

# **BANK OF RUSSIA**

## **REGULATION**

**№ 395-P OF DECEMBER 28, 2012**

### **ON THE METHODOLOGY FOR DETERMINING THE AMOUNT OF OWN FUNDS (CAPITAL) OF CREDIT INSTITUTIONS (BASEL III)**

#### List of Amending Documents

(as amended by the Regulation approved by Bank of Russia

№ 395-P, dated 28 December 2012 (as amended on 25 October 2013),

Bank of Russia Ordinances № 3096-U, dated 25 October 2013;

№ 3377-U, dated 5 September 2014; № 3450-U, dated 20 November 2014;

№ 3452-U, dated 25 November 2014; № 3600-U, dated 15 March 2015)

Based on Federal Law № 86-FZ, dated 10 June 2002, ‘On the Central Bank of the Russian Federation (Bank of Russia)’ (Collection of Legislation of the Russian Federation, 2002, № 28, art. 2790; 2003, № 2, art. 157; № 52, art. 5032; 2004, № 27, art. 2711; № 31, art. 3233; 2005, № 25, art. 2426; № 30, art. 3101; 2006, № 19, art. 2061; № 25, art. 2648; 2007, № 1, art. 9, art. 10; № 10, art. 1151; № 18, art. 2117; 2008, № 42, art. 4696, art. 4699; № 44, art. 4982; № 52, art. 6229, art. 6231; 2009, № 1, art. 25; № 29, art. 3629; № 48, art. 5731; 2010, № 45, art. 5756; 2011, № 7, art. 907; № 27, art. 3873; № 43, art. 5973; № 48, art. 6728; 2012, № 50, art. 6954) (hereinafter – the ‘Federal Law ‘On the Central Bank of the Russian Federation (Bank of Russia)’’) and pursuant to the decision of Bank of Russia Board of Directors (Minutes of the Meeting of Bank of Russia Board of Directors № 26, dated 21 December 2012) this Regulation sets out the methodology for determining the amount of own funds (capital) of credit

institutions with due regard to international approaches to enhance banking sector sustainability (Basel III).

1. In accordance with this Regulation, the amount of Tier I capital of credit institutions is defined as the sum of Tier I capital defined pursuant to clause 2 hereof and Tier II capital defined pursuant to clause 3 hereof, adjusted for items listed in clause 4 hereof.

2. Tier I capital is defined as the sum of common equity Tier I capital instruments (hereinafter – CET1) listed in subclause 2.1 of this clause, adjusted for items listed in subclause 2.2 of this clause, and Additional capital Tier I instruments (hereinafter – AT1) listed in subclause 2.3 of this clause, adjusted for items listed in subclause 2.4 of this clause.

2.1. CET1 Capital instruments include:

2.1.1. The authorised capital of a credit institution in the legal form of a joint-stock company, formed as a result of the issuance and placement of:

common shares;

preference shares of a certain type, issued before 1 March 2013 and meeting the requirements of the fourth paragraph of this subclause as well as preference shares issued in accordance with Federal Law № 173-FZ, dated 13 October 2008, ‘On Additional Measures to Support the Financial System of the Russian Federation’ (Collection of Legislation of the Russian Federation, 2008, № 42, art. 4698; 2009, № 29, art. 3605; № 48, art. 5729; № 52, art. 6437; 2010, № 8, art. 776; № 21, art. 2539; № 31, art. 4175; 2014, № 30, art. 4276) (hereinafter – the ‘Federal Law ‘On Additional Measures to Support the Financial System of the Russian Federation’).

(as amended by Bank of Russia Ordinance № 3377-U, dated 5 September 2014)

Non-cumulative preference shares whose dividend amounts are not specified in the credit institution’s charter are to be included in CET1 Capital instruments, if the general meeting of shareholders has decided not to pay dividends to holders of such shares, which means there is no liability of the credit institution to shareholders.

The preference shares issued before 1 March 2013, as specified in this subclause, are subject to phase-out from own funds (capital) in accordance with the procedure established in subclause 8.2 of clause 8 hereof.

(as amended by Bank of Russia Ordinance № 3377-U, dated 5 September 2014)

Authorised capital of a credit institution in the legal form of a joint-stock company shall be included in the calculation of CET1 Capital instruments to the extent it pertains to shares for which the placement report has been registered with the Bank of Russia or the placement notice has been submitted to Bank of Russia as of the date of capital calculation. The amount of authorised capital is determined based on the par value of issued shares in the currency of the Russian Federation, Russian rubles, but not more than the amount actually received in payment for the shares.

(as amended by Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

An increase in a credit institution's authorised capital due to capitalisation (excluding part of the credit institution's authorised capital formed by capitalisation connected with revaluation of property included in the calculation of AT1 and Tier II capital instruments in accordance with subclause 2.3.1 of this clause and subclause 3.1.3 of clause 3 hereof) is eligible for inclusion in CET 1 Capital after due registration of issuance by the Bank of Russia.

Authorised capital of a credit institution in the legal form of a joint-stock company shall be included in the calculation of common equity using data of balance-sheet account № 10207. Calculation of common equity shall not include the part of balances on account № 10207 to the extent they are included in the calculation of AT1 capital and/or Tier II capital in accordance with subclause 2.3.1 of this clause and subclause 3.1.2 of clause 3 hereof.

When a credit institution in the legal form of a limited liability company is reorganised into a credit institution in the legal form of a joint-stock company, the amount of authorised capital formed through payment for shares by founders (participants) of the credit institution and previously included in the calculation of common equity in accordance with subclause 2.1.2 of this clause is included in

CET1 capital until the date the placement report is registered with the Bank of Russia.

When a credit institution in the legal form of a joint-stock company is reorganised through merger, the increase in the authorised capital of the absorbing credit institution as a result of conversion of shares of the absorbed credit institution and as a result of capitalisation of its own funds (capital) is included in the calculation of CET1 Capital as of the date the changes are made to legal entity information in the Unified State Register of Legal Entities stating termination of the absorbed credit institution's business operations.

(this paragraph was inserted pursuant to Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

Upon reorganisation through creation of a new legal entity, the authorised capital of the credit institution resulting from such reorganisation formed from conversion of shares of reorganised credit institutions is included in the calculation of CET1 Capital as of the date the information on creation of a new legal entity is entered into the Unified State Register of Legal Entities.

(this paragraph was inserted pursuant to Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

2.1.2. The authorised capital of credit institutions in the legal form of limited liability companies formed through payment for shares by the founders (participants) in the credit institution.

The authorised capital of a newly-established credit institution which is a limited liability company is included in the calculation of CET1 Capital in the amount of the authorised capital as determined by the charter of the credit institution as of the date following the date of the issuance of a banking licence to the credit institution.

An increase in a credit institution's authorised capital, including due to capitalisation (excluding part of the credit institution's authorised capital formed by capitalisation connected with revaluation of property included in the calculation of Tier II capital instruments in accordance with subclause 3.1.3 of clause 3

hereof) is eligible for inclusion in CET 1 capital as of the date following the date the Bank of Russia passes a decision on state registration of the relevant changes and additions to the charter of the credit institution related to changes in the amount of authorised capital.

The shares (part thereof) of the participants of a credit institution, transferred to the credit institution and/or acquired by it in accordance with Federal Law № 14-FZ, dated 8 February 1998, ‘On Limited Liability Companies’ (Collection of Legislation of the Russian Federation, 1998, № 7, art. 785; № 28, art. 3261; 1999, № 1, art. 2; 2002, № 12, art. 1093; 2005, № 1, art. 18; 2006, № 31, art. 3437; № 52, art. 5497; 2008, № 18, art. 1941; № 52, art. 6227; 2009, № 1, art. 20; № 29, art. 3642; № 31, art. 3923; № 52, art. 6428; dated 2010, № 31, art. 4196; dated 2011, № 1, art. 13, art. 21; № 29, art. 4291; № 30, art. 4576; № 49, art. 7040; № 50, art. 7347) (hereinafter – the ‘Federal Law ‘On Limited Liability Companies’) and subsequently transferred to participants of the credit institution and/or third parties shall be included in the calculation of own funds (capital) as of the date following the date the information is entered into the Unified State Register of Legal Entities with regard to changed membership structure of the credit institution.

(as amended by Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

The authorised capital of a credit institution in the legal form of a limited liability company is included in the calculation of CET1 Capital using the data of balance-sheet account № 10208. CET1 Capital instruments do not include the part of balances on balance-sheet account № 10208 to the extent they are included in the calculation of Tier II capital in accordance with subclause 3.1.3 of clause 3 hereof.

2.1.3. The share premium of a credit institution in the legal form of a joint-stock company gained through the placement of shares specified in subclause 2.1.1 of this clause.

For the purposes hereof, ‘the share premium of a credit institution in the legal form of a joint-stock company’ shall mean such income as the excess of share

placement price over share par value which is gained, when the authorised capital of the credit institution is formed and/or increased and created due to:

the difference between the par value of shares and their placement price and/or

the difference between the purchase price of shares paid for in a foreign currency on the basis of the official exchange rate established by the Bank of Russia (hereinafter – the ‘foreign currency exchange rate established by the Bank of Russia’) as of the date when the funds were included in the authorised capital and the par value of such shares specified in the decision on the issue of shares.

The share premium referred to in the first paragraph of this subclause is included in the calculation of CET1 Capital after the placement report has been registered with the Bank of Russia according to the established procedure or the placement notice has been submitted to the Bank of Russia, based on data of balance-sheet account № 10602.

(as amended by Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

The share premium obtained from placement of preference shares issued before 1 March 2013, as referred to in subclause 2.1.1 of this clause is subject to phase-out in accordance with the procedure established in subclause 8.2 of clause 8 hereof.

(as amended by Bank of Russia Ordinance № 3377-U, dated 5 September 2014)

2.1.4. The share premium of a credit institution in the legal form of a limited liability company.

For the purposes hereof, ‘the share premium of a credit institution in the legal form of a limited liability company’ means income in the form of the excess of the price at which shares were sold to participants over their par value obtained through the formation of and/or increase in the authorised capital of the credit institution formed at the expense of:

the difference between share prices paid by shareholders when forming or increasing the authorised capital and the par value of such shares at which they were included in the authorised capital, and/or

the difference between the price of shares paid for in a foreign currency on the basis of the foreign currency exchange rate established by Bank of Russia as of the date when such funds were included in the credit institution's authorised capital and the price of such shares specified in the decision on payment for shares in foreign currency.

For credit institutions in the legal form of limited liability companies, share premium is included in the calculation of CET1 Capital after the changes in the authorised capital have been registered in accordance with the established procedure.

For credit institutions in the legal form of limited liability companies, share premium is included in the calculation of CET1 Capital using data of balance-sheet account № 10602.

2.1.5. Reserve fund of the credit institution formed pursuant to Federal Law № 208-FZ, dated 26 December 1995, 'On Joint-Stock Companies' (Collection of Legislation of the Russian Federation, 1996, № 1, art. 1; № 25, art. 2956; 1999, № 22, art. 2672; 2001, № 33, art. 3423; 2002, № 12, art. 1093; № 45, art. 4436; 2003, № 9, art. 805; 2004, № 11, art. 913; № 15, art. 1343; № 49, art. 4852; 2005, № 1, art. 18; 2006, № 1, art. 5, art. 19; № 2, art. 172; № 31, art. 3437, art. 3445, art. 3454; № 52, art. 5497; 2007, № 7, art. 834; № 31, art. 4016; № 49, art. 6079; 2008, № 18, art. 1941; 2009, № 1, art. 23; № 19, art. 2279; № 23, art. 2770; № 29, art. 3642; № 52, art. 6428; 2010, № 41, art. 5193; № 45, art. 5757; dated 2011, № 1, art. 13, art. 21; № 30, art. 4576; № 48, art. 6728; № 49, art. 7024, art. 7040; № 50, art. 7357; 2012, № 25, art. 3267; № 31, art. 4334) (hereinafter – the 'Federal Law 'On Joint-Stock Companies') and Federal Law 'On Limited Liability Companies' in accordance with the procedure established by the charter of the credit institution by profits of previous years remaining available to the credit institution.

The reserve fund is included in the calculation of CET1 Capital based on the data of the annual accounting report of the credit institution after appropriate audit.

If the reserve fund of the credit institution, formed by profits of the previous year, was included in the calculation of the own funds (capital) of the credit institution in accordance with subclause 2.1.6 of this clause, it may be included in the calculation of CET1 Capital in the current year in accordance with this subclause until the annual accounting report has been audited, in the amount as audited in the previous year, but no more than recorded on balance-sheet account № 107.

(as amended by Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

The reserve fund of the credit institution, formed in the current year by profits of previous years, included in the audited annual accounting report, is included in the calculation of CET1 Capital in accordance with this subclause.

The reserve fund of a credit institution is included in the calculation of CET1 Capital based on the data of balance-sheet account № 107.

2.1.6. The reserve fund of the credit institution referred to in subclause 2.1.5 of this clause to the extent it was formed by audited profits of the current year (if the credit institution's charter provides for the formation of a reserve fund out of the profits of the current year).

(as amended by Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

The reserve fund is included in the calculation of CET1 Capital based on the data of balance-sheet account № 107.

2.1.7. Audited profits of the current year.

(as amended by Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

Profits of the current year included in the calculation of CET1 Capital are defined as a positive result of reducing the balances (a part thereof) recorded in the balance-sheet accounts:

№ 10603, 10609, 70601, 70602, 70603, 70604, 70605, 70613, 70615, 61301, 61304;

(as amended by Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

by the amount of the balances (a part thereof) recorded in balance-sheet accounts № 10605, 10610, 70606, 70607, 70608, 70609, 70610, 70611, 70612, 70614, 70616, 50905, 61401 and 61403.

(as amended by Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

Profits of the current year included in the calculation of CET1 Capital are adjusted for shortfall of reserve(s) to be held by the credit institution in accordance with Bank of Russia Regulation № 254-P, dated 26 March 2004, 'On the Procedure for the Creation of Loan, Overdue Loan and Equated Indebtedness Loss Provisions by Credit Institutions', registered with the Ministry of Justice of the Russian Federation on 26 April 2004 under № 5774, on 20 April 2006 under № 7728, on 27 December 2006 under № 8676, on 10 December 2007 under № 10660, on 23 January 2008 under № 10968, on 22 May 2008 under № 11730, on 22 May 2008 under № 11724, on 30 June 2008 under № 11903, on 29 January 2009 under № 13219, on 20 February 2009 under № 13414, on 21 December 2009 under № 15772, on 24 December 2009 under № 15811, on 17 August 2012 under № 25204 and on 13 December 2012 under № 26113 (Bank of Russia Bulletin № 28, dated 7 May 2004; № 26, dated 4 May 2006; № 1, dated 15 January 2007; № 69, dated 17 December 2007; № 4, dated 31 January 2008; № 25, dated 28 May 2008; № 28, dated 4 June 2008; № 36, dated 9 July 2008; № 7, dated 4 February 2009; № 15, dated 4 March 2009; № 77, dated 28 December 2009; № 50, dated 22 August 2012; № 73, dated 19 December 2012) (hereinafter – the 'Bank of Russia Regulation № 254-P'), Bank of Russia Regulation № 283-P, dated 20 March 2006, 'On the Procedure for Making Loss Provisions by Credit Institutions', registered with the Ministry of Justice of the Russian Federation on 25 April 2006 under № 7741, on 2 July 2007 under № 9739, on 6 December 2007 under № 10639, on 10 September 2008 under № 12260, on 5 August 2009 under № 14477, on 17 December 2009 under № 15670, on 24 May 2011 under № 20837, on 21 December 2011 under № 22714 and on 18 December 2012 under № 26162 (Bank of Russia Bulletin № 26, dated 4 May 2006; № 39, dated 11 July 2007; № 69, dated 17 December 2007; № 49, dated 17 September 2008; № 47, dated 12 August

2009; № 77, dated 28 December 2009; № 30, dated 1 June 2011; № 74, dated 28 December 2011; № 75, dated 26 December 2012) (hereinafter – the ‘Bank of Russia Regulation № 283-P’), Bank of Russia Ordinance № 1584-U, dated 22 June 2005, ‘On the Creation of Provisions for Possible Losses Resulting from Transactions between Credit Institutions and Offshore Residents and Their Amounts’, registered with the Ministry of Justice of the Russian Federation on 15 July 2005 under № 6799 (Bank of Russia Bulletin dated 27 July 2005, № 38) (hereinafter– the ‘Bank of Russia Ordinance № 1584-U’) and/or Bank of Russia Ordinance № 2732-U, dated 17 November 2011, ‘On the Specifics of Making Provisions for Possible Losses by Credit Institutions on Operations with Securities, the Rights to Which Are Certified by Depositories’, registered with the Ministry of Justice of the Russian Federation on 12 December 2011 under № 22544; and on 1 August 2012 under No 25070 (Bank of Russia Bulletin dated 19 December 2011, № 71; dated 8 August 2012, № 44) (hereinafter– the ‘Bank of Russia Ordinance № 2732-U’) and in accordance with an order issued to the credit institution pursuant to Articles 72 and 74 of the Federal Law ‘On the Central Bank of the Russian Federation (Bank of Russia)’, as of the reporting date following the date a directive to create additional reserve(s) was sent, up to the date following the expiration date of the directive to create additional reserve(s), subject to subclause 7.5 of clause 7 hereof.

Interim profit (intramonthly) includes part of data on the balance sheet account № 52503 that refers to accrued discount subject to write-off as expenses in the reporting period (month) for the purposes of calculating own funds (capital) on an intramonthly basis.

For the purposes hereof derivatives have the meaning specified by clauses 1.1 and 1.2 of Bank of Russia Regulation № 372-P dated 4 July 2011 ‘On the Procedure for Accounting of Financial Derivatives’, registered with the Ministry of Justice of the Russian Federation on 22 July 2011 under № 21445 (Bank of Russia Bulletin № 43, dated 4 August 2011).

(this paragraph was inserted pursuant to Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

Balances recorded in balance-sheet accounts № 10603, 10605, 70602 and 70607, to the extent related to revaluation of securities with current (fair) value determined in a manner other than that for weighted average price disclosed by the securities market organiser in accordance with subclause 7.7 of the Regulation on Organisation of Trade on Securities Market approved by Order of the Federal Financial Markets Service № 10-87/pz-n, dated 28 December 2010, ‘On Approval of the Regulation on Organisation of Trade on Securities Market’, registered with the Ministry of Justice of the Russian Federation on 25 March 2011 under 20295, on 9 December 2011 under № 22527, on 1 June 2012 under № 24428, on 18 December 2012 under № 26176, on 30 August 2013 under № 29801 (Bulletin of Normative Acts of the Federal Executive Bodies № 18, dated 2011; Rossiyskaya Gazeta dated 14 December 2011, 6 June 2012, 24 December 2012 and 19 September 2013) (hereinafter – the ‘FFMS Regulation № 10-87/pz-n’) and where securities are traded on foreign organised markets – in a manner other than that for the weighted average price disclosed in accordance with the procedure established by corresponding national laws (authority), are included in the calculation of CET1 Capital in accordance with the procedure established by subclause 8.1 of clause 8 hereof.

