are limited. So I won't like tariff going to (inaudible).

Going forward, we've been benchmarked in our tariffs like many times to other market. We are not changing the basic tariff structure for equity.

Operator

The next question comes from the line of Andrew Keeley from Sberbank.

Andrew Keeley - *Sberbank CIB Investment Research - Head of Financial Institutions Research & Senior Analyst*

A couple of questions. One is on your depository and settlement services. I mean it seemed like that was the line that really beat my expectation and it seems like consensus as well in the third quarter. It was a super strong quarter. And I'm just wondering if you can kind of help us, in any way, understand how we can perhaps better forecast this line. I mean I see from the presentation, you -- the growth in the fee and commission income this line is quite a lot higher than the assets on deposits, and you mentioned some other factors. But if you can maybe just give us a bit of color about where the kind of the marginal kind of revenue drivers are in this area, that would be very helpful. And then I'll ask another question after.

Anton Terentiev - *Public Joint-Stock Company Moscow Exchange MICEX-RTS - Director of IR*

Okay, Andrew, I'll just start to answer . Yes. So you rightfully noticed that the generally, deposits and settlement services are driven by the value of assets held in custody. And that's what was exactly the case in this quarter, but also the outperformance came from business lines beyond safekeeping. And we mentioned them on the slide about this business line. These are specifically clearing and collateral management service charges. So these are the 2 income streams related to repo transactions. So as you know, we have the big money market on exchange. And another kind of smaller money market at NSD so that's OTC repo transactions that people will do through NSD.

And as you look into the money market, you see that position in the money market increased and, basically, the demand for repo transactions increased for the reasons that Max has mentioned during his speech. But same factors work for NSD. So at NSD we also could see increased demand for repo transactions, and that's what helped this other business lines beyond safekeeping. And what's going to happen next is anyone's guess, but from my discussions with colleagues, these are not one-off transactions. These are not one-off business events. And this elevated demand for for repo might persist.

Maxim Vyacheslavovich Lapin - *Public Joint-Stock Company Moscow Exchange MICEX-RTS - CFO & Member of the Executive Board*

Andra, Yes, that's a good question, and Anton pretty much covers it. I will add some color on. On Page 9, we see that safekeeping charges come to be like [2/3] of the revenues of NSG. Those are very reliably proportionate to the asset on deposit asset on the customer. So that proportionality stands. The rest of the RevPAR that you have there, like 1/5 of the existing revenue structure, is proportionate to the repo market to a large extent. So repo market just has to let I think team on exchange with the And so, those reports MSD could be roughly proportional to the repo market that we have in the money market or the exchange itself.

Yes, they might be quite unpredictable for the outsider, but they resemble the overall logic of the minor market.

Andrew Keeley - *Sberbank CIB Investment Research - Head of Financial Institutions Research & Senior Analyst*

Okay. That's very helpful. Yes, that's good. Okay. And a couple of other questions. Can you just outline what your kind of strategy is towards admitting foreign stocks or trading foreign stocks? Because, first, I thought it was just the kind of U.S., and now I hear you're kind of looking at China as well. Is it just kind of Alibaba and Baidu? Or will there be others? And just any kind of color of how you think about that? And then -- sorry, and then my final question as quickly is, I see your headcount went up by 100 in the quarter. Was that pretty much all driven by the marketplace? And are you largely done now with the headcount increases, which have been quite high?

Maxim Vyacheslavovich Lapin - *Public Joint-Stock Company Moscow Exchange MICEX-RTS - CFO & Member of the Executive Board*

Yes, good questions. On the equity strategy, equity addition strategy. What we are doing? Why we are unfolding, let's say, probably up to 50 additional stocks a quarter (inaudible), and that's our target for next year to move on to that is probably between 30 and 50-ish stocks of water. Because all of those quarters got to be admitted the custody at NSG. So won't have like [3] localized solution, while ownership is at owners your stock discussed one. But this structure is more robust than other solutions present in the market and it's more sale. This submission takes a lot a bit slower speed than just, let's say, cross trading. Therefore, that's what limits the speed or the stock offer. But all plans for next year, let's say, probably 30-ish to 50-ish addition. The way we approach those stocks, we're looking at, let's say, I would say, like high-quality type of stocks, which are included into indices for regions and the countries, let's say, we're looking at the to Fortune 500 and similarly from China. That's the logic. We'd like to expand our inversion it will be unable at such a rate, as I mentioned. I hope that answers your question for the equities. (inaudible) Andre?

