

# **BANK OF RUSSIA**

## **ORDINANCE**

**№. 2005-U OF APRIL 30, 2008**

### **ON ESTIMATING BANKS' ECONOMIC POSITION**

**(with the Amendments and Additions of August 5, 2009, April 6, October 1, 2012, October 25, 2013, June 11, December 15, 2014)**

The present Direction establishes the procedure for evaluating banks' economic position on the basis of the Federal Law on the Central Bank of the Russian Federation (the Bank of Russia) (Sobraniye Zakonodatelstva Rossiiskoy Federatsii, № 28, 2002, Item 2790; № 3, 2003, Item 157; № 52, Item 5032; № 27, 2004, Item 2711; № 31, Item 3233; № 25, 2005, Item 2426; № 30, Item 3101; № 19, 2006, Item 2061; № 25, Item 2648; № 1, 2007, Items 9 and 10; № 10, Item 1151; № 18, Item 2117), of the Federal Law on Banks and Banking Activity (Vedomosti S'yezda Narodnykh Deputatov RSFSR i Vekhovnogo Sovieta RSFSR, № 27, 1990, Item 357; Sobraniye Zakonodatelstva Rossiiskoy Federatsii, № 6, 1996, Item 492; № 31, 1998, Item 3829; № 28, 1999, Items 3459 and 3469; № 26, 2001, Item 2586; № 33, Item 3424; № 12, 2002, Item 1093; № 27, 2003, Item 2700; № 50, Item 4855; № 52, Items 5033 and 5037; № 27, 2004, Item 2711; № 31, Item 3233; № 1, 2005, Items 18 and 45; № 30, Item 3117; № 6, 2006, Item 636; № 19, Item 2061; № 31, Item 3439; № 52, Item 5497; № 1, 2007, Item 9; № 22, Item 2563; № 31, Item 4011; № 41, Item 4845; № 45, Item 5425; № 50, Item 6238; № 10, 2008, Item 895).

#### **Chapter 1. General Provisions**

*Information on changes:*

*Direction of the Central Bank of Russia № 3085-U of October 25, 2013 amended Item 1.1 of this Direction. The amendments shall enter into force on*

*January 1, 2014*

*See the Item in the previous wording*

**1.1.** A bank's economic position is estimated in accordance with the results of estimates:

- of the capital;
- of the assets;
- of the profitability;
- of the liquidity;

the obligatory normatives, established in Instructions of the Bank of Russia № 139-I of December 3, 2012 on Banks' Obligatory Normatives, registered with the Ministry of Justice of the Russian Federation on December 13, 2012 under № 26104, November 29, 2013 under №30498 ("Vestnik Banka Rossii" № 74 of December 21, 2012, № 69 of November 30, 2013) (hereinafter referred to as Instructions of the Bank of Russia № 139-I), and Instructions of the Bank of Russia № 124-I of July 15, 2005 on the Establishment of the Amounts (Limits) of Open Currency Positions, the Method of Their Calculation and the Particular Features of Supervising Their Observance by Credit Organisations, registered with the Ministry of Justice of the Russian Federation on August 5, 2005 under № 6889, June 26, 2007 under № 9703, December 6, 2007 under № 10636, May 18, 2012 under № 24222 ("Vestnik Banka Rossii" №44 of August 19, 2005, № 38 of July 4, 2007, № 69 of December 17, 2007, № 27 of May 25, 2012) (hereinafter referred to as obligatory normatives);

- of the standard of management;
- of the transparency of the structure of the bank's property.

**1.2.** When evaluating banks' economic position, account shall be taken of the existence of measures taken against banks in conformity with Articles 38 and 74 of the Federal Law on the Central Bank of the Russian Federation (the Bank of Russia), of measures, applied in accordance with Article 3 of the Federal Law on

the Insolvency (Bankruptcy) of Credit Institutions (Sobraniye Zakonodatelstva Rossiiskoy Federatsii, № 9, 1999, Item 1097; № 26, 2001, Item 2590; № 12, 2002, Item 1093; № 31, 2004, Item 3220; № 34, Item 3536; № 52, 2006, Item 5497; № 1, 2007, Item 10; № 49, Item 6064), as well as the existence of grounds for withdrawal of the licence for the performance of banking operations in conformity with Article 20 of the Federal Law on Banks and Banking Activity for implementation of measures aimed at preventing the credit institutions' insolvency (bankruptcy) in conformity with Article 4 of the Federal Law on the Insolvency (Bankruptcy) of Credit Institutions.

**1.3.** The estimates of the capital, the assets, of the profitability and the liquidity, of the standard of management and of the transparency of the structure of the bank's property shall be made in conformity with Chapters 3-5 of the present Direction.

*Information on changes:*

*Direction of the Central Bank of Russia № 3085-U of October 25, 2013 amended Item 1.4 of this Direction. The amendments shall enter into force on January 1, 2014*

*See the Item in the previous wording*

**1.4.** The banks' economic position shall be estimated by the Bank of Russia's territorial institutions or the Department of supervision over the systemically significant credit organisations of the Bank of Russia by assigning the bank to one of classification groups (subgroups).

## **Chapter 2. Characteristic of the Classification Groups**

**2.1.** To Group 1 are assigned banks in whose activity no current difficulties have been exposed, in particular the banks, for which the capital, assets,

profitability and liquidity in accordance with Chapter 3 of the present Direction and the standard of management in conformity with Chapter 4 of the present Direction are estimated as "good", and the structure of the property in accordance with Chapter 5 of the present Direction is recognised as transparent or as sufficiently transparent.

To Group 1 cannot be assigned banks with even a single reason for being assigned to a different classification group.

*Information on changes:*

*Direction of the Bank of Russia № 2803-U of April 6, 2012 reworded Item 2.2 of this Direction*

*See the Item in the previous wording*

**2.2.** To group 2 shall be assigned banks that do not have current difficulties, but in whose activity shortcomings have been revealed that, if not eliminated, can lead to occurrence of difficulties during the next 12 months. Subgroups 2.1 and 2.2 shall be included in the composition of group 2.

**2.2.1.** Banks on which there exists, among other things, even only a single one of the following grounds shall be included in subgroup 2.1:

**2.2.1.1.** The capital, assets, liquidity or the quality of management are assessed as "satisfactory", and the property structure is recognized as transparent or transparent enough;

**2.2.1.2.** Profitability is estimated as "satisfactory";

*Information on changes:*

*Direction of the Central Bank of Russia № 3085-U of October 25, 2013 amended Subitem 2.2.1.3 of Item 2.2 of this Direction. The amendments shall enter into force on January 1, 2014*

*See the Subitem in the previous wording*

**2.2.1.3.** at least one of the normative indexes (except for the index of sufficiency of own means (capital) of bank (N1.0) cumulatively for 6 and more operational days during at least one of the months of the accounting quarter is not observed.

*Information on changes:*

*Direction of the Bank of Russia № 2894-U of October 1, 2012 amended Subitem 2.2.2 of Item 2.2 of this Direction. The amendments shall enter into force on July 1, 2013*

*See the Subitem in the previous wording*

**2.2.2.** To subgroup 2.2 shall belong the banks that have at least one of the grounds, listed in Subitems 2.2.1.1 and 2.2.1.3 of the present Item, and at the same time the which profitability of which is assessed as "doubtful" or "unsatisfactory", or management of the risk of material motivation of the personnel is estimated as "unsatisfactory".

The banks having at least one of the grounds for assigning them to groups 3-5 may not be placed in group 2.

**2.3.** To Group 3 are assigned banks having in their activity shortcomings whose non-elimination may in the next twelve months lead to the appearance of a situation threatening the lawful interests of their depositors and creditors, in particular banks for which even a single one of the following grounds exists:

*Information on changes:*

*Direction of the Bank of Russia № 2803-U of April 6, 2012 amended Subitem 2.3.1 of Item 2.3 of this Direction*

*See the text of the Subitem in the previous wording*

- 2.3.1. the capital, assets or liquidity shall be estimated as "doubtful";
- 2.3.2. the structure of the property is estimated as non-transparent;
- 2.3.3. the management standard is recognised as "doubtful";

*Information on changes:*

*Direction of the Central Bank of Russia № 3085-U of October 25, 2013 amended Subitem 2.3.4 of Item 2.3 of this Direction. The amendments shall enter into force on January 1, 2014*

*See the Subitem in the previous wording*

2.3.4. if even a single one of the obligatory normatives in aggregate for six and more operational days is not observed in the course of every month (with the exception of the N1.0 normative of the sufficiency of the bank's own funds [capital]) over four and more months;

2.3.5. there are operating restrictions and (or) prohibitions, imposed upon the performance of individual banking operations, envisaged in the licence for the performance of banking operations, and there exists a prohibition on opening affiliates.

To Group 3 cannot be assigned banks that have even a single ground for being assigning to Groups 4-5.

2.4. To Group 4 shall be assigned banks, violations in whose activity create a real threat to the interests of their depositors and creditors, and the elimination of which supposes implementation of measures on the part of the bank's management bodies and shareholders (partners), in particular the banks for which there is in addition even a single one of the following grounds:

*Information on changes:*

*Direction of the Central Bank of Russia № 2267-U of August 5, 2009 amended Subitem 2.4.1 of Item 2.4 of this Direction*

*See the Subitem in the previous wording*

**2.4.1.** the capital, assets or liquidity are estimated as "unsatisfactory";

**2.4.2.** the management standard is assessed as "unsatisfactory"

*Information on changes:*

*Direction of the Central Bank of Russia № 3085-U of October 25, 2013 amended Subitem 2.4.3 of Item 2.4 of this Direction. The amendments shall enter into force on January 1, 2014*

*See the Subitem in the previous wording*

**2.4.3.** the N1.0 normative of the sufficiency of the bank's own funds (capital) is not observed in the aggregate for no more than five operational days in the course of even a single month in the accounting quarter.

To Group 4 cannot be assigned banks that have even a single ground for assigning them to Group 5.

**2.5.** To Group 5 are assigned banks whose present condition, if no measures are taken by the bank's management bodies and (or) shareholders (partners), will lead to the termination of these banks' activity on the banking services market, in particular banks for which there exists even a single one of the following grounds:

**2.5.1.** grounds for taking measures for preventing insolvency (bankruptcy) envisaged in the Federal Law on the Insolvency (Bankruptcy) of Credit Organisations (hereinafter referred to as the banks having signs of insolvency (bankruptcy), regardless of whether measures were taken against the bank on the given grounds;

**2.5.2.** grounds for the withdrawal of the licence for the performance of banking operations.

### **Chapter 3. Evaluating the Capital, Assets, Profitability and Liquidity**

**3.1.** The capital shall be estimated in accordance with the results of evaluating the indices of sufficiency of the own funds (capital), of the general sufficiency of capital and of evaluating the standard of the capital (hereinafter referred to as the group of indices for evaluating a bank's capital).

*Information on changes:*

*Direction of the Central Bank of Russia № 3085-U of October 25, 2013 reworded Subitem 3.1.1 of Item 3.1 of this Direction. The amendments shall enter into force on January 1, 2014*

*See the Subitem in the previous wording*

**3.1.1.** The index of sufficiency of Own resources (capital) (PK1) is the actual value of the obligatory normative "Normative of Sufficiency of the Bank's Own resources (Capital)" computed according to Instructions of the Bank of Russia № 139-I of reporting form 0409135 "Information on Obligatory Normatives and Other Indices of the Credit Institution's Activity" (hereinafter referred to as form 0409135), established by Appendix 1 to Direction of the Bank of Russia № 2332-U of November 12, 2009 on the List, Forms and Procedure for Compiling and Submitting Forms for Credit Institutions' Reports to the Central Bank of the Russian Federation, registered with the Ministry of Justice of the Russian Federation on December 16, 2009 under № 15615, June 18, 2010 under №17590, December 22, 2010 under № 19313, June 20, 2011 under № 21060, December 16, 2011 under № 22650, July 10, 2012 under № 24863, September 20 2012 under № 25499, December 20, 2012 under № 26203, March 29, 2013 under № 27926, June 14, 2013 under № 28809 ("Vestnik Banka Rossii" № 75-76 of December 25, 2009, № 35 of June 25, 2010, № 72 of December 28, 2010, № 34



of June 28, 2011, № 73 of December 23, 2011, № 41 of July 19, 2012, № 58 of September 26, 2012, № 76 of December 27, 2012, № 20 of March 30, 2013, № 34 of June 25, 2013) (hereinafter referred to as Direction of the Bank of Russia № 2332-U).

*See Direction of the Central Bank of Russia № 2332-U of November 12, 2009 on the list, forms and procedure for compiling and submitting forms for credit institutions' reports to the Central Bank of the Russian Federation*

*Information on changes:*

*Direction of the Central Bank of Russia № 3085-U of October 25, 2013 amended Subitem 3.1.2 of Item 3.1 of this Direction. The amendments shall enter into force on January 1, 2014*

*See the Subitem in the previous wording*

**3.1.2.** The index of the total sufficiency of the capital (PK2) is defined as the percentage ratio of the bank's own funds (capital) to its assets, into whose volume are not included the assets with a zero risk coefficient, in accordance with the following formula:

$$PK2 = \frac{K}{A - Arisk0} \times 100\%$$

where:

K is the bank's Own resources (capital), defined in conformity with Regulations of the Bank of Russia № 395-P of December 28, 2012 on the Methodology for Defining the Value and on the Estimate of Sufficiency of the Own resources (Capital) of Credit Institutions ("Basel III)", registered with the Ministry of Justice of the Russian Federation on February 22, 2013 under №

27259, November 29, 2013 under № 30499 ("Vestnik Banka Rossii" № 11 of February 27, 2013, № 69 of November 30, 2013) (hereinafter referred to as Regulations of the Bank of Russia № 395-P). It represents the value of the index "Own resources (capital), total" of the form of reporting 0409123 "Computation of Own resources (capital) ("Basel III")" (hereinafter referred to as form 0409123), established by Appendix 1 to Direction of the Bank of Russia № 2332-U;

A is the assets. It is the value of the index "Total assets" of Form 0409806 "Business Accounting Balance (the Published Form)" established in Appendix 1 to Direction of the Bank of Russia № 2332-U (hereinafter referred to as Form 0409806) (any index of Form 0409806 is defined in accordance with the Elaboration Table for Compiling the Business Accounting Balance (the Published Form) of Item 3 of the Procedure for Compiling and Submitting Reports in Accordance with Form 0409806 "Business Accounting Balance (the Published Form)");

Arisk0 is the aggregate size of the assets with a zero risk coefficient. Represents the value of the Arisk0 of Form 0409135, calculated in conformity with Instructions of the Bank of Russia № 139-I.