(this paragraph was inserted pursuant to Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

#### 2.1.8. Audited profits of previous years.

Profits of previous years included in the calculation of CET1 Capital are defined as a positive result of reducing the balances (a part thereof) recorded in balance-sheet accounts:

№ 10801, 70701, 70702, 70703, 70704, 70705, 70713, 70715, 70801;

(as amended by Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

by the balances (a part thereof) recorded in balance-sheet accounts № 10901, 70706, 70707, 70708, 70709, 70710, 70711, 70712, 70714, 70716, 70802 as well

as by the amount of adjustment pursuant to the seventh paragraph of this subclause.

(as amended by Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

If the balances (a part thereof) recorded in the balance-sheet accounts mentioned in this subclause were included in the calculation of own funds (capital) in accordance with subclause 2.1.7 of this clause in the previous year, the balances (a part thereof) may be included in the calculation of CET1 Capital in the current year until the annual accounting report has been audited, in the amount available on the above accounts.

(as amended by Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

Balances recorded in balance-sheet account № 10801 relating to means directed by the credit institution to funds which, pursuant to the internal documents of the credit institution, are to be used for payments resulting in a decrease in own funds (capital) amount, are not eligible for inclusion in the calculation of profits of previous years.

Profits of previous years included in the calculation of CET1 Capital are adjusted for the shortfall of reserves to be held by the credit institution in accordance with Bank of Russia Regulation № 254-P, Bank of Russia Regulation № 283-P, Bank of Russia Ordinance № 1584-U and/or Bank of Russia Ordinance № 2732-U and in accordance with an order issued to the credit institution pursuant to articles 72 and 74 of the Federal Law ‘On the Central Bank of the Russian Federation (Bank of Russia)’, as of the reporting date following the date a directive to create additional reserves was sent, up to the date following the expiration date of the directive to create additional reserves subject to subclause 7.5 of clause 7 hereof.

Balances recorded in balance-sheet accounts № 10801, 10901, 70702, 70707, 70801 and 70802, to the extent related to revaluation of securities with current (fair) value, determined in a manner other than that for weighted average price disclosed by the securities market organiser in accordance with subclause 7.7 of the FFMS Regulation № 10-78/pz-n and where securities are traded on foreign

organised markets – in a manner other than that for the weighted average price disclosed in accordance with the procedure established by corresponding national laws (authority), are included in the calculation of CET1 Capital in accordance with the procedure established by subclause 8.1 of clause 8 hereof.

(this paragraph was inserted pursuant to Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

Starting from October 1, 2014, profit or loss from derivatives transactions that form balances in balance-sheet accounts № 10801, 10901, 70713, 70714, 70801 and 70802, is taken into account in full when calculating profit of previous years.

(this paragraph was inserted pursuant to Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

## 2.2. Regulatory adjustments:

2.2.1. Intangible assets (net of accumulated amortisation), goodwill and investments in the creation (production) and purchase of intangible assets.

The amount of intangible assets, goodwill and investments in the creation (production) and purchase of intangible assets is based on data of balance-sheet accounts № 60701, 60901, 60903 and 60905.

(as amended by Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

### 2.2.2. DTAs, that rely on future profitability of the credit institution’).

For the purposes hereof the credit institution may report the amount of DTAs depending on future profitability, net of related deferred tax liability, unless a separate income tax base formation is required by clause 5 of article 274 of the Tax Code of the Russian Federation (Collection of Legislation of the Russian Federation, 2000, № 32, art. 3340).

DTAs, depending on future profitability of the credit institution is based on data of balance-sheet account № 61703 ‘Deferred tax asset. Related deferred tax liability is based on data of balance-sheet account 61701 ‘Deferred tax liability’.

(as amended by Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

### 2.2.3. DTAs not depending on future profitability of the credit institution’).

For the purposes hereof the credit institution may report the amount of DTAs, not depending on future profits, net of related deferred tax liability, unless a separate income tax base formation is required by clause 5 of article 274 of the Tax Code of the Russian Federation.

The aggregate amount of DTAs not depending on future profitability of the credit institution is deducted with a limited recognition capped at 10% of the credit institution's CET1 Capital after the application of regulatory adjustments in accordance with clauses 2.2.1, 2.2.2, 2.2.4-2.2.8 and 2.2.9.1 of this clause.

The aggregate amount of DTAs, not depending on future profitability of the credit institution, after the application of the third paragraph of this subclause is included in the calculation of own funds (capital) in accordance with subclause 2.2.9.3 of this clause.

The amount of DTAs not depending on future profitability of the credit institution is based on data of balance-sheet account № 61702 'Deferred tax asset'. The corresponding deferred tax liability is based on data of balance-sheet account 61701 'Deferred tax liability'.

(as amended by Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

2.2.4. Investments in own common shares and preference shares defined in subclause 2.1.1 of this clause.

For the purposes hereof, investments in own shares (or their equivalent in the case of non-joint stock companies) and/or other own capital instruments are defined as follows:

direct investments on grounds permitted by the laws of the Russian Federation, regardless of the purpose of own investment;

indirect (through third parties) investments by means of funds (including loans) and/or other property (hereinafter – the 'property') provided by the credit institution itself and/or property provided by third parties, if the credit institution has directly or indirectly (through third parties) assumed the risks arising from provision of the said property;

(as amended by Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

investments alienated under buy-back contracts (net of loss provisions held in accordance with Bank of Russia Regulation № 283-P and Bank of Russia Ordinance № 2732-U) and/or under delayed payment contracts (net of funds received from the counterparty as of the settlement date and loss provisions held in accordance with Bank of Russia Regulation № 254-P);

part of investments transferred into trust management (to a trustee), net of loss provisions held in accordance with Bank of Russia Regulation № 283-P and Bank of Russia Ordinance № 2732-U;

investments into units of unit investment funds (including when the units are transferred into trust management), if the property constituting such funds is formed by capital of financial entities in the form of common equity (or its equivalent in the case of non-joint stock companies) and/or other forms of capital instruments and/or facilities of the funds, as reported by trustees, have been invested into capital of financial entities in the form of common equity (or its equivalent in the case of non-joint stock companies) and/or other forms of capital instruments (respectively equal to the share of the credit institution in common shared ownership of the property constituting the unit investment fund) net of loan loss provisions held in accordance with Bank of Russia Regulation № 283-P and Bank of Russia Ordinance № 2732-U.

Shares specified in this subclause (including shares constituting the property of unit investment funds) are deducted based on the data of balance-sheet accounts № 10207, 10501, 47901, 506, 507 and 60323 as well as the data of the relevant balance-sheet accounts defined by clause 4.56 of Part II of Bank of Russia Regulation № 385-P, dated 16 July 2012, 'On Accounting in Credit Institutions Located within the Russian Federation', registered with the Ministry of Justice of the Russian Federation on 3 September 2012 under № 25350, on 15 October 2012 under № 25670 (Bank of Russia Bulletin № 56–57, dated 25 September 2012; № 62, dated 24 October 2012) (hereinafter– the 'Bank of Russia Regulation № 385-P') net of loss provisions held in accordance with Bank of Russia Regulation

№ 254-P, Bank of Russia Regulation № 283-P, Bank of Russia Ordinance № 2732-U and Bank of Russia Ordinance № 1584-U.

(as amended by Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

2.2.5. Expired on 1 January 2014 – Bank of Russia Ordinance № 3096-U, dated 25 October 2013.

2.2.6. Investments of a credit institution in the legal form of a limited liability company in its participants' shares, as well as the shares of participants transferred to the credit institution on the grounds and in the manner prescribed in articles 23 and 26 of the Federal Law 'On Limited Liability Companies'.

The transferred shares are excluded from the calculation of CET1 Capital of the credit institution at their actual value as determined in accordance with the Federal Law 'On Limited Liability Companies' starting from the reporting date following the date of the credit institution's obligation to pay the actual value, and up to the date of termination of the credit institution's obligation to pay the participant for the share.

The difference between the actual cost of repurchased shares of participants and their par value that affects profit or loss indicators of the credit institution, is included in the calculation of own funds (capital) in accordance herewith. After the credit institution's obligation to the participant in respect for the share expires, the participant shares, transferred to the credit institution, are excluded from the calculation of CET1 Capital at their par value reflected in balance-sheet account № 10502.

To calculate the actual value of a share owned by a participant who has submitted a membership cancellation letter, the amount of own funds (capital) calculated in accordance herewith is subject to deduction in the amount of the difference between the authorised capital of the credit institution in the legal form of a limited liability company and its own funds (capital), if the authorised capital of the credit institution is reduced to the amount of its own funds (capital) due to the reduction in the par value of founders' (participants') shares and/or redemption of shares belonging to the credit institution.

If the credit institution participants' shares, transferred to the credit institution, are alienated by the credit institution under delayed payment contracts, the balance-sheet value of such shares as of the date of alienation, net of the funds received from the investor (counterparty) as of the date of own funds (capital) calculation and net of provisions held in accordance with Bank of Russia Regulation № 254-P against claims to the investors (counterparties), are deducted from CET1 Capital in accordance with this subclause.

2.2.6.1. Participants' shares, defined in subclause 2.1.2 of this clause and acquired by third parties by means of funds (including loans) and/or property provided by the credit institution and/or third parties (if the credit institution directly or indirectly (through third parties) has assumed the risks arising from provision of the said property).

(as amended by Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

Shares specified in this subclause are deducted based on the data of balance-sheet account № 10208, as well as the data of the relevant balance-sheet accounts defined by clause 4.56 of part II of Bank of Russia Regulation № 385-P, net of loss provisions held in accordance with Bank of Russia Regulation № 254-P, Bank of Russia Regulation № 283-P, Bank of Russia Ordinance № 2732-U and Bank of Russia Ordinance № 1584-U.

(as amended by Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

2.2.6.2. Shares of participants that the credit institution has an obligation to repurchase on the grounds, not prescribed by the Federal Law 'On Limited Liability Companies'.

Shares of participants are deducted based on data of balance-sheet accounts № 10502, 47901, 506 and 507, taking into account the conditions of determining their value and the deadlines for inclusion in the calculation of own funds (capital) as established by subclause 2.2.6 of this clause.

2.2.7. Losses of previous years.

Losses of previous years subject to deduction from CET1 capital are defined as a positive result of reducing the balances (a part thereof) recorded in balance-sheet accounts:

№ 10901, 70706, 70707, 70708, 70709, 70710, 70711, 70712, 70714, 70716, 70802 and adjusted in accordance with the sixth paragraph of this subclause; (as amended by Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

by the value of balances (a part thereof) recorded in balance-sheet accounts № 10801, 70701, 70702, 70703, 70704, 70705, 70713, 70715, 70801. (as amended by Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

If the financial result of the previous year, as defined in accordance herewith, is positive, the balances, to the extent they are related to the previous year, recorded in balance-sheet accounts № 10801, 70701, 70702, 70703, 70704, 70705, 70713, 70715, 70801, 10901, 70706, 70707, 70708, 70709, 70710, 70711, 70712, 70714, 70716 and 70802, shall be included into calculation of losses of the previous years in accordance with this subclause, after a decision has been made at the meeting of shareholders (participants) to distribute audited profits of the previous year. Before that not audited profits of the previous year are included into calculation of Tier II capital in accordance with subclause 3.1.7 of clause 3 hereof, and audited profits are included into calculation of CET1 Capital in accordance with subclause 2.1.8 of this clause.

(as amended by Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

Losses of the previous years are adjusted for the shortfall of reserves to be held in accordance with Bank of Russia Regulation № 254-P, Bank of Russia Regulation № 283-P, Bank of Russia Ordinance № 1584-U and/or Bank of Russia Ordinance № 2732-U, in accordance with the order issued to the credit institution pursuant to articles 72 and 74 of the Federal Law 'On the Central Bank of the Russian Federation (Bank of Russia)' as of the reporting date following the date a directive to create additional reserves was sent, up to the date following the expiration date of the directive to create additional reserves subject to subclause 7.5 of clause 7 hereof.

Balances recorded in balance-sheet accounts № 10801, 10901, 70702, 70707, 70801 and 70802, to the extent related to revaluation of securities with current (fair) value determined in a manner other than that for weighted average price disclosed by the securities market organiser in accordance with subclause 7.7 of FFMS Regulation 10-87/pz-n and where securities are traded on foreign organised markets – in a manner other than that for the weighted average price disclosed in accordance with the procedure established by corresponding national laws (authority), shall be accounted for in accordance with the procedure established by subclause 8.1 of clause 8 hereof.

(this paragraph was inserted pursuant to Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

Starting from October 1, 2014, profit or loss from derivatives transactions that form balances in balance-sheet accounts № 10801, 10901, 70713, 70714, 70801 and 70802, is taken into account in full when calculating current year profit.

(this paragraph was inserted pursuant to Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

#### 2.2.8. Losses of the current year.

Losses of the current year subject to deduction from CET1 capital are defined as the positive result of the reduction of the amount of the balances (a part thereof) recorded in the balance-sheet accounts:

№ 10605, 10610, 70606, 70607, 70608, 70609, 70610, 70611, 70612, 70614, 70616, 50905, 61401 and 61403, by the balances (a part thereof) registered on balance-sheet account № 70613, and adjusted according to the sixth paragraph of this subclause;

(as amended by Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

by value of the balances (a part thereof) recorded in balance-sheet accounts № 10603, 10609, 70601, 70602, 70603, 70604, 70605 and 70613, 70615, 61301, 61304.

(as amended by Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

Interim loss (intramonthly) includes part of data on the balance sheet account № 52503 that refers to accrued discount subject to write-off as expenses in the reporting period (month) for the purposes of calculating own funds (capital) on an intramonthly basis.

Losses of the current year are adjusted for the shortfall of reserves to be held in accordance with Bank of Russia Regulation № 254-P, Bank of Russia Regulation № 283-P, Bank of Russia Ordinance № 1584-U and/or Bank of Russia Ordinance № 2732-U and in accordance with the order issued to the credit institution pursuant to articles 72 and 74 of the Federal Law ‘On the Central Bank of the Russian Federation (Bank of Russia)’ as of the reporting date following the date a directive to create additional reserves was sent, up to the date following the expiration date of the directive to create additional reserves subject to subclause 7.5 of clause 7 hereof.

Balances recorded in balance-sheet accounts № 10603, 10605, 70602 and 70607, to the extent related to revaluation of securities with current (fair) value determined in a manner other than that for weighted average price disclosed by the securities market organiser in accordance with subclause 7.7 of FFMS Regulation 10-87/pz-n and where securities are traded on foreign organised markets – in a manner other than that for the weighted average price disclosed in accordance with the procedure established by corresponding national laws (authority), shall be accounted for in accordance with the procedure established by subclause 8.1 of clause 8 hereof.

(this paragraph was inserted pursuant to Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

Starting from October 1, 2014, profit or loss from derivatives transactions that form balances in balance-sheet accounts № 70613 and 70614 is taken into account in full when calculating losses of current year

(this paragraph was inserted pursuant to Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

**2.2.9.** Investments in the capital of financial entities (including non-residents) in the form of common equity (or its equivalent in the case of non-joint stock companies).

For the purposes of this regulations financial entities are determined in accordance with clause 6 of article 4 of Federal Law № 135-FZ, dated 26 July 2006, ‘On the Protection of Competition’ (Collection of Legislation of the Russian Federation, 2006, № 31, art. 3434; 2007, № 49, art. 6079; 2008, № 18, art. 1941; № 27, art. 3126; № 45, art. 5141; 2009, № 29, art. 3601, art. 3610; № 52, art. 6450, art. 6455; 2010, № 15, art. 1736; № 19, art. 2291; № 49, art. 6409; 2011, № 10, art. 1281; № 27, art. 3873, art. 3880; № 29, art. 4291; № 30, art. 4590; № 48, art. 6728; № 50, art. 7343; 2012, № 31, art. 4334; № 53, art. 7643; 2013, № 27, art. 3436, art. 3477; № 30, art. 4084; № 44, art. 5633; № 52, art. 6961, art. 6988).  
(as amended by Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

For the purposes hereof investments in the capital of financial entities in the form of common equity (or its equivalent in the case of non-joint stock companies) and (or) other forms of capital instruments, regardless of the purposes for the acquisition of common equity (or its equivalent in the case of non-joint stock companies) and (or) other forms of capital instruments (excluding short-term investments (available in the balance-sheet for up to 5 business days) as well as investments constituting part of measures taken pursuant to the credit institution financial rehabilitation action plan, approved by Bank of Russia in accordance with Federal Law № 127-FZ, dated 26 October 2002, ‘On Insolvency (Bankruptcy)’ (Collection of Legislation of the Russian Federation, 2002, № 43, art. 4190; 2004, № 35, art. 3607; 2005, № 1, art. 18, art. 46; № 44, art. 4471; 2006, № 30, art. 3292; № 52, art. 5497; 2007, № 7, art. 834; № 18, art. 2117; № 30, art. 3754; № 41, art. 4845; № 49, art. 6079; 2008, № 30, art. 3616; № 49, art. 5748; 2009, № 1, art. 4, art. 14; № 18, art. 2153; № 29, art. 3632; № 51, art. 6160; № 52, art. 6450; 2010, № 17, art. 1988; № 31, art. 4188, art. 4196; 2011, № 1, art. 41; № 7, art. 905; № 19, art. 2708; № 27, art. 3880; № 29, art. 4301; № 30, art. 4576; № 48, art. 6728; № 49, art. 7015, art. 7024, art. 7040, art. 7061, art. 7068; № 50, art. 7351,

art. 7357; 2012, № 31, art. 4333; № 53, art. 7607, art. 7619; 2013, № 23, art. 2871; № 26, art. 3207; № 27, art. 3477, art. 3481; № 30, art. 4084; № 51, art. 6699; № 52, art. 6975, art. 6979, art. 6984; 2014, № 11, art. 1095, art. 1098; № 30, art. 4217; № 49, art. 6914; № 52, art. 7543; 2015, № 1, art. 10, art. 35) (hereinafter the Federal Law ‘On Insolvency (Bankruptcy)’ and/or pursuant to the bankruptcy prevention measures participation plan, approved by Bank of Russia for the state corporation Deposit Insurance Agency, (hereinafter - the Deposit Insurance Agency), to provide financial support in accordance with the Federal Law ‘On Insolvency (Bankruptcy)’, are defined as follows:

(as amended by Bank of Russia Ordinance № 3600-U, dated 15 March 2015)

direct investments and/or indirect (through third parties) investments using funds (property) provided by the credit institution itself and/or property provided by third parties, if the credit institution has directly or indirectly (through third parties) assumed the risks arising from provision of the said property;

(as amended by Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

investments alienated under buy-back contracts (net of loss provisions held in accordance with Bank of Russia Regulation № 283-P and Bank of Russia Ordinance № 2732-U) and/or under delayed payment contracts (net of funds received from counterparty as of the settlement date and loss provisions held in accordance with Bank of Russia Regulation № 254-P);

part of investments transferred into trust management (to a trustee), net of loss provisions held in accordance with Bank of Russia Regulation № 283-P and Bank of Russia Ordinance № 2732-U;

investments into units of unit investment funds (including when the units are transferred into trust management), if the property constituting such funds is formed by capital of financial entities in the form of common equity (or its equivalent in the case of non-joint stock companies) and (or) other forms of capital instruments and (or) in case trust funds, in accordance with reports of trust managers, are invested in capital of financial entities in the form of common equity (or its equivalent in the case of non-joint stock companies) and (or) other forms of

capital instruments (respectively equal to credit institution's share in common shared ownership of the property constituting the unit investment fund), net of loss provisions held in accordance with Bank of Russia Regulation № 283-P and Bank of Russia Ordinance № 2732-U.