Andrew Keeley - *Sberbank CIB Investment Research - Head of Financial Institutions Research & Senior Analyst*

Yes, it's good. Yes, it does.

Maxim Vyacheslavovich Lapin - *Public Joint-Stock Company Moscow Exchange MICEX-RTS - CFO & Member of the Executive Board*

The one on the headcount that we would observe here in the presentation on the cost structure has a relatively simple explanation. We are ramping up the marketplace development project and marketplace requires its staff. At first, we have been doing some out siting outsourcing solution for marketplace and then when we have seen that developing color (inaudible) cheaper, we hired some personnel. So that expansion in personnel is most attributable to marketplace projects. And some of that expansion is attributable to risk management at NCC so that we are going through that operational risk management excellence at NSS project.

We are looking at the headcount numbers very thoroughly. We do know that you, as investors, care about those numbers. And we're making our -- projecting our business plan, we have a tight tension to those numbers as well.

Andrew Keeley - *Sberbank CIB Investment Research - Head of Financial Institutions Research & Senior Analyst*

Can you kind of add any color on whether you feel like are we at a point where we'll kind of revert back to the kind of 10, 20 a quarter that was the run rate kind of pre marketplace or there's still going to be quite a bit of growth related to the marketplace to come?

Maxim Vyacheslavovich Lapin - *Public Joint-Stock Company Moscow Exchange MICEX-RTS - CFO & Member of the Executive Board*

Well, I would say that marketplace drives a large chunk of that. It's visible from the right-hand details on the slide -- on Slide 16. And if you were to say, compare year-on-year, the growth is like 10% and 4.5% in terms of money driven by the marketplace. I do know that on the right-hand side of -- the (inaudible) on the left-hand side of the head at some proportion. So the larger part of that impact to the marketplace. The rest comes to the improved risk management headcount at the exchange, but that's basically it.

Going forward, we will be talking about marketplace in more details. We will be disclosing somewhat lower numbers when we will try to explain the performance of the business as is and the variable part of the marketplace going forward. So we will be disclosing that, but please let me do it in March rather than now.

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Operator

The next question comes from the line of Olga Veselova from BofA.

Olga Veselova - *BofA Merrill Lynch, Research Division - Equity Banking Analyst*

It's Olga from Bank America. I have several questions. So do you think, Max, that the marketplace can start to generate any visible EPS in the next 2 to 3 years? And also, do you think that the client acquisition cost can be shared with someone, possibly with product providers always maybe with the regulator given that they are interested in the competition of this marketplace? So this is my third question. I will ask my second question later.

Maxim Vyacheslavovich Lapin - *Public Joint-Stock Company Moscow Exchange MICEX-RTS - CFO & Member of the Executive Board*

Yes, for the marketplace, we want to show visible earnings from revenues from Marketplace project next year, the very next year. So that's our aim because we have like one product (inaudible) available and the other products hitting the shelves shortly are talking about the contract liability issuance in November. With those projects will have, like we it's a decent business line to show some revenue. These 2 revenues site that we will be able to launch the commercial loans marketplace a little bit further into 2021, and more specifically EPS.

Now we will have like visible revenues. We will be talking about multi place revenues, specifically started next year disclosure. So first to highlight a month and half of friends and family mode for limited range of customers, and we opened that light 2 weeks ago. So let us. It's not yet back to would have ratios in that mine, but not -- yes. In terms of customer acquisition cost, I would say that the project is functioning under the premise, that the customer acquisition cost, for us and for the bank participating the (inaudible), should be lower than the customer acquisition cost for the banks using their retail network, retail footprint and their marketing expense. But we mentioned now.

We will be also disclosing the cost of customer acquisitions (inaudible) the next cycles of disclosure, and you will the commentary on that. So far, we are too early to tell. We have like only collecting the full commercial launch. It's too early to tell. We have a figure in mind. We have a cap on that figure, and we are sure that we can live under that cap.

Olga Veselova - *BofA Merrill Lynch, Research Division - Equity Banking Analyst*

Okay. I have two more questions. One is given the high positive impact on trading volumes from the market volatility during the first 9 months of this year, do you think that there is a risk that in any up segment, trading volumes can be down or flat next year? And I'm most interested in derivatives and equities. How do you see that is? Or you still expect that some growth will be despite this factor?

