CENTRAL BANK OF THE RUSSIAN FEDERATION
(BANK OF RUSSIA)

30 May 2014 No. 421-P

Moscow

REGULATION

‘On the Calculation of the Liquidity Coverage Ratio (‘Basel III’)’

List of Amending Documents

(as amended by Bank of Russia Ordinance No. 3452-U, dated 25 November 2014; No. 3872-U, dated 1 December 2015)

Pursuant to Federal Law No. 86-FZ, dated 10 July 2002, 'On the Central Bank of the Russian Federation (the Bank of Russia)' (Legislation Bulletin of the Russian Federation, 2002, No. 28, Art. 2790; 2003, No. 2, Art. 157; No. 52, Art. 5032; 2004, No. 27, Art. 2711; No. 31, Art. 3233; 2005, No. 25, Art. 2426; No. 30, Art. 3101; 2006, No. 19, Art. 2061; No. 25, Art. 2648; 2007, No. 1, Art. 9, Art. 10; No. 10, Art. 1151; No. 18, Art. 2117; 2008, No. 42, Art. 4696, Art. 4699; No. 44, Art 4982; No. 52, Art. 6229, Art. 6231; 2009, No. 1, Art. 25; No. 29, Art. 3629; No. 48, Art. 5731; 2010, No.

45, Art. 5756; 2011, No. 7, Art. 907; No. 27, Art. 3873; No. 43, Art. 5973; No. 48, Art. 6728; 2012, No. 50, Art. 6954; No. 53, Art. 7591, Art. 7607; 2013, No. 11, Art. 1076; No. 14, Art. 1649; No. 19, Art. 2329; No. 27, Art. 3438, Art. 3476, Art. 3477; No. 30, Art. 4084; No. 49, Art. 6336, No. 51, Art. 6695, Art. 6699; No. 52, Art. 6975; 2014, No. 19, Art. 2311, Art. 2317), Federal Law 'On Banks and Banking Activities' (as revised by Federal Law No. 17-FZ, dated 3 February 1996) (Records of the Congress of People's Deputies of the USSR and the Supreme Soviet of the USSR, 1990, No 27, Art. 357; (Legislation Bulletin of the Russian Federation, 1996, No. 6, Art. 492; 1998, N31, Art. 3829; 1999, N28, Art. 3459, Art. 3469;2001,No. 26, Art. 2586; No. 33, Art. 3424; 2002, No. 12, Art. 1093; 2003, No. 27, Art. 2700; No. 50, Art. 4855; No. 52, Art. 5033, Art. 5037; 2004, No. 27, Art. 2711; No. 31, Art. 3233; 2005, No. 1, Art. 18, Art. 45; No. 30, Art. 3117; 2006, No. 6, Art. 636; No. 19, Art. 2061; No. 31, Art. 3439; No. 52, Art. 5497; 2007, No. 1, Art. 9; No. 22, Art. 2563; No. 31, Art. 4011; No. 41, Art. 4845; No. 45, Art. 5425; No. 50, Art. 6238; 2008, No. 10, Art. 895; 2009, No. 1, Art. 23; No. 9, Art. 1043; No. 18, Art. 2153; No. 23, Art. 2776; No. 30, Art. 3739; No. 48, Art. 5731; No. 52, Art. 6428; 2010, No. 8, Art. 775; No. 27, Art. 3432; No. 30, Art. 4012; No. 31, Art. 4193; No. 47, Art. 6028; 2011, No. 7, Art. 905; No. 27, Art. 3873, Art. 3880; No. 29, Art. 4291; No. 48, Art. 6728, Art. 6730; No. 49, Art. 7069; No. 50, Art. 7351; 2012, No. 27, Art. 3588; No. 31, Art. 4333; No. 50, Art. 6954; No. 53, Art. 7605, Art. 7607; 2013, No. 11, Art. 1076; No. 19, Art. 2317, Art. 2329; No. 26, Art. 3207; No. 27, Art. 3438, Art. 3477; No. 30, Art. 4084; No. 40, Art. 5036; No. 49, Art. 6336; No. 51, Art. 6683, Art. 6699; 2014, No. 6, Art. 563; No. 19, Art. 2311, Art. 2317) and in accordance with the resolution of the Bank of Russia Board of Directors (Minutes No. 17 of the meeting of the Bank of Russia Board of Directors, dated 29 May 2014), this Regulation establishes the procedure for the calculation of the liquidity coverage ratio based on international approaches to calculating the liquidity coverage ratio and liquidity risk monitoring tools (Basel III).

Chapter 1. **General Provisions**

1.1. The liquidity coverage ratio (hereinafter LCR) is calculated by the bank if it meets criteria described in the procedure for the preparation and submission of LCR calculation reporting for the assessment of its liquidity understood as the bank's ability to ensure timely and complete performance of its monetary and other commitments, and the ability to continue its operations for the next 30 calendar days after LCR calculation in case of liquidity stress caused by factors external and/or internal for the bank. LCR is determined on the basis of the structure of the bank's assets and liabilities subject to maturity dates, amounts and types of assets and liabilities, and other factors characterising the liquidity of assets and expected cash outflows in case of crisis events in the bank's operations and in the market as a whole.

1.2. LCR is calculated as the ratio of i) high-quality liquid assets to be received within the next calendar day from accounts with the Bank of Russia or authorised bodies of other countries and/or can be immediately demanded by the bank or can be sold by the bank and/or provided by it as collateral to immediately receive cash at no loss of value or without incurring large discounts even in times of stressless adjustment to high-quality liquid assets for caps on the structure of high-quality liquid assets to ii) expected net cash outflow under the bank's operations within the next 30 calendar days after LCR calculation using the formula below:

LCR = (HQLA – AA) / TNCO x 100 %

where:

HQLA is high-quality liquid assets;

AA is the adjustment to high-quality liquid assets;

TNCO is the total net cash outflows.

1.3. The total net cash outflows is calculated as the difference between total expected cash outflows and the lesser of total expected cash inflows and 75 % of total expected cash outflows, using the formula:

TNCO = TECO - min (TECI; 0.75 x TECO),

where:

TECI is the total expected cash inflows,

TECO is the total expected cash outflows.

1.4. LCR is calculated by the bank on an ongoing basis as a total for operations in rubles, foreign currencies and precious metals (hereinafter all-currency LCR).

On-balance-sheet and off-balance-sheet assets and liabilities denominated in a foreign currency are included in the LCR calculation at the official exchange rate of that foreign currency to the ruble set by the Bank of Russia for the date of LCR calculation. Liabilities in precious metals are included in the LCR calculation in the ruble equivalent under reference prices set by the Bank of Russia as of the calculation date.

If official foreign exchange rates are not set by the Bank of Russia, the exchange rate of that foreign currency against the ruble may be determined on the basis of the exchange rate of that currency against the official exchange rate of the US dollar to the ruble set by the Bank of Russia and in effect as of the date of determination of the exchange rate, and the exchange rate of that foreign currency against the US dollar as of the date immediately preceding the date of determination of the exchange rate.

Chapter 2. **Calculation of High-Quality Liquid Assets and Adjustment to High-Quality Liquid Assets**

2.1. High-quality liquid assets consist of assets that meet all of the following conditions simultaneously.

2.1.1. Assets that the bank's business unit or banking group member responsible for liquidity risk management with access to all the necessary information (for example, the Treasury) is authorised to decide to make operations with (outright sale, repurchase agreements and/or other collateralised borrowings) in order to immediately raise funds.

Assets are segregated (grouped) into a separate portfolio of assets created solely for the purpose of bank liquidity management. Assets not included in the portfolio of assets created solely for the purpose of bank liquidity management are included in the calculation of high-quality liquid assets only when and if such assets can be sold and/or posted as collateral under fund-raising transactions by order of the business unit responsible for liquidity risk management without any conflict with the bank's business strategy or the bank's risk management strategy. The carrying out of transactions referred to in this sub-clause with assets (a portion of assets) included among high-quality liquid assets confirms the availability of an active market for such assets and the bank’s access to this market.

2.1.2. Assets are unencumbered with the bank's liabilities, not intended for servicing organisations within the requirement of the minimum balance of cash on hand or making operating expenses of the bank, and do not include securities sold without derecognition on the balance sheet (under repurchase or security borrowing agreements) and securities used as collateral for banking operations except for securities pre-positioned with the Bank of Russia (Blocked by the Bank of Russia) but not used as collateral to generate liquidity. For the purposes of this Regulation «unencumbered» means free of any restrictions prescribed by legal and other normative acts, including those responsible for regulation of the banking activity and the activity on the financial markets, contractual and other restrictions on the rights or ability of the bank to sell them under a purchase and sale agreement, transfer under repo agreements and (or) as collateral for the borrowed funds.

2.1.3. Securities are owned by the bank (including those which are received without initial recognition on the balance sheet (under repurchase or security borrowing agreements), under securities swap transactions, and received in ownership as collateral under lending and derivatives contracts, including under the law of a foreign country that allows such transactions) subject to limitations set forth in this sub-clause. If the ownership of securities has passed to the bank as collateral under lending and derivatives contracts under the law of a foreign country the Bank of Russia or the Bank of Russia structural division supervising the bank’s activity regional division may request of the credit institution to provide an opinion of an entity authorised to render legal services acknowledging that such transactions are consistent with laws of the foreign country.

Securities that meet the criteria of high-quality liquid assets and have been received without initial recognition on the balance sheet (under repurchase or security borrowing agreements), under securities swap transactions and received in ownership as collateral under lending contracts, may be included in the calculation of high-quality liquid assets provided that there are no limitations on the bank's right to sell outright or under repurchase agreements and/or to post as collateral for borrowings before maturity date of the transactions.

If securities received by the bank under agreements referred to in this clause had been received by the bank’s counterparty as collateral under lending, reverse repo or derivatives contracts (rehypothecation), those securities may be included in the calculation of high-quality liquid assets only provided that the original seller or owner cannot withdraw those assets during the next 30 calendar days after LCR calculation.

Securities which are received as collateral under derivatives contracts and are part of a single collateral pool may be included in the calculation of high-quality liquid assets provided that there are no limitations on the bank's right to sell outright or under repurchase agreements and/or as collateral for borrowings before maturity date of the transaction. If securities received as collateral under derivatives contracts are included in high-quality liquid assets, additional expected cash outflows on such transactions calculated in accordance with chapter 3 of this Regulation should be included in the LCR calculation.

For the purposes of this Regulation derivative financial instruments shall be understood as agreements covered by Bank of Russia Regulation No. 372-P, dated 4 July 2011, ‘On the Procedure for Accounting Derivatives’ registered with the Ministry of Justice of the Russian Federation on 22 July 2011 under No. 21445, on 6 December 2013 under No. 30553 (Bank of Russia Bulletin No. 43, dated 4 August 2011; No. 74, dated 19 December 2013) (hereinafter, Bank of Russia Regulation No. 372-P).