If the capital instrument of the entity in which the credit institution has invested does not meet the criteria for Common Equity Tier 1, Additional Tier 1, or Tier 2 capital of the credit institution, established by this regulation, it is considered common equity (or its equivalent in the case of non-joint stock companies) for the purposes of this regulation and is subject to rules set out in subclauses 2.2.9.1 and 2.2.9.2 of this clause.

Shares specified in this subclause (including shares constituting the property of unit investment funds) are deducted based on the data of balance-sheet accounts № 10501, 47901, 506, 507, 601A, 60203, 60204 and 60323 as well as the data of the relevant balance-sheet accounts defined by clause 4.56 of Part II of Bank of Russia Regulation № 385-P, net of loss provisions held in accordance with Bank of Russia Regulation № 254-P, Bank of Russia Regulation № 283-P, Bank of Russia Ordinance № 2732-U and Bank of Russia Ordinance № 1584-U.

(this paragraph was inserted pursuant to Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

#### 2.2.9.1. Insignificant investments.

For the purposes hereof investments in the capital of financial entities in the form of common equity (or its equivalent in the case of non-joint stock companies) are considered insignificant if the credit institution does not own more than 10% of the financial institution's authorised capital (part of the authorised capital) in the form of common equity (or its equivalent in the case of non-joint stock companies), duly registered by the date of capital calculation.

The aggregate amount of insignificant investments defined in accordance with this subclause, subclauses 2.4.3.1 and 2.4.4.1 of this clause and subclauses 3.2.3.1 and 3.2.4.1 of Clause 3 hereof, is deducted with a limited recognition capped at

10% of the credit institution's CET1 Capital after the application of regulatory adjustments set out in subclauses 2.2.1, 2.2.2, 2.2.4 - 2.2.8 of this clause.

(as amended by Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

#### 2.2.9.2. Significant investments.

For the purposes hereof investments in the capital of financial entities in the form of common equity (or its equivalent in the case of non-joint stock companies) are considered significant if the credit institution owns more than 10% of the financial institution's authorised capital (part of the authorised capital) in the form of common equity (or its equivalent in the case of non-joint stock companies), duly registered by the date of capital calculation.

The aggregate amount of significant investments defined pursuant to this subclause is deducted with a limited recognition capped at 10% of the credit institution's Common Equity Tier 1 Capital after the application of regulatory adjustments set out in subclauses 2.2.1, 2.2.2, 2.2.4 - 2.2.8 and 2.2.9.1 of this clause.

(as amended by Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

The aggregate amount of significant investments defined in the eighth paragraph of subclause 2.2.9 of this clause is deducted from CET1 Capital.

(as amended by Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

2.2.9.3. The aggregate amount of significant investments in the capital of financial entities in the form of common equity (or its equivalent in the case of non-joint stock companies), defined in the first paragraph of subclause 2.2.9.2 of this clause and the aggregate amount of deferred tax assets, defined in subclause 2.2.3 of this clause are deducted with a limited recognition capped at 15% of the credit institution's Common Equity Tier 1 Capital after the application of regulatory adjustments set out in subclauses 2.2.1, 2.2.2, 2.2.4 - 2.2.8 and 2.2.9.1 of this clause (net of deductions applied to CET1 Capital in accordance with subclauses 2.2.3 and 2.2.9.2 of this clause).

(as amended by Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

After the the transition period set out in in subclause 8.1 of clause 8 ends, starting from 1 January 2018, the calculation of the 15% limit will be subject to the following treatment: the amount of significant investments and deferred tax assets that remains recognised will not exceed 15% of the Common Equity Tier 1 capital, calculated after the application of regulatory adjustments set out in subclauses 2.2.1, 2.2.2, 2.2.4–2.2.8 and 2.2.9.1 of this clause, as well as the first paragraph of this subclause and determined according to the following formula:

(as amended by Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

$X = CET1(a) \times 17.65\%$  , where

X is the maximum amount to be recognised,

CET1(a) is Common Equity Tier 1 capital, calculated after the application of regulatory adjustments set out in subclauses 2.2.1, 2.2.2, 2.2.4–2.2.8 and 2.2.9.1 of this clause as well as the first paragraph of this subclause as of the date of capital calculation.

(as amended by Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

2.2.10. Shortfall of additional capital as set out in subclause 2.5 of this clause.

2.2.11. Obligations of the credit institution to purchase CET1 capital instruments of the credit institution included in the calculation in accordance herewith, as well as obligations of the credit institution to fund directly or indirectly (via third parties) purchase of rights for CET1 capital instruments of the credit institution included in the calculation of own funds (capital) of the credit institution in accordance herewith.

2.2.12. Funds received in payment for common equity (or its equivalent in the case of non-joint stock companies) set out in subclauses 2.1.1 and 2.1.2 of this clause are deducted, if the parent or subsidiary company of the credit institution or any subsidiary of the parent company of the credit institution provided an obligation associated with ownership of shares of the credit institution to the shareholder.

2.3. Additional Tier 1 capital consists of the sum of AT1 Capital instruments listed in subclauses 2.3.1–2.3.4 of this clause, adjusted for items defined in accordance with subclause 2.4 of this clause, and is subject to the requirements established by subclause 2.5 of this clause.

AT1 Capital instruments include:

2.3.1. Authorised capital of a credit institution in the legal form of a joint-stock company, formed by preference shares issued in accordance with Federal Law № 181-FZ, dated 18 July 2009, ‘On the Use of Russian Government Securities for Increasing the Capitalisation of Banks’ (Collection of Legislation of the Russian Federation, 2009, № 29, art. 3618; 2012, № 31, art. 4334) (hereinafter – the ‘Federal Law ‘On the Use of Russian Government Securities for Increasing the Capitalisation of Banks’’) as well as preference shares of certain type meeting requirements of the fourth paragraph of this subclause, where registered decisions on the issuance meet the requirements the fifth to the twelfth paragraphs of this subclause.

(as amended by Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

Authorised capital of a credit institution in the legal form of a joint-stock company is included in the calculation of AT1 Capital instruments to the extent of preference shares for which the placement report has been registered with Bank of Russia or the placement notice has been submitted to Bank of Russia as of the date of the own funds (capital) calculation. Value of the authorised capital is determined based on the par value of the placed shares in Russian rubles.

(as amended by Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

An increase in a credit institution’s authorised capital defined in the first paragraph of this subclause due to capitalisation (excluding part of the credit institution’s authorised capital formed by capitalisation connected with revaluation of property included in the calculation of Tier II capital instruments in accordance with subclause 2.3.1 of this clause and subclause 3.1.3 of clause 3 hereof) is eligible for inclusion in CET 1 capital after due registration of issuance by the Bank of Russia.

Non-cumulative preference shares whose dividend amounts are not specified in the credit institution's charter are to be included in AT1 Capital instruments, if the general meeting of shareholders has decided not to pay dividends to holders of such shares, which means there is no liability of the credit institution to shareholders.

Preference shares must have a binding clause in their terms of issuance that requires the credit institution on the occurrence of either of the following trigger events: (1) CET1 Capital ratio as defined in the Bank of Russia Instruction № 139-I, dated 3 December 2012, 'On Banks' Required Ratios', registered with the Ministry of Justice of the Russian Federation on 13 December 2012 under № 26104, on 29 November 2013 under № 30498, on 18 June 2014 under № 32735, on 20 October 2014 under № 34362, on 11 December 2014 under № 35134, on 24 December 2014 under № 35372, on 29 December 2014 under № 35453, on 20 February 2015 under № 36180 (Bank of Russia Bulletin № 74, dated 21 December 2012; № 69, dated 30 November 2013; № 63, dated 9 July 2014; № 99, dated 23 October 2014; № 112, dated 22 December 2014; № 117–118, dated 31 December 2014; № 17, dated 4 March 2015) (hereinafter – the 'Bank of Russia Instruction № 139-I') has fallen below the level of 2 percent for a total of six or more operating days within any 30 consecutive operating days or (2) the Banking Supervision Committee of the Bank of Russia has approved a bankruptcy prevention measures participation plan for Deposit Insurance Agency to provide financial support in accordance with the Federal Law 'On Insolvency (Bankruptcy)', no later than in 45 working days, but prior to the public sector capital injection in accordance with the Federal Law 'On Insolvency (Bankruptcy)', to submit to the relevant authority the documents for registration of an additional issue of common shares specified in the second paragraph of subclause 2.1.1 of this clause by means of conversion of preference shares issued earlier. Decisions to issue preference shares must also stipulate the order and deadlines for informing the shareholders (disclosure) of the occurrence of the trigger events.

(as amended by Bank of Russia Ordinance № 3600-U, dated 15 March 2015)

The amount of common shares to be issued on the trigger event must be enough to: (1) restore CET1 Capital ratio to the level of 2 percent in case CET1 Capital ratio has fallen below the level of 2 percent or (2) restore capital ratios to the levels, determined in the Bank of Russia Instruction № 139-I, if a bankruptcy prevention measures participation plan is being implemented by the Deposit Insurance Agency. If the credit institution has several issues of preference shares, conversion into common shares must be performed in the number of issuances, that will be sufficient to (1) restore CET1 Capital ratio to the level of 2 percent in case CET1 Capital ratio has fallen below the level of 2 percent or (2) restore capital ratios to the levels, determined in the Bank of Russia Instruction № 139-I, if a bank bankruptcy prevention measures participation plan is being implemented by the Deposit Insurance Agency. The decisions to issue preference shares must provide for the possibility for the credit institution's authorised body to adopt a decision concerning the sequence of conversion of issues into common shares.

(as amended by Bank of Russia Ordinance № 3600-U, dated 15 March 2015)

By the moment of registration of issue of preference shares specified in this clause, the credit institution's charter must define the procedure and conditions for conversion of preference shares, that stipulate the following:

conversion of preference shares into common shares of the credit institution on the occurrence of the trigger event as defined in the fifth paragraph of this subclause;

conversion rate;

deadline for submitting documents to the registering body for the registration of the issue of common shares by means of converting previously issued preference shares, as well as the deadline for conversion into common shares of the credit institution;

the number of declared common shares the credit institution is entitled to place through conversion of preference shares.

The specified number of declared common shares may not be decreased prior to the redemption of preference shares. The decision concerning the declared common shares is to be adopted by the general shareholders' meeting subject to the deadlines established by the Federal Law 'On Joint-Stock Companies'.

Authorised capital of a credit institution in the legal form of a joint-stock company shall be included in the calculation of AT1 capital using data of balance-sheet account 10207. Calculation of AT1 capital shall not include the balances recorded in balance-sheet account № 10207, to the extent they are included into the calculation of Tier II capital in accordance with subclauses 3.1.1 and 3.1.2 of clause 3 hereof.

When a credit institution in the legal form of a joint-stock company is reorganised through merger, the increase in the authorised capital of the absorbing credit institution as a result of conversion of shares of the absorbed credit institution and as a result of capitalisation of its Tier I capital shall be used in the calculation of additional capital sources as of the date changes are made to legal entity information in the Unified State Register of Legal Entities, stating termination of the absorbed credit institution's business operations.

(this paragraph was inserted pursuant to Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

Upon reorganisation through creation of a new legal entity, the authorised capital of the credit institution resulting from such reorganisation formed from conversion of shares of reorganised credit institutions is included in the calculation of AT1 capital instruments as of the date the information on creation of a new legal entity is entered into the Unified State Register of Legal Entities.

(this paragraph was inserted pursuant to Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

Preference shares issued in accordance with the Federal Law 'On the Use of Government Securities of the Russian Federation for Increasing the Capitalisation of Banks' are subject to phase-out in accordance with the procedure established by subclause 8.2 of clause 8 hereof.

(this paragraph was inserted pursuant to Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

2.3.2. The share premium of a credit institution in the legal form of a joint-stock company resulting from the issue of shares specified in subclause 2.3.1 of this clause.

Share premium of a credit institution, as referred to in this subclause, shall be included into calculation of AT1 capital, after the placement report has been duly registered with the Bank of Russia or the placement notice has been submitted to the Bank of Russia, based on data of balance-sheet account № 10602.

(as amended by Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

2.3.3. Subordinated credit (deposit, loan) issued before 1 March 2013 eligible for inclusion in Tier I capital as of March 1, 2013, used for purposes specified by the third paragraph of clause 5 hereof (hereinafter - subordinated debt with additional requirements).

(as amended by Bank of Russia Ordinance № 3450-U, dated 20 November 2014)

For the purposes hereof the date of issue of a subordinated credit (deposit, loan) shall mean the date of the actual money transfer to the borrower.

(this paragraph was inserted pursuant to Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

2.3.3.1. Subordinated debt with additional requirements shall be included among additional capital sources in the calculation of AT1 Capital instruments based on the data of balance-sheet accounts № 20313, 20314, 31309, 31409, 31509, 31609, 41107, 41207, 41307, 41407, 41507, 41607, 41707, 41807, 41907, 42007, 42107, 42207, 42507, 42807, 42907, 43007, 43107, 43207, 43307, 43407, 43507, 43607, 43707, 43807, 43907, 44007 and 52006.

(as amended by Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

2.3.3.2. Subordinated debt with additional requirements is subject to phase-out in accordance with the procedure established in subclause 3.1.8.6 of clause 3 and subclause 8.2 of clause 8 hereof.

(subclause 2.3.3.2 as amended by Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

2.3.4. Perpetual subordinated credit (deposit, loan) (subordinated bonds without maturity date) meeting requirements set forth by subclause 3.1.8.1.1 (by subclause 3.1.8.1.2 to the extent related to repayment) of clause 3 hereof, which was issued in accordance with an applicable law allowing issue of perpetual (with no maturity date specified) debt instruments (subordinated credits (deposits, loans or bonds)).

Subordinated credit (deposit, loan) is also eligible for inclusion in AT1 Capital instruments provided that this credit (deposit, loan) meets requirements set forth in subclause 3.1.8.1.1 of clause 3 hereof and was issued before 1 July 2015, its original maturity is at least 50 years and investor is a non-resident, with perpetual (with no maturity date specified) subordinated credits (deposits, loans, bonds) being the only obligations of the investor.

For the purposes hereof, perpetual (with no maturity date specified) subordinated credit (deposit, loan bonds) shall also mean a subordinated credit (deposit, loan or bonds) meeting requirements set forth in subclause 3.1.8.1.1 of clause 3 hereof, with original maturity of at least 50 years, investor is a resident (if subordinated credit (deposit, loan or bonds) is issued in accordance with article 5 of the Federal Law ‘On Additional Measures to Support the Financial System of the Russian Federation’) with a roll-over feature stipulated in the terms and conditions of the contract, that may be activated not oftener than once in every 50 years, on the initiative of the borrower without consent of the investor.

Subordinated instruments meeting the requirements of the first to third paragraphs of this clause are eligible for inclusion in AT1 Capital instruments, if the terms and conditions of the contract (decision to issue bonds) entitle the borrower to cancel dividend payment, and in case of the occurrence of either of the following trigger events:

(1) CET1 Capital ratio calculated by the credit institution in accordance with Bank of Russia Instruction № 139-I has fallen below the level of 5.5 percent for a total of six or more operating days within any 30 consecutive operating days or

(2) the Committee for Banking Supervision of the Bank of Russia has approved a bankruptcy prevention measures participation plan for the Deposit Insurance Agency to provide financial support in accordance with the Federal Law ‘On Insolvency (Bankruptcy)’

following consequences shall apply:

obligations of the borrower to repay the principal as well as financial sanctions for violating contractual terms are terminated in whole or in part and outstanding interest shall not be reimbursed or accrued due to full or partial termination of obligation to repay the amount of interest accrued. If losses of the credit institution account for the occurrence of the trigger events described in the fifth or sixth paragraphs of this subclause, the obligations of the credit institution shall terminate, after the accumulated other comprehensive income, reserve fund and other CET1 capital instruments have been used up; and/or

creditors’ claims regarding the principal and accumulated interest as well as financial sanctions for violating contractual terms are exchanged for or converted into common shares (or their equivalent in the case of non-joint stock companies), specified in the second paragraph of subclause 2.1.1 (subclause 2.1.1) of this clause (hereinafter – ‘exchange or conversion’).

For the purposes of exchange or conversion the agreement (decision to issue) shall contain a binding clause that documents for registration of the additional issue of shares with the Bank of Russia (for a credit institution in the legal form of a limited liability company, documents for registration of changes to the charter based on a state registration decision adopted by the Bank of Russia), should the authorised capital of the credit institution be increased by way of exchange or conversion into the credit institution’s common shares (or their equivalent in the case of non-joint stock companies) specified in the second paragraph of subclause 2.1.1 (subclause 2.1.2) of this clause, shall be submitted within 45 business days

after the date the information on occurrence of either of the trigger events specified in the fifth or sixth paragraphs of this subclause has been published on the official website of the Bank of Russia on the Internet (hereinafter – the ‘official website of the Bank of Russia’), but prior to the date the measures in accordance with the Federal Law ‘On Insolvency (Bankruptcy)’ are actually taken by the Deposit Insurance Agency.