Maxim Vyacheslavovich Lapin - *Public Joint-Stock Company Moscow Exchange MICEX-RTS - CFO & Member of the Executive Board*

Well, wonderful question because it's your right into the eye of the business model. Let me refer to Page 6. What's been happened in the third quarter was not driven by volatility (inaudible). So we have healthy expansion in all of the markets, not because of volatility, no. Volatility was gone by May. So May was in the second quarter, sorry, in the second quarter, I was cautiously mentioning that it's fundamental. It's not like momentum. Those are fundamental factors explaining sustain the increased volumes. By third quarter made I may be more sure about is because it's on the page here. Let me give that.

Volatility hits or (inaudible) products equities and (inaudible) first. What happened in March and April, they had a fly-up in the market product equities and derivatives beyond imagination. It was helped (inaudible) outlets you will come by May, Manila the strategic factors are supported. There are several strategic factors. First, increased retail interest retail the dry bar. Retail is the fundamental rate. Most of it is not, but retail door so the numbers helping. Then we had the liquidity expansion, the soft monthly policy that supportive of the price pending by the Central Bank. So what we observed here, we have expansion in the fixed income market and money markets, which have position driven market. They are not also deliver market.

In nutshell, I would mean that Should We have gone down in May the additional numbers without the support, you would be able to show how the third quarter numbers. We have three markets predisposed driven by our force and equities and retail market in those (inaudible) market, but now (inaudible) not be strategically supported by the fundamental (inaudible). Money market deposit fixed income market, IT sales leasing and team are position driven market or they are not volatility driven.

So I would say, a lot of it I think that exchange is driven by volatility, no. Only 3 business lines actually driven by volatility the third quarter numbers, they are strategically driven. I hope it helps.

Olga Veselova - *BofA Merrill Lynch, Research Division - Equity Banking Analyst*

Yes. It does. And my last question is about competition. I wanted to ask how the competition with the antigen book to exchange evolved? And here I have 2 sub-questions. One is What is your really differentiating factor with this versus the competitor other than the currency in which retail clients trade, ruble and dollars? So what is really different for the customers? And second, if you have that, can you give us the market shares in trading volumes by households between (inaudible) exchange?

Maxim Vyacheslavovich Lapin - *Public Joint-Stock Company Moscow Exchange MICEX-RTS - CFO & Member of the Executive Board*

We think relay the competition at go, that helps to create better services for the customer. In our case, in order to compare, we have to build a more reliable international stocks offering at Moscow Exchange, which I explained earlier are that on our way of the ownership of the stock in question is direct and start up, let's say, through the chains of the brokerage houses. So we think it's a more reliable, more robust product offering for the customer.

The other thing, we (inaudible) in rubles, which avoids one step of currency conversion in the offering. So you don't have the kind of currency before starting raising. It's more direct.

First, the market shares Anton, what do you please help me on that?

Anton Terentiev - *Public Joint-Stock Company Moscow Exchange MICEX-RTS - Director of IR*

Okay. So okay, what market share specifically are talking about how they measure them?

Maxim Vyacheslavovich Lapin - *Public Joint-Stock Company Moscow Exchange MICEX-RTS - CFO & Member of the Executive Board*

Moscow.

Olga Veselova - *BofA Merrill Lynch, Research Division - Equity Banking Analyst*

small for the sale clients?

Anton Terentiev - *Public Joint-Stock Company Moscow Exchange MICEX-RTS - Director of IR*

Sorry, say again?

Olga Veselova - *BofA Merrill Lynch, Research Division - Equity Banking Analyst*

Yes, trading volumes, the market share has been trading volumes in Household segment.

Anton Terentiev - *Public Joint-Stock Company Moscow Exchange MICEX-RTS - Director of IR*

Well, you can only measure -- you can only compare their volumes in equities trading versus our volumes and equities trading. And recently, in equity trading, their volumes have been increasing quite substantially. And at times, on some select days, you were getting comparable with our volumes. So -- but, on average, they are -- and you stand still a bit lower than us. So it could be -- their share could be 40% if you put all equities together. But if you don't do that, then you look at Russian equities stand-alone and foreign equity stand-alone, then you will not see much of an intersection. You will still have 100% Russian names with us. And still vast majority of 4 names still with (inaudible) exchange, if that answers your question.