2.1.4. Assets that are recorded on the balance sheet of the bank's branches and meet the criteria of high-quality liquid assets set in this Chapter are included in the calculation of the bank's high-quality liquid assets if the bank is unable to assess the need of the bank’s branch for high-quality liquid assets and only provided that there are no limitations on their availability for liquidity risk management operations to the bank's head department responsible for liquidity risk management on the first calendar day after the date of LCR calculation.

If the bank can assess the need of the bank’s branch for high-quality liquid assets, assets held on the balance sheet of the bank’s branch and meeting all criteria of high-quality liquid assets established by this chapter, shall be included in the calculation of the bank’s high-quality liquid assets in the amount not exceeding the branch’s need for high-quality liquid assets estimated in accordance with this Regulation as net expected cash outflow as of the LCR calculation date. Assets exceeding the branch’s need for high-quality liquid assets shall be included in the calculation of high-quality liquid assets if there is no restrictions for their availability to the bank’s head office for processing transactions under liquidity risk management as of LCR calculation date.

2.2. Securities holdings which meet conditions set forth in clause 2.1 of this Regulation are included in the calculation of high-quality liquid assets if the following criteria are met:

they are not issued and (or) guaranteed by banks or other financial institutions (except for central banks, multilateral financial institutions and multilateral development banks), and legal entities controlled or significantly influenced by financial institutions, except for mortgage-backed securities which are included in the calculation of high-quality liquid assets provided that such securities are not issued by the bank itself or a legal entity controlled or significantly influenced by the bank;

they are in circulation in the active market, are quoted on stock exchanges (in case of foreign securities - listed on a foreign stock exchange) and have a market price determined in accordance with approaches set by Order of the Federal Financial Markets Service of the Russian Federation No. 10-65/pz-n, dated 9 November 2010, 'On the Endorsement of the Procedure for Determination of the Market Price of Securities, the Estimated Price of Securities as well as the Fluctuation Limits of the Market Price of Securities for the Purposes of Chapter 23 of the Tax Code of the Russian Federation' registered with the Ministry of Justice of the Russian Federation on 29 November 2010

No. 19062, 16 July 2012 No. 24917 (Rossiyskaya Gazeta, dated 1 December 2010, 25 July 2012);

the decline of price defined as a reduction in the market price of securities (actual or estimated) during any consecutive 30 calendar days in the period of significant liquidity stress (hereinafter the maximum decline of price), including 2004 and 2007—2008 periods, does not exceed limits (maximum decline) set in chapter 2 of this Regulation for the respective category of high-quality liquid assets.

In the context of this Regulation, financial institutions mean ones defined in clause 6, Article 4 of Federal Law No. 135-FZ, dated 26 July 2006, 'On the Protection of Competition' (Legislation Bulletin of the Russian Federation, 2006, No. 31, Art. 3434; 2007, No. 49, Art. 6079; 2008, No. 18, Art. 1941; No. 27, Art. 3126; No. 45, Art. 5141; 2009, No. 29, Art. 3601, Art. 3610; No. 52, Art. 6450, Art. 6455; 2010, No. 15, Art. 1736; No. 19, Art. 2291; No. 49, Art. 6409; 2011, No. 10, Art. 1281; No. 27, Art. 3873, Art. 3880; No. 29, Art. 4291; No. 30, Art. 4590; No. 48, Art. 6728; No. 50, Art. 7343; 2012, No. 31, Art. 4334; No. 53, Art. 7643; 2013, No. 27, Art. 3436, Art. 3477; No. 30, Art. 4084; No. 44, Art. 5633; No. 52, Art. 6961, Art. 6988)(hereinafter, Federal Law No. 135 FZ).

Securities are included in the calculation of high-quality liquid assets regardless of their residual maturity.

Securities indicated in this clause, shall be characterised with low level of market, credit, legal, currency and market liquidity risks, easy and certainty of price valuation (doesn’t contain embedded derivative financial instruments and do not include subordinated debt), low correlation with high-risky assets.

In order to assess the market activity and liquidity for the corresponding asset, the activity of asset transactions, ask-bid spread, asset trading volumes, number of market participants acting as market makers, asset’s eligibility to be used as collateral under repo agreements and other factors shall be considered.

In addition to the decline of price established by this clause, the volatility of the asset value shall be assessed for all types of assets included in high-liquid assets, including during the liquiduty stress (including periods of considerable liquidity crisis).

The factor that confirms the possibility of including the asset in high-liquid assets is the historically observed tendencies to move into these types of assets (to invest in the asset) in the period of uncertainty (including periods of considerable liquidity crisis).

Quantitative and qualitative characteristics of high-quality liquid assets based on the criteria established by this clause which confirm market activity and liquidity, possibility of immediate asset sale and (or) transfer as collateral to receive cash without considerable loss of their value (without increase in the discount ratio), including in the periods of uncertainty, are established by the bank's internal documents and are assessed by the bank on a regular basis.

The bank presents the internal documents indicated in this clause to the Bank of Russia regional division, Bank of Russia structural division supervising the bank's activity at their request.

2.3. Proceeds from assets classified as high-quality liquid assets cannot be simultaneously included in the calculation of total expected cash inflows, including when their maturity date falls within the next 30 calendar days after LCR calculation.

2.4. High-quality liquid assets are calculated as the sum of Level 1 (HQLA-1) and Level 2 (HQLA-2) assets. HQLA-2 consist of HQLA-2A and HQLA-2B assets. Assets are included in the calculation of high-quality liquid assets at their fair (market) value after the following haircuts have been applied:

HQLA-1 — 0 %;

HQLA-2A — 15 %;

HQLA-2B — 25 % for residential mortgage-backed securities; 50 % — for all other debt obligations and stocks.

2.5. HQLA-1 consist of assets such as:

2.5.1. Cash and cash equivalents:

cash

funds in accounts of credit institutions (branches) for cash servicing of structural subdivisions, and funds for cash servicing of credit institutions (branches) not performed at the place where the correspondent account (sub-account) was opened.

2.5.2. Funds with the Bank of Russia and authorised agencies of other countries, including:

amounts deposited with the Bank of Russia for cash to be received on the next calendar day;

demand deposits in the correspondent and deposit accounts with the Bank of Russia and with one-day residual maturity, and claims to the Bank of Russia maturing not later than the next calendar day on accrued (accumulated) interest on such accounts, and funds in deposit accounts with the Bank of Russia with a residual maturity date of more than one day, if banks are allowed to request the Bank of Russia's early repayment of that term deposit;

excess payments refundable to the bank from required reserves accounts with the Bank of Russia and authorised agencies of other countries if amounts can be received not later than the day immediately following LCR calculation in the event of extraordinary regulation of required reserve stipulated in Bank of Russia Regulation No. 342-P, dated 7 August 2009, 'On Reserve Requirements to Credit Institutions' registered with the Ministry of Justice of the Russian Federation on 15 September 2009 No. 14775, 11 December 2009 No. 15557, 30 September 2011 No. 21956, 12 February 2013 No. 27003, 17 December 2013 No. 30616 (Bank of Russia Bulletin, 21 September 2009 No. 55, 18 December 2009 No. 73, 12 October 2011 No. 56, 20 February 2013 No. 10, 24 December 2013 No. 77) (hereinafter Bank of Russia Regulation No. 342-P), or in accordance with regulations of authorised agencies of other countries.

2.5.3. Securities:

debt securities issued by governments, central banks of countries with '0', '1' country risk scores assigned by export credit agencies participating in the «Arrangement on Officially Supported Export Credits» of member states of the Organisation for Economic Co-operation and Development (OECD) (hereinafter country risk scores) and high-income countries that are members of OECD and/or the European Union and have introduced the single currency of the European Union (hereinafter high-income OECD and/or EU countries) (this Regulation uses information about country risk scores and high-income OECD and/or EU countries posted on the OECD website);

debt securities issued by public sector entities entitled to take borrowings on behalf of the sovereign in accordance with laws of countries with a Country risk score of '0', '1' and high-income OECD and/or EU countries;

debt securities guaranteed in full by governments, central banks of countries with a country risk score of '0', '1' and high-income OECD and/or EU countries;

debt securities guaranteed in full by public sector entities entitled to take borrowings on behalf of the sovereign in accordance with laws of countries with a country risk score of '0', '1' and high-income OECD and/or EU countries;

debt securities issued by multilateral financial institutions (the Bank for International Settlements, the International Monetary Fund, the European Central Bank) and multilateral development banks classified to Asset Category I for credit risk in accordance with clause 2.3 of Bank of Russia Instruction No. 139-I, dated 3 December 2012, 'On Banks' Statutory Ratios' registered with the Ministry of Justice of the Russian Federation on 13 December 2012 No. 26104, 29 November 2013 No. 30498 (Bank of Russia Bulletin dated 21 December 2012 No. 74, 30 November 2013 No. 69) (hereinafter Bank of Russia Instruction No. 139-I), or guaranteed in full by the mentioned multilateral financial institutions and multilateral development banks;

debt securities issued by the Government of the Russian Federation or the Central Bank of the Russian Federation;

debt securities issued by governments, central banks of countries other than countries with a Country risk score of '0', '1' or high-income OECD and/or EU Countries denominated in the currency of the issuer's country and recorded on the balance sheet of the bank's branches located in the respective foreign country (up to the amount of the branches' needs for highquality liquid assets denominated in the respective currency).

Level 1 assets are included in the calculation of highquality liquid assets in full.

2.6. HQLA-2A:

debt securities issued by governments or central banks of countries with a country risk score of '2';

debt securities issued by public sector entity allowed under the laws of countries with a country risk score of '2' to take borrowings on behalf of the sovereign;

debt securities guaranteed in full by governments, central banks of countries with a country risk score of '2';

debt securities guaranteed in full by public sector entity allowed under the laws of countries with a country risk score of '2' to take borrowings on behalf of the sovereign;

debt securities issued by multilateral development banks classifies to asset category II for credit risk in accordance with clause 2.3 of Bank of Russia Instruction No. 139-I or guaranteed in full (including by bank guarantees) of the mentioned multilateral development banks;

debt securities (except for mortgage-backed securities) issued by non-financial institutions (issues of securities) with an international long-term credit rating assigned by rating agencies — at least AA- by Standard & Poor’s or Fitch Ratings or Aa3 by Moody’s Investors Service;

covered bonds issued by banks or mortgage institutions in compliance with foreign laws of the foreign state that provides for protection of bond holders (preceeds deriving from the issue of these bonds are invested in accordance in conformity with the law in assets which during the whole period of the validity of the bonds are capable of covering claims attached to the bonds and which, in the event of the failure of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest), discharge of obligations under which is guaranteed in full by collateral of the mortgage coverage or other assets which are recorded on the balance sheet of the issuer bank (issues of securities) with an international long-term credit rating assigned by rating agencies — at least AA- by Standard & Poor’s or Fitch Ratings or Aa3 by Moody’s Investors Service.