For the purposes of exchange or conversion the subordinated instrument agreement (decision to issue) shall stipulate that an authorised body of the credit institution may adopt a decision to exchange for or convert into the credit institution’s common shares (or their equivalent in the case of non-joint stock companies) and that the credit institution shall be obliged to adopt a decision to increase its authorised capital by issue of additional shares (to increase its authorised capital for a credit institution in the legal form of a limited liability company) in the amount sufficient to (1) restore CET1 Capital ratio to the level above 5.5 percent or (2) restore capital ratios to the levels, specified in Bank of Russia Instruction № 139-I, if a bankruptcy prevention participation plan is being performed by the Deposit Insurance Agency.

If a credit institution has several subordinated credits (deposits or loans) or several issues of subordinated bonds, the exchange or conversion shall be performed in an amount (a number of issues) that will be sufficient to (1) restore CET1 Capital ratio to the level of 5.5 percent or (2) restore capital ratios to the levels, specified in Bank of Russia Instruction № 139-I, if a bankruptcy prevention participation plan is being performed by the Deposit Insurance Agency.

The terms and conditions of subordinated credit (deposit or loan) or decision to issue subordinated bonds may provide for a priority order of exchange or conversion into the credit institution’s common shares (or their equivalent in the case of non-joint stock companies) with respect to other subordinated credits (deposits, loans or bonds) of the borrowing credit institution (issuer). Otherwise, subordinated credits (deposits, loans or bonds) shall be exchanged or converted in in the amount sufficient to (1) restore CET1 Capital ratio to the level above 5.5

percent or (2) restore capital ratios to the levels, specified in Bank of Russia Instruction № 139-I, if a bankruptcy prevention participation plan is being performed by the Deposit Insurance Agency, in proportion to amounts of obligations to each of lenders (bond owners, provided that a whole number of bonds is converted).

The aggregate amount of claims subject to exchange for or conversion into common shares of the credit institution, may not be lower than the par value of such common shares.

If the borrowing credit institution intends to perform an exchange for common shares (or their equivalent in the case of non-joint stock companies) to increase its authorised capital, except in case of exchange resulting from the occurrence of either of the trigger events specified in the fifth and sixth paragraphs of this subclause, such exchange shall be approved with a Bank of Russia regional branch (authorised structural unit of the Bank of Russia head office) in charge of supervising the credit institution's activities (authorised structural unit of the Bank of Russia head office), after state registration of the issue (additional issue) of the borrowing credit institution's shares has been completed or an authorised body of a borrowing credit institution in the legal form of a limited liability company has adopted a decision to increase its authorised capital and make changes to its charter.

When the authorised capital of a credit institution is increased by exchange or conversion or by issue of preference shares paid up by means of calling subordinated credit (deposit or loan) pursuant to the Federal Law 'On Additional Measures to Support the Financial System of the Russian Federation', the subordinated credit (deposit, loan or bonds) shall be excluded from AT1 capital as of the date the increase in the authorised capital is carried on the books of the credit institution.

The binding clause of the contract (registered decision to issue) prohibiting reimbursement for or accrual of outstanding interest and providing for full or partial termination of obligations to repay the principal and obligations with

respect to financial sanctions for violating contractual terms shall come into effect within 30 business days after the date the information on occurrence of either of the trigger events specified in the fifth and sixth paragraphs of this subclause has been published on the Bank of Russia official web-site, but prior to the starting date of performance of measures in accordance with the Federal Law ‘On Insolvency (Bankruptcy)’ by the Deposit Insurance Agency, and last until (1) CET1 Capital ratio is restored to the level of 5.5 percent or (2) capital ratios are restored to the levels, specified in Bank of Russia Instruction № 139-I, if a bankruptcy prevention participation plan is being performed by the Deposit Insurance Agency.

If credit institution has several subordinated instruments, obligations shall terminate in an amount (a number of issues) sufficient to (1) restore CET1 Capital ratio to the level above 5.5 percent or (2) restore capital ratios to the levels, specified in Bank of Russia Instruction № 139-I, if a bankruptcy prevention participation plan is being performed by the Deposit Insurance Agency,

Information on approval by the Committee for Banking Supervision of the Bank of Russia of the Deposit Insurance Agency bankruptcy prevention participation plan is published on the official website of the Bank of Russia.

For the purposes of publishing the information on the fact that CET1 capital ratio of the credit institution has fallen below the level, specified in the fifth paragraph of this subclause, on the official website of the Bank of Russia, the credit institution shall provide the relevant information to respective Bank of Russia regional branch (authorised structural unit of the Bank of Russia head office) within three business days after the date of occurrence of such event.

Within three business days after the date CET1 capital ratio of the credit institution has fallen below the level specified in the fifth paragraph of this subclause (after the date when the information on approval by the Committee for Banking Supervision of the Bank of Russia of the Deposit Insurance Agency bankruptcy prevention participation plan is published) the credit institution shall also provide to the Bank of Russia regional branch (authorised structural unit of

the Bank of Russia head office) (1) information on the aggregate amount of outstanding subordinated credits (deposits, loans or bonds) of the credit institution, including related interest accrued, as well as financial sanctions charged for violating contractual terms of such subordinated credits (deposits, loans or bonds), that are subject to write-off and/or exchange or conversion, as well as (2) information on the aggregate amount of write-off (exchange or conversion) of outstanding subordinated credits (deposits, loans or bonds), including interest accrued, necessary to (1) restore CET1 Capital ratio to the level above 5.5 percent or (2) restore capital ratios to the levels, specified in Bank of Russia Instruction № 139-I, if a bankruptcy prevention participation plan is being performed by the Deposit Insurance Agency. In addition, the credit institution shall provide information on approaches to exercising the binding clause that requires write-off, exchange or conversion.

Following verification of information provided, the Bank of Russia regional branch (authorised structural unit of the Bank of Russia head office) publishes information on the fact that CET1 capital ratio of the credit institution has fallen below the level specified in the fifth paragraph of this subclause and, subject to consent of the credit institution, information specified in the twenty-first paragraph of this subclause on the official website of the Bank of Russia within 14 business days of the month following the month, in which the trigger event described in the fifth paragraph of this subclause occurred.

2.3.4.1. A credit institution shall include the subordinated credit (deposit, loan or bonds) specified in the first through third paragraphs of subclause 2.3.4 of this clause in the calculation of AT1 capital instruments starting from the date the Bank of Russia regional branch (in writing in optional form) confirms that the contract (decision to issue) complies with requirements set forth by subclause 2.3.4 of this clause and consents to inclusion of the sum of the instrument in AT1 Capital of the credit institution, but no earlier than the actual money transfer to the borrower. The procedure of obtaining approval of the Bank of Russia is established by subclause 3.1.8.3 of clause 3 hereof.

2.3.4.2. Credit institution may also include in AT1 capital a subordinated credit (deposit, loan or bonds) issued before 1 January 2013 that meets requirements of subclause 2.3.4 of this clause if there is a binding clause in the contract prohibiting reimbursement for or accrual of outstanding interest due to full or partial termination of the borrowing credit institution's obligation to pay interest accrued and entitling credit institution to cover losses through full or partial termination of the obligation to repay the principal on the occurrence of the trigger event agreed upon with the Bank of Russia before 1 January 2013.

2.3.4.3. The Bank of Russia regional branch (authorised structural unit of the Bank of Russia head office) may require exchange or conversion, if pursuant to the contract of subordinated credit (deposit or loan) or decision of issue of subordinated bonds an authorised body of a credit institution stipulate exchange or conversion, in the following situations:

the credit institution has not submitted documents to the Bank of Russia required for registration of the additional issue of common shares (changes to the charter) which meet requirements set forth in the Bank of Russia regulations, within 45 business days from the date the information on occurrence of either of the trigger events has been published on the official website of the Bank of Russia;

Bank of Russia regional branch (authorised structural unit of the Bank of Russia head office) has established the fact that CET1 Capital ratio calculated by the credit institution in accordance with the Bank of Russia Instruction № 139-I had fallen below the level of 5.5 percent for a total of six or more operating days within any 30 consecutive operating days, and the credit institution hasn't provided information on occurrence of this event to the Bank of Russia regional branch (authorised structural unit of the Bank of Russia head office) within the deadline set forth by the twentieth and twenty first paragraphs of subclause 2.3.4 of this clause.

The Bank of Russia regional branch (authorised structural unit of the Bank of Russia head office) provides to the credit institution the Bank of Russia's requirement for exchange or conversion and/or to provide the information

mentioned within 10 business days after expiry of the period set forth by the tenth paragraph of subclause 2.3.4 of this clause or the information provision period set forth by the twentieth and twenty-first paragraphs of subclause 2.3.4 of this clause.

The exchange or conversion requirement of the Bank of Russia shall be documented as the Bank of Russia order specifying the period for the credit institution to provide to the Bank of Russia documents required for registration of an additional issue of common shares (changes to the charter) but no more than 45 business days from the date the Bank of Russia order has been actually received by the credit institution. The Bank of Russia order shall be signed by the head (deputy head) of the Bank of Russia regional branch (Deputy Governor of the Bank of Russia in charge of the authorised structural unit of the Bank of Russia head office) and communicated to the credit institution in a manner allowing to confirm its receipt by the credit institution.

If the exchange or conversion requirement of the Bank of Russia is imposed on a credit institution, the latter shall notify its lenders of the same within the business day following the day of receipt thereof. In such case, lenders of the credit institution may decide to forgive the debt. A debt forgiveness decision shall be taken within the period set forth by the Bank of Russia order for fulfilment of the exchange or conversion requirement of the Bank of Russia. The credit institution shall notify the Bank of Russia regional branch (authorised structural unit of the Bank of Russia head office) of the decision taken by the lenders within the day following the date the credit institution received notice of the decision from the lenders.

The exchange or conversion requirement of the Bank of Russia shall be cancelled by the Bank of Russia regional branch (authorised structural unit of the Bank of Russia head office) from the date the Bank of Russia receives documents required for registration of the additional issue of common shares (changes to the charter) of the credit institution, which meet requirements set forth by the Bank of Russia regulations or from the date the credit institution provides documents confirming that the lenders have forgiven the credit institution's debt to the Bank

of Russia regional branch (authorised structural unit of the Bank of Russia head office).

If the credit institution fails to comply with the exchange or conversion requirement of the Bank of Russia within the period set forth by the Bank of Russia order, the Bank of Russia regional branch (authorised structural unit of the Bank of Russia head office) applies measures provided for under clause 74 of the Federal Law ‘On the Central Bank of the Russian Federation (Bank of Russia)’ to the credit institution.

(subclause 2.3.4 as amended by Bank of Russia Ordinance № 3600-U, dated 25 March 2015)

#### 2.4. Regulatory adjustments to Additional Tier 1 capital instruments

##### 2.4.1. Investments in own shares specified in subclauses 2.3.1 of this clause.

Shares specified in this subclause are deducted based on the date of balance-sheet accounts № 10207, 10501, 47901, 60323, 506, 507 as well as data from the relevant balance-sheet accounts defined by clause 4.56 of Part II of Bank of Russia Regulation № 385-P net of loss provisions held in accordance with Bank of Russia Regulation № 254-P, Bank of Russia Regulation № 283-P, Bank of Russia Ordinance № 2732-U and the Bank of Russia Ordinance № 1584-U.

(as amended by Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

2.4.2. Expired on 1 January 2014 – Bank of Russia Ordinance № 3096-U, dated 25 October 2013.

2.4.3. Investments in the capital of financial entities in the form of preference shares that meet the requirements defined by subclause 2.3.1 of this clause.

##### 2.4.3.1. Insignificant investments.

Part of the aggregate amount of insignificant investments defined in accordance with this subclause, subclauses 2.2.9.1 and 2.4.4.1 of this clause and subclauses 3.2.3.1 and 3.2.4.1 of Clause 3 hereof, that refers to investments into shares specified in subclause 2.4.3 of this clause, is deducted with a limited recognition capped at 10% of the credit institution’s CET1 Capital after the

application of regulatory adjustments set out in subclauses 2.2.1, 2.2.2, 2.2.4 - 2.2.8 of this clause.

(as amended by Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

#### 2.4.3.2. Significant investments.

The aggregate amount of significant investments defined pursuant to this subclause is deducted.

2.4.3.3. Investments in the capital of financial entities in the form of preference shares as specified in subclause 2.4.3 of this clause are deducted based on the data of balance-sheet accounts № 50605, 50606, 50607, 50608, 50618, (50621–50620), 50705, 50706, 50707, 50708, 50718, (50721–50720), 601A, 60201, 60202, 60203, 60204 and 47408. Investments into shares (their equivalent in the case of non-joint stock companies) recorded in balance-sheet accounts № 50705, 50706, 50707, 50708, 50718, 601A, 60201, 60202, 60203 and 60204 are deducted net of loss provisions held pursuant to Bank of Russia Regulation № 254-P, Bank of Russia Regulation № 283-P, Bank of Russia Ordinance № 2732-U and Bank of Russia Ordinance № 1584-U.

(as amended by Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

2.4.4. Subordinated credits (deposits, loans or bonds) meeting conditions of subclauses 2.3.3 and 2.3.4 of this clause (including instruments, funding subordinated credit (deposit, loan or bonds) that meet conditions of subclauses 2.3.3 and 2.3.4 of this clause, included into capital calculation of financial entities, including non-residents) provided by the credit institution to financial entities, including non-residents.

2.4.4.1. Insignificant subordinated credits (deposits, loans or bonds) specified in subclause 2.4.4 of this clause.

The aggregate amount of insignificant investments as defined pursuant to this subclause, subclauses 2.2.9.1 and 2.4.3.1 of this clause and subclauses 3.2.3.1 and 3.2.4.1 of clause 3 hereof is deducted from AT1 capital with a limited recognition capped at 10 percent of the part of credit institution's CET1 capital (after application of subclauses 2.2.1, 2.2.2, 2.2.4–2.2.8 of this clause), that refers to

insignificant subordinated credits (deposits, loans or bonds) specified in this clause.

(as amended by Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

2.4.4.2. Significant subordinated credits (deposits, loans or bonds) specified in subclause 2.4.4 of this clause.

The aggregate amount of significant subordinated credits (deposits, loans or bonds) defined pursuant to this subclause is deducted from AT1 capital.

2.4.4.3. Subordinated credits (deposits, loans or bonds) provided by the credit institution to financial entities are deducted from AT1 capital based on the data of balance-sheet accounts № 32009, 32109, 32209, 32309, 47802, 50106, 50107, 50109, 50110, (50121–50120), 50207, 50208, 50210, 50211, (50221–50220), 50307, 50308, 50310 and 50311.

(as amended by Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

Subordinated credits (deposits, loans, or bonds) provided to financial entities, including non-residents, are deducted net of loss reserves held in accordance with the requirements of Bank of Russia Regulation № 254-P, Bank of Russia Ordinance № 283-U and Bank of Russia Ordinance № 1584-U.

2.4.5. Shortfall of Tier II capital determined pursuant to subclause 3.3 of clause 3 hereof subject to subclause 2.4.7 of this clause.

2.4.6. Obligations of the credit institution to purchase AT1 capital instruments of the credit institution included in the calculation in accordance herewith, as well as obligations of the credit institution to fund directly or indirectly (via third parties) purchase of rights for AT1 capital instruments of the credit institution included in the calculation of own funds (capital) of the credit institution in accordance herewith.

2.4.7. Payments received for preference shares, specified in subclause 2.3.1 of this clause are deducted, if a parent or subsidiary company of the credit institution or any subsidiary of the parent company of the credit institution provided an obligation associated with ownership of shares of the credit institution to the shareholder.

(as amended by Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

2.4.8. Items determined pursuant to clause 2 of Appendix, with regard to the transitional arrangements set forth by subclauses 8.1.1, 8.1.2 of clause 8 hereof.

(subclause 2.4.8 was inserted pursuant to the Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

2.5. Shortfall of Additional Tier 1 capital, resulting from deduction of items defined pursuant to subclause 2.4 of this clause, with regard to the transitional arrangements set out in subclause 8.1.2 of clause 8 hereof, from the sum of Additional Tier 1 capital instruments calculated pursuant to subclause 2.3 of this clause, is deducted from the sum of Common Equity Tier 1 capital instruments.

(as amended by Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

3. Tier II capital is defined as the sum of Tier II capital instruments listed in subclauses 3.1.1–3.1.9 of this clause, adjusted for items defined pursuant to subclause 3.2 of this clause, with regard to the requirements set forth by subclause 3.3 of this clause.

3.1. Tier II capital instruments include:

3.1.1. Authorised capital of a credit institution in the legal form of a joint-stock company formed by placement of preference shares issued before 1 March 2013, except for the preference shares referred to in subclause 2.3.1 of clause 2 hereof.

The preference shares specified in this subclause are subject to phase-out from own funds (capital) in accordance with the procedure established in subclause 8.2 of clause 8 hereof.

When a credit institution in the legal form of a joint-stock company is reorganised through merger, the increase in the authorised capital of the absorbing credit institution as a result of conversion of shares of the absorbed credit institution and as a result of capitalisation of its own funds (capital) is included in the calculation of Tier II capital as of the date the changes are made to legal entity information in the Unified State Register of Legal Entities stating termination of the absorbed credit institution's business operations.

(this paragraph was inserted pursuant to Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

Upon reorganisation through creation of a new legal entity, the authorised capital of the credit institution resulting from such reorganisation formed from conversion of shares of reorganised credit institutions is included in the calculation of Tier II capital as of the date the information on creation of a new legal entity is entered into the Unified State Register of Legal Entities.

(this paragraph was inserted pursuant to Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

3.1.2. Authorised capital of a credit institution in the legal form of a joint-stock company formed by placement of preference shares issued after 1 March 2013, except for the preference shares referred to in subclause 2.3.1 of clause 2 hereof.

Preference shares must have a binding clause in their terms of issuance set forth in the fifth paragraph of subclause 2.3.1 of clause 2 hereof.

The amount and procedures of conversion of preference shares (including when the credit institution has several issues of preference shares) are set forth in the sixth paragraph of subclause 2.3.1 of clause 2 hereof.

By the moment of registration of issue of preference shares specified in this clause, the credit institution's charter must define the procedure and conditions for conversion of preference shares as defined by the eighth to eleventh paragraphs of subclause 2.3.1 of clause 2 hereof.

Preference shares shall be included in the calculation of Tier II capital based on the data of balance-sheet account № 10207.