*Information on changes:*

*Direction of the Central Bank of Russia № 3085-U of October 25, 2013 amended Subitem 3.1.3 of Item 3.1 this Direction. The amendments shall enter into force on January 1, 2014*

*See the Subitem in the previous wording*

**3.1.3.** The index for evaluating the standard of capital (PK3) is defined as the percentage ratio of the additional capital to the fixed capital in accordance with the following formula:

$$PK3 = \frac{K_{dop}}{K_{osn}} \times 100\%$$

where:

$K_{dop}$  is the bank's additional capital, defined in accordance with Regulations of the Bank of Russia № 395-P. It represents the value of the index "Additional capital, total" of Form 0409123;

$K_{osn}$  is the fixed capital of the bank defined in accordance with Regulations of the Bank of Russia № 395-P. It represents the value of the index "Fixed capital, total" of Form 0409123.

**3.1.4.** For evaluating the bank's capital the summed result on the group of indices for evaluating the capital (RGK) shall be calculated, which is an average weighted value of indices, defined in conformity with Subitems 3.1.1 - 3.1.3 of the present Item. The calculation of the summed result shall be made in accordance with the following formula:

$$RGK = \frac{\sum_{i=1}^3 (\text{mark}_i \times \text{weight}_i)}{\sum_{i=1}^3 \text{weight}_i}$$

where:

$\text{mark}_i$  is the estimate from 1 to 4 of the corresponding index, defined in conformity with Items 3.1.1 - 3.1.3 of the present Item (the marks estimate);

$\text{weight}_i$  is the estimate in accordance with the scale of relative value from 1 to 3 of the corresponding index, defined in conformity with Subitems 3.1.1 - 3.1.3 of the present Item (the weight estimate).

The marks and the weight estimates of indices in the group of indices for evaluating the capital are cited in Appendix 1 to the present Direction.

**3.1.5.** The summed result on the group of indices for evaluating the capital is a whole number. If the fractional part of the obtained index has a value less than 0.35, the index shall be awarded the value, equal to its whole part. Otherwise, the index is assumed as equal to its whole part, increased by 1.

**3.1.6.1** The summed result characterises the state of the capital in the following way:

- equal to 1 - good;
- equal to 2 - satisfactory;
- equal to 3 - doubtful;
- equal to 4 - unsatisfactory.

**3.2.** The estimate of the bank's assets is defined in accordance with the results of evaluating the indices of the standard of loans, of the risk of losses, of the share of outstanding loans, of the size of reserves against losses on the loans and on the other assets, of the concentration of big credit risks, of the concentration of the credit risks on shareholders (partners) and of the concentration of credit risks on insiders (hereinafter referred to as the group of indices for evaluating the assets).

*Information on changes:*

*Direction of the Bank of Russia № 2803-U of April 6, 2012 amended Subitem 3.2.1 of Item 3.2 of this Direction*

*See the text of the Subitem in the previous wording*

**3.2.1.** The index of the standard of loans (PA1) is the specific weight of hopeless loans in the total volume of loans and is calculated by the following formula:

$$PA1 = \frac{SZ_{bn}}{SZ} \times 100\%$$

where:

SZ is the loans, the loan debt and the indebtedness equated to it, defined in conformity with Regulations of the Bank of Russia № 254-P of March 26, 2004 on the Procedure for the Formation by Credit Institutions of Reserves Against Probable Losses on Loans and on Loan Debt and Indebtedness Equated to It, registered with the Ministry of Justice of the Russian Federation on April 26, 2004 under № 5774; on April 20, 2006 under № 7728; on December 27, 2006 under № 8676; on December 10, 2007 under № 10660; on January 23, 2008 under № 10968 (Vestnik Banka Rossii, № 28 of May 7, 2004; № 26 of May 4, 2006; № 1 of January 15, 2007; № 69 of December 17, 2007; № 4 of January 31, 2008) (hereinafter referred to as Regulations of the Bank of Russia № 254-P) (hereinafter referred to as the loans), on the basis of data from Form 0409115 "Information on the Standard of the Credit Institution's Assets" established in Appendix 1 to Direction of the Bank of Russia № 2332-U (hereinafter referred to as Form 0409115);

SZ<sub>bn</sub> is the hopeless loans, defined in conformity with Regulations of the Bank of Russia № 254-P on the basis of data from Form 0409115.

*Information on changes:*

*Direction of the Central Bank of Russia № 3085-U of October 25, 2013 amended Subitem 3.2.2 of Item 3.2 of this Direction. The amendments shall enter into force on January 1, 2014*

*See the Subitem in the previous wording*

**3.2.2.** The index of the risk of losses (PA2) is defined as the percentage ratio of the assets, not covered by the reserves, the reserves against probable

losses on which shall comprise more than 20 per cent, to the bank's own funds (capital) in accordance with the following formula:

$$PA2 = \frac{A_{20} - (RP_{20} + (RR_{20} - P))}{K} \times 100\%$$

where:

$A_{20}$  - is the assets, reserves against possible losses on which according to Regulations of the Bank of Russia № 254-P and Regulations of the Bank of Russia № 283-P of March 20, 2006 on the Procedure for Credit Organisations' Maintaining Reserves for Possible Losses, registered with the Ministry of Justice of the Russian Federation on April 25, 2006 under № 7741, July 2, 2007 under № 9739, December 6, 2007 under № 10639, September 10, 2008 under № 12260, August 5, 2009 under № 14477, December 17, 2009 under № 15670, May 24, 2011 under № 20837, December 21, 2011 under № 22714, December 18, 2012 under № 26162 ("Vestnik Banka Rossii" № 26 of May 4, 2006, № 39 of July 11, 2007, № 69 of December 17, 2007, № 49 of September 17, 2008, № 47 of August 12, 2009, № 77 of December 28, 2009, № 30 of June 1, 2011, № 74 of December 28, 2011, № 75 of December 26, 2012) (hereinafter referred to as Regulations of the Bank of Russia № 283-P) should be maintained at a rate of more than 20 per cent. They are defined on the ground of the information of form 0409115;

$RP_{20}$  - is the reserves against possible losses actually formed for according to Regulations of the Bank of Russia № 254-P and Regulations of the Bank of Russia № 283-P. They are defined on the ground of information from form 0409115;

$RR_{20}$  is the size of the settlement reserve against probable losses on  $A_{20}$  in conformity with Regulations of the Bank of Russia № 254-P and Regulations of the Bank of Russia 283-P. It is defined on the basis of data from Form

0409115;

R - is the minimum size of the reserve against probable losses on  $A_{20}$  in conformity with Regulations of the Bank of Russia № 254-P and Regulations of the Bank of Russia № 283-P. It is defined on the basis of data from Form 0409115;

Abrogated from January 1, 2014.

*Information on changes:*

*See the text of paragraph 8 of Subitem 3.2.2*

**3.2.3.** The index of the share of outstanding loans (PA3) is the specific weight of the outstanding loans in the total volume of loans, and shall be calculated by the following formula:

$$PA3 = \frac{SZ_{pr}}{SZ} \times 100\%$$

where:

SZ<sub>pr</sub> is the loans, outstanding for more than thirty calendar days, defined on the basis of data from Form 0409115.

**3.2.4.** The index of the size of the reserves against losses on loans and on the other assets (PA4) is defined as the percentage ratio of the settlement reserve against probable losses on loans (hereinafter referred to as RVPS"), minus the formed RVPS, to the own funds (capital) by the following formula:

$$PA4 = \frac{RVPS_r - RVPS_f}{K} \times 100\%$$

where:

RVPSr is the value of the settlement reserve against probable losses in conformity with Regulations of the Bank of Russia № 254-P for loans, estimated on the individual basis. It is defined on the basis of data from Form 0409115;

RVPSf is the actually formed reserve against probable losses in conformity with Regulations of the Bank of Russia № 254-P for loans, estimated on the individual basis. It is defined on the basis of data from Form 0409115.

*Information on changes:*

*Direction of the Central Bank of Russia № 3085-U of October 25, 2013 amended Subitem 3.2.5 of Item 3.2 of this Direction. The amendments shall enter into force on January 1, 2014*

*See the Subitem in the previous wording*

**3.2.5.** The index of concentration of major credit risks (PA5) is the actual value of the N7 obligatory normative "Maximum Size of Major Credit Risks" of Form 0409135 in conformity with Instructions of the Bank of Russia № 139-I.

*Information on changes:*

*Direction of the Central Bank of Russia № 3085-U of October 25, 2013 amended Subitem 3.2.6 of Item 3.2 of this Direction. The amendments shall enter into force on January 1, 2014*

*See the Subitem in the previous wording*

**3.2.6.** The index of concentration of credit risks on shareholders (partners) (PA6) is the actual value of the N9.1 obligatory normative "Maximum Size of the Credits, Bank Guarantees and Sureties, Granted by the Bank to Its Partners (Shareholders)" of Form 0409135, calculated in conformity with Instructions of the Bank of Russia № 139-I.



*Information on changes:*

*Direction of the Central Bank of Russia № 3085-U of October 25, 2013 amended Subitem 3.2.7 of Item 3.2 of this Direction. The amendments shall enter into force on January 1, 2014*

*See the Subitem in the previous wording*

**3.2.7.** The index of concentration of credit risks on insiders (PA7) is the actual value of the N10.1 obligatory normative "Aggregate Value of the Risk on the Bank's Insiders" of Form 0409135 calculated in conformity with Instructions of the Bank of Russia № 139-I.

**3.2.8.** For evaluating the bank's assets the summed result on the group of indices for evaluating the assets (RGA) shall be calculated, which is an average weighted value of the indices defined in conformity with Subitems 3.2.1-3.2.7 of the present Item. The result shall be calculated by the following formula:

$$RGA = \frac{\sum_{i=1}^7 (\text{mark}_i \times \text{weight}_i)}{\sum_{i=1}^7 \text{weight}_i}$$

where:

$\text{mark}_i$  is the estimate from 1 to 4 of the corresponding index defined in conformity with Subitems 3.2.1 - 3.2.7 of the present Item (the marks estimate);

$\text{weight}_i$  weight is the estimate by the scale of relative value from 1 to 3 of the corresponding index defined in accordance with Subitems 3.2.1 - 3.2.7 of the present Item (the weight estimate).

The marks and the weight estimates of indices in the group of indices for evaluating the assets are cited in Appendix 2 to the present Direction.

**3.2.9.** The summed result on the group of indices for evaluating the assets

is a whole number. If the fractional part of the obtained index has a value less than 0.35, the index shall be awarded the value equal to its whole part. In the opposite case the index shall be assumed as equal to its whole part increased by 1.

**3.2.10.** The summed result characterises the state of the capital in the following way:

- equal to 1 - good;
- equal to 2 - satisfactory;
- equal to 3 - doubtful;
- equal to 4 - unsatisfactory.

**3.3.** The profitability shall be defined in accordance with the results of evaluating the profitability indices of the assets, those of the profitability of the capital, of the structure of the outlays, of the net interest margin and of the net spread from credit operations (hereinafter referred to as the group of indices for evaluating the profitability).

*Information on changes:*

*Direction of the Bank of Russia № 2803-U of April 6, 2012 amended Subitem 3.3.1 of Item 3.3 of this Direction*

*See the text of the Subitem in the previous wording*

**3.3.1.** The index of the profitability of the assets ( $PD1_0$ ) is defined as the percentage ratio (in the annual percentage) of the financial result minus the net profits from single operations to the average size of the assets in accordance with the following formula:

$$PD1_0 = \frac{FR - ChDtimes}{Asr} \times 100\%$$

where:

FR - financial result of a bank which is the indicator "Profit before tax" (symbol 01000) or "Loss before tax (symbol 02000) of the form 0409102 "Report on the Profits and Losses of a Credit Organisation" (hereinafter, form 0409102) established by Annex 1 to Direction of the Bank of Russia № 2332-U increased by the size of the taxes and fees allocated to expenses in accordance with the legislation of the Russian Federation (symbol 26411 of the form 0409102) and by the magnitude of the negative revaluation of securities whose current (fair) value has been determined by the bank in the absence of the average weighted price disclosed by the organiser of trade on the securities market (itemisation with the designation code 6102 of the form 0409110 "Itemisation of Certain Indications of the Activity of a Credit Organisation (hereinafter, form 0409110) established by Annex 1 to Direction of the Bank of Russia № 2332-U) and decreased by the magnitude of the positive revaluation of such securities (itemisation with the designation code 6101 of the form 0409110). If the payments from the profit of the bank after tax (distribution among the shareholders (participants) as dividends (symbol 32001 of the form 0409102), deductions for the formation and replenishment of the reserve fund (symbol 32002 of the form 0409102) exceed the value of the after-tax profit (symbol 31001 of the form 0409102) or if the data of the payment were made with a loss after taxation (symbol 31002 of the form 0409102), then the FR indicator shall decrease by the amount of the excess of such payments over the profit of the bank after tax or by the amount of such payments with the loss of the bank after tax.

Paragraphs 5-7 are abrogated;

*Information on changes:*

*See the text of paragraphs 5-7 of Subitem 3.3.1 of Item 3.3*

ChDtimes is the net profits from single operations. It is the difference between the incomes and outlays on the bank's single operations.

To the incomes from single operations are assigned the other incomes (the total result of Section 7 of Chapter I of Form 0409102), with the exception of

finances, penalties and arrears on operations for attracting and granting (placing) monetary funds (symbol 17101 of Form 0409102), of the other sundry incomes (symbol 17306 of Form 0409102), and of the incomes of past years exposed in the accounting year (the total of Subsection 2 of Section 7 of Chapter I of Form 0409102), as well as the other operational incomes from the withdrawal (realisation) of the property (symbol 16302 of Form 0409102).

To the outlays on single operations are assigned the bank's outlays on the withdrawal (realisation) of property (symbol 26307 of Form 0409102), court and arbitration court expenditures (symbol 26407 of Form 0409102), the fines, penalties and arrears on other banking operations and deals (symbol 27102 of Form 0409102), and on the other (economic) operations (symbol 27103 of Form 0409102), the payments made in compensation for the inflicted losses (symbol 27103 of Form 0409102), those from writing off the shortages of material values (symbol 27302 of Form 0409102), cash and of the sums of false banknotes and coins (symbol 27303 of Form 0409102), as well as the outlays arising as the consequences of emergency circumstances in the economic activity (symbol 27307 of Form 0409102);

Asr is the average size of the assets. It shall be calculated by the formula for an average chronological value (in accordance with the data of the reports as in the state on the first day of the month, following the accounting, for all months, beginning with the reports as in the state on January 1 and ending with the reports as on the date, for which the numerator is calculated) for the A index.