Securities listed in this clause are included in the calculation of HQLA-2A only if the maximum decline of price set in clause 2.2 of this Regulation is 10 %.

Securities listed in this clause are included in the calculation of high-quality liquid assets at the amount of maximum 85 % of their fair (market) value as of the date of LCR calculation.

2.7. HQLA-2B.

2.7.1. Residential mortgage-backed securities issued by non-resident legal entities (other than banks) (issues of securities) with an international long-term credit rating assigned by rating agencies — at least AA by Standard & Poor's or Fitch Ratings or Aa2 by Moody's Investors Service provided that the following conditions are met:

mortgage collateral is made up of mortgage loans with full recourse (in the case of foreclosure when the property passes to the creditor due to the debtor's default, the mortgage holder remains liable for any shortfall in sales proceeds from the property) and with the maximum loan-to-value ratio (LTV) of 80 % on average at issuance;

the securities issuer assumes part of the credit risk by retaining an interest in securitised assets in accordance with laws and/or regulations of the foreign country.

Meanwhile mortgage loans providing for mortgage collateral are not issued by the bank itself or its affiliated entities.

Securities listed in this sub-clause are included in the calculation of HQLA-2B only if the maximum decline of price defined in clause 2.2 of this Regulation is 20 %.

Securities listed in this sub-clause are included in the calculation of high-quality liquid assets at the amount of maximum 75 % of their fair (market) value as of the date of LCR calculation.

2.7.2. Corporate debt securities (except for mortgage-backed securities) issued by non-financial organisations (issues of securities) with an international long-term credit rating assigned by rating agencies — A+ to BBB- by Standard & Poor's or Fitch Ratings or A1 to Baa3 by Moody's Investors Service.

Securities listed in this sub-clause are included in the calculation of HQLA-2B only if maximum decline of price set in clause 2.2 of this Regulation is 20 %.

Securities listed in this sub-clause are included in the calculation of high-quality liquid assets at the amount of maximum 50 % of their fair (market) value as of LCR calculation.

2.7.3. Common equity shares included by the stock exchange in stock indices MICEX 50 and RTS 50 and stock indices referred to in Appendix 7 to Bank of Russia Instruction No. 139-I if operations with those securities are cleared through organisations operating as a central counterparty in accordance with Federal Law No. 7-FZ, dated 7 February 2011, 'On Clearing and Clearing Activities' (Legislation Bulletin of the Russian Federation, 2011, No. 7, Art. 904; No. 48, Art. 6728; No. 49, Art. 7040, Art. 7061; 2012, No. 53, Art. 7607; 2013, No. 30, Art. 4084; 2014, No. 11, Art. 1098) (hereinafter the Clearing Law) or foreign laws. Indicated in this sub-clause securities which are denominated in the currency of the jurisdiction where the bank's branch is located and are accounted in the balance sheet of the corresponding branch are included in the calculation of HQLA.Securities listed in this sub-clause are included in the calculation of HQLA-2B only if the maximum decline of price set in clause 2.2 of this Regulation is 40 %.

Securities listed in this sub-clause are included in the calculation of high-quality liquid assets at the amount of maximum 50 % of their fair (market) value as of LCR calculation.

2.8. Any assets allowed to high-quality liquid assets that cease to meet the criteria set forth in clauses 2.5–2.7 of this Regulation may be included in the calculation of high-quality liquid assets for maximum 30 calendar days after circumstances indicating that the assets do not meet such criteria arose.

2.9. For the calculation of high-quality liquid assets in all currencies, including the ruble (for the calculation of all-currency LCR), assets denominated in a foreign currency (after haircuts set by this Chapter applied to the respective level of high-quality liquid assets) are included in HQLA up to the amount of net cash outflows in the same foreign currency in order to avoid the foreign currency mismatch.

2.10. High-quality liquid assets are included in the LCR calculation less of adjustment for the following caps on the value of high-quality liquid assets of the respective level:

after the application of the haircut set by this Chapter, HQLA-2B should not exceed 15 % of the total stock of high-quality liquid assets;

after the application of the haircut and of the adjustment to HQLA-2B in accordance with paragraph two of this clause, HQLA-2 should not exceed 40 % of total high-quality liquid assets.

2.11. Calculation of adjustments to high-quality liquid assets in accordance with clause 2.10 of this Regulation requires taking into account the unwind of transactions with HQLA-1, HQLA-2A and HQLA-2B that involve the change in HQLAs within the next 30 calendar days after LCR calculation. Transactions with assets not included in high-quality liquid assets, including assets not allowed to HQLA due to failure to meet conditions set forth in clause 2.1 of this Regulation, execution of which may affect the size of high-quality liquid assets are not included in the calculation of the unwind positions.

2.12. Adjustments to high-quality liquid assets resulting from the application of requirements set forth in clauses 2.10 and 2.11 of this Regulation are calculated using the formulas below:

AA = AA (15) + AA (40);

AA (15) = max (HQLA-2B adj-d -15 /85 x (HQLA-1 adj-d + HQLA-2A adj-d), HQLA-2B adj-d - 15 / 60 x HQLA-1 adj-d, 0);

AA (40) = max ((HQLA-2A adj-d + HQLA-2B adj-d - AA (15)) - 2 / 3 x HQLA-1 adj-d, 0),

where:

AA (15) — adjustment to HQLA-2B;

AA (40) — adjustment to HQLA-2;

HQLA-1 adj-d, HQLA-2A adj-d, HQLA-2B adj-d — HQLA-1, HQLA-2A, HQLA-2B high-quality liquid assets calculated taking into account the unwind of transactions execution of which causes the size of high-quality liquid assets of the respective level to change within the next 30 calendar days after LCR calculation.

2.13. For the purposes of diversification of the portfolio of assets included in HQLA, banks independently develop and adopt internal documents on asset portfolio management, including introduction of respective limits on holdings by type of HQLA, by issue and issuers types, by currencies in which HQLA are denominated and on their control procedures.

Chapter 3. **Calculation of Total Expected Cash Outflows**

3.1. The total expected cash outflows are calculated as the sum of expected cash outflows of retail deposits, unsecured wholesale funding, secured funding, and expected additional cash outflows on other operations.

The total expected cash outflows are calculated by multiplying the outstanding balances of bank's liabilities by the respective rate of run off or draw down for each category of liabilities defined in this Chapter.

3.2. The total expected cash outflows of retail deposits are calculated as follows.

3.2.1. Retail deposits consist of deposits, other than deposits in precious metals, other funds raised from natural persons, including funds placed by natural persons in bank deposits payable to bearer, including those certified by a savings certificate and/or savings book (excluding funds raised through the issue of debt securities, and funds placed in bank accounts (deposits) of individuals operating a business without a legal entity, if such accounts (deposits) are maintained for business operations allowed by federal laws and regulations, and funds placed in bank accounts (deposits) of privately practising notaries or lawyers who have started an office, if such accounts (deposits) are maintained for professional activities, allowed by federal laws and regulations, and funds on escrow accounts as well).

For the purposes of calculation of the total expected cash outflows, deposits and other funds raised from natural persons are grouped into stable and less stable.

Retail deposits are included in the calculation of expected cash outflows regardless of the remaining time to maturity.

The retail deposits raised by the bank’s branch located in the foreign state are devided into “stable” and “less stable” under the requirements of the central bank and (or) other supervisory authority of the foreign state where the branch is located, except for the case when the Bank of Russia regional division or the Bank of Russia structural division supervising the bank’s activity recognises the requirements of the central bank and (or) other supervisory authority of the foreign state where the branch is located less conservative than Bank of Russia's requirements with regard to classification of retail deposits into "stable" and "less stable"and the applied outflows ratios for the purposes of LCR calculation.

For the purposes of this Regulation the requirements of the central bank and (or) other supervisory authority of the foreign state shall be recognised less conservative if the expected outflows of retail deposits resulting from the application of these requirements are below the corresponding outflows calculated in accordance with this Regulation. The procedure for conducting the indicated assessment shall be established by the bank's internal document. The total expected cash outflow of retail deposits is calculated by multiplying the outstanding balances of liabilities to individuals by the run-off rate.

3.2.2. Stable deposits consist of funds raised from individuals (natural persons) in rubles and certain foreign currencies (US dollars and Euro) which are covered by deposit insurance in accordance with Federal Law No. 177-FZ, dated 23 December 2003, 'On the Insurance of Household Deposits with Russian Banks' (Legislation Bulletin of the Russian Federation, 2003, No. 52, Art. 5029; 2004, No. 34, Art. 3521; 2005, No. 1, Art. 23; No. 43, Art. 4351; 2006, No. 31, Art. 3449; 2007, No. 12, Art. 1350; 2008, No. 42, Art. 4699; No. 52, Art. 6225; 2011, No. 1, Art. 49; No. 27, Art. 3873; No. 29, Art. 4262; 2013, No. 19, Art. 2308; No. 27, Art. 3438; No. 49, Art. 6336; No. 52, Art. 6975; No. 49, Art. 7059; 2014, No. 14, Art. 1533) (hereinafter the Deposit Insurance Law) provided at least one of the conditions below is met:

the individual has an established relationship with the bank allowing to treat deposit outflow as unlikely (if the individual has been the bank's client for more than a year before LCR calculation, and there has been no significant (in excess of 20%) reduction in funds raised from this client during any 30 consecutive calendar days over this period and/or if the individual is using, as of the date of LCR calculation, at least two types of banking services' (other than deposits), including loans, payment (bank) cards);

funds are placed on bank accounts where salaries or other employment-related payments (including pension) are deposited, if the maximum interest rate (if the interest rate is set) for such accounts stipulated by the bank account contracts does not exceed the maximum interest rate on retail deposits on demand in the corresponding currency calculated in compliance with Bank of Russia Ordinance No. 3194-U, dated 27 February 2014, «On the Procedure for Disclosing by Credit Institutions Information about Interest Rates on Retail Bank Deposit Agreements» registered with the Ministry of Justice of the Russian Federation on 29 April 2014 under No. 32139, on 9 April 2015 under No. 36807 (Bank of Russia Bulletin No. 45, dated 21 May 2014; No. 34, dated 15 April 2015) (hereinafter, Bank of Russia Ordinance No. 3194-U) for the corresponding reporting month, and does not exceed the current Bank of Russia rate on ruble denominated deposits on demand; overnight LIBOR rate established by the British Bankers' Association on foreign currency accounts; overnight discount rate established by the US Federal Reserve System or the European Central Bank for accounts in foreign currencies to which LIBOR rate is not applied or 0.1%.

funds are placed in bank accounts where salaries or other employment-related payments (including pension) are credited, when interest for such accounts are paid at a rate equal to the rate on demand deposits but not higher than the Bank of Russia interest rate on demand deposits.