(subclause 3.1.2 as amended by Bank of Russia Ordinance № 3600-U, dated 25 March 2015)

3.1.3. The part of the authorised capital which was formed by capitalisation connected with revaluation of property prior to property disposal. After property disposal, the specified part of the credit institution's authorised capital is eligible

for inclusion in the calculation of CET1 and/or AT1 capital in accordance with subclauses 2.1.1, 2.1.2, and/or 2.3.1 of clause 2 hereof.

This part of the authorised capital shall be included in Tier II capital using data of balance-sheet account № 102.

3.1.4. Share premium of a credit institution in the legal form of a joint-stock company gained through the placement of shares specified in subclauses 3.1.1 and 3.1.2 of this clause.

Share premium of a credit institution in the legal form of a joint-stock company shall be included in the calculation of Tier II capital, after the placement report has been duly registered with the Bank of Russia or the placement notice has been submitted to the Bank of Russia, based on data of balance-sheet account № 10602.

(as amended by Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

Share premium gained from the placement (issuance) of preference shares referred to in subclause 3.1.1 of this clause is subject to phase-out in accordance with the procedure established in subclause 8.2 of clause 8 hereof.

3.1.5. The reserve fund of a credit institution to the extent formed by profits of the current year (if formation of such fund by profits of the current year is stipulated under the credit institution's charter) before audit and profits of the previous year before audit. The reserve fund (or part thereof) formed by profits of the previous year shall not be included in the calculation of Tier II capital in case there has been no audit after 1 July of the year following the reporting year.

(as amended by Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

The reserve fund shall be included in the calculation of Tier II capital based on the data of balance-sheet account № 107.

3.1.6. Profits of the current year before audit, not included in CET1 Capital pursuant to subclause 2.1.7 of clause 2 hereof.

Profits of the current year included in the calculation of Tier II capital are defined as a positive result of the reduction of the aggregate amount of balances (a part thereof) registered in balance-sheet accounts:

№ 10603, 10609, 70601, 70602, 70603, 70604, 70605, 70613, 70615, 61301, 61304 ;

(as amended by Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

by the amount of the balances (a part thereof) recorded in balance-sheet accounts № 10605, 10610, 70606, 70607, 70608, 70609, 70610, 70611, 70612, 70614, 70616, 50905, 61401, 61403.

(as amended by Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

Interim profit (intramonthly) includes part of data on the balance sheet account № 52503 that refers to accrued discount subject to write-off as expenses in the reporting period (month) for the purposes of calculating own funds (capital) on an intramonthly basis.

Profits of the current year included in the calculation of Tier II capital shall be adjusted for the shortfall of reserve(s) to be held by the credit institution in accordance with Bank of Russia Regulation № 254-P, Bank of Russia Regulation № 283-P, Bank of Russia Ordinance № 1584-U and/or Bank of Russia Ordinance № 2732-U and in accordance with the order issued to the credit institution pursuant to Articles 72 and 74 of the Federal Law ‘On the Central Bank of the Russian Federation (Bank of Russia)’ as of the reporting date following the date a directive to create additional reserves is sent, up to the date following the expiration date of the directive to create additional reserves, subject to subclause 7.5 of clause 7 hereof.

Balances recorded in balance-sheet accounts № 10603, 10605, 70602 and 70607, to the extent related to revaluation of securities with current (fair) value determined in a manner other than that for weighted average price disclosed by the securities market organiser in accordance with subclause 7.7 of FFMS Regulation № 10-87/pz-n and where securities are traded on foreign organised markets – in a manner other than that for the weighted average price disclosed in accordance with the procedure established by corresponding national laws (authority), are included in the calculation of Tier II Capital in accordance with the procedure established by subclause 8.1 of clause 8 hereof.

(this paragraph was inserted pursuant to Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

Starting from October 1, 2014, profit or loss from derivatives transactions that form balances in balance-sheet accounts № 70613 and 70614, is taken into account in full when calculating current year profit.

(this paragraph was inserted pursuant to Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

### 3.1.7. Profits of previous years before audit.

Profits of previous years included in the calculation of Tier II capital until 1 July of the year following the reporting year is defined as the positive result of the reduction of the balances (a part thereof) recorded in the balance-sheet accounts:

№ 10801, 70701, 70702, 70703, 70704, 70705, 70713, 70715, 70801;

(as amended by Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

by the amount of the balances (a part thereof) recorded in balance-sheet accounts № 10901, 70706, 70707, 70708, 70709, 70710, 70711, 70712, 70714, 70716, 70802.

(as amended by Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

When determining profits of previous years, funds used at the expense of profits of the previous year shall not be taken into account.

In case there has been no audit after 1 July of the year following the reporting year, the profits of previous year calculated in accordance with this subclause shall not be included in Tier II capital.

Profits of previous years included in the calculation of Tier II capital shall be adjusted for the shortfall of reserve(s) to be held by the credit institution in accordance with Bank of Russia Regulation № 254-P, Bank of Russia Regulation № 283-P, Bank of Russia Ordinance № 1584-U and/or Bank of Russia Ordinance № 2732-U and in accordance with an order issued to the credit institution pursuant to Articles 72 and 74 of the Federal Law 'On the Central Bank of the Russian Federation (Bank of Russia)', as of the reporting date following the date a directive to create additional reserves was sent, up to the date following the expiration date

of the directive to create additional reserves, subject to subclause 7.5 of clause 7 hereof.

Balances recorded in balance-sheet accounts № 10801, 10901, 70702, 70707, 70801, 70802, to the extent related to revaluation of securities with current (fair) value determined in a manner other than that for weighted average price disclosed by the securities market organiser in accordance with clause 7.7 of FFMS Regulation 10-87/pz-n and where securities are traded on foreign organised markets – in a manner other than that for the weighted average price disclosed in accordance with the procedure established by corresponding national laws (authority), shall be accounted for in accordance with the procedure established by subclause 8.1 of clause 8 hereof.

(this paragraph was inserted pursuant to Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

Starting from October 1, 2014, profit or loss from derivatives transactions that form balances in balance-sheet accounts № 10801, 10901, 70713, 70714, 70801, 70802 is taken into account in full when calculating profit of previous years.

(this paragraph was inserted pursuant to Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

#### 3.1.8. Subordinated credit (deposit, loan, or bonds).

3.1.8.1. For the purposes hereof, a subordinated credit (deposit, loan or bonds) shall mean a credit (deposit, loan or bonds) meeting conditions referred to in clause 25.1 of the Federal Law ‘On Banks and Banking Activities’ (as amended by Federal Law № 17-FZ, dated 3 February 1996) (Gazette of the Congress of People’s Deputies of the RSFSR and the Supreme Soviet of the RSFSR 1990, № 27, art. 357; 1996, № 6, art. 492; 1998, № 31, art. 3829; 1999, № 28, art. 3459, art. 3469; 2001, № 26, art. 2586; № 33, art. 3424; 2002, № 12, art. 1093; 2003, № 27, art. 2700; № 50, art. 4855; № 52, art. 5033, art. 5037; 2004, № 27, art. 2711; № 31, art. 3233; 2005, № 1, art. 18, art. 45; № 30, art. 3117; 2006, № 6, art. 636; № 19, art. 2061; № 31, art. 3439; № 52, art. 5497; 2007, № 1, art. 9; № 22, art. 2563; № 31, art. 4011; № 41, art. 4845; № 45, art. 5425; № 50, art. 6238; 2008, №

10, art. 895; 2009, № 1, art. 23; № 9, art. 1043; № 18, art. 2153; № 23, art. 2776; № 30, art. 3739; № 48, art. 5731; № 52, art. 6428; 2010, № 8, art. 775; № 27, art. 3432; № 30, art. 4012; № 31, art. 4193; № 47, art. 6028; 2011, № 7, art. 905; № 27, art. 3873, art. 3880; № 29, art. 4291; № 48, art. 6728, art. 6730; № 49, art. 7069; № 50, art. 7351; 2012, № 27, art. 3588; № 31, art. 4333; № 50, art. 6954; № 53, art. 7605, art. 7607; 2013, № 11, art. 1076; № 19, art. 2317, art. 2329; № 26, art. 3207; № 27, art. 3438, art. 3477; № 30, art. 4084; № 40, art. 5036; № 49, art. 6336; № 51, art. 6683, art. 6699; 2014, № 6, art. 563; № 19, art. 2311; № 26, art. 3379, art. 3395; № 30, art. 4219; № 40, art. 5317, art. 5320; № 45, art. 6144, art. 6154; № 49, art. 6912; № 52, art. 7543; 2015, № 1, art. 37).

(as amended by Bank of Russia Ordinance № 3600-U, dated 15 March 2015)

3.1.8.1.1. Subordinated credit (deposit, loan, or bonds) must meet the following requirements:

contract of subordinated credit (deposit or loan) or terms of issue of subordinated bonds shall contain a provision to the effect that in case the credit institution is found insolvent (bankrupt), claims under this credit (deposit, loan or bonds) and under financial sanctions for the default of credit (deposit, loan or bonds) shall be satisfied after claims of all other lenders have been satisfied and shall contain no provisions which directly or indirectly entitle the lender to demand any payments from the credit institution prior to their maturity. Terms and conditions of repayment (early repayment) of subordinated credit (deposit, loan or bonds) shall be set forth in subclauses 3.1.8.1.2 and 3.1.8.4 of this clause;

the credit institution is not obliged in any form to repay a subordinated credit (deposit or loan) (or part thereof) or redeem subordinated bonds prior to maturity;

contract of subordinated credit (deposit or loan) or terms of issue of subordinated bonds shall contain a provision to the effect that making amendments to the said contract (terms of issue) is subject to prior approval of the Bank of Russia;

at the time the contract is entered into (amended), terms and conditions of subordinated credit (deposit or loan), including interest rate and conditions for

revision thereof, shall not differ from the market conditions for similar credits (deposits or loans) and interest paid on bonds and conditions for revision thereof as of their placement commencement date (before their placement commencement date) shall not significantly differ from an average interest level for similar bonds as of their placement commencement date or the date of changes to the decision to issue bonds or assume no interest payments or other payments tied to operating results of the credit institution or yield of individual transactions of the credit institution.

Material deviation from the market is an interest rate that is 20 or more percent higher than any interest rate for comparable instruments issued within 3 months.

For the purposes hereof criteria for comparable subordinated credits (deposits, loans) are: currency, time terms and amount. Criteria for comparable subordinated bonds are: identification codes, amount, time terms and (or) terms of issue, credit rating of the issuer.

If there are no comparable instruments, the interest rate is limited to 15 percent for instruments in roubles, and 10 percent for instruments in foreign currencies.

The interest rate for state aid instruments (subordinated loans, bonds) issued pursuant to Federal Law № 451-FZ, dated 29 December 2014, ‘On Amendments to Article 11 of the Federal Law ‘On Insurance of Household Deposits in Russian Banks’ and Article 46 of the Federal Law ‘On the Central Bank of the Russian Federation (Bank of Russia)’ (Collection of Legislation of the Russian Federation, 2015, № 1, art. 4) (hereinafter – the ‘Federal Law № 451-FZ, dated 29 December 2014’) is limited to the coupon rate for federal bonds transferred to the credit institution pursuant to Federal Law № 451-FZ, dated 29 December 2014, increased by 2 percentage points.

(subclause 3.1.8.1.1 as amended by Bank of Russia Ordinance № 3600-U, dated 25 March 2015)

3.1.8.1.2. A subordinated credit (deposit, loan or bonds) shall also meet the following requirements:

The term of the subordinated credit (deposit or loan) or maturity date of the bonds shall be at least 5 years;

Repayment (early repayment) of subordinated credit (deposit or loan) (or a part thereof) or redemption (early redemption) of bonds by borrowing credit institution shall only be allowed in at least 5 years from the date the subordinated credit (deposit, loan or bonds) has been included among the borrowing credit institution's Tier II capital sources pursuant to subclause 3.1.8.4 of this clause;

The contract of a subordinated credit (deposit or loan) or registered decision to issue subordinated bonds has a binding clause that establishes prior supervisory approval by the Bank of Russia in writing in optional form for the following:

early repayment of the credit (deposit or loan) or a part thereof and early payment of interest on the credit (deposit, loan or bonds) or early redemption of bonds (when there is no maturity date – repayment of the subordinated credit (deposit or loan) or a part thereof or redemption of subordinated bonds or early repayment of interest on the credit (deposit, loan or bonds));

early termination of the contract of subordinated credit (deposit or loan) (when there is no maturity date – termination of the contract of subordinated credit (deposit or loan));

early termination of obligation under the contract (when there is no maturity date – termination of obligation under the contract).

For the purposes hereof, early repayment of debt shall mean: early repayment of credit (deposit or loan) or a part thereof, early payment of interest on the credit (deposit or loan), early redemption of bonds, early termination of the contract of credit (deposit or loan) as well as amendments to the contract of the credit (deposit or loan) providing for actions mentioned in this paragraph. Termination of obligations under the contract by means of compensation, setoff (including transfer of claim) or novation, or actions resulting in the subordinated credit (deposit or loan) ceasing to be compliant with requirements hereof shall not be allowed.

Repayment of the credit (deposit or loan) or a part thereof or redemption of bonds or early payment of interest on the credit (deposit, loan or bonds) or termination of the contract of credit (deposit or loan), before maturity date specified in the second paragraph of this subclause, on the initiative of the creditor is not allowed.

Subordinated credit (deposit, loan or bonds) is eligible for inclusion in Tier II Capital instruments, if the terms and conditions of the contract (decision to issue bonds) have a binding clause, establishing that in case of the occurrence of either of the following trigger events:

(1) CET1 Capital ratio calculated by the credit institution in accordance with Bank of Russia Instruction № 139-I has fallen below the level of 5.5 percent for a total of six or more operating days within any 30 consecutive operating days or

(2) the Committee for Banking Supervision of the Bank of Russia has approved a bankruptcy prevention measures participation plan for the Deposit Insurance Agency to provide financial support in accordance with the Federal Law 'On Insolvency (Bankruptcy)'

following consequences shall apply:

obligations of the borrower to repay the principal as well as financial sanctions for violating contractual terms are terminated in whole or in part and outstanding interest shall not be reimbursed or accrued due to full or partial termination of obligation to repay the amount of interest accrued. If losses of the credit institution account for the occurrence of the trigger events described in the eleventh or twelfth paragraphs of this subclause, the obligations of the credit institution shall terminate, after the accumulated other comprehensive income, reserve fund and other CET1 capital instruments have been used up; and/or

exchange or conversion into the credit institution's common shares (or their equivalent in the case of non-joint stock companies) specified in the second paragraph of subclause 2.1.1 (subclause 2.1.2) of clause 2 hereof is performed.

Conditions of exchange or conversion shall be established and applied pursuant to the tenth to fourteenth and sixteenth paragraphs of subclause 2.3.4 of

clause 2 hereof subject to the events described in the eleventh or twelfth paragraph of this subclause, namely:

exchange or conversion into the credit institution's common shares (or their equivalent in the case of non-joint stock companies) and increase in its authorised capital shall be in an amount sufficient to (1) restore CET1 Capital ratio to the level above 5.5 percent or (2) restore capital ratios to the levels, specified in Bank of Russia Instruction № 139-I, if a bankruptcy prevention participation plan is being performed by the Deposit Insurance Agency.

On the occurrence of either of the trigger events specified in the eleventh or twelfth paragraph of this subclause, the Bank of Russia regional branch (authorised structural unit of the Bank of Russia head office) may require exchange or conversion into the credit institution's common shares (or their equivalent in the case of non-joint stock companies) according to the procedure set forth in subclause 2.3.4.3 of clause 2 hereof.

Conditions of exchange in order to increase the authorised capital, except in case of exchange resulting from the occurrence of either of the trigger events specified in the eleventh and twelfth paragraphs of this subclause, or conditions of using the funds released from early repayment of subordinated credit (deposit or loan) to pay up preference shares of the credit institution pursuant to the Federal Law 'On Additional Measure to Support the Financial System of the Russian Federation' shall be established and applied pursuant to the fifteenth and/or sixteenth paragraphs of subclause 2.3.4 of clause 2 hereof.

The binding clause of the contract (registered decision to issue) prohibiting reimbursement for or accrual of outstanding interest and providing for full or partial termination of obligations to repay the principal and obligations with respect to financial sanctions for violating contractual terms shall come into effect within 30 business days after the date the information on occurrence of either of the trigger events specified in the eleventh and twelfth paragraphs of this subclause has been published on the Bank of Russia official website, but prior to the starting date of performance of measures in accordance with the Federal Law 'On Insolvency

(Bankruptcy)' by the Deposit Insurance Agency, and last until (1) CET1 Capital ratio is restored to the level of 5.5 percent or (2) capital ratios are restored to the levels, specified in Bank of Russia Instruction № 139-I, if a bankruptcy prevention participation plan is being performed by the Deposit Insurance Agency.

If the credit institution has several subordinated credits (deposits or loans) or several issues of subordinated bonds, obligations shall terminate in an amount (number of issues) sufficient to (1) restore CET1 Capital ratio to the level above 5.5 percent or (2) restore capital ratios to the levels, specified in Bank of Russia Instruction № 139-I, if a bankruptcy prevention participation plan is being performed by the Deposit Insurance Agency.

Subordinated credits (deposits or loans) issued before 1 March 2013 and bonds placed before 1 March 2013 that do not meet any of the requirements listed in this subclause, are subject to phase-out from own funds (capital) in accordance with the procedure specified in subclause 8.2 of clause 8 hereof.

Subordinated credits issued pursuant to the Federal Law 'On Additional Measures to Support the Financial System of the Russian Federation' and/or as part of the Deposit Insurance Agency bankruptcy prevention participation plan pursuant to the Federal Law 'On Insolvency (Bankruptcy)' shall be included in the calculation of own funds (capital) in accordance with the procedure specified in subclause 8.2 of clause 8 hereof.

The information on the occurrence of the trigger events specified in the eleventh or twelfth paragraphs of this subclause shall be published on the official website of the Bank of Russia, and the information on the amount of outstanding subordinated credits (deposits, loans or bonds) of of the credit institution and on approaches to exercising the binding clause that requires write-off, exchange or conversion shall be provided by the credit institution according to the procedure set forth by the nineteenth to twenty-second paragraphs of subclause 2.3.4 of clause 2 hereof.

(subclause 3.1.8.1.2 as amended by Bank of Russia Ordinance № 3600-U, dated 25 March 2015)

3.1.8.2. Subordinated credit (deposit, loan or bonds), including subordinated credit (deposit, loan or bonds) with no maturity date (perpetual), if the terms and conditions of the contract (decision to issue) have a clause that allows early (before the date provided for by subclause 3.1.8.1.2 of this clause) repayment only on the initiative of the creditor and only subject to changes in legislation of the Russian Federation that result in material deterioration of conditions of the valid instrument for the parties thereto.