*Information on changes:*

*Direction of the Bank of Russia № 2803-U of April 6, 2012 amended Subitem 3.3.2 of Item 3.3 of this Direction*

*See the text of the Subitem in the previous wording*

**3.3.2.** The index of profitability ( $PD2_0$ ) is defined as the percentage (in

annual per cent) ratio of the financial results minus the net assets from single operations and from the charged taxes, to an average size of the capital by the following formula:

$$PD2_0 = \frac{FR - ChD_{times} - N}{K_{sr}} \times 100\%$$

where:

N is the charged taxes. It is the index "Calculated (paid) taxes" of Form 0409807 "Report on Profits and Losses (the Published Form)" established in Appendix 1 to Direction of the Bank of Russia № 2332-U (hereinafter referred to as Form 0409807) (any index of Form 0409807 shall be defined in conformity with the Elaboration Table for Compiling a Report on Profits and Losses (Published Form), of Item 3 of the Procedure for Compiling and Submitting Reports in Accordance with Form 0409807 "Report of Profits and Losses (Published Form)");

$K_{sr}$  is the average size of the capital. It is calculated by the formula for average chronological (in accordance with the data from the report as on the state on the first day of the month, following the accounting, for all months, beginning with the report as in the state on January 1 and ending with the report as on the date, on which the numerator is calculated) value for the index K.

**3.3.3.** The index of the structure of the outlays (PD4) is defined as the percentage ratio of the administrative and managerial expenditures to the net incomes (outlays) by the following formula:

$$PD4 = \frac{Rau}{ChD} \times 100\%$$

where:

Rau is the administrative and managerial expenditures. They are the total of Section 6 of Chapter II of Form 0409102, with the exception of the court and arbitration court expenditures (symbol 26407 of Form 0409102), of the taxes and fees on the outlays in conformity with the legislation of the Russian Federation (symbol 26411 of Form 0409102), and of the outlays on the withdrawal (on the realisation) of property (symbol 26307 of Form 0409102);

ChD is the value of the index "Net incomes (outlays)" of Form 0409807.

**3.3.4.** The index of the net interest margin (PD5) shall be defined as the percentage ratio (in annual per cent) of the net interest and similar incomes to the average size of the assets by the formula:

$$PD5 = \frac{ChDp}{Asr} \times 100\%$$

where:

ChDp is the net interest and similar incomes. They are the difference between the interest incomes and the interest outlays (Rp). The interest incomes are the sum of values of the index of the interest incomes on loans (Dp) and of the interest incomes from investments in securities;

Dp is the interest incomes on loans. It is the sum of the interest incomes (the total of Section 1 of Chapter I of Form 0409102, with the exception of the interest incomes from investments into debentures (except bills) (Subsection 5 of Section 1 of Chapter I of Form 0409102), of incomes from rendering financial lease (leasing) services (symbol 12405 of Form 0409102), of the fines, penalties and arrears on operations for attracting and granting (placing) monetary funds (symbol 17101 of Form 0409102), of incomes of past years exposed in the accounting year on operations for attracting and granting (placing) monetary funds (symbol 17201 of Form 0409102), of incomes from opening and keeping

loan accounts for clients (an interpretation of Form 0409110 with the code of designation S12101/1.2), of incomes from rendering consulting and information services in connection with the granting of loans (an interpretation of Form 0409110 with the code of designation S12406/1.2), of incomes from the restoration of the sums of reserves against probable losses, formed for claims for the receipt of interest incomes (an interpretation of Form 0409110 with the code of designation S16305/4.1). The interest incomes from investments in securities are the sum of the interest incomes from the investments in debentures (except bills) (Subsection 5 of Section 1 of Chapter I of Form 0409102) and of the incomes from the restoration of the sums of reserves against probable losses, formed for claims for the receipt of the interest incomes (an interpretation of Form 0409110 with the code of designation S16305/4.2);

Rp is the interest outlays. It is the sum of the interest outlays (the total of Section 1 of Form 0409102), of the fines, penalties and arrears on operations for attracting and granting (placing) monetary funds (symbol 27101 of Form 0409102) and of the outlays of past years exposed in the accounting year on operations for attracting and granting (placing) monetary funds (symbol 27201 of Form 0409102), increased by the size of deductions into the reserves against probable losses, formed for claims for the receipt of the interest incomes (interpretations of Form 0409110 with the codes of designation S25302/4.1 and S25302/4.2).

**3.3.5.** The index of the net spread from credit operations (PD6) is defined as the difference between the percentage (in annual per cent) ratios of the interest incomes on loans to the average size of the loans and of the interest outlays to the average size of the liabilities generating the interest payments, by the following formula:

$$PD6 = \frac{Dp}{SZ_{sr}} \times 100\% - \frac{Rp}{OB_{sr}} \times 100\%$$

where:

$SZ_{sr}$  is the average size of loans. It is calculated by the formula of the average chronological (in accordance with the data from the reports as in the state on the first day of the month, following the accounting, for all months, beginning with the reports as in the state on January 1 and ending with the reports as on the date, on which the nominator is calculated) value for the SZ index;

$OB_{sr}$  is the average size of the liability, generating the interest payments. The liabilities, generating the interest payments (OB) are the values of the index "Total liabilities" minus the values of the indices "Other liabilities" and "Reserves against probable losses on conventional liabilities of a credit character, on the other probable losses and on operations with the residents of the offshore zones" of Form 0409806. It is calculated by the formula of the average chronological (by the data of the reports as in the state on the first day of the month, following the accounting, for all months, beginning with the reports as in the state on January 1 and ending with the reports as on the date, for which the nominator is calculated) value for the OB index.

**3.3.6.** The value of indices in the group of indices for evaluating the profitability shall be indicated in the annual percentage. The values of indices in the group of indices for evaluating the profitability are reduced to the annual estimate by multiplying their values, obtained as on the quarterly accounting date, by twelve, and by dividing by the number of months that have passed as from the start of the year and up to the quarterly accounting date.

**3.3.7.** It shall be calculated the summed result for the group of indices for evaluating the profitability (PGD), which is an average weighted value of indices, defined in conformity with Subitems 3.3.1 - 3.3.5 of the present Item for evaluating the profitability. The summed result shall be calculated by the following formula:



$$RGD = \frac{\sum_{i=1}^5 (\text{mark}_i \times \text{weight}_i)}{\sum_{i=1}^5 \text{weight}_i}$$

where:

$\text{mark}_i$  is the estimate from 1 to 4 of the corresponding index, defined in conformity with Subitems 3.3.1 - 3.3.5 of the present Item (the marks estimate);

$\text{weight}_i$  is the estimate by the scale of relative importance from 1 to 3 of the corresponding index, defined in conformity with Subitems 3.3.1 - 3.3.5 of the present Item (the weight estimate).

The marks and the weight estimates of indices in the group of indices for evaluating the profitability are cited in Appendix 3 to the present Direction.

**3.3.8.** The summed result on the group of indices for evaluating the profitability is a whole number. If the fractional part of the obtained index has the value of less than 0.35, the index shall be awarded the value equal to its whole part. Otherwise, the index shall be assumed as equal to its whole part increased by 1.

**3.3.9.** The summed result characterises the state of the profitability in the following way:

- equal to 1 - good;
- equal to 2 - satisfactory;
- equal to 3 - doubtful;
- equal to 4 - unsatisfactory.

**3.4.** Liquidity shall be defined in accordance with the results of evaluating the indices of the general short-term liquidity, of the momentary liquidity, of the current liquidity and of that of the structure of the attracted funds, of the dependence on the interbank market, of the risk of the own bill liabilities, of the

non-bank loans, of averaging the obligatory reserves, of the obligatory reserves and of the risk as concerns major creditors and investors (hereinafter referred to as the group of indices for evaluating the liquidity).

*Information on changes:*

*Direction of the Central Bank of Russia № 3085-U of October 25, 2013 amended Subitem 3.4.1 of Item 3.4 of this Direction. The amendments shall enter into force on January 1, 2014*

*See the Subitem in the previous wording*

**3.4.1.** The index of the total short-term liquidity (PL1) is defined as the percentage ratio of the liquid assets to the attracted funds in accordance with the following formula:

$$PL1 = \frac{Lat}{O - (Odl - OfI)} \times 100\%$$

where

Lat is the bank's liquid assets. They are the value of the Lat index of Form 0409135, calculated in conformity with Instructions of the Bank of Russia № 139-I;

O is the total volume of the bank's liabilities. It is the value of the index "Total liabilities with the term of redemption (claim) of over one year" of Form 0409125 "Information on the Assets and Liabilities by the Terms of Claim and of Redemption" established in Appendix 1 to Direction of the Bank of Russia № 2332-U (hereinafter referred to as Form 0409125);

Odl is the bank's liabilities with a term of redemption (claim) of over one year. They are the difference between the indices "Total liabilities with the term of redemption (claim) of over one year" and "Total liabilities with the term of redemption (claim) of up to one year" of Form 0409125;

Ofl - the funds of clients (natural persons) with a term of redemption (claim) of over one year. They are the difference between the indices "Deposits of natural persons with the term of redemption (claim) of over one year" and "Deposits of natural persons with the term of redemption (claim) of up to one year" of Form 0409125.

*Information on changes:*

*Direction of the Central Bank of Russia № 3085-U of October 25, 2013 amended Subitem 3.4.1 of Item 3.4 of this Direction. The amendments shall enter into force on January 1, 2014*

*See the Subitem in the previous wording*

**3.4.2.** The index of instant liquidity (PL2) is the actual value of the N2 obligatory normative, Normative of the Bank's Instant Liquidity, of Form 0409135, calculated in conformity with Instructions of the Bank of Russia № 139-I.

*Information on changes:*

*Direction of the Central Bank of Russia № 3085-U of October 25, 2013 amended Subitem 3.4.3 of Item 3.4 of this Direction. The amendments shall enter into force on January 1, 2014*

*See the Subitem in the previous wording*

**3.4.3.** The index of current liquidity (PL3) is the actual value of the N3 obligatory normative "Normative of the Bank's Current Liquidity" of Form № 0409135, calculated in conformity with Instructions of the Bank of Russia № 139-I.

*Information on changes:*

*Direction of the Central Bank of Russia № 3085-U of October 25, 2013 amended Subitem 3.4.4 of Item 3.4 of this Direction. The amendments shall enter into force on January 1, 2014*

*See the Subitem in the previous wording*

**3.4.4.** The index of the structure of attracted funds (PL4) is defined as the percentage ratio of the liabilities on demand to the attracted funds in accordance with the following formula:

$$PL4 = \frac{Ovm}{PS} \times 100\%$$

where:

Ovm is the liabilities on demand. They represent the value of the index of Form 0409135, calculated in conformity with Instructions of the Bank of Russia № 139-I.

PS is the attracted funds. They are the difference between the values of the indices "Total liabilities" and "Reserves against probable losses on conventional liabilities of the credit character, on the other probable losses and on operations with residents of the offshore zones" of Form 0409806.

*Information on changes:*

*Direction of the Bank of Russia № 2803-U of April 6, 2012 amended Subitem 3.4.5 of Item 3.4 of this Direction*

*See the text of the Subitem in the previous wording*

**3.4.5.** The index of the dependence on the interbank market (PL5) is defined as the percentage ratio of the difference between the attracted and the

placed interbank credits (deposits) to the attracted funds by the following formula:

$$PL5 = \frac{PSbk - SZbk}{PS} \times 100\%$$

where:

PSbk is the received interbank credits (deposits). They are in fact the total of Section II of Form 0409501 "Information on the Interbank Credits and Deposits" established in Appendix 1 to Instructions of the Bank of Russia № 2332-U (hereinafter referred to as Form 0409501);

SZbk is the granted interbank credits (deposits). They are the total of Section I of Form 0409501.

*Information on changes:*

*Direction of the Bank of Russia № 2803-U of April 6, 2012 amended Subitem 3.4.6 of Item 3.4 of this Direction*

*See the text of the Subitem in the previous wording*

**3.4.6.** The risk index of the own bill liabilities (PL6) is defined as the percentage ratio of the sum of the bills and the bank accepts, issued by the bank, to the own funds (capital) in accordance with the following formula:

$$PL6 = \frac{Ov}{K} \times 100\%$$

where:

Ov is the bills and the bank accepts, issued by the bank. It is the sum of the outgoing residuals on balance accounts 523 "Issued bills and bank accepts" and 52406 "Bills for execution" of Form 0409101 "Reverse Sheets of the Accounts of

the Credit Institution's Accountancy Records" established in Appendix 1 to Direction of the Bank of Russia № 2332-U.

**3.4.7.** The index of the non-banking loans (PL7) is defined as the percentage ratio of the loans, granted to the clients (non-credit organisations) to the residuals of funds on the accounts of clients (non-credit organisations) in accordance with the following formula:

$$PL7 = \frac{SZ_{nb}}{PS_{nb} + PS_{do}} \times 100\%$$

where:

- SZ<sub>nb</sub> is the loans, granted to clients (non-credit organisations) (including the loans, granted to natural persons). It is defined as the difference between the values of the indices SZ and SZ<sub>bk</sub>;
- PS<sub>nb</sub> is the index "Funds of clients (non-credit organisations)" of Form 0409806;
- PS<sub>do</sub> is the index "Issued debentures" of Form 0409806.

*Information on changes:*

*Direction of the Bank of Russia № 2803-U of April 6, 2012 amended Subitem 3.4.8 of Item 3.4 of this Direction*

*See the text of the Subitem in the previous wording*

**3.4.8.** The index of averaging the obligatory reserves (PL8) characterises the absence (existence) at the bank of the fact of non-fulfilment of the liability for averaging the obligatory reserves in conformity with Regulations of the Bank of Russia № 342-P of August 7, 2009 on the mandatory reserves of credit organisations", registered with the Ministry of Justice of the Russian Federation

on September 15, 2009 under registration № 14775, on December 11, 2009 under registration № 15557, on September 30, 2011 under registration № 21956 ("Vestnik Banka Rossii" № 55 of September 21, 2009, № 73 of December 18, 2009, № 56 of October 12, 2011) and is estimated for a quarter preceding the accounting date for which the groups of indices for evaluating the capital, the assets, the profitability and the liquidity are calculated.

If the bank has not applied an averaging of the obligatory reserves in the analysed period, or if there are no facts of non-fulfilment of the liability for averaging the obligatory reserves, the PL8 index shall not be calculated and is not included into the calculation of the summed result on the group of indices for evaluating the liquidity.

*Information on changes:*

*Direction of the Bank of Russia № 2803-U of April 6, 2012 amended Subitem 3.4.9 of Item 3.4 of this Direction*

*See the text of the Subitem in the previous wording*

**3.4.9.** The risk index on major creditors and depositors (PL10) is defined as the percentage ratio of the sum of the bank's liabilities on the creditors and investors (by the groups of the interconnected creditors and investors) to the non-credit organisations, whose share in the aggregate value of the bank's similar liabilities comprises ten per cent and more, to the liquid assets in accordance with the following formula:

$$PL10 = \frac{Ovkk}{Lat} \times 100\%$$

where:

Ovkk is the sum of the bank's liabilities to creditors and investors (on the

grounds of interconnected creditors and investors) to the non-credit organisations, the share of each of which in the aggregate value of the bank's similar liabilities comprises ten per cent and more. It is calculated on the basis of data from the reports made out in accordance with Form 0409157 "Information on the Credit Institution's Major Creditors (Investors)" established in Appendix 1 to Direction of the Bank of Russia № 2332-U.