The following funding should not be categorised as stable retail deposits:

funds in bank accounts opened and managed through only remote channels (by means of a telecommunication network, including the Internet, and other means of remote access to bank accounts);

funds in bank accounts of qualified investors recognised by the bank as such in accordance with Federal Law No. 39-FZ, dated 22 April 1996, 'On the Securities Market' (Legislation Bulletin of the Russian Federation, 1996, No. 17, Art. 1918; 2001 33, Art. 3424; 2002, No. 52, Art. 5141; 2004, N27, Art. 2711 ;No. 31, Art. 3225; 2005, No. 11, Art. 900; N25, Art. 2426; 2006, No. 1, Art. 5; No. 2, Art. 172; No. 17, Art. 1780; No. 31, Art. 3437; No. 43, Art. 4412; 2007, No. 1, Art. 45; No. 18, Art. 2117; No. 22, Art. 2563; No. 41, Art. 4845; No. 50, Art. 6247, Art. 6249; 2008, No. 44, Art. 4982; No. 52, Art. 6221; 2009, No. 1, Art. 28; No. 7, Art. 777; No. 18, Art. 2154; No. 23, Art. 2770; No. 29, Art. 3642; No. 48, Art. 5731; No. 52, Art. 6428; 2010, No. 17, Art. 1988;

No. 31, Art. 4193; No. 41, Art. 5193; 2011, No. 7, Art. 905; No. 23, Art. 3262; No. 27, Art. 3873, Art. 3880; No. 29, Art. 4291; No. 48, Art. 6728; No. 49, Art. 7040; No. 50, Art. 7357; 2012, No. 25, Art. 3269; No. 31, Art. 4334; No. 53, Art. 7607; 2013, No. 26, Art. 3207; No. 30, Art. 4043, Art. 4082, Art. 4084; No. 51, Art. 6699; No. 52, Art. 6985) (hereinafter the Securities Law);

funds in bank accounts of the bank's related parties determined in accordance with Appendix 1 to Bank of Russia Instruction No. 139-I;

- Clients’ funds exceeding by total amount 5 million rubles

Retail deposits that meet the criteria listed in this sub-clause are included in the calculation of stable retail deposits to the extent that does not exceed the maximum compensation for deposits set by the Deposit Insurance Law.

The run-off rate of stable retail deposits is 5 %.

Funds raised from individuals that the bank is not in position to classify as stable in accordance with the requirements of this sub-clause are included in full in the calculation of less stable retail deposits.Retail deposits raised by the bank’s branch located in the foreign state can be classified as stable in the amount not exceeding the maximum compensation under an effective deposit insurance system of the corresponding foreign state (in the amount fully insured by an effective deposit insurance system). If under the deposit insurance system the compensation only covers a percentage of raised retail in amount not exceeding the established maximum value, the total amount of retail funds are included in the calculation of less stable retail.

For the purposes of this Regulation the deposit insurance system of the foreign state is recognised effective if the following conditions are met: the insurance system is obligatory for banks and regulated by the law, insurance prompt payouts are made in short terms, the amount of payout is clearly defined, the mechanism of the deposit insurance system is transparent for depositors, the deposit insurer in an effective deposit insurance system is independent, transparent and accountable to the government. The Bank of Russia regional division or the Bank of Russia or structural division supervising the bank’s activity is entitled to request the bank for an opinion of a person entitled to provide legal services,confirming that there an effective deposit insurance system in the jurisdiction where the bank's branch operates.

3.2.3. Retail deposits not included in the calculation of stable retail deposits in accordance with sub-clause 3.2.3 of this clause are categorised as less stable retail deposits.

In addition to factors listed in sub-clause 3.2.3 of this clause, the bank should consider all possible factors that may require categorising retail deposits as less stable. The run-off rate of less stable retail deposits is 10 %.

3.3. The expected cash outflow of unsecured wholesale funding is calculated as follows.

3.3.1. Unsecured wholesale funding consists of the bank's liabilities not collateralised by the bank's assets raised from legal entities, individuals operating as private entrepreneurs without a legal entity, if such operations are carried out in bank accounts opened for business operations allowed by federal laws, and from privately practising notaries or lawyers who have set up an office, if such operations are carried out in bank accounts opened for professional activities allowed by federal laws and regulations, including current and other accounts, raised deposits, except for funding in precious metals, issued debt securities (deposit certificates, bonds and notes) and other funding.

The calculation of this indicator also includes retail funding from individuals raised by the bank through an issue of debt securities (bonds, notes) and the provision of services under brokerage agreements.

3.3.2. Expected cash outflows of unsecured wholesale funding are calculated by multiplying the outstanding balances of bank's liabilities and the run-off rate for each category of funding defined in this clause.

3.3.3. Expected cash outflows of unsecured wholesale funding consists of outflows of demand deposits and deposits with a maturity (repayment) date falling in the next 30 calendar days after LCR calculation, and deposits with a remaining term of more than 30 calendar days if early repayment of deposits is provided for by federal laws, regulations, contractual conditions, foreign law, rules of international law, business practice, and as a result of previous experience or the bank's statements that make it reasonable for clients to expect the bank to assume such obligations.

Funding with a contractual option of early repayment at the bank’s discretion is included in the calculation of the cash outflows if the bank intends (for example, as referred to in the bank's internal documents) to exercise such a right within the next 30 calendar days after LCR calculation. If the terms of the contract provide for the client an option for the early funds withdrawal within 30 calendar days following the LCR calculation day, the borrowed funds shall be included in the calculation of cash outflows irrespective of the term of the contract.

The calculation of expected outflows of unsecured wholesale funding does not include obligations which may be called for early repayment within the next 30 calendar days of LCR calculation if such obligations are exercised in a period surpassing 30 calendar days after LCR calculation in accordance with the contractual terms and conditions (including when and if contractual terms and conditions involve an offer for early repurchase (redemption) exercisable in more than 30 calendar days after LCR calculation).

3.3.4. Expected outflow of unsecured wholesale funding consists of the following types of funding except for funds on escrow accounts:

deposits and other funds raised from small business customers;

operational deposits defined in accordance with sub-clauses 3.3.6–3.3.10 of this clause;

deposits and other funds raised from legal entities (except for financial institutions) and government agencies;

deposits and other funds raised from the bank's related legal entities;

other unsecured wholesale funding.

3.3.5. Deposits and other funds raised from small business customers consist of the bank's liabilities to:

private entrepreneurs placed in bank accounts (as deposits) of individuals operating a business without a legal entity, if such accounts (deposits) are opened for business operations allowed by federal laws and regulations;

privately practising notaries or lawyers who have set up an office, if such accounts (deposits) are opened for professional activities allowed by federal laws and regulations;

other small business customers (except for financial institutions) defined in accordance with Federal Law No. 209-FZ, dated 24 June 2007, 'On the Development of Small and Medium Business in the Russian Federation' (Legislation Bulletin of the Russian Federation, 2007, No. 31, Art. 4006; No. 43, Art. 5084; 2008, No. 30, Art. 3615, Art. 3616; 2009, No. 31, Art. 3923; No. 52, Art. 6441; 2010, No. 28, Art. 3553; 2011, No. 27, Art. 3880; No. 50, Art. 7343; 2013, No. 27, Art. 3436, Art. 3477; No. 30, Art. 4071; No. 52, Art. 6961).

Liabilities to clients listed in this sub-clause are included in the calculation of expected cash outflows of small business customers provided that all of the conditions below are met concurrently:

the weighted average amount of loans and other funds provided to a client or a group of related clients (if any) and the weighted average amount of the total amount of the bank’s liabilities before the client or a group of related clients treated as such in accordance with Bank of Russia Instruction No. 139-I and calculated for 30 calendar days preceding the LCR calculation does not exceed 50 million rubles each;

funds raised on standard conditions determined in the bank's internal documents (for example, if contracts are concluded on conditions described in public offers);

client accounts (deposits and loans) are not managed on an individual basis.

If the above mentioned conditions are not met, liabilities to clients listed in this sub-clause are included in cash outflows of deposits and other funds raised from legal entities (except for financial institutions) and government agencies.

For the purposes of calculation of the expected cash outflows, deposits and other funds raised from small business customers that meet criteria set out in paragraphs five–eight of this sub-clause are classified as stable and less stable.

Stable deposits consist of accounts (deposits) of private entrepreneurs opened for business operations in rubles and certain foreign currencies (US dollars and Euro) covered by deposit insurance in accordance with the Deposit Insurance Law provided that they meet the same criteria for stable deposits described in sub-clause 3.2.3, clause 3.2 of this Regulation.

The run-off rate of stable deposits and other funds raised from small business customers is 5 %.

Less stable deposits are deposits and other funds raised from small business customers not included in the calculation of stable deposits and other funds raised from small business customers in accordance with paragraph eleven of this sub-clause (including in the event the bank is not in position to classify them as stable).

The run-off rate of less stable deposits and other funds raised from small business customers is 10 %.

3.3.6. In the context of this Regulation, services the provision of which lead to the placement of the client's funds with the bank classified as operational deposits are the following:

clearing services in accordance with the Clearing Law;

liquidity management (provision of cash management services to customers to manage its cash flows, assets and liabilities in order to maintain liquidity to ensure the customer's ongoing operations with regard to payment remittance, clients' fund accumulation, payroll administration and control over the clients' disbursement of fund).

liquidity management (contracts under which the bank provides cash management services to its client).

3.3.7. Funds raised from clients as a result of the provision of one or several services listed in sub-clause 3.3.6 of this clause are classified as operational deposits provided that all of the conditions below are met concurrently:

funds raised is a by-product of the provision of underlying services listed in sub-clause 3.3.6 of this clause by the bank to clients;

funds raised through the provision of these services are kept in special accounts;

the interest rate (if set) for funding corresponds to existing rates for demand deposits but does not exceed the current rate set by the Bank of Russia for demand deposits in rubles; the overnight LIBOR rate set by the British Bankers' Association for interbank deposits (loans) in a foreign currency; the overnight discount rate set by the US Federal Reserve System or the European Central Bank for deposits in foreign currencies that LIBOR does not apply to, or 0.1 % for other deposits;

the bank has developed and applies a methodology for determining the minimum cash balances in the client's account adequate to meet its operational needs, containing, among other things, the procedure for estimating the funds required to make payments in the client's account in the amount exceeding the average cash balance on the account and the procedure the estimating changes in cash balances on the client's account (including, those based on the assessment of the ratio between the balance on the client's account and the amount of settlements) in order to determine the efficiency of clients' account balance management.

3.3.8. Operational deposits are included in the calculation of cash outflows at a run-off rate of 25 % provided that all of the conditions below are met concurrently:

the client's ability to continue its operating over the next 30 calendar days after LCR calculation depends on the bank providing services listed in sub-clause 3.3.6;

the provision of services should be formalised in agreements allowing to classify them as operational deposits;

the above mentioned agreements are terminated not earlier then 30 calendar days after the client gives relevant notice;

there is no risk, evaluated by the bank as material, of the concentration of funding treated as operational deposits.