(as amended by Bank of Russia Ordinance № 3600-U, dated 15 March 2015)

Early repayment of debt is subject to prior supervisory approval of the Bank of Russia in writing in optional form.

(subclause 2.1.8.2 as amended by Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

3.1.8.3. A credit institution submits a request for approval to the Bank of Russia regional branch (authorised structural unit of the Bank of Russia head office), that the terms and conditions of the contract or decision to issue bonds comply with requirements of subclauses 3.1.8.1 or 3.1.8.2 of this clause and the sum of the instrument may be included in the credit institution's Tier II capital calculation. The credit institution shall attach a certified copy of the subordinated credit (deposit or loan) contract (draft contract) or a copy of the decision to issue bonds (draft decision) to the said request. If a foreign law is established as the applicable law thereunder, Bank of Russia regional branch (authorised structural unit of the Bank of Russia head office) is entitled to request a legal opinion of an authorised legal firm, which confirms that the terms and conditions of the contract or decision to issue bonds comply with the applicable law and with requirements of subclauses 3.1.8.1 or 3.1.8.2 of this clause.

(as amended by Bank of Russia Ordinances № 3096-U, dated 25 October 2013 and № 3600-U, dated 15 March 2015)

Within a month starting from the day of receipt of the request, the copy of the contract (draft contract) or the copy of decision to issue bonds (draft decision) and the opinion specified in the first paragraph of this subclause, the Bank of

Russia regional branch (authorised structural unit of the Bank of Russia head office) shall conduct a legal review of the contract (draft contract) or the decision to issue bonds (draft decision) in order to confirm, whether the the terms and conditions of the contract or decision to issue bonds comply with the requirements of subclauses 3.1.8.1 or 3.1.8.2 of this clause and the sum of the instrument may be included in Tier II capital calculation.

(as amended by Bank of Russia Ordinances № 3096-U, dated 25 October 2013 and № 3600-U, dated 15 March 2015)

The Bank of Russia regional branch (authorised structural unit of the Bank of Russia head office) may request from the credit institution any additional documents and explanations necessary to conduct the above legal review.

(as amended by Bank of Russia Ordinance № 3600-U, dated 15 March 2015)

The Bank of Russia regional branch (authorised structural unit of the Bank of Russia head office) shall confirm that decisions to issue subordinated bonds paid up by federal loan bonds comply with requirements hereof prior to placement of the said subordinated bonds.

(this paragraph was inserted pursuant to Bank of Russia Ordinance № 3600-U, dated 15 March 2015)

3.1.8.3.1. The Bank of Russia regional branch (authorised structural unit of the Bank of Russia head office) denies the request for inclusion of subordinated instruments in Tier II capital calculation in the following cases:

(as amended by Bank of Russia Ordinance № 3600-U, dated 15 March 2015)

If the credit (loan or bonds) is secured or covered by monetary funds and/or other property provided directly or indirectly (through third parties) by the credit institution itself and/or property provided by third parties, if the credit institution has directly or indirectly (through third parties) assumed the risks arising from provision of the said property;

(as amended by Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

If the credit (deposit, loan or bonds) (except for a subordinated loan or bonds paid up by transfer of federal loan bonds pursuant to Federal Law № 451-FZ, dated 29 December 2014) was paid up in kind;

(as amended by Bank of Russia Ordinance № 3600-U, dated 15 March 2015)

If a party to the contract is an individual (except for subordinated bonds placed by subscription), a subsidiary or affiliate of the credit institution;

(as amended by Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

If the invested funds are funds of non-government pension funds of the Russian Federation or funds of non-government pension funds of a jurisdiction that prohibits investing such funds into subordinated instruments of credit institutions (except for pension savings of non-government pension funds placed in accordance with a procedure set forth by Bank of Russia Regulation № 451-P, dated 25 December 2014, 'On Additional Limitations on Investment of Pension Savings of Non-Governmental Pension Fund Involved into Compulsory Pension Insurance, Additional Requirements to Credit Institutions, in which Pension Savings Monies and Servicemen Housing Security Savings are Placed and Additional Requirements to be Observed by Management Companies During the Term of Pension Savings Trust Management Agreement', registered with the Ministry of Justice of the Russian Federation on 23 January 2015 under № 35661 (Bank of Russia Bulletin № 6, dated 29 January 2015));

(this paragraph was inserted by Bank of Russia Ordinance № 3096-U, dated 25 October 2013, as amended by Bank of Russia Ordinance № 3600-U, dated 15 March 2015)

If the credit institution has not submitted a legal opinion specified in the first paragraph of subclause 3.1.8.3 of this clause as requested by the Bank of Russia regional branch (authorised structural unit of the Bank of Russia head office).

(this paragraph was inserted by Bank of Russia Ordinance № 3096-U, dated 25 October 2013, as amended by Bank of Russia Ordinance № 3600-U, dated 15 March 2015)

3.1.8.3.2. The credit institution shall include the subordinated credit (deposit or loan) in the calculation of Tier II capital starting from the date the Bank of Russia regional branch (authorised structural unit of the Bank of Russia head office) (in writing in optional form) confirms that the contract complies with requirements specified by subclauses 3.1.8.1 or 3.1.8.2 of this clause and consents to inclusion of the monetary funds (federal loan bonds) in the credit institution's Tier II capital, but no earlier than the actual monetary funds (federal loan bonds) transfer to the borrower.

(as amended by Bank of Russia Ordinances № 3096-U, dated 25 October 2013 and № 3600-U, dated 15 March 2015)

Credit institution shall include subordinated bonds in the calculation of Tier II capital starting from the date the bonds placement report has been registered with state registration authority, with prior confirmation of the Bank of Russia regional branch (authorised structural unit of the Bank of Russia head office) (in writing in optional form, copied to the registration authority) that the decision to issue bonds complies with requirements hereof (including confirmation of the Bank of Russia regional branch (authorised structural unit of the Bank of Russia head office), provided prior to the date of state registration of the bonds placement report, that the interest rate set by the credit institution complies with requirements hereof) and consent has been given to inclusion of monetary funds in the credit institution's Tier II capital calculation, in the amount registered in the placement report. In the absence of confirmation by the Bank of Russia regional branch (authorised structural unit of the Bank of Russia head office) of compliance of the interest rate with requirements of subclause 3.1.8.1.1 of this clause as of the date the placement report has been registered with the state registration authority or as of the date the bonds placement notice has been submitted to the Bank of Russia, the credit institution shall include subordinated bonds in the calculation of Tier II capital starting from the date the Bank of Russia regional branch (authorised structural unit of the Bank of Russia head office) (in writing in optional form, copied to the registration authority) confirms that the decision to issue bonds complies with

requirements hereof (including confirmation that the interest rate set by the credit institution complies with requirements hereof) and consents to inclusion of monetary funds in the credit institution's Tier II capital calculation, in the amount registered in the placement report.

(as amended by Bank of Russia Ordinances № 3096-U, dated 25 October 2013 and № 3600-U, dated 15 March 2015)

Actual monetary funds transfer is not required before the Bank of Russia regional branch (authorised structural unit of the Bank of Russia head office) has conducted a legal review of the contract (draft contract) of subordinated credit (deposit or loan) or decision to issue bonds (draft decision).

(as amended by Bank of Russia Ordinance № 3600-U, dated 15 March 2015)

3.1.8.3.3. The credit institution shall also submit to the Bank of Russia regional branch (authorised structural unit of the Bank of Russia head office) drafts of additional agreements to the contracts of subordinated credit (deposit or loan) introduced after the date of inclusion of instruments in the calculation of Tier II capital (hereinafter – the 'drafts').

(as amended by Bank of Russia Ordinance № 3600-U, dated 15 March 2015)

Within a month starting from the date of receiving the drafts, the Bank of Russia regional branch (authorised structural unit of the Bank of Russia head office) shall conduct a legal review thereof in order to confirm, whether the terms and conditions of the drafts comply with the requirements of subclauses 3.1.8.1 or 3.1.8.2 of this clause.

(as amended by Bank of Russia Ordinance № 3600-U, dated 15 March 2015)

No changes and/or additions provided for by the drafts shall be applied to the contracts of subordinated credit (deposit or loan) without prior approval by the Bank of Russia regional branch (authorised structural unit of the Bank of Russia head office).

(as amended by Bank of Russia Ordinance № 3600-U, dated 15 March 2015)

3.1.8.4. If a credit institution that has issued subordinated credit (deposit or loan) and/or placed bonds on the conditions specified in subclause 2.3.4 of clause

2, subclauses 3.1.8.1 and 3.1.8.2 of this clause intends to repay the debt (or part thereof) prior to maturity, it shall submit a request to the Bank of Russia regional branch (authorised structural unit of the Bank of Russia head office) for approval of the early debt repayment.

(as amended by Bank of Russia Ordinances № 3096-U, dated 25 October 2013 and № 3600-U, dated 15 March 2015)

A request for approval of a redemption (early redemption) of subordinated bonds may only be satisfied if the registered decision to issue bonds stipulates the possibility and terms of redemption (early redemption).

(as amended by Bank of Russia Ordinance № 3600-U, dated 15 March 2015)

If the credit institution intends to replace subordinated credit (deposit, loan or bonds) repaid prior to maturity, it shall submit to the Bank of Russia regional branch (authorised structural unit of the Bank of Russia head office), together with the repayment (early repayment) request, a contract (draft contract) of subordinated credit (deposit or loan) or a decision (draft decision) to issue bonds (or make additional issue) and/or securities prospectus (draft prospectus) (if any), wherewith the credit institution intends to replace the subordinated credit (deposit, loan or bonds) to be repaid (repaid prior to maturity). The deadline for issue (placement) of the instruments shall be no later than one month after the Bank of Russia has approved of the repayment of the debt (or a part thereof) prior to maturity.

(as amended by Bank of Russia Ordinance № 3600-U, dated 15 March 2015)

The Bank of Russia regional branch (authorised structural unit of the Bank of Russia head office) confirms (in writing in optional form) that it is possible to repay the debt prior to maturity within one month from the date of receipt of the documents specified in the second paragraph of this subclause. The date of debt repayment (early repayment) shall be set no earlier than the date the replacing capital sources specified by the credit institution are actually received.

(as amended by Bank of Russia Ordinance № 3600-U, dated 15 March 2015)

The above-mentioned approval remains valid within three calendar months after the date of its receipt by the credit institution.

The credit institution shall exclude a subordinated credit (deposit or loan) from Tier II capital instruments on the next business day following the date of the actual return of the amount of the credit (deposit or loan) to the other party to the contract or the date of termination of the contract of credit (deposit or loan).

The credit institution shall exclude subordinated bonds (or a part thereof) from Tier II capital instruments on the next business day following the repayment (early repayment) commencement date (or repayment date (early repayment date)) of the bonds issue if initiated by the issuer, or on the next day following the date of the first actual payment to the bondholder – if initiated by the bondholder (for bonds placed before 1 March 2013, where registered decision of issue of such bonds stipulated the possibility of early repayment upon request of the bondholder).

(as amended by Bank of Russia Ordinance № 3600-U, dated 15 March 2015)

The Bank of Russia regional branch (authorised structural unit of the Bank of Russia head office) denies the request for repayment (early repayment) in the following cases:

(as amended by Bank of Russia Ordinance № 3600-U, dated 15 March 2015)

If there are grounds for the credit institution bankruptcy prevention measures in the period when the credit institution's early repayment approval request is pending review, and/or

(as amended by Bank of Russia Ordinance № 3600-U, dated 15 March 2015)

If a deposit insurance system member bank fails to qualify for membership in the deposit insurance system in the period when the credit institution's early repayment approval request is pending review, and/or

(as amended by Bank of Russia Ordinance № 3600-U, dated 15 March 2015)

If the total capital prudential ratio falls below 11 percent as a result of early debt repayment, and/or

(as amended by Bank of Russia Ordinance № 3600-U, dated 15 March 2015)

If capital instruments intended to replace the amount of debt to be repaid prior to maturity pursuant to a document provided by the credit institution, fail to comply with requirements for capital instruments set forth herein, and/or

(as amended by Bank of Russia Ordinance № 3600-U, dated 15 March 2015)

If the profitability of the credit institution deteriorates significantly as a result of replacement of the debt to be repaid (repaid prior to maturity), which within the nearest calendar year may affect the credit institution's profitability assessment indicators group introduced by Bank of Russia Ordinance № 2005-U, dated 30 April 2008, 'On Assessment of the Economic Situation of Banks', registered with the Ministry of Justice of the Russian Federation on 26 May 2008 under № 11755, on 14 September 2009 under № 14760, on 20 April 2012 under № 23905 (Bank of Russia Bulletin № 28, dated 4 July 2008; № 55, dated 21 September 2009; № 21, dated 25 April 2012).

(as amended by Bank of Russia Ordinances № 3096-U, dated 25 October 2013 and № 3600-U, dated 15 March 2015)

3.1.8.5. If the maturity of the subordinated credit (deposit or loan) or the maturity of subordinated bonds exceeds 5 years, subject to the period calculation procedure provided for in subclause 3.1.8.6 of this clause, the subordinated credit (deposit, loan or bonds) shall be included in Tier II capital in the following way:

In the period exceeding 5 years remaining before maturity – in the full amount of the subordinated credit (deposit, loan or bonds). If the borrowing credit institution has invested in subordinated instruments (including subordinated bonds) included in its AT1 or Tier II capital, the amount of the subordinated credit (deposit, loan or bonds) shall be reduced by the amount of the investments;

(as amended by Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

In the remaining 5 years before maturity – in an amortised amount, to be determined pursuant to subclause 3.1.8.6 of this clause, subject to application of subclause 8.2 of clause 8 hereof.

3.1.8.6. The following formula shall be used to determine the amortised amount of an individual subordinated credit (deposit, loan or bonds):

(as amended by Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

$$O = \frac{C}{20} \times D$$

where:

O is the amortised amount of the subordinated credit (deposit, loan or bonds) as of the date the amount of own funds (capital) is calculated;

D is the full amount of the subordinated credit (deposit, loan or bonds), subject to provisions set forth by the second paragraph of subclause 3.1.8.5 of this clause;

(as amended by Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

C is the period of amortisation: the number of full quarters left to maturity of the subordinated credit (deposit, loan or bonds), that are counted starting from the maturity date specified in the contract of subordinated credit (deposit or loan) and/or in the terms of emission of subordinated bonds ( $1 \leq C \leq 20$ , where C has the value of 20 within the first quarter of amortisation period, the value of 19 within the second quarter of amortisation period etc., ending with the value of 1 within the last quarter before maturity of the subordinated credit (deposit, loan or bonds)).

If the contract of subordinated credit (deposit or loan) or terms of emission of subordinated bonds provide for a progressive (meaning in separate tranches (instalments)) repayment of the subordinated credit (deposit or loan) or a progressive payment to bondholders, the amortised amount shall be calculated as the total of amortised amounts of each separate tranche to be determined pursuant to subclauses 3.1.8.5 and 3.1.8.6 of this clause, subject to their maturity dates provided for the contract (terms of issue of the bonds).

The amount of the subordinated credit (deposit, loan) issued or subordinated bonds placed before 1 March 2013, that do not meet the requirements hereof, included in the calculation of own funds (capital), shall not exceed the amortised amount of the subordinated credit (deposit, loan or bonds), fixed in rubles as of 1 January 2014 and determined subject to limits to the amount of subordinated

credits (deposits, loans or bonds) and to the amount of Tier II capital, as set on 1 January 2014 when calculating own funds (capital) for the purposes specified in the third paragraph of clause 5 hereof, and subject to application of procedure established by subclause 8.2 of clause 8 hereof.

(this paragraph was inserted by Bank of Russia Ordinance № 3096-U, dated 25 October 2013, as amended by Bank of Russia Ordinance № 3450-U, dated 20 November 2014)

If the credit institution has several subordinated instruments issued before 1 March 2013 (including several issues of subordinated bonds placed before 1 March 2013) that do not meet the requirements hereof, their aggregate amount included in the calculation of own funds (capital) shall not exceed the outstanding amount of subordinated instruments, fixed in rubles as of 1 January 2014 and determined subject to limits to the amount of subordinated credits (deposits, loans or bonds) and to the amount of Tier II capital, as set on 1 January 2014 when calculating own funds (capital), for the purposes specified in the third paragraph of clause 5 hereof, and subject to application of procedure established by subclause 8.2 of clause 8 hereof.

(this paragraph was inserted by Bank of Russia Ordinance № 3096-U, dated 25 October 2013, as amended by Bank of Russia Ordinance № 3450-U, dated 20 November 2014)

3.1.8.7. If the credit institution issued several subordinated credits (deposits, loans or bonds) under conditions set forth by subclauses 3.1.8.1 or 3.1.8.2 of this clause, each of the subordinated credits (deposits, loans or bonds) shall be included in Tier II capital.

Subordinated credits (deposits, loans or bonds) shall be included in Tier II capital based on the data of balance-sheet accounts № 20313, 20314, 31309, 31409, 31509, 31609, 41107, 41207, 41307, 41407, 41507, 41607, 41707, 41807, 41907, 42007, 42107, 42207, 42507, 42807, 42907, 43007, 43107, 43207, 43307, 43407, 43507, 43607, 43707, 43807, 43907, 44007 and 52006 and other balance-sheet accounts.

(as amended by Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

3.1.8.8. If a resident credit institution invested in the subordinated credit (deposit, loan or bonds) included in Tier II capital pursuant to subclause 3.1.8 of this clause, the issuing credit institution on the reporting date when the subordinated credit (deposit, loan or bonds) is included in its Tier II capital instruments for the first time, shall inform the Bank of Russia regional branch supervising activities of the credit institution - investor, and the said credit institution in writing (in optional form) of the amount of the subordinated credit (deposit, loan or bonds) and the repayment term thereof pursuant to the contract of subordinated credit (deposit or loan), decision to issue bonds.