**3.4.10.** The index of the creditors' claims, not fulfilled by the bank (PL11), characterises the absence (existence) at the bank of unfulfilled claims made by the individual creditors on the monetary liabilities, including claims of the Bank of Russia, and (or) of the liability for making obligatory payments, and shall be estimated in calendar days of the term of the non-payment in the course of six months, preceding the accounting date, as on which the groups of indices for evaluating the capital, assets, profitability and liquidity are calculated.

If the bank had no facts of non-satisfaction of claims in the analysed period, the index PL11 shall not be calculated and shall be deleted from the calculation of the summed result on the group of indices for evaluating the liquidity.

**3.4.11.** The index of obligatory reserves (PL9) characterises the bank's non-fulfilment (fulfilment) of the liability for meeting reserve claims and is assessed in calendar days of the term of the non-payment over the quarter, preceding the accounting date, as on which the groups of indices for evaluating the capital, assets, profitability and liquidity are calculated.

If there are no facts of the bank's settled underpayment into the obligatory reserves in the analysed period, the index PL9 is not calculated and shall be excluded from the calculation of the summed result on the group of indices for evaluating the liquidity.

**3.4.12.** For evaluating the liquidity the summed result on the group of indices for evaluating the liquidity (RGL) shall be calculated, which is an average weighted value of the coefficients defined in conformity with Subitems 3.4.1 -



3.4.11 of the present Direction. The summed result is calculated by the following formula:

$$RGL = \frac{\sum_{i=1}^n (\text{mark}_i \times \text{weight}_i)}{\sum_{i=1}^n \text{weight}_i}$$

where:

$\text{mark}_i$  is the estimate from 1 to 4 of the corresponding index, defined in accordance with Subitems 3.4.1 - 3.4.11 of the present Item (the marks estimate);

$\text{weight}_i$  is the estimate by the scale of relative importance from 1 to 3 of the corresponding index, defined in conformity with Subitems 3.4.1- 3.4.11 of the present Item.

$n$  is the number of indices, taken into the calculation of the RGL ( $n \leq 11$ ). The number of indices, taken into account when calculating the RGL, may change depending on the inclusion into the calculation (on the exclusion from the calculation) of indices, envisaged in Subitems 3.4.8, 3.4.10 and 3.4.11 of the present Item.

The marks and the weight estimates of indices of the group of indices for evaluating the liquidity are cited in Appendix 4 to the present Direction.

**3.4.13.** The summed result for the group of indices for evaluating the liquidity is a whole number. If the fractional part of the obtained index is less than 0.35, the index is awarded the value equal to its whole part. Otherwise the index is assumed as equal to its whole part increased by 1.

**3.4.14.** The summed result characterises the state of the profitability in the following way:

- equal to 1 - good;
- equal to 2 - satisfactory;

- equal to 3 - doubtful;
- equal to 4 - unsatisfactory.

**3.5.** The calculation and estimate of the groups of indices for evaluating the capital, the assets and the liquidity is made as on the first day of every month. The calculation and estimate of the group of indices for evaluating the profitability is made as on the first day of every quarter.

**3.6.** The individual indices of the groups of indices for evaluating the capital, the assets, the profitability and the liquidity, the value of whose denominator assumes zero or a negative value, are estimated in accordance with Appendix 5 to the present Direction.

*Information on changes:*

*Direction of the Bank of Russia № 2803-U of April 6, 2012 amended Item 3.7 of this Direction*

*See the text of the Item in the previous wording*

**3.7.** If the bank fails to submit reports, established in Direction of the Bank of Russia № 2332-U, whose data are used for the calculation of the groups of indices for evaluating the capital, assets, profitability and liquidity, four points shall be awarded to the corresponding index.

*Information on changes:*

*Direction of the Central Bank of Russia № 3085-U of October 25, 2013 amended Item 3.8 of this Direction. The amendments shall enter into force on January 1, 2014*

*See the Item in the previous wording*

**3.8.** To ensure correspondence of the estimates of the groups of indices for evaluating the capital, assets, profitability and liquidity, and the value of the

obligatory normative to the meaningful presentation of the Bank of Russia's territorial institution or the Department of supervision over systemically significant credit organisations of the Bank of Russia on the bank's economic position, as well as of that obtained by the results of the checks conducted by the Bank of Russia and by the results of an analysis of the explanations on information, supplied by the Bank of Russia at an inquiry from the Bank of Russia's territorial institution, which are contained in the reports, and of the other information at the disposal of the Bank of Russia's territorial institution or the Department of supervision over systemically significant credit organisations of the Bank of Russia, the latter shall correct the calculation of indices of the groups of indices for evaluating the capital, the assets, the profitability and the liquidity, and the obligatory normative.

**3.8.1.** The calculation of indices for evaluating the capital and obligatory normative are corrected, among other things:

- by the sum of the balance cost of the improper assets, used by the investors at the formation of the sources of their own funds (capital) (of a part thereof);

- by the size of the subordinate credit (loan), not meeting the terms for inclusion into the composition of the bank's own funds;

- by the size of the undercreated reserves against probable losses;

- by the value of an excess of the credit risk, taken with respect to the shareholder (insider), over the maximum admissible values established by the Bank of Russia, which is inaccurately reflected in the reports.

**3.8.2.** The calculation of indices for evaluating the assets and obligatory normative shall be corrected, among other things:

- by the value of the undercreated reserves against probable losses;

- by the value of an excess of the major credit risk and of the credit risk, taken by the bank in operations with its partners (shareholders) and insiders, which is inaccurately reflected in the reports.

**3.8.3.** The calculation of indices for evaluating the profitability is

corrected, among other things:

- by the value of the outlays on completing the creation of reserves against probable losses;

- by the value of the incomes and outlays inaccurately reflected in the reports.

**3.8.4.** The calculation of indices for evaluating the liquidity and obligatory normatives shall be corrected, among other things:

- by the value of the assets, illegally assigned by the bank to the category of highly liquid and (or) liquid;

- by the value of the bank's understatement of the size of the liabilities, including of those not fulfilled on time, including the liabilities for operations of the Bank of Russia's monetary and credit policy.

**3.8.5.** The calculation of indices of the groups of indices for evaluating the capital, assets, profitability, liquidity and obligatory normatives, shall also be corrected by the Bank of Russia's territorial institution or the Department of supervision over systemically significant credit organisations of the Bank of Russia as concerns the recording of events, exerting an influence over their evaluation, which have taken place in the period between the date, on which the bank's economic position is estimated, and the date when the Bank of Russia's territorial institution or the Department of supervision over systemically significant credit organisations of the Bank of Russia has passed a judgement evaluating the bank's economic position.

Such events may include, among other things:

- existence of information on a court claim against the bank and on the course of court proceedings, the grounds for which have appeared before the accounting date;

- adoption by the Bank of Russia (by the Bank of Russia's territorial institution or the Department of supervision over systemically significant credit organisations of the Bank of Russia) of a decision on the state registration of a change in the size of the bank's authorised capital;

- receipt of reliable information, capable of influencing the estimate of the standard of the bank's assets, for example, on the financial position of a major borrower;

- receipt of reliable information on the fact that the redemption (writing off) of the bank's credits, securities and other claims (liabilities), including those on the granted guarantees, is carried out with the direct or indirect use of the bank's funds or with the bank's assuming upon itself additional risks;

- other circumstances capable of influencing the estimate of the standard of the bank's assets and obligatory normatives.

**3.9.** The forecast values for indices of the groups of indices for evaluating the capital and the profitability are calculated for twelve months ahead on the basis of data for the previous two years.

When creating or reorganising banks (with the exception of their transformation), the forecast values are calculated not earlier than after the expiry of twelve months as from the presentation of their first reports to the Bank of Russia.

**3.9.1.** The forecast values of indices for evaluating the capital and the profitability are calculated on the basis of the forecast values of their components, which are calculated by the following formula:

$$C_{t+12} = C_t + \Delta \times n,$$

where:

$C_{t+12}$  is the forecast value of the nominator and of the denominator of indices for evaluating the capital and the profitability (of indices, comprising the nominators and the denominators) in twelve months (in four quarters):

$C_t$  is an unrounded value of the component of indices for evaluating the capital and the profitability as on the accounting date;  $\Delta$  is an average increment of the component of indices for evaluating the capital (for a month) and the

profitability (for a quarter);

$n$  is the period of forecasting (for a group of indices for evaluating the capital - twelve months, for a group of indices for evaluating the profitability - four quarters).

**3.9.2.** An average increment of the components of indices for evaluating the capital and the profitability ( $\Delta$ ) is calculated by the following formula:

$$\Delta = \sum_{i=1}^n \lambda C_{t-i+1}$$

where:

$C_{t-i+1}$  is the unrounded values of the components of indices for evaluating the capital and the profitability as on the previous dates (monthly - for indices for evaluating the capital, and quarterly - for indices for evaluating the profitability);

$n$  is the number of points in the retrospective row (for indices for evaluating the capital - 25, and for indices for evaluating the profitability - 9);

$\lambda$  is the correction coefficients, calculated by the Bank of Russia with the use of the method of the smallest squares for indices for evaluating the profitability and of the modified method of the smallest squares for indices for evaluating the capital, under which the values, nearest to the reporting date, shall be awarded the biggest weight, which diminishes as they are receding from the current date. The correction coefficients shall be published on the official Internet site of the Bank of Russia.

**3.9.3.** If the fractional part of the obtained forecast value of the index for evaluating the capital and the profitability has a value of less than 0.5, it is awarded the value equal to its whole part. Otherwise, the index shall be assumed as equal to its whole part increased by 1.

**3.9.4.** The forecast values of indices in the groups of indices for evaluating

the capital and the profitability shall be estimated in conformity with the marks and the weight estimates established in Appendices 1 and 3 to the present Direction.

*Information on changes:*

*Direction of the Central Bank of Russia № 3085-U of October 25, 2013 amended Subitem 3.9.5 of Item 3.9 of this Direction. The amendments shall enter into force on January 1, 2014*

*See the Subitem in the previous wording*

**3.9.5.** If the actual value of the index and its forecast value diverge by two and more points, the territorial institution of the Bank of Russia or the Department of supervision over the systemically significant credit organisations of the Bank of Russia shall carry out an analysis of trends in the change of the index and shall study the factors exerting an impact upon the formation of the forecast value.

If according to the judgement of the Bank of Russia's institution or the Department of supervision over the systemically significant credit organisations of the Bank of Russia the forecast value of an index reflects the formed trend for its development and is substantiated by changes in the standard of the bank's assets and of the volume of the risks it is taking (and if in this case the forecast value of the index is not influenced by vacillations in the individual indices of the bank's activity, for example, because of the development (extension) of business, the territorial institution of the Bank of Russia or the Department of supervision over the systemically significant credit organisations of the Bank of Russia shall adopt a decision on the use of the results of forecasting when awarding a mark estimate to the index (to the indices) of the groups of indices for evaluating the capital and (or) the profitability by way of worsening or improving their actual value by one point. If the Bank of Russia's territorial institution or the Department

of supervision over the systemically significant credit organisations of the Bank of Russia adopts such decision, the summed result on the group of the corresponding indices shall be calculated on the basis of their marks estimate with the application of the results of the forecasting.

*Information on changes:*

*Direction of the Central Bank of Russia № 3085-U of October 25, 2013 amended Subitem 3.9.6 of Item 3.9 of this Direction. The amendments shall enter into force on January 1, 2014*

*See the Subitem in the previous wording*

**3.9.6.** If the estimates of the summed results by the groups of indices for evaluating the capital and (or) the profitability, defined after the use of the results of the forecasting, diverge from the estimate of the summed results, calculated with no account for the results of the forecasting (hereinafter referred to as the actual estimate of the summed results), the Bank of Russia's territorial institution may adopt the following decisions:

- a decision on worsening the actual estimate may be adopted by the Bank of Russia's territorial institution or the Department of supervision over the systemically significant credit organisations of the Bank of Russia, if the actual values of the summed results by the groups of indices for evaluating the bank's capital and profitability is awarded the mark, "good" (one point) or "satisfactory" (two points). In this case, the summed result by the groups of indices for evaluating the capital and (or) the profitability after the use of the results of the forecasting by the Bank of Russia's territorial institution or the Department of supervision over the systemically significant credit organisations of the Bank of Russia shall be awarded the mark, "doubtful" (three points), if the actual value of the summed result was awarded the estimate, "satisfactory" (two points); or "satisfactory" (two points), if the actual value of the summed result before the use



of the results of the forecasting was awarded the estimate "good" (one point).

- the decision on improving the actual estimate shall be adopted by the Bank of Russia's territorial institution or the Department of supervision over the systemically significant credit organisations of the Bank of Russia, if the actual values of the summed results by the groups of indices for evaluating the bank's capital and (or) profitability are awarded the estimate "doubtful" (three points) or "unsatisfactory" (four points). In this case the summed result by the groups of indices for evaluating the capital and (or) the profitability after the use of the results of the forecasting by the Bank of Russia's territorial institution or the Department of supervision over the systemically significant credit organisations of the Bank of Russia is awarded the estimate, "satisfactory" (two points), if the actual value of the summed result was awarded the estimate "doubtful" (three points); or "doubtful" (three points), if the actual value of the summed result before the use of the results of the forecasting was awarded the estimate "unsatisfactory" (four points).

#### **Chapter 4. Estimate of the Standard of the Bank's Management**

*Information on changes:*

*Direction of the Bank of Russia № 2894-U of October 1, 2012 amended Item 4.1 of this Direction. The amendments shall enter into force on July 1, 2013*

*See the Item in the previous wording*

**4.1.** The standard of the bank's management shall be estimated by the results of evaluating indices in the system of risk control (PU4), conditions of internal control (PU5), managements of strategic risk (PU6) and managements of risk of material motivation of personnel (PU7) (hereinafter referred to as indices of the management standard).

**4.2.** The index of the system for risk control (PU4) is defined on the basis

of evaluating the answers to the questions, cited in Appendix 6 to the present Direction.

**4.2.1.** The answers to the questions shall be estimated by awarding them values in accordance with the scale of four marks:

- equal to 1 - "yes" ("constantly", "always", "in full volume");
- equal to 2 - "for the most part" ("as a rule", "sufficiently full");
- equal to 3 - "partially" ("yes in part", "in some cases", "insufficiently full");
- equal to 4 - "no" ("never", "by no means").