3.3.9. Liabilities under operational deposits are calculated as the minimum cash balances in the client's bank accounts adequate to meet its operational needs.

Funds in excess of the minimum balances in the client's bank accounts adequate to meet its operational needs are not listed among operational deposits and are included in other categories of funding referred to in sub-clause 3.3.4 of this clauseor in full if it is impossible to determine the minimum cash balance in the client's bank accounts sufficient to cover his/her operational needs' following the word 'needs.

3.3.10. Funds raised by the bank from credit institutions with correspondent relationships and from legal entities as a result of the provision of brokerage services are not categorised as operational deposits and should be included in other categories of funding referred to in sub-clause 3.3.4 of this clause.

3.3.11. Deposits and other funds raised from legal entities (except for financial institutions) and government agencies consist of funds raised from:

legal entities except for financial institutions and small business customers liabilities to which meet conditions described in paragraphs five–eight, sub-clause 3.3.5 of this clause;

the Federal Treasury and the Bank of Russia;

sub-federal and local governments of the Russian Federation, non-budget funds of the Russian Federation;

foreign governments and multilateral development banks, public sector entities entitled under laws of other countries to make borrowings on behalf of the sovereign.

Liabilities referred to in this sub-clause are included in the calculation of expected outflows of unsecured wholesale funding with the run-off rate of 40 %.

3.3.12. Deposits and other funds raised from the bank's related legal entities consist of funds in accounts of legal entities that are a related party of the bank in accordance with Appendix 1 to Bank of Russia Instruction No. 139-I, including persons that are in the same banking group as the bank.

Liabilities referred to in this sub-clause are included in the calculation of expected cash outflows of unsecured wholesale funding at the run-off rate of 100 %.

3.3.13. Other wholesale unsecured funding consists of deposits and other funding not categorised as funding referred to in sub-clauses 3.3.5–3.3.12 of this clause, including:

funding from the bank's beneficiaries (including under insurance, pension plans, asset management (trust) and other contracts);

funding from financial institutions and specialised financial companies (special purpose vehicles);

funding by means of issued debt securities (including bonds and notes) regardless of the type of security owners (holders), and funding from legal entities by means of the placement of debt securities in the interest of the bank;

funds raised by the bank as a result of brokerage services (including brokerage services provided to individuals);

overdue principal and overdue interest on loans, deposits and other funding, other overdue liabilities.

The run-off rate of liabilities listed in this sub-clause is 100 %.

3.3.14. Funds to be installed in required reserves accounts and/or correspondent accounts (sub-accounts) of the bank at the Bank of Russia to the extent required to comply with the reserve requirements on the compliance with the obligatory reserves within 30 calendar days after LCR calculation if the funds mentioned has not been included in expected outflows of other liabilities is included at the run-off rate of 100 %.

3.4. The expected cash outflow of secured funding and securities lending transactions is calculated as follows.

3.4.1. Secured funding consists of the bank's liabilities under operations with clients collateralised by the bank's assets which, in the event of the bank's default or undue fulfilment of its obligations, will be used for their (partial) repayment, including commitments on fund raised under transactions with securities sold without derecognition on the balance sheet (repurchase operations).

For the purposes of LCR calculation, operations in which the bank lends securities to clients under securities lending agreements for coverage of short positions opened by clients are treated similarly to repurchase operations.

3.4.2. The expected cash outflows on secured funding is calculated by multiplying the liabilities under funding by the run-off rate.

3.4.3. Calculation of the expected cash outflow of secured funding consists of:

demand liabilities under which clients may request immediate refund (repayment);

the bank's liabilities to clients maturing within the next 30 calendar days after LCR calculation;

the bank's liabilities pertaining to clients opening short positions that do not have a specified contractual maturity.

3.4.4. The expected cash outflows under the bank's operations of lending securities to clients to cover short positions opened by clients is calculated by multiplying the amount of funds received and placed by the bank's clients as a result of making unsecured transactions in the financial market by the run-off rate depending on the quality of securities lent by the bank under the securities lending agreement in accordance with sub-clause 3.4.5 of this clause.

3.4.5. For the calculation of the expected cash outflow of secured funding and under securities lending transactions, the following run-off rates are applied depending on the quality of collateral provided and/or the type of counterparty:

No.	Type of the bank's liabilities depending on collateral and/or type of counterparty	Run-off rate
1	2	3
1	Bank's liabilities collateralised by assets qualified as HQLA-1 except for conditions referred to in clause 2.1 of this Regulation	0 %
2	Bank's liabilities under operations with the Bank of Russia regardless of the type of collateral provided	0 %
3	Bank's liabilities collateralised by assets qualified as HQLA-2A except for conditions referred to in clause 2.1 of this Regulation	15 %
4	Bank's liabilities collateralised by assets (other than assets qualified as HQLA-1 or HQLA-2A except for conditions referred to in clause 2.1 of this Regulation) under operations with the following counterparties: the Federal Treasury and multilateral development banks whose liabilities can be included in high-quality liquid assets	25 %
5	Liabilities collateralised by residential mortgage-backed securities qualified as HQLA-2B except for conditions	25 %

	referred to in clause 2.1 of this Regulation	
6	Liabilities collateralised by securities qualified as HQLA-2B except for conditions referred to in clause 2.1 of this Regulation, other than residential mortgage-backed securities	50 %
7	Bank's liabilities under operations with the bank's related legal entities determined in accordance with sub-clause 3.3.12, clause 3.3 of this Regulation regardless of the type of collateral provided	100 %
8	Other liabilities	100 %

3.5. Additional expected cash outflows are calculated as the sum of expected cash outflows of committed credit facilities, derivatives contracts and other operations calculated with the application of the outflow or draw-down rates to respective liabilities.

3.5.1. Derivatives contracts cash outflows consist of expected contractual cash outflows within the next 30 calendar days after LCR calculation.

Balances in accounts of the fair value of derivatives contracts that constitute a liability are not included in the calculation of the cash outflows.

3.5.2. Expected derivatives contracts cash outflows may be included in the calculation of the cash outflows as a net outflow within the next 30 calendar days calculated for each counterparty if respective claims and liabilities are based on financial contracts defined in Article 51.5 of the Securities Law and part 1, Article 4.1 of Federal Law No. 127, dated 26 October 2002, 'On Insolvency (Bankruptcy)' (Legislation Bulletin of the Russian Federation, 2002, No. 43, Art. 4190; 2004, No. 35, Art. 3607; 2005, No. 1, Art. 18, Art. 46; No. 44, Art. 4471; 2006, No. 30, Art. 3292; No. 52, Art. 5497; 2007, No. 7, Art. 834; No. 18, Art. 2117; No. 30, Art. 3754; No. 41, Art. 4845; No. 49, Art. 6079; 2008, No. 30, Art. 3616; No. 49, Art. 5748; 2009, No. 1, Art. 4, Art. 14; No. 18, Art. 2153; No. 29, Art. 3632; No. 51, Art. 6160; No. 52, Art. 6450; 2010, No. 17, Art. 1988; No. 31, Art. 4188, Art. 4196; 2011, No. 1, Art. 41; No. 7, Art. 905; No. 19, Art. 2708; No. 27, Art. 3880; N29, Art. 4301; No. 30, Art. 4576; No. 48, Art. 6728; No. 49, Art. 7015, Art. 7024, Art. 7040, Art. 7061, Art. 7068; No. 50, Art. 7351, Art. 7357; 2012, No. 31, Art. 4333; No. 53, Art. 7607, Art. 7619; 2013, No. 23, Art. 2871; No. 26, Art. 3207; No. 27, Art. 3477, Art. 3481; No. 30, Art. 4084; No. 51, Art. 6699; No. 52, Art. 6975, Art. 6979, Art. 6984; 2014, No. 11, Art. 1095, Art. 1098), and describing grounds and the procedure for termination of obligations under contracts between the parties, with an estimation of the amount of liabilities (the amount of other property) (net liabilities) to be paid (transferred) by the party (parties) subject to termination of obligations under the contract(s) and the due date of such transfer, or with an estimation of net liabilities upon the introduction of a bankruptcy procedure in respect of one of the contracting parties (for a credit institution — due to a withdrawn banking licence) which are subject to liquidation netting procedures based on business practice (hereinafter contracts subject to settlement and/or liquidation netting).

Derivatives contracts cash outflows consist of outflows under sold options if Delta calculated in accordance with Bank of Russia Instruction No. 124-I, dated 15 July 2005, 'On Setting Amounts (Limits) on Open FX Positions, the Methodology for Calculating them and the Specifics of Supervision over their Compliance by Credit Institutions' registered with the Ministry of Justice of the Russian Federation on 5 August 2005 No. 6889, 26 June 2007 No. 9703, 6 December 2007 No. 10636, 18 May 2012 No. 24222 (Bank of Russia Bulletin dated 19 August 2005 No. 44, 4 July 2007 No. 38, 17 December 2007 No. 69, 25 May 2012 No. 27) (hereinafter Bank of Russia Instruction No. 124-I), is at least 0.5 as of the date of LCR calculation.

The outflow rate of all derivatives contracts referred to in this clause is 100 %.

3.5.3. The cash outflows of derivatives contracts collateralised by assets qualified as high-quality liquid assets (HQLA-1, HQLA-2A and HQLA-2B) can be calculated net of the value of collateral received in the event the assets are not included in high-quality liquid assets for LCR calculation provided that all of the following conditions are met simultaneously:

the high-quality liquid assets were or will be received no later than the business day following the date of LCR calculation as collateral under derivatives contracts in accordance with contractual conditions;

contractual conditions allow the bank to make operations with available collateral before the maturity date of the contract and the client cannot demand early repayment;

there is no explicit correlation, at the bank's discretion, between the counterparty credit risk in respect of the derivative contract and a reduction in the market value of available collateral determined in the bank's internal documents.

The resultant amount of derivatives contracts outflows of funds net of the value of assets received as collateral should not be negative.

3.5.4. The cash outflows include estimated additional liquidity need (expected outflows) in respect of the bank's liabilities, derivatives contracts and other agreements (contracts) related to downgrading of the bank's long-term credit rating by up to and three notches compared to its current level as of the date of LCR and related to downgrading short-term credit rating as against the current level as of the LCR calculation connected, among other things, related to downgrading of long-term credit rating in accordance with the published long- and short-term credit rating criteria, calculation or other triggers set forth in the agreement (contract) calculated on the basis of the amount of collateral to be posted or the amount of cash outflows to be made in accordance with contractual terms and conditions with the application of the outflow rate of 100 %.