3.1.9. Revaluation surplus resulting from revaluation:

conducted before 1998 pursuant to Decrees of the Government of the Russian Federation № 595, dated 14 August 1992, 'On Revaluation of Fixed Assets in the Russian Federation' (Collection of Acts of the President and the Government of the Russian Federation 1992, № 8, art. 508); № 1233, dated 25 November 1993, 'On Revaluation of Fixed Assets of Enterprises and Organisations' (Collection of Acts of the President and the Government of the Russian Federation 1993, № 48, art. 4662; 1994, № 8, art. 604), № 1148, dated 25 November 1995, 'On Revaluation of Fixed Assets' (Collection of Legislation of the Russian Federation, 1995, № 49, art. 4796; 1996, № 16, art. 1898; № 35, art. 4184), № 1442, dated 7 December 1996, 'On Revaluation of Fixed Assets in 1997' (Collection of Legislation of the Russian Federation, 1996, № 51, art. 5801; 1997, № 42, art. 4799) in an amount equal to or lower than the amount of revaluation based on the level of prices and fixed asset value variation indexes determined by the Federal State Statistics Service on the basis of audited annual accounting statements;

conducted no more often than once a year (as of the end of the reporting year (as of the 1st of January of the year following the reporting year) at the current (recovery) value in accordance with Bank of Russia Regulation № 385-P, on the basis of data from audited annual accounting reports.

Revaluation surplus shall be included in the calculation of Tier II capital, limited to the data of balance-sheet account № 10601.

(this paragraph was inserted pursuant to Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

---

### 3.2. Regulatory adjustments to Tier II capital instruments.

3.2.1. Investments in own shares specified in subclauses 3.1.1 and/or 3.1.2 of this clause.

Shares specified in this subclause are deducted based on the data of balance-sheet accounts № 10207, 10501, 47901, 506, 507, 60323, as well as data of the relevant balance-sheet accounts defined by clause 4.56 of Part II of Bank of Russia Regulation № 385-P net of loss provisions held in accordance with Bank of Russia Regulation № 254-P, Bank of Russia Regulation № 283-P, Bank of Russia Ordinance № 2732-U and the Bank of Russia Ordinance № 1584-U.

(as amended by Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

3.2.2. Expired on 1 January 2014 – Bank of Russia Ordinance № 3096-U, dated 25 October 2013.

3.2.3. Investments in the capital of financial entities in the form of preference shares that meet the requirements defined by subclauses 3.1.1 and/or 3.1.2 of this clause.

#### 3.2.3.1. Insignificant investments.

Part of the aggregate amount of insignificant defined pursuant to this subclause, subclauses 2.2.9.1, 2.4.3.1 and 2.4.4.1 of clause 2 and subclause 3.2.4.1 of this clause, that refers to investments into shares specified in subclause 3.2.3 of this clause, is deducted with a limited recognition capped at 10% of the credit institution's CET1 Capital after the application of regulatory adjustments set out in subclauses 2.2.1, 2.2.2, 2.2.4 - 2.2.8 of this clause.

(as amended by Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

### 3.2.3.2. Significant investments.

The aggregate amount of significant investments defined pursuant to this subclause is deducted.

3.2.3.3. Investments in the capital of financial entities in the form of preference shares specified in the first paragraph of subclause 3.2.3 of this clause are deducted based on the data of balance-sheet accounts № 50605, 50606, 50607, 50608, 50618, (50621 – 50620), 50705, 50706, 50707, 50708, 50718, (50721–50720), 601A, 60201, 60202, 60203, 60204 and 47408. Investments into shares (their equivalent in the case of non-joint stock companies) recorded in balance-sheet accounts № 50705, 50706, 50707, 50708, 50718, 601A, 60201, 60202, 60203 and 60204 are deducted net of loss provisions held pursuant to Bank of Russia Regulation № 254-P, Bank of Russia Regulation № 283-P, Bank of Russia Ordinance № 2732-U and Bank of Russia Ordinance № 1584-U.

(as amended by Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

3.2.4. Subordinated credits (deposits, loans or bonds) meeting conditions of subclauses 2.1.8.1 and 3.1.8.2 of this clause (including instruments, funding subordinated credit (deposit, loan or bonds) included into capital calculation of financial entities, including non-residents) provided by the credit institution to financial entities, including non-residents.

3.2.4.1. Insignificant subordinated credits (deposits, loans or bonds) specified in the first paragraph of subclause 3.2.4 of this clause.

The aggregate amount of insignificant investments as defined pursuant to this subclause, subclauses 2.2.9.1, 2.4.3.1 and 2.4.4.1 of clause 2 and subclause 3.2.3.1 of this clause is deducted from Tier II capital with a limited recognition capped at 10 percent of the part of credit institution's CET1 capital (after application of subclauses 2.2.1, 2.2.2, 2.2.4 – 2.2.8 of clause 2 hereof), that refers to insignificant subordinated credits (deposits, loans or bonds) specified in this clause.

(as amended by Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

3.2.4.2. Significant subordinated deposits, loans, or bonds specified in the first paragraph of subclause 3.2.4 of this clause.

The aggregate amount of significant subordinated credits (deposits, loans, or bonds) defined pursuant to this subclause is deducted from Tier II capital.

3.2.4.3. Subordinated credits (deposits, loans or bonds) provided by the credit institution to financial entities are deducted from Tier II capital based on the data of balance-sheet accounts № 32009, 32109, 32209, 32309, 47802, 50106, 50107, 50109, 50110, (50121–50120), 50207, 50208, 50210, 50211, (50221–50220), 50307, 50308, 50310 and 50311.

(as amended by Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

Subordinated credits (deposits, loans, or bonds) provided to financial entities, including non-residents, are deducted net of loss reserves held in accordance with the requirements of Bank of Russia Regulation № 254-P, Bank of Russia Ordinance № 283-U and Bank of Russia Ordinance № 1584-U.

3.2.5. Expired on 1 January 2014 – Bank of Russia Ordinance № 3096-U, dated 25 October 2013.

3.2.6. Obligations of the credit institution to purchase Tier II capital instruments of the credit institution included in the calculation in accordance herewith, as well as obligations of the credit institution to fund directly or indirectly (via third parties) purchase of rights for Tier II capital instruments of the credit institution included in the calculation of own funds (capital) of the credit institution in accordance herewith.

3.2.7. Items determined pursuant to clauses 3, 4 and 5 of Appendix, with regard to the transitional arrangements set forth by subclauses 8.1.1, 8.1.2 of clause 8 hereof.

(subclause 3.2.7 was inserted pursuant to the Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

3.3. Shortfall of Tier II capital, resulting from deduction of items defined pursuant to subclause 3.2 of this clause from the sum of Tier II capital instruments calculated pursuant to subclause 3.1 of this clause, is deducted from the sum of Additional Tier 1 capital instruments. 3.4. Funds received in payment for preference shares specified in subclauses 3.1.1 and/or 3.1.2 of this clause are

deducted, if the parent or subsidiary company of the credit institution or any subsidiary of the parent company of the credit institution provided an obligation associated with ownership of the credit institution's shares to the shareholder.

---

4. Sum of Tier I and Tier II capital determined pursuant to clauses 2 and 3 hereof is adjusted for the following items:

4.1. Receivables overdue for more than 30 calendar days recorded in balance-sheet accounts № 474A (except for accounts 47402, 47408, 47423 and 47427), 603A (except for 60312, 60314, 60315, 60323, 60337, 60339, 60341 and 60343), net of loss provisions held pursuant to Bank of Russia Regulation № 283-P.

4.2. Sum of Tier I and Tier II capital determined pursuant to clauses 2 and 3 hereof, subject to application of subclause 4.1 of this clause, is adjusted for the following items:

4.2.1. The aggregate amount of credits, bank guarantees and sureties provided by a credit institution to its participants (shareholders) and insiders that exceeds the threshold as stipulated by federal laws and Bank of Russia regulations, net of loss provisions regarding corresponding parts of loans of II to IV risk category and provisions regarding corresponding parts of off-balance-sheet liabilities determined pursuant to applicable rules of the Bank of Russia, setting forth requirements to creation and use of loan loss provisions and creation of loss provisions by credit institutions.

(as amended by Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

The amount of own funds (capital) before application of regulatory adjustments pursuant to requirements of the first paragraph of this subclause shall be used to calculate the maximum amount of loans, bank guarantees and sureties.

4.2.2. Part of investments of the credit institution (including when the credit institution is a trustor) that exceeds the aggregate amount of Tier I and Tier II capital instruments, regarding investments in the following:

Building (construction), production (manufacturing) and acquisition (lease) of fixed assets (net of amortisation accrued and actual construction expenses incurred by developing credit institution, funded by shared construction participants) and inventory (except for publications), including those transferred into trust management (to a trust manager);

Participations units of real estate unit investment funds (including if transferred into trust management), if property of the funds is comprised of buildings, structures, facilities under construction, land lots (leasing rights to such facilities) and/or if assets thereof, as reported by trust managers, have been invested into building (construction), creation (manufacture) and acquisition (lease) of buildings, structures, facilities under construction and land lots (to the extent the investment relate to the credit institution's share in the shared ownership interest in the property comprising the unit investment fund);

Assets transferred into trust management (to a trust manager), if such assets comprise buildings, structures, facilities under construction, or land plots (leasing rights to the said facilities).

Investments of the credit institution that are deducted in accordance with this subclause, are defined as a positive result of deduction of:

The aggregate amount of Tier I and Tier II capital instruments calculated pursuant to subclauses 2.1 and 2.3 (except for subclauses 2.3.3 and 2.3.4) of clause 2 and subclause 3.1 (except for subclauses 3.1.8 and 3.1.9) of clause 3 hereof, as well as balances of balance-sheet account № 10601, adjusted for items calculated pursuant to subclauses 2.2 and 2.4 of clause 2 and subclauses 3.2.1–3.2.4 of clause 3 hereof

(as amended by Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

from the amount of debit balances (a part thereof) in balance-sheet accounts № 47901, 506, 507 and 604 (except for non-monetary assets funding shares to be placed prior to placement report registration), 607 (except for investments in intangible assets), 60804, 61002, 61008, 61009, 61011 (net of loss provisions held pursuant to Bank of Russia Regulation № 283-P), net of the balances of balance-

sheet accounts № 60311, 60313 (to the extent of actual construction expenses incurred by the developing credit institution, funded by shared construction participants) and balances of balance-sheet accounts № 606, 60805.

(as amended by Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

If the result of the calculation of own funds (capital) pursuant to this subclause is a negative value, the amount of Tier I and Tier II capital shall be reduced by the amount (a part thereof) of the debit balances (a part thereof) of balance-sheet accounts № 47901, 506, 507, 604 (except for non-monetary assets funding shares to be placed prior to placement report registration), 607 (except for investments in intangible assets), 61008, 61009, 61011 (net of loss provisions held pursuant to Bank of Russia Regulation № 283-P), net of the balances of balance-sheet account № 60601 and balance-sheet accounts 60311 and 60313 (to the extent of actual construction expenses incurred by the developing credit institution, funded by shared construction participants).

4.2.3. Part of the actual share value to be paid to a participant withdrawing from a credit institution in the legal form of a limited liability company, that exceeds the price at which such share was sold to another participant, if the share that had been transferred to the credit institution was then bought by a participant of the credit institution or a third party.

4.2.4. The items set forth by this clause shall be applied to Tier II capital, AT1 capital and CET1 capital subject to subclauses 2.2.10, 2.4.5 and 2.5 of clause 2 and subclause 3.3 of clause 3 hereof in order to determine the amount of own funds (capital), Tier I capital and CET1 capital of a credit institution.

(subclause 4.2.4 was inserted pursuant to Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

5. Credit institutions shall calculate their own funds (capital) in accordance herewith and submit the relevant data using the reporting form 0409123 'Calculation of own funds (capital) (Basel III)' to the Bank of Russia regional branch within the period established by Bank of Russia Ordinance № 2332-U, dated 12 November 2009, 'On the List, Forms and Procedure for the Preparation

and Submission of Reports by Credit Institutions to the Central Bank of Russian Federation' registered with the Ministry of Justice of the Russian Federation on 16 December 2009 under № 15615, on 18 June 2010 under № 17590, on 22 December 2010 under № 19313, on 20 June 2011 under № 21060, on 16 December 2011 under № 22650, on 10 July 2012 under № 24863, on 20 September 2012 under № 25499, on 20 December 2012 under № 26203, on 29 March 2013 under № 27926, on 14 June 2013 under № 28809 (Bank of Russia Bulletin № 75-76, dated 25 December 2009; № 35, dated 25 June 2010; № 72, dated 28 December 2010; № 34, dated 28 June 2011; № 73, dated 23 December 2011; № 41, dated 19 July 2012; № 58, dated 26 September 2012; № 76, dated 27 December 2012; № 20, dated 30 March 2013; № 34, dated 25 June 2013).

Calculation of own funds (capital) shall be made as of the first date of each month – on a monthly basis, or on intramonthly basis – in the cases when the Bank of Russia and/or the Bank of Russia regional branch require submitting data regarding prudential ratios on an intramonthly basis date (calculation on intramonthly dates) pursuant to clause 9.3 of Bank of Russia Instruction № 139-I.

The amount of own funds (capital) determined pursuant hereto shall be used to calculate prudential ratios stipulated by clause 62 of the Federal Law 'On the Central Bank of the Russian Federation (Bank of Russia)' and Bank of Russia Instruction № 139-I and in other cases, when the credit institution's own funds (capital) are used to determine the value of prudential indicators of the credit institution's performance.

(clause 5 as amended by Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

6. Subclauses 2.1.5–2.1.8 of clause 2 and subclause 3.1.9 of clause 3 hereof shall be applied subject to clause 2 of Article 5 of Federal Law № 307-FZ, dated 30 December 2008, 'On Audit Activities' (Collection of Legislation of the Russian Federation, 2009, № 1, art. 15; 2010, № 27, art. 3420; 2011, № 1, art. 12; № 19, art. 2716; № 27, art. 3880; № 29, art. 4291; № 48, art. 6728).

(as amended by Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

7. For the purposes hereof, profit or loss from derivatives transactions shall be included in the calculation of own funds (capital) subject to the following.

7.1-7.4. Expired on 30 September 2014. – paragraph 3 of clause 10 hereof (as amended on 25 November 2013).

7.5. On each date of own funds (capital) calculation the credit institution shall adjust one of the items provided for by subclause 2.1.7 or 2.1.8 or 2.2.7 or 2.2.8 or clause 2 or subclause 3.1.6 or 3.1.7 of clause 3 hereof for the shortfall of provision(s) to be held pursuant to Bank of Russia Regulation № 254-P, Bank of Russia Regulation № 283-P, Bank of Russia Ordinance № 1584-U Bank of Russia Ordinance № 2732-U, in accordance with the occurrence of the reporting date following the date a directive to set up loss provision(s) has been sent.

8. Starting from 1 January 2014 subclauses 2.2 and 2.4 of clause 2, subclause 3.2 of clause 3 and clause 4 hereof shall be applied subject to the following.

8.1. Regulatory adjustments as defined pursuant to subclauses 2.2.1–2.2.6, 2.2.9, 2.2.11, 2.2.12, 2.4.1–2.4.4, 2.4.6, 2.4.7 of clause 2, subclause 3.2 of clause 3 and subclause 4 hereof as well as the balances (a part thereof) recorded in balance-sheet accounts № 10801, 10901, 10603, 10605, 70602, 70607, 70702, 70707, 70801 and 70802, that refer to revaluation of securities, fair valued other than according to weighted average price in accordance with clause 7.7 of FFMS Regulation 10-87/pz-n and for the cases of organised trade on foreign markets – fair valued other than according to weighted average price disclosed in accordance with the procedure established by corresponding national laws (authority), shall be included in the calculation of own funds (capital) of a credit institution as follows:

Starting from 1 January 2014, in the amount of 20 percent of the aggregate calculated value of each of the above items;

Starting from 1 January 2015, in the amount of 40 percent;

Starting from 1 January 2016, in the amount of 60 percent;

Starting from 1 January 2017, in the amount of 80 percent;

Starting from 1 January 2018, in the amount of 100 percent.

Regulatory adjustments as defined pursuant to subclauses 2.2.7 (with regard to the calculation of securities revaluation), 2.2.8 (with regard to the calculation of securities revaluation), 2.2.10, 2.4.5 of clause hereof, shall be included in the calculation of own funds (capital) in the amount of 100 per cent of the aggregate calculated value of each of the these items.

8.1.1. In the parallel run period (1 January 2014 to 1 January 2018) together with the items stipulated by subclause 8.1 of this clause, regulatory adjustments to Tier I and Tier II capital instruments and to the sum of Tier I and Tier II capital, as defined pursuant to clauses 2, 3, 4 and 5 of the Appendix, shall be applied, with regard to the following:

Starting from January 2014, in the amount of 80 percent of the aggregate calculated value of each of the items of this subclause;

Starting from 1 January 2015, in the amount of 60 percent;

Starting from 1 January 2016, in the amount of 40 percent;

Starting from 1 January 2017, in the amount of 20 percent;

Starting from 1 January 2018, each of the items of this subclause will cease to be applied.

For the purposes hereof, investments in the capital of legal entities in the form of common equity (or its equivalent in the case of non-joint stock companies), as defined by subclauses 2.4.1 and 2.4.4 of clause 2 of the Appendix hereto, shall not be included in regulatory adjustments, if the legal entities are non-financials, as defined by subclause 2.2.9 hereof.

8.1.2. For the purposes hereof, regulatory adjustments calculated pursuant to clause 2 of the Appendix shall be applied to the amount of Tier II capital instruments, with regard to the procedure set forth by subclause 8.1.1 of this clause. Regulatory adjustments calculated pursuant to clauses 4 and 5 of the Appendix shall be applied to the amount of Tier II capital instruments, with regard to the procedure set forth by subclause 8.1.1 of this clause.

(subclause 8.1 as amended by Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

8.2. Preference shares specified in subclause 2.1.1 of clause 2 and subclause 3.1.1 of clause 3 hereof issued before 1 March 2013, that do not meet requirements set forth hereby, and share premium resulting from the issue of these shares shall be subject to phase-out from own funds (capital) as follows: starting from 1 January 2014 - 20 percent of the sum of the instrument, fixed as of 1 January 2014 and determined subject to the limit to the amount of Tier II capital, as set on 1 January 2014 when calculating own funds (capital) for the purposes specified in the third paragraph of clause 5 hereof, will cease to be treated as regulatory capital; starting from 1 January 2015 and in the subsequent years - 10 percent of the said sum yearly.