**4.2.2.** The index of the system for risk control is an average weighted value of estimates of the answers to questions, cited in Appendix 6 to the present Direction, and shall be calculated by the following formula:

$$PU4 = \frac{\sum_{i=1}^9 (\text{mark}_i \times \text{weight}_i)}{\sum_{i=1}^9 \text{weight}_i}$$

where:

$\text{mark}_i$  is the estimate from 1 to 4 of the answer to the corresponding question, cited in Appendix 6 to the present Direction (the marks estimate);

$\text{weight}_i$  is the estimate by the scale of relative importance from 1 to 3 of the answer to the corresponding question, cited in Appendix 6 to the present Direction (the weight estimate).

The weight estimate of the answers to questions for defining the index of the state of the system for the risks control is cited in Appendix 6 to the present Direction.

**4.2.3.** The index of the system for risk control is a whole number. If the fractional part of the index has a value less than 0.35 it shall be awarded the value equal to its whole part. Otherwise the index is assumed as equal to its whole part

increased by 1.

**4.2.4.** The obtained result characterises the state of the risks control system in the following way:

- equal to 1 - "good";
- equal to 2 - "satisfactory";
- equal to 3 - "doubtful";
- equal to 4 - "unsatisfactory".

**4.3.** The index of the state of internal control (PU5) is defined on the basis of evaluated answers to the questions cited in Appendix 7 to the present Direction.

**4.3.1.** The answers to the questions shall be evaluated by awarding them the values in accordance with the four marks scale:

- equal to 1 - "yes" ("constantly", "always", "in full volume");
- equal to 2 - "for the most part" ("almost constantly", "almost always", "almost in full volume");
- equal to 3 - "partially" ("yes in part", "not always", "in some cases");
- equal to 4 - "no" ("never", "by no means").

**4.3.2.** The index of the state of internal control is an average weighted value of estimates of the answers to the questions cited in Appendix 7 to the present Direction, and shall be calculated by the following formula:

$$PU5 = \frac{\sum_{i=1}^{14} (\text{mark}_i \times \text{weight}_i)}{\sum_{i=1}^{14} \text{weight}_i}$$

where:

$\text{mark}_i$  is the estimate from 1 to 4 of the answer to the corresponding question, cited in Appendix 7 to the present Direction (the marks estimate);

$weight_i$  is the estimate by the scale of relative importance from 1 to 3 of the answer to the corresponding question, cited in Appendix 7 to the present Direction (the weight estimate).

The weight estimate of the answers to questions for defining the index of the state of internal control is cited in Appendix 7 to the present Direction.

**4.3.3.** The index of the state of internal control is a whole number. If the value of the fractional part of the obtained index is less than 0.35 it shall be awarded the value equal to its whole part. Otherwise the index is assumed as equal to its whole part increased by 1.

**4.3.4.** The obtained result characterises the state of internal control in the following way:

- equal to 1 - "good";
- equal to 2 - "satisfactory";
- equal to 3 - "doubtful";
- equal to 4 - "unsatisfactory".

**4.3.5.** If the bank's records and (or) reports are recognised as inaccurate, the estimate "unsatisfactory" (four points) shall be awarded to the index of the state of internal control.

The bank's recording and reports are recognised as inaccurate, if the bank's records and (or) reports do not correspond to the federal laws, norms and rules, established by the Bank of Russia, and to the bank's own accounting policy, and if the exposed shortcomings or mistakes in the state of the bank's recording and (or) reports exert a significant impact upon the estimate of its economic position, that is, if they lead in case of their elimination to such change in the value of even one index from the groups of indices for evaluating the capital, assets, profitability and liquidity, that at the summed result the group is awarded the estimate "unsatisfactory", and (or) to the

*Information on changes:*

*Direction of the Central Bank of Russia № 3085-U of October 25, 2013 supplemented Item 4.3 of this Direction with Subitem 4.3.6. The Subitem shall enter into force on January 1, 2014*

**4.3.6.** In the case when even to one of the answers to the questions contained in Items 10 - 12 of Appendix 7 to this Direction the value equal to 3 points and worse is attributed, no mark better than "doubtful" (3 points) may be attributed to the index of the condition of the internal control.

**4.4.** The index of strategic risk control (PU6) is defined on the basis of an estimate of the answers to the questions cited in Appendix 8 to the present Direction.

**4.4.1.** The answers to the questions shall be estimated by awarding them values in accordance with the four marks scale:

- equal to 1 - "yes" ("constantly", "always", "in full volume");
- equal to 2 - "for the most part" ("almost constantly", "almost always", "almost in full volume");
- equal to 3 - "partially" ("yes in part", "not always", "in some cases");
- equal to 4 - "no" ("never", "by no means").

**4.4.2.** The index of strategic risk control is an average weighted value of the estimates of the answers to the questions cited in Appendix 8 to the present Direction, and shall be calculated by the following formula:

$$PU6 = \frac{\sum_{i=1}^7 (\text{mark}_i \times \text{weight}_i)}{\sum_{i=1}^7 \text{weight}_i}$$

where:

$\text{mark}_i$  is the estimate from 1 to 4 of the answer to the corresponding question, cited in Appendix 8 to the present Direction (the marks estimate);

$weight_i$  is the estimate by the scale of relative importance from 1 to 3 of the answer to the corresponding question, cited in Appendix 8 to the present Direction (the weight estimate).

The weight estimate of the answers to the questions for defining the index of organising the strategical planning is cited in Appendix 8 to the present Direction.

**4.4.3.** The index of strategic risk control is a whole number. If the value of the fractional part of the obtained index is less than 0.35 it shall be awarded the value equal to its whole part. Otherwise the index is assumed as equal to its whole part increased by 1.

**4.4.4.** The obtained result characterises the state of the strategical risk control in the following way:

- equal to 1 - "good";
- equal to 2 - "satisfactory";
- equal to 3 - "doubtful";
- equal to 4 - "unsatisfactory".

*Information on changes:*

*Direction of the Bank of Russia № 2894-U of October 1, 2012 supplemented this Direction with Item 4.4(1). The Item shall enter into force on July 1, 2013*

**4.4(1)** The parameter of the management of the risk of material motivation of personnel (PU7) shall be determined on the basis of the evaluation of answers to the questions given in Appendix 10 to this Direction.

**4.4(1)1.** The evaluation of the answers to questions shall be made by assignment of values to them on a four-point scale:

Equal to 1 - "yes" ("constantly", "always", "to the full extent");

Equal to 2 - "basically" ("almost constantly", "almost always", "almost to the full extent");

Equal to 3 - "in part" ("partly yes", "not always", "in some cases");

Equal to 4 - "no" ("never", "in no case").

The value of the evaluation equal to 1 and 2 shall not be assigned to the answer to a question if just one of the circumstances given in the notes to the filling in of the table in Appendix 10 to the present Direction is not taken into account in the activity of the bank.

**4.4(1)2.** The parameter of the management of the risk of material motivation of personnel (PU7) shall present the average weighed value of evaluations of the answers to the questions given in Appendix 10 to this Direction, and shall be calculated according to the following formula:

$$PU7 = \frac{\sum_{i=1}^5 (ball_i \times ves_i)}{\sum_{i=1}^5 ves_i}$$

Where:

$ball_i$  - evaluation from 1 to 4 of the answer to the corresponding question given in Appendix 10 to this Direction (score evaluation);

$ves_i$  - evaluation on the scale of the relative importance from 2 to 3 of the answers to the corresponding question given in Appendix 10 to this Direction (weight evaluation).

The weight evaluation of answers to questions for the determination of the parameter of management of the risk of material motivation of the personnel is given in the Appendix 10 to this Direction.

**4.4(1)3.** The parameter of the management of the risk of material motivation of personnel (PU7) shall be an integer. In the case when the fractional part of the received parameter is less than 0.35 the value equal to its whole part shall be assigned to it. Otherwise the parameter shall be taken as equal to its whole part increased by 1.

**4.4(1)4.** The received result characterizes the state of the management of

risk of material motivation of personnel (PU7) as follows:

Equal to 1 - "good";

Equal to 2 - "satisfactory";

Equal to 3 - "doubtful";

Equal to 4 - "unsatisfactory".

*Information on changes:*

*Direction of the Central Bank of Russia № 3085-U of October 25, 2013 amended Item 4.5 of this Direction. The amendments shall enter into force on January 1, 2014*

*See the Item in the previous wording*

**4.5.** The quality of management shall be estimated as follows:

good (1 point), - in the case when the evaluation "good" (1 point) was assigned to parameters PU4 and PU5 and to parameters PU6 and PU7 - not worse, than "good" (2 points);

satisfactory (2 points) - in the case when to parameters PU4 and PU5 the evaluation is assigned not worse than "good" (2 points), and (or) to parameter PU6 - not worse, than "doubtful" (3 points), and (or) to parameter PU7 - not better than "doubtful" (3 points);

doubtful (3 points) - in the case when to one of the parameters PU4 or PU5 is assigned the evaluation "doubtful" (3 points) and (or) to the parameter PU6 - "unsatisfactory" (4 points);

"unsatisfactory" (4 points) - in the case when to parameters PU4 and PU5 the evaluation "doubtful" (3 points) is assigned or if even to one of parameters PU4 or PU5 the evaluation "unsatisfactorily" (4 points) is assigned.

If the bank does not present documentarily confirmed information to the Bank of Russia's territorial institution or the Department of supervision over the systemically significant credit organisations of the Bank of Russia (reflecting



current changes) for the evaluation of conformity on parameter PU7 than at the moment of the performance of the aforementioned classification the evaluation on parameter PU7 or the separate question given in the Appendix 10 to this Direction shall not be made and the bank shall not be classified above subgroup 2.2.

**4.6.** The management standard indices shall be calculated and estimated as soon as new information arrives (is received), as a rule on the results of conducted checks.

## **Chapter 5. Evaluation of the Transparency of the Structure of the Bank's Property**

*Information on changes:*

*Direction of the Central Bank of Russia № 3085-U of October 25, 2013 amended Item 5.1 of this Direction. The amendments shall enter into force on January 1, 2014*

*See the Item in the previous wording*

**5.1.** The transparency of the structure of the bank's property is defined in accordance with the results of evaluating the indices:

- of the sufficiency of the volume of revealed information on the structure of the bank's property (PU1);
- accessibility of the information on persons, under the control or significant influence of which the bank is situated (PU2);
- of the importance of the impact, exerted upon the bank's management by residents of offshore zones (PU3) (hereinafter referred to as the PU1, PU2 and PU3 indices - the indices of the transparency of the property structure).

**5.2.** The indices of the transparency of the structure of the bank's property are estimated on the basis of the methodology cited in Appendix 9 to the present

Direction.

**5.3.** The list of the states and territories granting a privileged tax regime and (or) not envisaging the revelation and supply of information when performing financial operations (offshore zones) is established in Appendix 1 to Direction of the Bank of Russia № 1317-U of August 7, 2003 on the Procedure for Authorised Banks Establishing Correspondent Relations with Non-Resident Banks, Registered in the States and on the Territories Granting a Privileged Tax Regime and (or) Not Envisaging the Revelation and Supply of Information When Performing Operations (in Offshore Zones), registered with the Ministry of Justice of the Russian Federation on September 10, 2003 under № 5058; on January 26, 2007 under № 8846 (Vestnik Banka Rossii, № 51 of September 17, 2003 and № 7 of February 14, 2007).

**5.4.** The structure of the bank's property is recognised as:

- transparent - if the transparency indices of the property structure are awarded one point;
- sufficiently transparent - if the transparency indices of the property structure is awarded a mark of not less than two points;
- untransparent - if only a single one of the transparency indices of the property's structure is awarded three points.

**5.5.** The transparency indices of the property structure are calculated and estimated as soon as new information comes in (is received).

*Information on changes:*

*Direction of the Central Bank of Russia № 3085-U of October 25, 2013 reworded Chapter 6 of this Direction. The new wording shall enter into force on January 1, 2014*

*See the Chapter in the previous wording*

## **Chapter 6. The Evaluation of the Economic Situation of Banks**

**6.1.** The classification of banks shall be carried out by the territorial establishments of the Bank of Russia or the Department of supervision over systemically significant credit organisations of the Bank of Russia at least once a quarter as of the first day of the month following the accounting quarter.

The first classification of newly founded banks (except for reorganised banks) shall be made on the first day of the month following the second full quarter of activity of the bank after the presentation of the first reporting to the Bank of Russia.

The information on classification of banks shall be sent by the territorial establishments of the Bank of Russia or the Department of supervision over systemically significant credit organisations of the Bank of Russia to the Department of bank supervision of the Bank of Russia on the form established by the Bank of Russia.

**6.2.** Territorial establishments of the Bank of Russia or the Department of supervision over systemically significant credit organisations of the Bank of Russia shall carry out constant monitoring of the economic situation of the bank. In the case when the evaluation of groups of indices of an evaluation of the capital, assets, liquidity calculated on the first day of the month, as well as groups of indices of the evaluation of returns, indices of the quality of management and transparency of the structure of the property changes in comparison with the evaluation made earlier in such a manner that it can be the ground for a change of the evaluation of the economic situation of the bank (its attribution to another classification group (subgroup) the territorial establishment of the Bank of Russia or the Department of supervision over systemically significant credit organisations of the Bank of Russia shall take a decision on attributing the bank to another classification group (subgroup).

The information on the change during one quarter of the previously made evaluation of the economic situation of bank (its attribution to another classification group (subgroup) shall be communicated by the territorial

establishments of the Bank of Russia or the Department of supervision over systemically significant credit organisations of the Bank of Russia to the Department of bank supervision of the Bank of Russia according to the form established by the Bank of Russia.

**6.3.** The territorial establishment of the Bank of Russia or the Department of supervision over systemically significant credit organisations of the Bank of Russia shall be entitled to attribute to subgroup 2.2 the banks having the grounds stipulated in Subitems 2.3.1 and 2.3.4 of Item 2.3, Subitems 2.4.1 and 2.4.3 of Item 2.4 and Subitem 2.5.1 of Item 2.5 of this Direction, in the case of the documentary confirmation of the taking by the bank of measures on the elimination of infringements, the non-elimination of which results in the occurrence of the situation menacing the legitimate interests of depositors and creditors if such measures are carried out by the bank according to the program of activities aimed at the elimination of drawbacks, and in the cases established by the Federal law on Insolvency (Bankruptcy) of Credit Organisations - according to the plan of measures on financial improvement. To the specified subgroup may be referred also the banks that carry out measures for the prevention of bankruptcy with the participation of the state corporation "the Agency for the Insurance of Deposits" according to the Federal Law № 175-FZ of October 27, 2008 on Additional Measures for Enhancing the Stability of the Banking System in the Period Until December 31, 2014 (Sobranie Zakonodatelstva Rossiyskoy Federatsii, 2008, № 44, Article 4981; 2009, № 29, Article 3630; 2011, № 49, Article 7059; 2013, № 19, Article 2308).