3.5.5. The estimated additional liquidity need associated with a potential change in the value of collateral provided by the bank or collateral that should be provided under contractual terms and conditions under derivatives and other contracts is included in the calculation of expected cash outflows if that collateral is made up of assets that do not meet HQLA-1 criteria set in clause 2.5 of this Regulation and is calculated as 20 % of the value of collateral provided by the bank (less collateral received not meeting HQLA-1 criteria under contracts subject to settlement and/or liquidation netting with the application of adjustment rates (discounts) to the respective category of collateral given the bank’s right to sell them, transfer under repo agreements and (or) pledge as collateral for borrowed funds are not restricted) with the application of the outflow-off rate of 100 %.

3.5.6. The expected cash outflows caused by the client's right to claim part of collateral provided to the bank that is within a single (non-segregated) collateral pool for all contracts concluded with this client, caused by collateral provided to the bank being greater that the minimum requirement, is included in the calculation of the expected cash outflows to the extent of the excess collateral at the outflow rate of 100 %.

3.5.7. Regarding operations under which the bank should provide the counterparty with collateral that the counterparty may contractually request (taking into account collateral earlier requested but not posted), the cash outflows is determined on the basis of the value of collateral at the outflow rate of 100 %.

3.5.8. Outflows of funds related to operations where conditions allow bank's clients to substitute collateral with assets meeting the criteria of high-quality liquid assets of a lower level (e.g., substitution of HQLA-2A with assets meeting the criteria for HQLA-2B) and (or) that do not qualify as high-quality liquid assets (HQLA-1, HQLA-2A, and HQLA-2B) are included in additional expected outflows at the run-off rate of 100 %. The outflow is determined as the value of collateral that can be substituted with assets meeting the criteria of high-quality liquid assets of a lower level, or not qualifying as high-quality liquid assets without the bank's approval and is part of a single (non-segregated) collateral pool for all contracts concluded with the bank. When substituting collateral with assets meeting the criteria of high-quality liquid assets of a lower level, the outflow is determined as the value of collateral multiplied by the absolute value of the difference between the discount ratio applied to assets pledged as collateral established by Clause 2.4 and the assets which can be received through collateral substitution. If the collateral substitution allows to receive assets of different levels of high-quality liquid assets, the greater discount ratio established by Clause 2.4 hereof shall be applied to calculate the outflow.

3.5.9. The additional liquidity needs (expected outflows) associated with changes in the market value of derivatives contracts which require posting of funds in the event of changes in their market value (for example, variation margin) and/or any other collateral is determined by the bank as follows.

Agreements (contracts) such as derivatives contracts referred to in this sub-clause are classified by types of agreements (contracts) in accordance with approaches introduced by Bank of Russia Ordinance No. 3565-U, dated 16 February 2015, ‘On Derivative Types’ registered with the Ministry of Justice of the Russian Federation on 27 March 2015 under No. 36575 (Bank of Russia Bulletin No. 28, dated 31 March 2015) and the bank's internal documents.

For each type of agreement (contract) based on internal statistics, the maximum outflow rate for two years immediately preceding LCR calculation is calculated as the ratio of funds (variation margin) posted during any consecutive 30 calendar days to the average daily volume of concluded agreements (transactions) calculated as the nominal amount set by the agreement (contract) or the fair value of underlying assets for the same period (hereinafter the rate of liquidity needs caused by market valuation changes on derivatives contracts).

The outflow for each type of agreement (contract) as of the date of LCR calculation is calculated by multiplying the amount of concluded agreements (contracts) by the rate of liquidity needs caused by market valuation changes on derivatives contracts.

In the event there are no internal statistics for two years immediately preceding the date of LCR calculation regarding cash outflows for the type of agreement (contract) under appraisal, additional liquidity needs associated with market valuation changes on derivatives contracts are calculated as follows.

Changes in risk factors (market rates or other indicators affecting the market value of derivatives contracts) used for stress testing of the bank's stability to a market risk in accordance with the bank's internal documents and determined on the basis of historical data, including those covering crisis periods of at least 2004, 2007 and 2008, and periods of crisis events observed in the bank's activities in the past, are used for revaluation:

in respect of derivatives contracts that involve the posting of margin (variation margin) — of the reference price determined in accordance with the approach introduced by Bank of Russia Ordinance No. 3413-U, dated 7 October 2014, On the

Procedure to Define Estimated Value of Financial Instruments of Forward Transactions Excluded from Organised Trading for the Purposes Envisaged by Chapter 25 of the Tax Code of the Russian Federation' registered with the Ministry of Justice of the Russian Federation on 30 October 2014 under No. 34533 (Bank of Russia Bulletin No. 103, dated 13 November 2014;

in respect of derivatives contracts that require the posting of other type of collateral— of the fair value of the derivative contract determined in accordance with Bank of Russia Regulation No. 372-P.

The reference price or fair value of the derivative contract estimated under the scenario of a crisis is compared to the actual reference price or the current fair value of the derivative contract as of the date of LCR calculation, respectively.

In respect of derivatives contracts whose reference price or fair value is decreasing in crisis conditions, such a decrease is calculated and regarded as the expected cash outflow.

Regardless of the method of outflow's calculation set by this sub-clause, derivatives contracts cash outflows may be included in the calculation of cash outflows as net outflows calculated for each counterparty if all respective claims and liabilities arise out of financial contracts subject to settlement and/or liquidation netting. The additional liquidity need calculated as the sum of outflows under all concluded agreements (contracts) related to market valuation changes is included in the calculation of expected outflows at the outflow rate of 100 %.

3.5.10. Cash outflows expected within the next 30 calendar days after LCR calculation and associated with payments required by conditions of bank's issue of the asset-backed securities, including bonds covered by real estate or a pool of mortgage loans, is included in expected cash outflows at the outflow rate of 100 %.

3.5.11. The expected cash outflow within the next 30 calendar days after LCR calculation in respect of asset-backed securities issued by specialised financial entities for the benefit of the bank (including embedded derivatives allowing the securities holder to produce them for early buy-back (redemption embedded derivative financial instruments inseparable from the underlying agreement, including partial redemption and guided by the possibility to replace the pledged assets or provide monetary funds to the securities issuer) within the next 30 calendar days after LCR calculation), is included in the calculation of cash outflows at the rate of 100 %.

3.5.12. Committed credit facilities consist of unused credit lines including the revolving ones, unused 'overdraft' or 'outstanding limit' limits (hereinafter credit lines), unused liquidity lines provided that such liabilities are not classified as unconditionally revocable or do not provide for unilateral cancellation at any time at the bank's discretion without prior notice to the client.

3.5.13. In the context of this Regulation, liquidity lines are defined as the bank's irrevocable or conditionally revocable obligations (subject to suspensive conditions):

to provide funds to the client so that the client can redeem securities issued earlier;

to purchase the client's securities within the liabilities in respect of the initial public offering and/or transactions on the secondary market with the client's securities.

The size of the bank's liabilities referred to in this sub-clause is treated as a liquidity line to the extent of client's liabilities maturing within the next 30 calendar days after LCR calculation and does not include the portion of the liquidity line with liabilities maturing later than 30 calendar days after LCR calculation and the portion of the line available to the client for other purposes. The remaining commitment of the facility is included in the calculation of cash outflows as a credit line.

If an opened liquidity line (credit line) is syndicated in the meaning of syndicated loans as defined in Appendix 4 to Bank of Russia Instruction No. 139-I, the calculation includes the size of the bank's commitments proportional to the bank's interest in the syndicated liquidity line (credit line).

The bank's commitments under liquidity lines provided to legal entities other than financial institutions do not include credit commitments provided for the replenishment of working capital.

3.5.14. The bank's liabilities in respect of irrevocable and conditionally revocable credit lines and liquidity lines may be included in the calculation of cash outflows net of assets received as collateral and qualified as high-quality liquid assets

(HQLA-1, HQLA-2A and HQLA-2B) if such assets were not included in high-quality liquid assets for LCR calculation provided that all of the following conditions are met simultaneously:

the high-quality liquid assets were received as collateral under open lines or will be received if such lines are used in accordance with contractual terms;

there are no limitations regarding the bank's right to make operations with received collateral and the client cannot recall them before the maturity date of the transaction;

there is no explicit correlation between clients' drawdown of funds under open credit lines and liquidity lines and a reduction in the market value of available collateral as assessed by the bank .

3.5.15. Additional expected cash outflows includes the bank's liabilities on unused irrevocable and conditionally revocable credit lines and liquidity lines that may be draw down by the clients within the next 30 calendar days after LCR calculation at the following draw-down rates (hereinafter DR):

No.	Type of operation	DR
1	2	3
1	Credit and liquidity lines provided to individuals and small business customers where liabilities are included in the calculation of expected outflows in accordance with paragraphs five–eight, sub-clause 3.3.5, clause 3.3 of this Regulation	5 %
2	Credit lines provided to legal entities (other than financial institutions and small business customers where liabilities are included in the calculation of expected outflows in accordance with paragraphs five–eight, sub-clause 3.3.5, clause 3.3 of this Regulation), governments and public sector entities legislatively entitled to make borrowings on behalf of the sovereign, central banks, multilateral financial institutions	10 %

	and multilateral development banks	
3	Liquidity lines provided to legal entities (other than financial institutions and small business customers where liabilities are included in the calculation of expected outflows in accordance with paragraphs five–eight, sub-clause 3.3.5, clause 3.3 of this Regulation), governments and public sector entities legislatively entitled to make borrowings on behalf of the sovereign, central banks, multilateral financial institutions and multilateral development banks	30 %
4	Credit and liquidity lines provided to credit institutions (including non-resident banks)	40 %
5	Credit lines provided to financial institutions (other than credit institutions, special purpose vehicles, hedge funds and money market funds)	40 %
6	Liquidity lines provided to financial institutions (other than credit institutions, special purpose vehicles, hedge funds and money market funds)	100 %
7	Liquidity and credit lines provided to other clients (including specialised financial companies, hedge funds, money market funds and the bank's related parties)	100 %

3.5.16. The expected cash outflows under unconditionally revocable credit and liquidity lines are included in expected outflows of funds at the run-off rate of 5 %.

3.5.17. The expected cash outflows under the bank's contingent obligations related to trade finance transactions (i.e. liabilities aimed to mitigating the risks of deal’s participants related to delivery of goods, works and services (including guarantees, letters of credit)are calculated at the run-off rate of 5 %. For the purposes of this Regulation trade finance instruments include, among other things, settlements in the form of letters of creditsettlements under payment documents, import and export invoices, issuing guarantees connected with trade deals.

The bank's lending obligations to non-financial organisations for the purpose of direct export and import financing are included in cash outflows in accordance with sub-clause 3.5.15 of this clause.

3.5.18. The expected cash outflows under issued guarantees and sureties not related to trade finance are calculated at the run-off rate of 10 %.