Operator

The next question comes from the line of Andrey Pavlov-Rusinov from Goldman Sachs.

Andrey Pavlov-Rusinov - *Goldman Sachs Group, Inc., Research Division - Research Analyst*

Most of my questions have been already asked. So I just basically have one follow-up on the net interest income dynamics. So if we could go a little bit deeper into the FX portion of your interest income. And if you could discuss, basically, whether the decline in dollar yields that we have seen in the global markets has already been largely reflected in your third quarter numbers. So essentially, should we expect any further decline in your dollar yields if the global rates stay where they are, essentially?

And also it would be also helpful if you could share the amount of the FX interest income that you made during the quarter? Maybe just in broad terms, whether it was like RUB 0.5 billion or RUB 1 billion portion of your RUB 3 billion core NII?

Anton Terentiev - *Public Joint-Stock Company Moscow Exchange MICEX-RTS - Director of IR*

I maybe start...

Maxim Vyacheslavovich Lapin - *Public Joint-Stock Company Moscow Exchange MICEX-RTS - CFO & Member of the Executive Board*

Anton, please go.

Anton Terentiev - *Public Joint-Stock Company Moscow Exchange MICEX-RTS - Director of IR*

Yes. So I'll just maybe start answering that. So first, on the -- on yield on dollar instruments, yes, you can actually see a decline because of one thing. Still, instruments in our portfolio get redeemed. They reached the maturity and they get redeemed, and we have to replenish the portfolio. We have to buy something new. And when we buy these new instruments, their -- the coupon that they generate, the income that they generate is already based on the new rate. It's a low rate. So that's what happened in Q3 when we had a substantial cushion in our FX exposure get redeemed, and we had to replace it. So that's point #1. And then point #2, on the FX component, just reminding that it's all fixed income or cost in nature. Because if you're a treasurer and you manage your Google exposure, you can either put it into overnight with banks or some short-term securities or invest, let's say, in euro-ruble swaps, where you changes rubles for euros and then change in the back and you know your entry-level and exit level upfront and the interest rate differential is your interest income. Or you can do the reverse. You can -- if you're experiencing, let's say, an outflow of U.S. dollar funds, you can either sell your portfolio and lose income, or you can actually exchange, you can actually swap euros for dollars, which are mostly laying idle because of lack of investment opportunities. So we can swap this idle euros into dollars, cover the outflow and still retain the investment that you have.

And if there is a positive gap, that's the thing you would do as a treasurer.

Andrey Pavlov-Rusinov - *Goldman Sachs Group, Inc., Research Division - Research Analyst*

That's helpful. And still kind of that number would be helpful. I understand that the management would kind of could be quite complex, but essentially, maybe some -- what you earn on the core part of your fixed portfolio potentially on the fixed security, essentially, what would be the average yield you generate in the third quarter? That would be helpful to know.

Anton Terentiev - *Public Joint-Stock Company Moscow Exchange MICEX-RTS - Director of IR*

Okay. We can think about it, but that's not the figure we have at the moment.

Operator

The next question comes from the line of Bonte Free from MLP.

Unidentified Analyst

It's Robert Foton Millennium. Again, a bit of -- I think a lot of people have asked around the question, so let me just approach it my understanding a little bit differently. So I think a lot of your products and especially on the derivative side, I think it feels like people use it to counteract volatility. I could hedge against the volatility that we've seen rising over this year and next year. And again, and I'm wondering if you see it that way? I mean, again, you had If you look at the derivative volumes, they were very, very high in September, much higher than in July and August. And I mean, can you give us, I guess; one, sense of how we should think about what the likely what the ranges of derivative volumes for -- into 4Q into next year? What kind of a range? And two, maybe just give us some color on how October is doing so far on the derivative side?

Maxim Vyacheslavovich Lapin - *Public Joint-Stock Company Moscow Exchange MICEX-RTS - CFO & Member of the Executive Board*

Well, the numbers for October are due early next (inaudible). I think you will find them satisfactory. The daily volumes are also available on our website. You might look or to delve onto statistics, let's say, it's positive.