The decision taken by the territorial establishment of the Bank of Russia or the Department of supervision over the systemically significant credit organisations of the Bank of Russia shall be subject to the preliminary coordination with the Department of bank supervision of the Bank of Russia.

In the case when the decision on the classification of the bank into subgroup 2.2, stipulated by the present Item, is accepted by the territorial establishment of the Bank of Russia or the Department of supervision over

systemically significant credit organisations of the Bank of Russia concerning the bank that has the grounds to implement the measures for the prevention of bankruptcy stipulated by Article 4 of the Federal law on Insolvency (Bankruptcy) of Credit Organisations, and (or) that implements measures in the framework of the plan of measures on financial improvement, and (or) measures for the prevention of bankruptcy with the participation of the state corporation "Agency on insurance of deposits", the coordination of the decisions taken by territorial establishment of the Bank of Russia or the Department of supervision over systemically significant credit organisations with the Bank of Russia shall be carried out by the Department of bank supervision of the Bank of Russia in view of opinion of the Department for Licensing the Activity and for the Financial Improvement of Credit Institutions of the Bank of Russia.

For the purposes of carrying out of the specified coordination the territorial establishments of the Bank of Russia or the Department of supervision over systemically significant credit organisations of the Bank of Russia shall send in a written form to the Department of bank supervision of the Bank of Russia the information on the decision taken no later than 16 working days of the month following the accounting quarter (for the intra-quarter dates - no later than 10 working days following the day of the taking of the appropriate decision). The Department of bank supervision of the Bank of Russia in the cases stipulated by the third paragraph of the present Item shall direct the information received from territorial establishment of the Bank of Russia or the Department of supervision over systemically significant credit organisations of the Bank of Russia on the decision taken to the Department of licensing of activity and financial improvement of the credit organisations of the Bank of Russia on the day it was received.

The department of licensing of activity and financial improvement of the credit organisations of the Bank of Russia shall direct to the Department of bank supervision of the Bank of Russia the opinion on the consent (disagreement) with the decision taken by the territorial establishment of the Bank of Russia or the

Department of supervision over systemically significant credit organisations of the Bank of Russia on the classification of the bank in time term not later than 3 working days following the day of its reception from the Department of bank supervision of the Bank of Russia.

The coordination (refusal to coordinate) of the decision taken by the territorial establishment of the Bank of Russia or the Department of supervision over the systemically significant credit organisations of the Bank of Russia shall be carried out by the Department of bank supervision of the Bank of Russia in time term not exceeding 5 business days after the day of the presentation by the territorial establishment of the Bank of Russia or the Department of supervision over the systemically significant credit organisations of the Bank of Russia of the decisions on the classification of the bank. The Department of bank supervision of the Bank of Russia shall inform the territorial establishment of the Bank of Russia or the Department of supervision over the systemically significant credit organisations of the Bank of Russia of the decision taken no later than the working day following the day of taking the decision.

## **Chapter 7. Final Provisions**

*Information on changes:*

*Direction of the Central Bank of Russia № 3085-U of October 25, 2013 amended Item 7.1 of this Direction. The amendments shall enter into force on January 1, 2014*

*See the Item in the previous wording*

**7.1.** The information on referring the bank to classification group (subgroup) and about drawbacks in its activity that served as the ground for the classification shall be sent by the territorial establishment of the Bank of Russia or the Department of supervision over systemically significant credit

organisations of the Bank of Russia to the single-person executive body of the bank in the following terms: as of January 1 - no later than February 15 of the year following the accounting year; as of April 1 - no later than the third business day of May; as of any other quarterly accounting date - no later than the fifth day of the second month of the quarter following the accounting quarter; on any intra-quarterly date - no later than five business days after the day of the taking (coordination) of the decision on change in the course of one quarter of the previously made evaluation. The aforementioned information shall not be sent to the single-person executive body in the case when the evaluation previously made by the territorial establishment of the Bank of Russia or the Department of supervision over systemically significant credit organisations of the Bank of Russia of the economic situation of the bank and the information on drawbacks in its activity that served as the ground for the classification did not change in comparison with the previous classification.

The bank's one-man executive body is recommended to bring the said information to the knowledge of members of the Board of Directors (of the Supervision Council) and of the bank's collegiate executive body.

**7.2.** Information on referring banks to the corresponding groups is of restricted access and is not to be divulged to third persons.

**7.3.** The present Direction shall come into force after the expiry of ten days as from the day of its official publication in the Vestnik Banka Rossii.

Chairman of the Central Bank  
of the Russian Federation

S.M. Ignatyev

Registered with the Ministry of Justice of the Russian Federation on May 26, 2008.

Registration № 11755

*Information on changes:*

*Direction of the Central Bank of Russia № 3085-U of October 25, 2013 amended this Appendix. The amendments shall enter into force on January 1, 2014*

*See the Appendix in the previous wording*



**Appendix 1**  
**to Direction of the Central Bank of Russia**  
**№ 2005-U of April 30, 2008**  
**on Evaluating the Banks' Economic Position**

**the Marks and Weight Estimates of Indices from the Group of Indices**  
**for Evaluating the Capital**  
**(with Amendments and Additions)**

№	Name of the index	Abbreviation	Weight	Values (per cent)
1	Index of	PK1	≥13	< 13 and
2	10	3	< 10	≥10.1
3	7	8	one point	two points
4	6	8	three points	four points
5	1	2	3	4
6	7	8	9	10
7	1	2	3	4
8	1	2	3	4
9	1	2	3	4
10	1	2	3	4

	sufficiency of				
	Own resources				
	(capital)				
<hr/>					
<hr/>					
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2	Index of the capital's	PK2	$\geq 10$	$< 10$ and $>$	$< 8$
and $>$	$< 6$	2			
	total sufficiency			$= 8$	
$= 6$					
<hr/>					
<hr/>					
<hr/>					
3	Index of evaluating the	PK3	$\leq 30$	$> 30$ and $<$	$>$
60 and $<$	$> 90$	1			
	standard of the capital			$= 60$	
$= 90$					
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**Appendix 2**  
**to Direction of the Central Bank of Russia**  
**№ 2005-U of April 30, 2008**  
**on Evaluating Banks' Economic Position**

**The Marks and the Weight Estimates for the Group of Indices for Evaluating the Assets**

№	Name of the index	Abbreviation	Values (per cent)	Weight
1	Index of the loans'	PA1	≤ 4   > 4 and ≤ 12   > 12 and ≤ 20   > 20	3
2	Index of the risk of losses	PA2	≤ 4   > 4 and ≤ 8   > 8 and ≤ 15   > 15	2

3	Index of the share of the	PA3	$\leq 4$	$> 4$ and $\leq 8$	$> 8$		
and $<$	$> 18$	2					
	outstanding loans						
= 18							
4	Index of the size of the	PA4	$\leq 10$	$> 10$ and $\leq 15$	$>$		
15 and $<$	$> 25$	3					
	reserves against the losses						=
25							
	on loans and other						
	assets						
5	Index of the concentration	PA5	$\leq 200$	$> 200$ and $\leq$	$>$		
500 and $<$	$> 750$	3					
	of major credit risks				500		=
750							
6	Index of the concentration	PA6	$\leq 20$	$> 20$ and $<$	$>$		
35 and $<$	$> 45$	3					

	of credit risks on			= 35
= 45				
	shareholders (partners)			
7	Index of the concentration	PA7	<= 0,9	> 0,9 and <
1,8 and <	> 2,7	2		>
	of credit risks on			= 1,8
= 2,7				
	insiders			

### Appendix 3

to Direction of the Central Bank of Russia

№ 2005-U of April 30, 2008

on Evaluating Banks' Economic Position

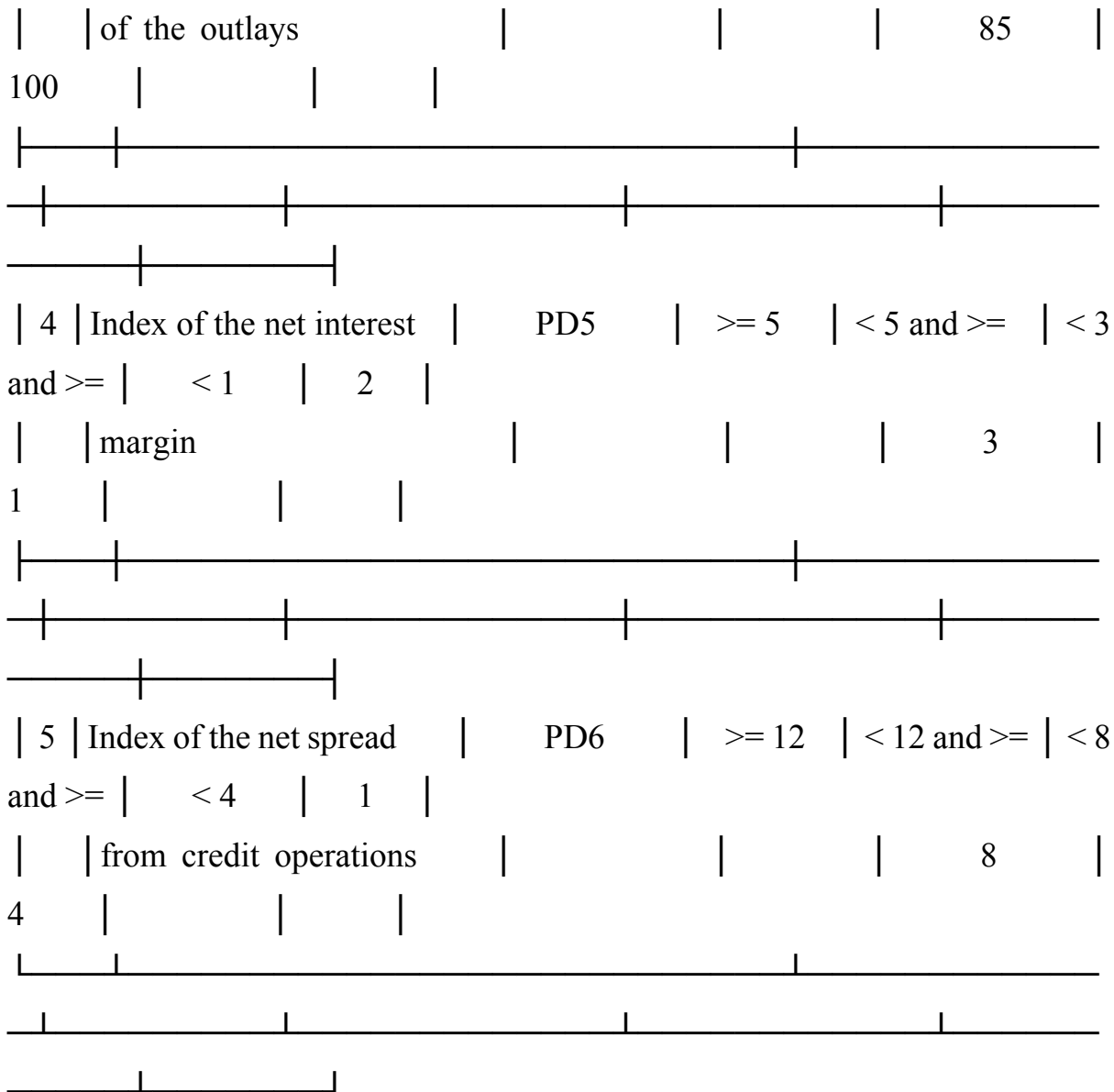
#### The Marks and the Weight Estimates for the Indices of the Group of Indices for Evaluating Profitability

№	Name of the index	Abbreviation	Values (per
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cent)	Weight
1	Index of the assets' profitability
2	Index of the capital's profitability
3	Index of the structure
4	PD1_0
5	PD2_0
6	PD4
7	
8	

Weight	Condition	Points
1	$\geq 1,4$	one point
2	$< 1,4$ and $\geq 0,7$	two points
3	$< 0,7$ and $\geq 0$	three points
4	$< 0$	four points
5	$\geq 4$	one point
6	$< 4$ and $\geq 1$	two points
7	$< 1$ and $\geq 0$	three points
8	$< 0$	four points



**Appendix 4**  
**to Direction of the Central Bank of Russia**  
**№ 2005-U of April 30, 2008**  
**on Evaluating Banks' Economic Position**

**The Marks and the Weight Estimates for Indices of the Group of Indices  
for Evaluating Liquidity**

№	Name of the index	Abbreviation	Values (per cent)
1	Index of the total	PL1	$\geq 30$   $< 30$ and $\geq 20$   $< 20$ and $\geq 10$   $< 10$
2			one point   two points three points   four points
3			5   6   7   8
4			9   10   11   12   13   14   15   16   17   18   19   20   21   22   23   24   25   26   27   28   29
5			20   21   22   23   24   25   26   27   28   29   30
6			30   31   32   33   34   35   36   37   38   39   40
7			40   41   42   43   44   45   46   47   48   49   50
8			50   51   52   53   54   55   56   57   58   59   60
9			60   61   62   63   64   65   66   67   68   69   70
10			70   71   72   73   74   75   76   77   78   79   80
11			80   81   82   83   84   85   86   87   88   89   90
12			90   91   92   93   94   95   96   97   98   99   100



	short-term liquidity				
2	Index of instant liquidity	PL2	$\geq 17$	$< 17$ and $\geq 16$	$< 16$ and $\geq 15$
					3
3	Index of current liquidity	PL3	$\geq 55$	$< 55$ and $\geq 52$	$< 52$ and $\geq 50$
					3
4	Index of the structure of attracted funds	PL4	$\leq 25$	$> 25$ and $\leq 40$	$> 40$ and $\leq 50$
					2
5	Index of the dependence on the interbank market	PL5	$\leq 8$	$> 8$ and $\leq 18$	$> 18$ and $\leq 27$
					2



10	Risk index on major	PL10	<= 80	> 80					
	and<=180	> 180 and<=	> 270	2					
	creditors and investors								
270									
11	Index of the liabilities to	PL11	once during	once					
	during	over 3 days	3						
	creditors, not fulfilled by		one day	2-3					
days	or <= 3								
	the bank								
days two									
and more									
times									

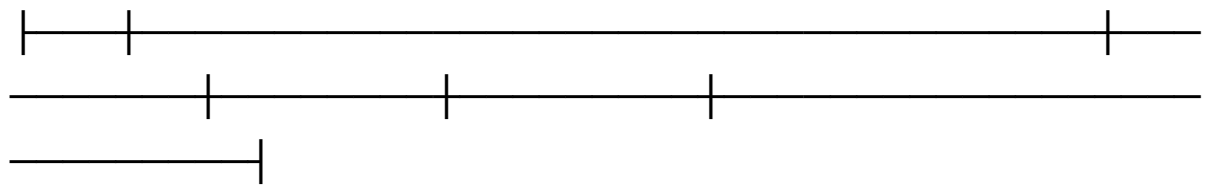
\* Four points shall be awarded to the PL8 index in case of the existence of the fact of non-fulfilment of the liability for averaging the obligatory reserves.