Bank guarantees and/or sureties issued by the bank are included in the calculation if payment under the bank guarantee and/or surety (the due date of payment obligations under the transaction) matures or may mature within the next 30 calendar days after LCR calculation as the amount stipulated by the bank guarantee and/or surety.

3.5.19. The bank's other contractual funding obligations to be performed within the next 30 calendar days after LCR calculation and not included among other types of the bank's funding and liabilities referred to in this Regulation are included in the calculation of expected cash outflows as follows.

The funding obligations to financial institutions and the bank's related parties are included in the calculation of cash outflows in full in accordance with contractual terms at the out-flow rate of 100 %.

The funding obligations (other than to financial institutions and to the related parties) are included in the calculation of cash outflows to the extent that the total contractual funding obligations exceeds contractual cash inflows from the client categories within the next 30 calendar days after LCR calculation not included in the calculation of cash inflows (i.e. the amount equal to the difference between total contractual cash inflows before and after the application of inflow rates set by this Regulation) at the out-flow rate of 100 %.

3.5.20. The bank's contingent non-contractual funding obligations to the bank's related parties – legal entities determined in accordance with sub-clause 3.3.12, clause 3.3 of this Regulation are included in the calculation of cash outflows at the out-flow rate of 100 %.

3.5.21. The bank's contingent non-contractual funding obligations related to a contract made under Russian or foreign law the subject matter of which is joint operations of legal entities without the formation of a legal entity to produce profits or achieve another goal (joint ventures), or such obligations to legal entities whose operations are directly or indirectly and significantly influenced by the bank, and in whose authorised capital the bank holds a minority (unconsolidated) interest are included in the calculation of expected outflows at the run-off rate of 100 %.

3.5.22. The following contingent non-contractual obligations of the bank are included in the expected outflows at the run-off rate of 100 %:

arising out of potential requests for the bank's early repurchase of issued debt obligations (including bonds and notes) or (partial) redemption of liabilities arising during the placement of debt securities for the benefit of the bank from natural persons or legal entities other than financial institutions — professional securities market participants that are the bank's related parties;

early repurchase of own debt securities maturing more than 30 calendar days after LCR calculation from financial institutions — professional securities market participants that are the bank's related parties;

related to the bank's asset management operations;

related to the coverage of client's short positions with collateral provided by other clients (to the extent of the opened short position);

other contingent liabilities (outflows).

3.5.23. The size of an contingent liability is the most accurate monetary estimation of liquidity required for execution (repayment) within 30 calendar days after LCR calculation and is determined by the bank on the basis of the facts of bank's behaviour, experience in respect of fulfilment of similar obligations and, if necessary, expert opinions.

The contingent liability is included in the calculation of cash outflows if the bank has an obligation resulting from its behaviour in the past that the bank cannot avoid fulfilling. If the bank doubts that such an obligation exists, the contingent liability is included in the calculation if analysis of all circumstances and conditions, including expert opinions, suggests that such an obligation is more likely to occur rather than not.

3.5.24. Expected cash outflows during 30 calendar days following the LCR calculation shall not be included in other outflow categories indicated in Sub-clauses 3.5.1-3.5.23 hereof, including those connected with dividend payment, interest payment, the bank's redemption (purchase) of the placed shares (stocks), repayment of funds of households and legal entities in precious metals, shall be included in the calculation of expected cash outflows with outflow ratio in the amount of 100 per cent.

Funds on retail accounts and on accounts of legal entities in precious metals shall be included in the calculation of expected cash outflows in compliance with Sub-clause 3.2.1 of Clause 3.2 and Sub-clause 3.3.3 of Clause 3.3 with regard to determining the term of the expected cash outflow.

The expected cash outflows indicated herein shall also include outflows on obligations for redelivery of securities received under unsecured securities loan agreements; outflows connected with return of securities or provision of collateral, if securities received under unsecured loan agreement were used to open short positions (i.e., if these securities were sold under securities purchase and sale agreement or transferred under reverse transactions (repo, securities borrowing), or as collateral for borrowed funds for a term exceeding the term of the original transaction or those connected with the counterparty's failure to meet its obligations for redelivery given there are no encumbered investments in these securities). Monetary funds placed by the customer on escrow account shall not be included in the calculation of expected cash outflows if in compliance with the provisions of the escrow account contract monetary funds cannot be withdrawn from the account or transferred within 30 calendar days following the LCR calculation. If the provisions of the escrow account contract provide for the possibility of cash withdrawal or transfer within 30 days following the LCR calculation, monetary funds on this account shall be included in the calculation of expected cash outflows with outflow ratio in the amount of 100 per cent.

3.5.25. Cash outflows does not include:

cash outflows associated with operating costs of the credit institution;

changes in provisions made in accordance with Bank of Russia Regulation No. 254-P, dated 26 March 2004, 'On the Procedure for Making Provisions for Possible Losses by Credit Institutions on Loans, Loan and Equivalent Indebtedness' registered with the Ministry of Justice of the Russian Federation on 26 April 2004 No. 5774, 20 April 2006 No. 7728, 27 December 2006 No. 8676, 10 December 2007 No. 10660, 23 January 2008 No. 10968, 22 May 2008 No. 11724, 22 May 2008 No. 11730, 30 June 2008 No. 11903, 29 January 2009 No. 13219, 20 February 2009 No. 13414, 21 December 2009 No. 15772, 24 December 2009 No. 15811, 17 August 2012 No. 25204, 13 December 2012 No. 26113, 28 December 2012 No. 26407, 26 June 2013 No. 28896, 24 September 2013 No. 30005, 29 November 2013 No. 30494 (Bank of Russia Bulletin dated 7 May 2004 No. 28, 4 May 2006 No. 26, 15 January 2007 No. 1, 17 December 2007 No. 69, 31 January 2008 No. 4, 28 May 2008 No. 25, 4 June 2008 No. 28, 9 June 2008 No. 36, 4 February 2009 No. 7, 4 March 2009 No. 15, 28 December 2009 No. 77, 22 August 2012 No. 50, 19 December 2012 No. 73, 29 December 2012 No. 78, 28 June 2013 No. 36, 2 October 2013 No. 54, 30 November 2013 No. 69) (hereinafter Bank of Russia Regulation No. 254-P), Bank of Russia Regulation No. 283-P, dated 20 March 2006, 'On the Procedure for Making Provisions for Possible Losses by Credit Institutions' registered with the Ministry of Justice of the Russian Federation on 25 April 2006 No. 7741, 2 July 2007 No. 9739, 6 December 2007 No. 10639, 10 September 2008 No. 12260, 5 August 2009 No. 14477, 17 December 2009 No. 15670, 24 May 2011 No. 20837, 21 December 2011 No. 22714, 18 December 2012 No. 26162, 11 December 2013 No. 30582 (Bank of Russia Bulletin dated 4 May 2006 No. 26, 11 July 2007 No. 39, 17 December 2007 No. 69, 17 September 2008 No. 49, 12 August 2009 No. 47, 28 December 2009 No. 77, 1 June 2011 No. 30, 28 December 2011 No. 74, 26 December 2012 No. 75, 18 December 2013 No. 73) (hereinafter Bank of Russia Regulation No. 283-P), Bank of Russia Ordinance No. 1584-U, dated 22 June 2005, 'On Making a Provision for Possible Losses on Credit Institutions’ Transactions with Off-Shore Residents' registered with the Ministry of Justice of the Russian Federation on 15 July 2005 No. 6799 (Bank of Russia Bulletin dated 27 July 2005 No. 38), Bank of Russia Ordinance No. 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 No. 22544, 1 August 2012 No. 25070 (Bank of Russia Bulletin dated 19 December 2011 No. 71, 8 August 2012 No. 44).

3.5.26 Cash outflows which can be included in multiple outflow categories of cash outflows indicated herein when calculating the expected cash outflows shall be included in the category with the maximum outflow coefficient.

Chapter 4. **Calculation of Expected Cash Inflows**

4.1. The expected cash inflows consist of proceeds under agreements (contracts) and the bank's assets (claims) (including interest payments) that have not been, and are not expected to be, past due within the next 30 calendar days after LCR calculation, listed among' classified to credit risk asset quality categories I and II or a portfolio of homogeneous loans without overdue payments in accordance with Bank of Russia Regulation No. 254-P and/or Bank of Russia Regulation No. 283-P less created loss provisions, and valuated (revaluated) at fair value maturing (to be repaid) within the next 30 calendar days after LCR calculation. The cash inflow related to the fulfilment of contractual conditions the amount of which is uncertain as of the date of LCR calculation, including those associated with the posting of variation margin under derivatives contracts, are not included in the calculation of cash inflows. Returns on agreements (contracts) and assets (liabilities) of the bank shall be included in the calculation based on the latest possible date of their receipt stipulated by the agreement (contract). Cash proceeds from loans and other placed funds the bank has extended in compliance with the applicable right to extend loans without indicating their maturity (without maturity), shall not be included in the calculation of the expected cash inflows except for the minimum contractual payment in repayment of the principal debt and (or) interest for the use of monetary funds with maturity of 30 calendar days following the LCR calculation

4.2. The expected cash inflows consist of proceeds from:

secured lending, including reverse transactions with securities received without initial recognition on the balance sheet (reverse repurchase operations);

other wholesale inflows by counterparty;

derivatives contracts;

other cash inflows.

The expected cash inflows shall not include the following:

cash inflows from loans extended under a revolving loan agreement and overdraft facilities;

cash inflows on loans the bank can extend to clients within the amount of existing as of the LCR calculation date committed credit facilities stipulated in Clauses 3.5.12-3.5.16 hereof that can be repaid within the next 30 calendar days after LCR calculation.

4.3. Expected cash inflows are calculated as the sum of expected cash inflows from all categories of operations referred to in clause 4.2 of this Regulation.

Expected cash inflows from an individual category of operations and/or claims is calculated by multiplying cash inflows (claims) by the inflow rate.

4.4. Cash inflows from secured lending, including reverse transactions with securities received without initial recognition on the balance sheet (reverse repurchase operations) are calculated on the basis of the amount of claims to the bank's counterparty (client) subject to the following inflow rates (hereinafter IR) depending on collateral received:

No.	Type of collateral received	IR
1	2	3
1	Assets qualified as HQLA-1 except for conditions referred to in clause 2.1 of this Regulation	0 %
2	Assets qualified as HQLA-2A except for conditions referred to in clause 2.1 of this Regulation	15 %
3	Residential mortgage-backed securities qualified as HQLA-2B except for conditions referred to in clause 2.1 of this Regulation	25 %

4	Other securities qualified as HQLA-2B except for conditions referred to in clause 2.1 of this Regulation	50 %
5	Other securities	100 %

Claims on funding extended to clients for the purpose of securities trading (margin lending transactions) against collateral not qualified as high-quality liquid assets of Level One (HQLA-1) and Two (HQLA-2) are included in the calculation of expected cash inflows at the inflow rate of 50 %.