The derivatives yet in dev, the derivative are sensitive to volatility. But once we have that expansion in the basic assets being parable some devaluation in dollar your have an expansion in derivative volumes. So derivativ volumes are not only driven by volatility and the low to sensitive, but derivatives expansion that we are observing now is a fundamental media place assets being traded and currency rate fluctuation is helping.

But as for the guidance for specific derivative numbers, we are not issuing guidance (inaudible). We predict for the macro, let's say, probably, I would say even looking in our strategy. In our strategy, we attribute a substantial chunk of each growth macro factors. And then we have our initiative on top. On a quarterly basis, we cannot forecast whatever revenue is going to be coming because macro factors are really impacting volumes on quarterly basis. Or we dare not to predict derivative volumes for the quarter, we dare not.

Operator

There are no further questions at this time. I would like to hand over the call back to Max Lapin for closing remarks. Thank you.

Anton Terentiev - *Public Joint-Stock Company Moscow Exchange MICEX-RTS - Director of IR*

Yes. I'll just read out 1 more question from the webcasting interface. I'm not sure we can answer it. I think Max has touched upon it a few times, and we cannot provide any more details, but I will just read out loud once again. It comes from Poscan company. The question goes as follows. Could you please share with us your considerations over the cost of running Marketplace project after the ramp-up onboarding stage? As Far as I remember, you mentioned during the previous call, it might be up to 2 years. If I correctly understand, after this period, you will strive to keep the OpEx cost growth, including marketplace below F&C growth, yet in 2021 and 2022, it may not necessarily be the case given the project. Is that correct understanding of your approach to the cost management?

Maxim Vyacheslavovich Lapin - *Public Joint-Stock Company Moscow Exchange MICEX-RTS - CFO & Member of the Executive Board*

Wonderful. It refers very much to the point that Andrew Kelly may probably like 9 months or a year ago, sorry a year ago when we've been talking about (inaudible) that we might be fronting up from closing some costs at the marketplace development in 2021, '22. In '20, we managed to go within the guidance, which is good for '21 (inaudible) marketing expenditure space, therefore, we might have more dynamics in markets costs year-on-year that are beyond the growth in (inaudible). (inaudible) I'd like to do a mention the plan. We'd like to start talking about business as is a marketplace as a separate, let's say, revenue line starting next year, the (inaudible) marketplace will start earning up. This marketplace, it will be hard because we are funding some (inaudible) costs to keep the total rate of growth, of course, below FMC for the regional business, that's one of our key strategic themes.

The marketplaces are akin to a new business plan credit from such which might supplier -- which will require marketing expenses. expenditures. Where are we on main set the end of the year how we fare with the marketplace projects until December and January. That will give us ample of data to look into and talk about customer condition cost and the -- therefore, the revenues and the potential efficiency of marketplaces. Because on one hand, we already disclosed the number. Any customer deal has a fixed flat of RUB 400 for customer loading and 125 percentage. It's flexible, 35 basis points for the transaction payable by the bank. So those are the preliminary revenue structure that we have.

And once we hammer out the customer attrition costs, you have 2 points of data sufficient to (inaudible) marketplace. You'll see the custom acquisition cost, and you will see the revenues. Hence, you'll see the efficiency, and we will be able to model a marketplace like a stand-alone business plan. I don't have customer acquisition cost (inaudible) or range yet. But yes, I only know the cap for customer vision call that it should not be higher than what the banks are using now. So we are aiming that marketplace will be more effective and efficient investor part. I hope this helps.

Okay. Then moving on to Anton. We have no more questions, right?

Anton Terentiev - *Public Joint-Stock Company Moscow Exchange MICEX-RTS - Director of IR*

Yes. We don't have any more questions in the queue. So since we have now closing remarks at our hands, I think we can just say thank you, everybody, for a great insight for questions and stain in touch to reconnect next time with our full year results.

Maxim Vyacheslavovich Lapin - *Public Joint-Stock Company Moscow Exchange MICEX-RTS - CFO & Member of the Executive Board*

Well, then that. So please appreciate the fact that we moved our IPR disclosure 1 week earlier. We intend to replicate that experience for 2021 (inaudible). For next week, we'll have potentially good news expect the volume disclosure for October and be imperative. We have greater third quarter. We're having robust sort of the fourth quarter. Let's look forward to the year-end. The exchange is in time. Thank you, and see you at our next call in the first week of March.

Operator

That concludes our conference for today. Thank you for participating. You may all disconnect. Have a nice day.