**Appendix 5**  
**to Direction of the Central Bank of Russia**  
**№ 2005-U of April 30, 2008**  
**on Evaluating Banks' Economic Position**

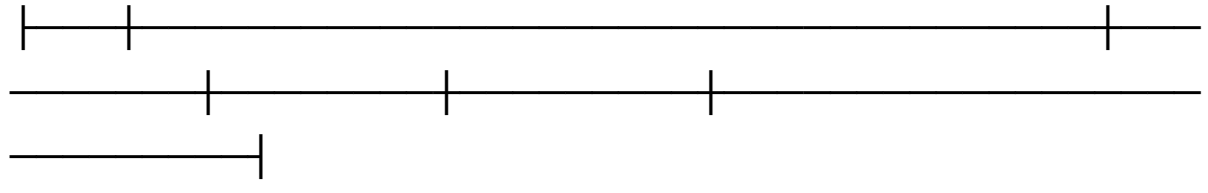
**Evaluation of the Individual Indices in the Group of Indices  
for Evaluating the Capital, Assets, Profitability and Liquidity  
at a Zero or Negative Value of the Denominator**

№	Name of the component	Abbrevi-
Awarding	Awarding	Specifics in the procedure
of the index	with a zero or	ation
calculating the index	negative value	one   four   for
		point   points
1	2	3   4   5
6		
1	Own funds (capital)	K ≤ 0   x   PA2
	Not calculated	
		PA5

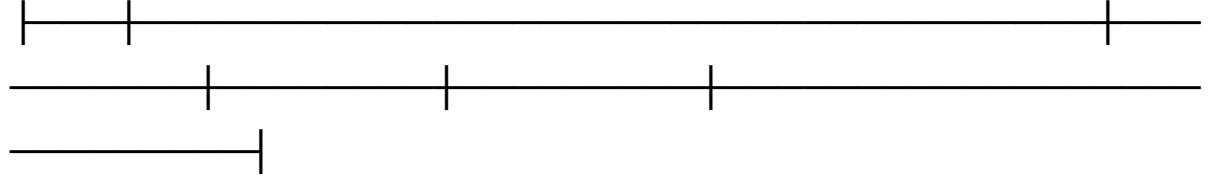
at the value of |  
 | | | | PA6 |  
 K ≤ 0 |  
 | | | | PA7 |  
 |  
 | | | | PD2 |  
 |  
 | | | | PL6 |  
 |



| 2 | Loans, loan indebtedness and | SZ = 0 | PA1 | |  
 Not calculated |  
 | | indebtedness equated to it | | PA3 | |  
 at the value of |  
 | | | | PA4 | |  
 SZ = 0 |



| | Average chronological size of | SZsr = 0 | | PD6 |  
 |  
 | | loans, of the loan indebtedness and | | | |  
 |  
 | | the indebtedness equated to it | | | |  
 |



3	Average chronological size of the liabilities generating the interest	OBsr = 0	x	x
Dp				
PD6 =	----- x 100%			
SZsr	payments			

4	Attracted funds	PS = 0	PL4	x
Not calculated at				
			PL5	
	the value of PS = 0			

5	Net incomes (outlays)	ChD <= 0	x	PD4
Not calculated at				
	the value of ChD <= 0			

*Information on changes:*

*Direction of the Bank of Russia № 3483-U of December 15, 2014 amended this Appendix*

*See the Appendix in the previous wording*

**Appendix 6**  
**to Direction of the Central Bank of Russia**  
**№ 2005-U of April 30, 2008**  
**on Evaluating Banks' Economic Position**

**Index of the Risk Control System**

**(with the Amendments and Additions of October 25, 2013, December 15, 2014)**

№	Questions	Weight	Points
1	2	3	4
1	Are there in the bank the head of risk management service and in the cases stipulated by normative acts of the Bank of Russia, - risks management service also?	2	
2	Have the members of the board of directors (supervision council) of the bank any work experience in managerial posts in the field of finance management, do they meet the requirements established by the legislation of the Russian Federation?	2	



3	Does the bank's board of directors (supervision council) exert constant control over the bank's activity as concerns the observation by it of the legislation of the Russian Federation, including the normative acts of the Bank of Russia, of internal procedures and policies, adopted at the bank in the area of risk control?	3	
4	Are the members of the board of directors (of the supervision council) and of the executive management bodies, and the heads of the bank's corresponding structural subdivisions duly informed about the bank's current position, including the risks the bank is taking and the operations performed by the bank's affiliates?	2	
5	Does the bank have internal documents on controlling the principal risks inherent in the bank's activity (credit, market and interest risks, the risk of losing liquidity, operational and other risks, essential for the bank's activity), including on operations of the bank's affiliates?	2	
6	Does the bank observe the internal documents	3	

	indicated in Question 5?			
<hr/>				
7	Has the bank any formalised procedures for evaluating the potential impact exerted upon the bank's financial position by a number of planned changes in the risk factors, which correspond to extraordinary but probable events (the stress-test)?	1		
<hr/>				
8	Does the bank's system for risk control allow the reduction of the bank's risks to a level corresponding to the satisfactory estimate of the group of indices for evaluating the capital, assets, profitability and liquidity, envisaged in the present Direction, and to ensure observation on an everyday basis of the obligatory normatives, including the limits of open currency positions?	3		
<hr/>				
9	Have plans of measures been elaborated at the bank in case unforeseen circumstances arise, capable of undermining its financial position, provoking the loss of its solvency, exerting a negative impact upon the capital and (or) upon the results of the bank's financial activity?	2		
<hr/>				

**Notes** on filling out the table.

*Information on changes:*

*Direction of the Bank of Russia № 3483-U of December 15, 2014 reworded Item 1 of the Notes*

*See the Item in the previous wording*

**1.** To question 1.

During the evaluation of the particular question it is necessary to take into account: to what extent activity of the head of risk management service, and in the cases stipulated by normative acts of the Bank of Russia, - also of the risk management service (hereinafter referred to as the service) meets the requirements of the legislation of the Russian Federation, including normative acts of the Bank of Russia, internal documents of the bank;

whether the activity of the service embraces the risks most significant for the bank; whether independence of the service is provided from the bank's subdivisions which carry out operations conducive to undertaking risks.

While evaluating the particular question it is also necessary to take into account the conformity of the head of the risk management service with the qualification requirements established by Direction of the Bank of Russia № 3223-U of April 1, 2014 on the Requirements to Heads of Risk Management Service, Internal Control Service, Internal Audit Service of a Credit Organisation registered with the Ministry of Justice of the Russian Federation on April 23, 2014 under №32086 ("Vestnik Banka Rossii" № 63 of July 9, 2014) (hereinafter referred to as Direction of the Bank of Russia № 3223-U), and requirements to business reputation established by Item 1 of the first part of Article 16 of the Federal Law on Banks and Banking Activity.

In the case when the head of the risk management service does not meet the specified requirements the answer to the question cannot be awarded a mark higher than 3

points.

*Information on changes:*

*Direction of the Bank of Russia № 3483-U of December 15, 2014 amended Item 2 of the Notes*

*See the Item in the previous wording*

**2. Question 2.**

In evaluating the given question it is necessary to take into account whether the members of the board of directors (of the supervision council) possess a higher economic or juridical education, a work experience in managerial posts in the area of controlling finances, of business accountancy and (or) of legal provision in other branches of the economy (of not less than two years).

If the bank performs specific operations at a scale substantial for it (five and more per cent of the size of the bank's own funds [capital]), that is, those not involved in crediting, investing or dealing (for example, operations involved in design financing, factoring, leasing and forfeiting), as well as operations for crediting the highly technological and science-intensive branches of economy (the space and nuclear industries, aircraft- and shipbuilding, and other branches of economy), it is necessary for the individual members of the bank's board of directors (supervision council) to have knowledge and work experience in the given areas.

When evaluating the particular question it is necessary to take into account the results of the estimation of conformity of members of the board of directors (supervision council) of the bank to the requirements of business reputation established by Item 1 of the first part of Article 16 of the Federal Law on Banks and Banking Activity carried out according to Regulations of the Bank of Russia № 408-P of October 25, 2013 on the Procedure for Assessment of Compliance with Qualification and Reputational Requirements of Persons Cited in Article 11.1 of the Federal Law on Banks and Banking

Activities and Article 60 of the Federal Law on the Central Bank of the Russian Federation (Bank of Russia) and on the procedure for maintaining the database envisaged by Article 75 of the Federal Law on the Central Bank of the Russian Federation (the Bank of Russia) registered with the Ministry of Justice of the Russian Federation on December 26, 2013 under № 30851 ("Vestnik Banka Rossii" Nos 5-6 of January 20, 2014).

### 3. Question 3.

When evaluating the exertion by the bank's board of directors (supervision council) of control over the bank's activity as concerns observation of the legislation of the Russian Federation, including the normative legal acts of the Bank of Russia, and of the bank's internal documents in the area of controlling risks, it is necessary to analyse:

*Information on changes:*

*Direction of the Bank of Russia № 3483-U of December 15, 2014 amended Subitem 3.1 of this Appendix*

*See the Subitem in the previous wording*

**3.1.** do the intervals in holding regular sessions of the bank's board of directors (supervision council) make it possible to fulfil the functions imposed upon it by the legislation of the Russian Federation and by the bank's Rules, including for considering the reports of the executive body on the current results of the bank's activity, on the course of fulfilment of the strategic plans, on the results of the checks conducted by the Bank of Russia, as well as the reports of the internal audit service;

*Information on changes:*

*Direction of the Bank of Russia № 3483-U of December 15, 2014 amended Subitem 3.2 of this Appendix*

*See the Subitem in the previous wording*

**3.2.** whether the bank's board of directors (supervision council) approves the bank's internal documents on risk control, determining procedures aimed at preventing a conflict of interests when adopting managerial decisions, as well as internal documents on the other issues stipulated in the federal laws and the acts of the Bank of Russia, which define modern approaches to organising the corporative management at banks;

**3.3.** whether the members of the bank's board of directors (supervision council) are guided in exercising their powers by the Bank of Russia's recommendations on modern approaches to organising the corporative management at banks.

#### **4. Question 5.**

**4.1.** When evaluating the existence of internal documents on controlling the principal risks inherent in the bank's activity (credit, market and interest risks, the risk of the loss of liquidity, the operational and other risks, essential for the bank's activity), it is necessary to proceed from the extent of the bank's susceptibility to the given risks, as well as from correspondence of the internal documents on risk control to the demands, made on such documents. In this connection it is necessary to estimate whether the given documents have established:

**4.1.1.** the distribution of powers and responsibility between the board of directors (the supervision council), the executive bodies and the employees in controlling the bank's risks;

**4.1.2.** the procedure for the exposure, measurement (evaluation) and definition of acceptable risk levels (that is, levels not leading to appearance of a real threat to the interests of the bank's investors and creditors);

**4.1.3.** the procedure for the monitoring of (for the constant supervision over) risks;

**4.1.4.** methods for controlling (for restricting, reducing and compensating) risks;

**4.1.5.** procedure for the informational provision of the subdivisions, responsible for the risks taken, on the issues of risk control;

**4.1.6.** procedure for exerting control over the efficiency in controlling risks;

**4.1.7.** methodology and procedures for establishing the ultimate values (limits) of

risks for the bank's affiliates and internal structural subdivisions;

**4.2.** in the documents on controlling the credit risk:

**4.2.1.** procedures for granting loans, including adoption of decisions on their issue;

**4.2.2.** methodology for the identification, and procedure for establishing, limits (the risk limit per borrower [per a group of interconnected borrowers], per branch [sector] of the economy, and other limits);

**4.2.3.** methodology for evaluating the borrowers' financial position;

**4.2.4.** demands made on the provision for loans;

**4.2.5.** procedures for evaluating the standard of loans;

**4.3.** in the documents on the issues of controlling liquidity risks:

**4.3.1.** procedures for controlling the short-term and medium-term liquidity;

**4.3.2.** procedure for establishing the limits (the maximum size of the breach of liquidity, the ratio of the granted credits and the funds on clients' accounts, the limit on the use of residuals on clients' settlement accounts for forming a portfolio of futures instruments, and the other limits);

**4.3.3.** measures for the replenishment of liquidity in case of the appearance of its deficit;

**4.4.** in the documents on the questions of controlling the market risk:

**4.4.1.** procedures for controlling market risks, including the organisational structure (the functions and subordination of the structural subdivisions, engaged in making deals, in the accompaniment and administration of deals, in formalising operations, in settlements, in processing data and in keeping records on the deals performed);

**4.4.2.** methods for measuring risks;

**4.4.3.** procedure for imposing limits (including the kinds of instruments upon which limits are imposed and the types of limits);

**4.5.** in the documents on the issues of controlling interest - the methods for evaluating the interest risk;

**4.6.** in the documents on the issues of controlling the operational risk:

**4.6.1.** procedures for evaluating the operational risks characteristic of various lines

in the bank's activity;

*Information on changes:*

*Direction of the Central Bank of Russia № 3085-U of October 25, 2013 amended Item 4.6.2 of this Appendix. The amendments shall enter into force on January 1, 2014*

*See the Subitem in the previous wording*

**4.6.2.** methods for evaluating and analysing the probability of appearance of operational risks and for calculating the values of probable losses.

When evaluating the given question it is necessary to take into account whether the bank has observed in its internal documents on risk control the demands of the normative and other acts of the Bank of Russia defining the organisation and the procedure for controlling individual kinds of typical banking risks (for instance, of Instructions of the Bank of Russia № 139-I as concerns the establishment of control over the daily fulfilment of the obligatory normatives, of Regulations of the Bank of Russia № 242-P of December 16, 2003 on Organising Internal Control in Credit Institutions and Bank Groups, registered with the Ministry of Justice of the Russian Federation on January 27, 2004 under № 5489; on December 22, 2004 under № 6222 [Vestnik Banka Rossii, № 7 of February 4, 2004; № 74 of December 31, 2004]) (hereinafter referred to as Regulations of the Bank of Russia № 242-P).

**5. Question 7.**

When evaluating the given question it is necessary to take into account whether the stress-tests are of a complex character, that is, whether they embrace the main risks inherent in the bank's activity (the credit, market and interest risks, the risk of the loss of liquidity, the operational and other risks, essential for the bank's activity).

**6. Question 8.**

When evaluating this question one shall proceed from the following:

- one point is awarded if the mark of all four groups of indices for evaluating the



capital, the standard of the assets, of the profitability and liquidity, as well as the mark of all indices, included into the composition of the given groups, is less than or equal to two points;

- two points are awarded if the mark of all four groups of indices for evaluating the capital, the standard of the assets, the profitability and liquidity is less than or equal to two points at a mark worse than two points for the individual indices inside the groups;

- three points are awarded if the mark of three groups of indices out of the groups of indices for evaluating capital, the standard of the assets, the profitability and liquidity is less than or equal to two points;

- four points are awarded if the mark of two and more groups out of the groups of indices out of groups of indices for evaluating the capital, the standard of the assets, the profitability and liquidity is less than two points.