If securities received under transactions referred to in this sub-clause have been sold outright or under reverse operations (repurchase, securities lending) except for securities transfer for the purpose of the client's opening of short positions or posted as collateral for funding inflows for a term exceeding the term of the original transaction or for which the counterparty defaulted on redelivery provided that there are no unencumbered holding of such securities, repayment claims to the bank's counterparty (client) in respect of operations referred to in this sub-clause are not included in the calculation of cash inflows.

4.5. Cash inflows from unused credit line, unused 'overdraft' and 'outstanding limit' liquidity limits, liquidity lines identified in sub-clause 3.5.13, clause 3.5 of this Regulation and other contingent credit facilities are not included in the calculation of the expected cash inflow.

4.6. Cash inflows from other (secured and unsecured) contractual wholesale inflows are included in the calculation of expected cash inflows at the inflow rate that depends on the type of counterparty in accordance with sub-clauses 4.6.1 and 4.6.2 of this clause.

4.6.1. Cash inflows from retail and small business customers, liabilities to which are included in the calculation of expected cash outflows in accordance with paragraphs five–eight, sub-clause 3.3.5, clause 3.3 of this Regulation, are included in the calculation of cash inflows at the inflow rate of 50 %.

4.6.2. Cash inflows from legal entities other than small business customers, liabilities to which are included in the calculation of expected cash outflows in accordance with paragraphs five–eight, sub-clause 3.3.5, clause 3.3 of this Regulation, are included in the calculation of the expected cash inflow at the following inflow rates:

operational deposits with other financial institutions as defined in sub-clause 3.3.8, clause 3.3 of this Regulation — 0 %;

operations with financial institutions (other than inflows from operational deposits) and the Bank of Russia (other than assets included in the calculation of HQLA) — 100 %;

operations with other legal entities, the Ministry of Finance of the Russian Federation, sub-federal and local governments of the Russian Federation, non-budget funds of the Russian Federation, governments, multilateral development banks and public sector entities entitled by laws of respective countries to make borrowings on behalf of the sovereign — 50 %.

4.7. Cash inflows within 30 calendar days after LCR calculation from securities not included in high-quality liquid assets (HQLA-1 and HQLA-2) are included in the calculation of cash inflows at the inflow rate of 100 %.

4.8. Derivatives contracts cash inflows consist of expected contractual cash inflows within the next 30 calendar days after LCR calculation and are included in the calculation of cash inflows at the inflow rate of 100 %.

Expected derivatives contracts cash inflows may be included in the calculation of cash inflows as the net inflow calculated for each counterparty in situations set forth in sub-clause 3.5.2, clause 3.5 of this Regulation.

If collateral provided under derivatives contracts transactions is included in high-quality liquid assets (HQLA-1 and HQLA-2) the calculation of cash inflows should be calculated net of any possible obligations regarding cash payments or posting of collateral under the contracts if such obligations reduce the amount of high-quality liquid assets.

Balances in accounts of the fair value of derivatives contracts that constitute a claim are not included in the calculation of the expected cash inflows.

4.9. Other cash inflows include contractual cash inflows not listed under other clauses of this Chapter and are included in the calculation of cash inflows at the inflow rate of 100 %.

4.10. The calculation of expected cash inflows shall not include cash inflows not connected with the bank's proceeds from financial services determined in compliance with Clause 2 of Article 4 of Federal Law No. 135-FZ.

Chapter 5. **Calculation of Additional Indicators for Evaluation of the Bank's Liquidity**

5.1. The following indicators are calculated in addition to LCR calculation for evaluation of the bank's liquidity.

5.1.1. The estimate of potential funding from the Bank of Russia within refinancing operations, including:

funds the bank can raise against securities included in the Lombard List (subject to adjustment rates applied by the Bank of Russia) in accordance with Bank of Russia Regulation No. 236-P, dated 4 August 2003, 'On the Procedure of Provision by the Bank of Russia to Credit Institutions of Loans Collateralised by Pledged (Blocked) Securities' registered with the Ministry of Justice of the Russian Federation on 29 August 2003 No. 5033, 15 September 2004 No. 6026, 18 October 2005 No. 7081, 25 June 2008 No. 11873, 12 December 2011 No. 22543, 28 April 2012 No. 23992, 11 December 2013 No. 30588, 3 February 2014 No. 31211 (Bank of Russia Bulletin dated 19 November 2003 No. 62, 3 November 2004 No. 63, 26 October 2005 No. 56, 2 July 2008 No. 35, 19 December 2011 No. 71, 19 December 2012 No. 73, 24 December 2013 No. 77, 12 February 2014 No. 13), but not qualified as high-quality liquid assets in accordance with Chapter 2 of this Regulation;

funds the bank can raise as loans collateralised by other assets (subject to adjustment rates applied by the Bank of Russia) in accordance with Bank of Russia Regulation No. 312-P, dated 12 November 2007, 'On the Procedure for the Provision of Loans, Secured (Blocked) by Assets or Sureties, to Credit Institutions by the Bank of

Russia' registered with the Ministry of Justice of the Russian Federation on 10 December 2007 No. 10658, 25 June 2008 No. 11875, 7 October 2008 No. 12405, 24 October 2008 No. 12520, 14 January 2009 No. 13069, 8 September 2009 No. 14730, 13 March 2012 No. 23460, 17 August 2012 No. 25208, 28 May 2013 No. 28549, 16 December 2013 No. 30599, 3 February 2014 No. 31210 (Bank of Russia Bulletin dated 17 December 2007 No. 69, 2 July 2008 No. 35, 17 October 2008 No. 58, 27 October 2008 No. 60, 21 January 2009 No. 4, 16 September 2009 No. 54, 21 March 2012 No. 15, 29 August 2012 No. 51, 31 July 2013 No. 41, 24 December 2013 No. 77, 3 April 2014 No. 35);

funds the bank can raise as loans collateralised by gold (subject to adjustment rates applied by the Bank of Russia) in accordance with Bank of Russia Regulation No. 362-P, dated 30 November 2010, 'On the Procedure for the Provision of Loans Collateralised by Gold to Credit Institutions by the Bank of Russia' registered with the Ministry of Justice of the Russian Federation on 31 December 2010 No. 19508, 28 October 2013 No. 30258, 16 January 2014 No. 31027 (Bank of Russia Bulletin dated 27 April 2011 No. 22, 7 November 2013 No. 60, 29 January 2014 No. 10);

funds the bank can raise under contractual committed liquidity facility agreements for a period of more than 30 days after LCR calculation decreased by the amount of HQLA pledged by the bank to the Bank of Russia under these agreements (taking into account correcting coefficients fixed by the Bank of Russia for each type of assets used as a pledge). The terms of and procedure for granting of contractual committed liquidity facilities by the Bank of Russia are set by the Bank of Russia.

5.1.2. The amount of assets that meet all criteria of high-quality liquid assets set by Chapter 2 of this Regulation, except for clause 2.9, denominated in US dollars, Euro, Japanese yen, British pound sterling, Swiss francs but not included in HQLA calculation because assets denominated in the respective foreign currency exceed net expected cash outflows in the same currency, in accordance with clause 2.9 of this Regulation in the breakdown by HQLA-1, HQLA-2A and HQLA-2B assets.

5.1.3. The amount of holding of assets excluded from the calculation of LCR numerator as they do not meet conditions set forth in clause 2.1 of this Regulation.

5.1.4. The cash inflows under agreements (contracts) and assets (claims) of the bank (including interest payments) referred to in clauses 4.2–4.9 of this Regulation maturing (to be repaid) within the next 30 calendar days after LCR calculation to the extent of:

inflows from loans classified as credit risk asset quality category II provided that the period of overdue payments does not exceed 30 calendar days, and loans classified to portfolios of homogeneous loans with overdue payments of 1 to 30 calendar days in accordance with Bank of Russia Regulation No. 254-P;

inflows from assets (claims) treated as credit risk asset quality category II in accordance with Bank of Russia Regulation No. 283-P.

5.2. In addition to all-currency LCR, LCRs should be compiled separately for operations in rubles and in each significant foreign currency in order to build an effective liquidity risk management system.

For the purpose of the LCR calculation, operations in an individual foreign currency are recognised as significant if the sum of on-balance-sheet and off-balance-sheet liabilities denominated in the relevant foreign currency equals to or greater than 5 % of the total on-balance-sheet and off-balance-sheet liabilities. The on-balance-sheet and off-balance-sheet liabilities shall be calculated on the basis of 'Elaborative Table for Drawing up the balance Sheet (Public forms)' of the procedure for drawing up statements under Form 0409806 'Balance Sheet (Public form)' in compliance with Bank of Russia Ordinance No. 2332-U, dated 12 November 2009, 'On Reporting Forms and the Procedure for Presenting them by Credit Institutions to the Central Bank of the Russian Federation registered with the Ministry of Justice of the Russian Federation on 16 December 2009 under No. 15615, on 18 June 2010 under No. 17590, on 22 December 2010 under No. 19313, on 20 June 2011 under No. 21060, on 16 December 2011 under No. 22650, on 10 July 2012 under No. 24863, on 20 September 2012 under No. 25499, on 20 December 2012 under No. 26203, on 29 March 2013 under No. 27926, on 14 June 2013 under No. 28809, on 11 December 2013 under No. 30579, on 28 March 2014 under No. 31760, on 18 June 2014 under No. 32765, on 22 December 2014 under No. 35313, on 20 February 2015 under No. 36169, on 8 June 2015 under

No. 37564, on 16 July 2015 under No. 38037 (Bank of Russia Bulletin No.75-76, dated 25 December 2009; No. 35, dated 25 June 2010; No. 72, dated 28 December 2010; No. 34, dated 28 June 2011; No. 73, dated 23 December 2011; No. 41, dated 19 July 2012; No. 58, dated 26 September 2012; No. 76, dated 27 December 2012; No. 20, dated 30 March 2013; No. 34, dated 25 June 2013; No. 79-80, dated 28 December 2013; No. 34, dated 31 March 2014; No. 61, dated 27 June 2014; No. 115-116, dated 30 December 2014; No. 20, dated 10 March 2015; No. 55, dated 25 June 2015; No. 61».

5.3. Information on all-currency LCR, LCR for operations in rubles and each significant foreign currency, and on additional indicators calculated for the bank as a whole in accordance with this Regulation are provided by the banks to the Bank of Russia regional divisions supervising over their activities in a reporting form for the calculation of the bank's liquidity coverage ratio according to the procedure and timelines set by the Bank of Russia.

Chapter 6. **Final Provisions**

This Regulation is subject to official publication by the Bank of Russia Bulletin and shall become effective from 1 July 2014.

Special features of the use of credit ratings for the application of this Regulation may be set by other Bank of Russia regulations.

Governor, Central Bank
of the Russian Federation
E.S. NABIULLINA