(as amended by Bank of Russia Ordinance № 3450-U, dated 20 November 2014)

The limit for inclusion of a single subordinated instrument (several subordinated instruments) in the calculation of own funds (capital), as specified in subclause 3.1.8.6 of clause 3 hereof, shall be subject to annual discount, determined as follows:

$$O_p = S_p \times D_p,$$

where:

$O_p$  is the limit for inclusion of subordinated credit (deposit, loan, bonds) (subordinated credits (deposits, loans, bonds));

$D_p$  is the outstanding amount of subordinated credit (deposit, loan, bonds) (subordinated credits (deposits, loans, bonds), fixed in rubles as of 1 January 2014 and determined subject to limits to the amount of subordinated credits (deposits, loans or bonds) and to the amount of Tier II capital, as set on 1 January 2014 when calculating own funds (capital), for the purposes specified in the third paragraph of clause 5 hereof, and subject to application of procedure established by subclause 8.2 of clause 8 hereof.

(as amended by Bank of Russia Ordinance № 3450-U, dated 20 November 2014)

$S_p$  is the discounting factor for the limit for inclusion of a subordinated credit (deposit, loan, bonds) (subordinated credits (deposits, loans, bonds)).

$S_p$  shall be determined in accordance with the following table:

The starting date for the application of the discounting factor for the limit for inclusion of a subordinated credit (deposit, loan, bonds) (subordinated credits (deposits, loans, bonds))	Discount factor
1 January 2014	0.8
1 January 2015	0.7
1 January 2016	0.6
1 January 2017	0.5
1 January 2018	0.4
1 January 2019	0.3
1 January 2020	0.2
1 January 2021	0.1
1 January 2022	Instrument (instruments) cease to be considered regulatory capital

8.2.1. Subordinated credits granted pursuant to the Federal Law ‘On Additional Measures to Support the Financial System of the Russian Federation’ and/or as part of the Deposit Insurance Agency bankruptcy prevention participation plan pursuant to the Federal Law ‘On Insolvency (Bankruptcy)’, and preference shares issued pursuant to the Federal Law ‘On the Use of Government Securities of the Russian Federation for Increasing Banks Capitalisation’ are grandfathered until 1 January 2018.

(as amended by Bank of Russia Ordinance № 3600-U, dated 15 March 2015)

(subclause 8.2 as amended by Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

8.3. Preference shares issued after 1 March 2013, that do not meet the requirements hereof, share premium resulting from the issue of these shares, subordinated credits (deposits, loans) issued after 1 March 2013, subordinated bonds placed after 1 March 2013, that do not meet the requirements hereof, shall not be included in the calculation of own funds (capital).

(subclause 8.3 as amended by Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

9. Expired on 1 January 2014 – Bank of Russia Ordinance № 3096-U, dated 25 October 2013.

9.1. Use of credit ratings for the purposes hereof may be set forth by other regulatory documents of the Bank of Russia.

(clause 9.1 was introduced by Bank of Russia Ordinance № 3452-U, dated 25 November 2014)

10. This Regulation shall be officially published in the Bank of Russia Bulletin, comes into effect on 1 March 2013 (except for subclauses 2.2.12 and 2.4.7 of clause 2 and subclause 3.4 of clause 3 hereof) and applies for the purposes of reporting starting from 1 April 2013.

Subclauses 2.2.12 and 2.4.7 of clause 2 and subclause 3.4 of clause 3 hereof come into effect as of 1 January 2015.

Subclauses 7.1–7.4 of clause 7 hereof expire on 30 September 2014.  
(this paragraph was inserted pursuant to Bank of Russia Ordinance № 3096-U,  
dated 25 October 2013)

Governor of the Central Bank  
of the Russian Federation  
S. M. IGNATIEV

Appendix  
to Bank of Russia Regulation  
№ 395-P, dated 28 December 2012,  
'On the Methodology for determining the amount  
of own funds (capital) of Credit Institutions  
(Basel III)'

METHODODOLOGY FOR DETERMINING THE AMOUNT  
OF REGULATORY ADJUSTMENTS TO THE SUM OF CAPITAL  
INSTRUMENTS  
OF CREDIT INSTITUTIONS

List of Amending Documents

(as amended by Bank of Russia Ordinance № 3096-U, dated 25 October 2013)

1. This Appendix sets forth the methodology for determining following regulatory adjustments to the sum of capital instruments of credit institutions:

adjustments to the sum of Tier I capital instruments;

adjustments to the sum of Tier II capital instruments;

adjustments to the sum of Tier I and Tier II capital.

1.1. Regulatory adjustments to the sum of capital instruments of credit institutions shall be calculated in accordance with the methodology provided for herein and shall be included in the calculation of own funds (capital) of credit institutions according to the procedure set forth by this Regulation.

2. Adjustments to the sum of Tier I capital instruments:

2.1. Intangible assets net of accumulated amortisation, goodwill and investments in the creation (production) and purchase of intangible assets.

The amount of intangible assets, goodwill and investments in the creation (production) or purchase of intangible assets shall be based on data of balance-sheet accounts № 60701, 60901, 60903 and 60905.

2.2. investments in own shares under buy-back contracts on the grounds permitted by the Federal Law ‘On Joint-Stock Companies’;

investments in own shares alienated by the credit institution under delayed payment contracts.

The balance-sheet value of own shares as of the date of alienation, net of funds received from the counterparty as of the settlement date and loss provisions held in accordance with Bank of Russia Regulation № 254-P shall be deducted from Tier I capital instruments pursuant to the second paragraph of this clause.

Shares specified in this subclause shall be deducted based on data of balance-sheet accounts № 10501 and 60323.

2.3. Transferred to the credit institution in the legal form of a non-joint stock company shares of participants who had submitted a membership cancellation letter pursuant to clause 26 of the Federal Law ‘On Limited Liability Companies’ shall be excluded from the credit institution’s Tier I capital following the date of the annual report and of a decision made by a general participants’ meeting, starting from the reporting date following the date the meeting has taken place, at their actual cost, determined by the participants’ meeting based on accounting statements for the reporting period preceding the date of submitting the membership cancellation letter.

If the credit institution’s obligation to pay to a participant who had submitted a membership cancellation letter, the actual value of his share terminates prior to the date of the annual general participants’ meeting, as a result of civil transactions, such share shall be excluded from Tier I capital as of the date following the date of termination of the obligation.

Participants’ shares transferred to the credit institution pursuant to article 23 of the Federal Law ‘On Limited Liability Companies’ shall be excluded from Tier I capital at their actual value, determined based on the data of accounting

statements for the reporting month preceding the date the participant requests that his or her share (a part thereof) be purchased or the date a court judgement stating the participant's expulsion or death comes into legal force, starting from the reporting date following the date the actual value is determined, and up to the date of termination of the credit institution's obligation to pay the participant for the share. The difference between the actual cost of repurchased shares of participants and their par value that affects profit or loss indicators of the credit institution, is included in the calculation of own funds (capital) in accordance with this Regulation. After the credit institution's obligation to the participant in respect for the share expires, the participant shares, transferred to the credit institution, are excluded from the calculation of CET1 Capital at their par value reflected in balance-sheet account № 10502.

Participants' shares transferred to the credit institution shall be deducted from Tier I capital instruments based on data of balance-sheet account № 10502, subject to the terms and conditions of their valuation and calculation set forth by this subclause. The actual value of the bought back shares may differ from their balance value as recorded in the respective separate account of balance-sheet account № 10502.

To calculate the actual value of a share owned by a participant who has submitted a membership cancellation letter, the amount of own funds (capital) calculated in accordance with this Regulation is subject to deduction in the amount of subordinated credit(s) (loan(s) or deposit(s)), included in the capital calculation, as well as of the difference between the authorised capital of the credit institution in the legal form of a limited liability company and its own funds (capital), if the authorised capital of the credit institution is reduced to the amount of its own funds (capital) due to the reduction in the par value of founders' (participants') shares and/or redemption of shares belonging to the credit institution.

If the credit institution participants' shares, transferred to the credit institution, are alienated by the credit institution under delayed payment contracts, the balance-sheet value of such shares as of the date of alienation, net of the funds

received from the investor (counterparty) as of the date of own funds (capital) calculation and net of provisions held in accordance with Bank of Russia Regulation № 254-P against claims to the investors (counterparties), is deducted from Tier I capital in accordance with this subclause.

#### 2.4. Investments of the credit institution:

2.4.1 Part of investments in the capital of subsidiaries and affiliated financial entities (including non-residents), defined by subclause 2.2.9 of clause 2 of this Regulation, in the form of equity (or its equivalent in the case of non-joint stock companies), if the investments exceed 20 percent authorised capital of the issuer, duly registered as of the date of the credit institution's capital calculation;

2.4.2 Investments in the authorised capital of resident credit institutions in the legal form of a limited (additional) liability company or a closed joint-stock company;

2.4.3 Investments in the authorised capital of resident credit institutions in the legal form of joint-stock companies, except for investments that do not exceed 1 percent of the authorised capital of the issuer, determined based on the data of the last published report pursuant to Bank of Russia Ordinance № 2172-U, dated 20 January 2009, 'On Publishing and Submitting Information on Credit Institutions' Activities' registered with the Ministry of Justice of the Russian Federation on 18 February 2009 under № 13395, on 20 December 2012 under № 26204 (Bank of Russia Bulletin № 14, dated 26 February 2009; № 75, dated 26 December 2012) (hereinafter – the 'Bank of Russia Ordinance № 2172-U'), subject to the following conditions:

shares are traded on an organised market in the Russian Federation;

the investor and the issuer are not members of the same (consolidated) banking group as defined in clause 1.3 of Bank of Russia Regulation № 191-P, dated 30 July 2002, 'On Consolidated Reporting' registered with the Ministry of Justice of the Russian Federation on 11 October 2002 under № 3857, on 14 March 2005 under № 6393, on 23 July 2007 under № 9876, on 15 June 2012 under № 24587, on 18 December 2012 under № 26171 (Bank of Russia Bulletin № 58,

dated 31 October 2002; № 19, dated 13 April 2005; № 44, dated 2 August 2007; № 35, dated 4 July 2012; № 75, dated 26 December (hereinafter – the ‘Bank of Russia Regulation № 191-P’);

investments do not exceed 5 percent of own funds (capital) of the investor determined as of the date preceding the date of capital calculation;

2.4.4 Investments specified in subclauses 2.4.1–2.4.3 of this clause, alienated under buy-back contracts and/or under delayed payment contracts. The balance-sheet value of shares (or their equivalent in the case of non-joint stock companies) alienated under buy-back contracts shall be deducted from Tier I capital net of loss provision created pursuant to Bank of Russia Regulation № 283-P. The balance-sheet value of shares (or their equivalent in the case of non-joint stock companies) alienated under delayed payment contracts shall be deducted from Tier I capital at the value as of the date of alienation, net of funds received from the counterparty as of the settlement date and loss provision created pursuant to Bank of Russia Regulation № 254-P.

Investments in shares (or their equivalent in the case of non-joint stock companies) shall be deducted from Tier I capital based on the data of balance-sheet accounts № 506, 507, 601A, 60201, 60202, 60203, 60204 and 47408, net of loss provisions created pursuant to Bank of Russia Regulation № 283-P, Bank of Russia Regulation № 254-P, Bank of Russia Ordinance № 2732-U and Bank of Russia Ordinance № 1584-U.

2.5. Authorised capital (or a part thereof) and other capital instruments (share premium, income, reserve funds) (or a part thereof) formed by investors (shareholders, participants or anyone else attributing to the formation of the credit institution’s capital instruments) with the use of improper assets.

For the purposes of this Appendix, improper assets shall mean monetary funds and/or other property (hereinafter – the ‘property’), provided (directly or indirectly (via third parties)) by the credit institution, if the credit institution has, directly or indirectly, assumed risks (threat) of loss arising in connection with providing such property.

Part of capital instruments deducted from Tier I capital pursuant to this subclause shall not be included in the calculation of regulatory adjustments to the sum of Tier I and Tier II capital pursuant to subclause 5.1 of clause 5 hereof.

Capital instruments specified in this subclause are deducted from Tier I capital instruments net of created loss provision for the property provided by the credit institution to investors to be determined pursuant to Bank of Russia Regulation № 254-P, Bank of Russia Regulation № 283-P, Bank of Russia Ordinance № 2732-U and Bank of Russia Ordinance № 1584-U.

Pursuant to Article 72 of the Federal Law ‘On the Central Bank of the Russian Federation (Bank of Russia)’ the Bank of Russia shall assess the credit institution’s assets and liabilities and economic justification of own funds (capital). If the assessment reveals economically unjustified formation of own funds (capital) instruments (or a part thereof), i.e. formed by investors with the use of improper assets, the Bank of Russia, pursuant to Articles 72 and 74 of the Federal Law ‘On the Central Bank of Russian Federation (Bank of Russia)’ shall send an order requiring that the amount of own funds (capital) reported by the credit institution be corrected to include adjustment stipulated by the Bank of Russia as of the nearest reporting date following receipt of the order by the credit institution.

2.6. Shortfall of Tier II capital, resulting from deduction of capital instruments (authorised capital, income, reserve funds, subordinated credit) (or a part thereof), formed by investors (shareholders, participants etc.) with the use of improper assets, from the sum of Tier II capital instruments.

2.7. Items determined pursuant to subclauses 2.1-2.6 of this clause shall be included in the calculation of credit institutions’ own funds (capital) with regard to subclause 2.4.8 of clause 2, subclauses 8.1.1 and 8.1.2 of clause 8 of this Regulation.

### 3. Adjustments to the sum of Tier II capital instruments:

3.1. Tier II capital instruments determined pursuant to subclause 3.1 of clause 3 hereof shall be adjusted by the Tier II capital instruments (authorised capital,

income, reserve funds, subordinated credit) (or a part thereof), formed by investors (shareholders, participants etc.) with the use of improper assets.

Part of capital instruments deducted from Tier II capital pursuant to this subclause shall not be included in the calculation of regulatory adjustments to the sum of Tier I and Tier II capital pursuant to subclause 5.1 of clause 5 hereof.

3.2. Capital instruments specified in this clause are deducted from Tier II capital instruments net of created loss provisions for the property provided by the credit institution to investors. The amount of the created provision shall be determined pursuant to Bank of Russia Regulation № 254-P, Bank of Russia Regulation № 283-P, Bank of Russia Ordinance № 2732-U and Bank of Russia Ordinance № 1584-U.

#### 4. Adjustments to the sum of Tier I and Tier II capital:

4.1. Receivables overdue for more than 30 calendar days recorded in balance-sheet accounts № 474A (except for accounts № 47402, 47408, 47423 and 47427), 603A (except for accounts № 60312, 60314, 60315, 60323, 60337, 60339, 60341 and 60343) net of loss provision created in accordance with credit institution's internal documents.

4.2. Subordinated credits (deposits, loans or bonds), including subordinated loans with additional conditions, provided to resident credit institutions, except for purchased bonds (including bonds, funding subordinated credit (deposit or loan) included in capital calculation of resident credit institutions), that do not exceed 1 percent of the authorised capital of the issuer, determined based on the data of the last published report pursuant to Bank of Russia Ordinance № 2172-U, subject to the following conditions:

bonds are traded on an organised market in the Russian Federation;

the investor and the issuer are not members of the same (consolidated) banking group as defined in clause 1.3 of Bank of Russia Regulation № 191-P.

bonds purchased by the credit institution do not exceed 5 percent of own funds (capital) of the investor, determined as of the date preceding the date of the capital calculation.

Subordinated credits (deposits, loans or bonds) provided by the credit institution to resident credit institutions are deducted from the sum of Tier I and Tier II capital based on the data of balance-sheet accounts № 32009, 32209, 47802, 50106, 50107, 50110, 50207, 50208, 50211, 50307, 50308 and 50311.

Subordinated credits (deposits, loans or bonds) provided to resident credit institutions, are deducted net of provisions created pursuant to Bank of Russia Regulation № 254-P and Bank of Russia Regulation № 283-P.

5. The sum of Tier I and Tier II capital determined pursuant to clauses 2 and 3 of this Regulation and clause 4 of this Appendix shall be adjusted by the following items:

5.1. The aggregate amount of credits, bank guarantees and sureties provided by a credit institution to its participants (shareholders) and insiders that exceeds the threshold as stipulated by federal laws and Bank of Russia regulations, net of loss provisions regarding corresponding parts of loans of II to IV risk category and provisions regarding corresponding parts of off-balance-sheet liabilities determined pursuant to Bank of Russia Regulation № 254-P, Bank of Russia Regulation № 283-P and Bank of Russia Ordinance № 1584-U.

The amount of own funds (capital) before application of regulatory adjustments pursuant to requirements of the first paragraph of this subclause shall be used to calculate the maximum amount of loans, bank guarantees and sureties.

The aggregate amount of credits, bank guarantees and sureties shall not include property provided by a credit institution to shareholders (participants), that is an improper asset, deducted from

the amount of Tier I capital sources pursuant to subclause 2.6 of clause 2 of this Appendix and/or

the amount of Tier II capital sources pursuant to clause 3.1 of this Appendix.

5.2. Part of investments of the credit institution in building (construction), production (manufacturing) and acquisition (lease) of fixed assets (net of amortisation accrued and actual construction expenses incurred by developing credit institution, funded by shared construction participants) and inventory (except

for publications), that exceeds the aggregate amount of Tier I and Tier II capital instruments.

The part of investments is defined as a positive result of deduction of:

The aggregate amount of Tier I and Tier II capital instruments calculated pursuant to subclauses 2.1 and 2.3 of clause 2 and subclause 3.1 (except for subclauses 3.1.8 and 3.1.9) of clause 3 of this Regulation, as well as balances of balance-sheet account № 10601, adjusted for items calculated pursuant to clauses 2-4 of this Appendix,

from the amount of debit balances in balance-sheet accounts № 604 (except for non-monetary assets funding shares to be placed prior to placement report registration), 607 (except for investments in intangible assets), 61002, 61008, 61009, 61011, net of the balances of balance-sheet accounts № 60601, as well as part of balance-sheet accounts 60311, 60313 (to the extent of actual construction expenses incurred by the developing credit institution, funded by shared construction participants).

If the result of the calculation of own funds (capital) pursuant to this subclause is a negative value, the amount of Tier I and Tier II capital shall be reduced by the amount (a part thereof) of the debit balances (a part thereof) of balance-sheet accounts № 604 (except for non-monetary assets funding shares to be placed prior to placement report registration), 607 (except for investments in intangible assets), 61002, 61008, 61009, 61011, net of the balances of balance-sheet account № 60601 and balance-sheet accounts 60311 and 60313 (to the extent of actual construction expenses incurred by the developing credit institution, funded by shared construction participants).

5.3. Part of the actual share value to be paid to a participant withdrawing from a credit institution in the legal form of a limited liability company, that exceeds the price at which such share was sold to another participant, if the share that had been transferred to the credit institution was then bought by a participant of the credit institution or a third party.