*Information on changes:*

*Direction of the Bank of Russia № 3483-U of December 15, 2014 amended this Appendix*

*See the Appendix in the previous wording*

**Appendix 7**  
**to Direction of the Central Bank of Russia**  
**№ 2005-U of April 30, 2008**  
**on Evaluating Banks' Economic Position**

**Index of the State of Internal Control**

**(with the Amendments and Additions of October 25, 2013, December 15, 2014)**

№	Questions	Weight	Points
1	2	3	4
1	Do the bank's internal documents, regulating the rules for organising its internal control system, meet the demands made by the Bank of Russia?	1	
2	Do the bank's management bodies exert internal control in accordance with the demands and powers defined in the bank's constituent and internal documents?	2	

3	Is control over the distribution of powers exerted in the bank in the performance of operations (deals)?	2	
4	Is control over the management of information flows exerted in the bank?	2	
5	Have internal documents (the rules, procedures, regulations, directions, decisions, orders, methodologies, official instructions and other documents) regulating the exertion of internal control been adopted for all areas of activity?	1	
6	Does the organisation of the internal audit service and the internal control service allow them to efficiently carry out the functions imposed upon them?	3	
7	Does the bank's board of directors (supervision council) exert control over the activity of the internal audit service?	2	
8	Is a structural subdivision (a responsible worker) functioning in the bank for counteracting the legalizing (laundering) of incomes derived through	1	

	crime, and the financing of terrorism?			
<hr/>				
9	Does the responsible worker (the workers of the structural subdivision) for counteracting the legalizing (laundering) of incomes derived through crime and the financing of terrorism correspond to the demands, made by the Bank of Russia?	3		
<hr/>				
10	Has the bank internal control rules for the purpose of counteracting the legalizing (laundering) of incomes derived through crime and the financing of terrorism?	2		
<hr/>				
11	Does the internal control system, aimed at counteracting the legalizing (laundering) of incomes derived through crime and the financing of terrorism, allow more attention to be paid to the clients' operations with a higher degree (level) of risk and to provide for documentally fixing information in conformity with the demands of the Federal Law on Counteracting the Legalizing (Laundering) of Incomes Derived Through Crime and the Financing of Terrorism (Sobraniye Zakonodatelstva Rossiiskoy Federatsii, № 33, 2001, Item 3418; № 30, 2002, Item 3029; № 44, Item 4296; № 31, 2004, Item 3224; № 47, 2005, Item 4828; № 31, 2006, Item 3446 and Item 3452; № 16, 2007, Item	3		

	1831; № 31, Item 3993 and Item 4011; № 49, Item 6036)?			
<hr/>				
12	Are the internal control rules observed for the purposes of counteracting the legalizing (laundering) of incomes derived through crime and the financing of terrorism?	3		
<hr/>				
13	Does the bank ensure in the course of its activity observation of the demands of the legislation of the Russian Federation and of the normative acts of the Bank of Russia, including those defining the procedure and time terms for submitting reports, as well as the procedure for obligatory creation of reserves?	3		
<hr/>				
14	Does the bank provide for timely fulfilment of the Bank of Russia's demands as concerns elimination of the violations and shortcomings exposed in its activity, as well as implementation of the Bank of Russia's recommendations?	3		
<hr/>				

**Notes** on filling out the table.

*Information on changes:*

*Direction of the Bank of Russia № 3483-U of December 15, 2014 amended Item 1 of these Notes*

*See the Item in the previous wording*

1. Question 6.

When evaluating the given question, one shall proceed from the demands of Regulations of the Bank of Russia № 242-P, while paying attention to the following:

- do the accountability of the bank's internal audit service and the functions, fulfilled by it, guarantee the independence, objectiveness and impartiality of the given service?

- do the employees of the internal audit service, employees of the internal control services and (or) the employees who carry out the functions of the internal control service of the bank possess sufficient knowledge about bank activity, methods of internal control and gathering of information, its analysis and assessment for the performance of official duties;

- does the bank's board of directors (supervision council) approve the check plans of the internal audit service?

are the plans of checks of the internal audit service and plans of activity of internal control service of the bank fulfilled;

do the internal audit service and the internal control service of the of bank perform their activity on a permanent basis;

- does the bank's internal audit service control the fullness of the use of the methodology, approved by the bank's management bodies, an estimate of its effectiveness and correspondence to the scale of the carried out operations and of the taken risks taking account of operations of the bank's affiliates, an estimate of the accuracy of the bank's recording and reports, and of the reliability of the functioning of the system of internal audit over the use of the automated information systems?

- do the checks conducted by the bank's internal audit service embrace the principal areas of the bank's activity?

- do the management bodies consider recommendations made by the bank's internal audit service for eliminating the exposed violations, errors and shortcomings, and are they accepted for execution by the bank's subdivisions?

In addition it is also necessary to take into account whether the bank's internal audit service exposes the shortcomings and violations in the bank's activity established in the course of the checks conducted by the Bank of Russia.

When assessing the particular question it is also necessary to take into account whether the head of the internal audit service and the head of internal control service meet the qualification requirements established by Direction of the Bank of Russia № 3223-U and established by Item 1 of the first part of Article 16 of the Federal Law on Banks and Banking Activity to the requirements of goodname.

In the case where the head of the internal audit service and (or) the head of the internal control service do not meet the specified requirements the answer to the question shall not be awarded a mark higher than 3 points.

When assessing the particular question special attention shall be paid to procedure for the organisation and functioning of the internal audit service of the bank.

*Information on changes:*

*Direction of the Bank of Russia № 3483-U of December 15, 2014 reworded Item 2 of these Notes*

*See the Item in the previous wording*

## 2. To question 7.

When assessing the particular question it is necessary to take into account whether the head of the internal audit service is approved by the board of directors (supervision council) of the bank, whether the board of directors (supervision council) of the bank considers the reports of internal audit service of the bank, whether the said reports are taken into account while taking the decision of questions on the appointment of the sole

person executive body and members of a collegial executive body (on their removal from the posts occupied by them).

### 3. Question 8.

When evaluating the given question it is necessary to take into account to what extent the activity of the bank's subdivision (worker) satisfies the demands of the currently operating legislation of the Russian Federation, including the normative acts of the Bank of Russia, and of the bank's internal documents. It is also necessary to estimate the use of the Bank of Russia's recommendations on the issues of counteracting the legalising (laundering) of incomes derived through crime and the financing of terrorism (taking into account while doing so the specifics of the bank's activity [of that of its affiliates] and the specifics of the activity of its clients).

#### *Information on changes:*

*Direction of the Central Bank of Russia № 3085-U of October 25, 2013 reworded Item 4 of the Notes of this Appendix. The new wording shall enter into force on January 1, 2014*

*See the Item in the previous wording*

### 4. To question 10.

During the evaluation of the particular question it is necessary to take into account not only the presence with the bank of the internal control rules for the purposes of countering the legalisation of income received through crime (money laundering) and the financing of terrorism, but also the conformity of the particular rules at the moment of the performance of the evaluation with the requirements of the legislation of the Russian Federation (including the requirements of Regulations of the Bank of Russia № 375-P of March 2, 2012 on the Requirements for the Rules for Internal Control at a Credit Institution Aimed at Countering the Legalisation (Laundering) of Illegal Earnings and Financing of Terrorism, registered with the Ministry of Justice of the Russian Federation on April 6, 2012 under № 23744 ("Vestnik Banka Rossii" № 20 of April 18, 2012).



In the case when the rules of the internal control for the purposes of countering the legalisation of income received through crime (money laundering) and the financing of terrorism do not correspond to the specified requirements the answer to the question shall not be given a better mark than 3 points.

#### 5. Question 13.

When evaluating the given question one shall proceed from the following:

- one point is awarded if in the course of the last six months there have been no facts of application by the Bank of Russia of measures, envisaged in Articles 38 and (or) 74 of the Federal Law on the Central Bank of the Russian Federation (the Bank of Russia);

- two points are awarded if in the course of the last six months measures have been taken against the bank one time (or are being taken at the moment of evaluating the bank's economic position, as stipulated in Article 38 of the Federal Law on the Central Bank of the Russian Federation (the Bank of Russia), in the form of a fine, and (or) if the measures have been taken or are being taken as at the moment of evaluating the bank's economic position envisaged in the first part of Article 74 of the Federal Law on the Central Bank of the Russian Federation (the Bank of Russia) in the form of fines and of demands to eliminate the exposed violations, while their application is not connected with the bank's taking heightened risks or with the existence of facts of violating the legislation of the Russian Federation, including the normative acts of the Bank of Russia in the area of counteracting the legalising (laundering) of incomes derived through crime and the financing of terrorism;

- three points are awarded, if in the course of the last six months the measures, stipulated in Article 38 of the Federal Law on the Central Bank of the Russian Federation (the Bank of Russia) were repeatedly taken against the bank, in the form of a fine, and (or) if the measures envisaged in Article 74 of the Federal Law on the Central Bank of the Russian Federation (the Bank of Russia) have been taken or are being taken as at the moment of evaluating the bank's economic position and if their application is connected with the bank's taking heightened risks, as well as with violations of the legislation of the Russian Federation, including the normative acts of the Bank of Russia in the area of

counteracting the legalising (laundering) of incomes derived through crime and the financing of terrorism;

- four points are awarded, if in the course of the last six months measures stipulated in Article 38 of the Federal Law on the Central Bank of the Russian Federation (the Bank of Russia), in the form of a fine, and (or) if have been applied or are being applied as at the moment of evaluating the bank's economic position the measures, envisaged in Article 3 of the Federal Law on the Insolvency (Bankruptcy) of Credit Institutions were taken against the bank were every month, or if there are grounds for the application thereof and those stipulated in Article 20 of the Federal Law on Banks and Banking Activity.

**Appendix 8**  
**to Direction of the Central Bank of Russia**  
**№ 2005-U of April 30, 2008**  
**on Evaluating Banks' Economic Position**

**Index of Controlling Strategic Risk**

№	Questions	Weight	Points
1	2	3	4
1	Does the bank have a Strategy for the Bank's Development?	2	
2	Has the bank taken account in the Strategy for the Bank's Development of the results of the SWOT-analysis, making it possible to expose and to structure the bank's strong and weak sides, as well as the potential prospects for its development and the threats capable of neutralising the given opportunities?	3	

3	Are the products that are priorities for the bank, and the areas of activity, which it intends to develop, defined in the Strategy for the Bank's Development?	2		
<hr/>				
4	Are the methods, with whose assistance the bank intends to achieve its strategical goals, defined in the Strategy for the Bank's Development?	2		
<hr/>				
5	Does the bank have plans for implementation of the Strategy for the Bank's Development?	1		
<hr/>				
6	Are the plans, elaborated by the bank for achieving the strategical goal, fulfilled?	2		
<hr/>				
7	Does the bank carry out regular monitoring of the degree of achievement of the goals set in the Strategy for the Bank's Development?	1		
<hr/>				

**Notes** on filling out the table.

**1. Question 1.**

When evaluating the given question one shall take into account not only the

existence of the Strategy for the Bank's Development, but also if it has been approved by the general meeting of shareholders or by the bank's board of directors (supervision council).

## 2. Question 3.

When evaluating the given question it is necessary to assess the sequence of fulfilment of the plans indicated in the Strategy for the Bank' Development, with an account for the interconnection of strategical decisions with respect to:

- development of the bank's selected areas of activity (banking products);
- provisions for correspondence of the directions and volumes of activity, stipulated in the Strategy for the Bank's Development, to the bank's possibilities and its resource base;
- provisions for the operations' correspondence to the established demands and norms.

When evaluating the Strategy for the Bank's Development of a bank with affiliates it is also necessary to take into account:

- whether the areas of development of the bank's network of affiliates correspond to the bank's selected areas of development, defined in the Strategy for its development;
- whether the Strategy for the Bank's Development takes into account the state of banking services in the regions where its affiliates are operating or where it is planned to open new affiliates, and whether the bank has estimated the competitive advantages it possesses or will possess in the regions where its affiliates are operating or are planned to be opened;
- whether the bank has estimated the potential impact of the newly opened affiliates upon the results of the bank's activity and upon its capital, upon the values of the obligatory normatives of activity, as well as upon the assessment of indices for evaluating the capital, the assets, the profitability and the liquidity.

## 3. Question 4.

When evaluating the given question one shall take into account how efficiently the bank is going to use the possibilities at its disposal, for example, whether it is planning to

augment its own funds (capital) and resources base, to develop its network of affiliates, including by way of acquisition of affiliates and of association (merger) of (with) the other banks.

#### 4. Question 7.

When evaluating the given question it shall be taken into account whether the bank exerts control over the observation of the time terms fixed for implementation of measures envisaged in the plans for the achievement of goals set in the Strategy for the Bank's Development.

**Appendix 9**  
**to Direction of the Central Bank of Russia**  
**№ 2005-U of April 30, 2008**  
**on Evaluating Banks' Economic Position**

**Methodology for Evaluating Indices of the Structure  
of the Bank's Property**  
**(with Amendments and Additions of October 25, 2013, June 11, 2014)**

**1. The PU1 index.**

**1.1. When evaluating the PU1 index:**

- one point is awarded if the bank reveals information without violating the legislation of the Russian Federation, including the normative acts of the Bank of Russia;
- two points are awarded if the established violations in revealing information do not exert a significant impact upon the identification of persons, mentioned in Item 1.2 of the present Appendix, but still there are some mistakes, or information characterising the said person is insufficient;
- three points are awarded if information is revealed by the bank not in full, or incorrectly.

**1.2.** Revealing information is interpreted as the bank's observation, with account for the specifics connected with its organisational legal form, of the demands of the legislation of the Russian Federation, including the Bank of Russia's normative acts, which establish the composition, time terms and forms of presenting to the Bank of Russia and to interested persons information on the persons (on the groups of persons), possessing by the rights of ownership the bank's shares (partner shares), as well as on the other persons (groups of persons), the presentation of information about whom is stipulated in the legislation of the Russian Federation, including the normative acts of the Bank of Russia.

*Information on changes:*

*Direction of the Central Bank of Russia № 3085-U of October 25, 2013 reworded Item 2 of this Appendix. The new wording shall enter into force on January 1, 2014*

*See the Item in the previous wording*

**2. Index PU2.**

**2.1. While evaluating index PU2:**

**2.1.1.** One point shall be given in the case when to the Bank of Russia and an unlimited circle of persons (according to the procedure established by the legislation of the Russian Federation and normative acts of the Bank of Russia) the information on persons is accessible under whose control or significant influence the bank is situated:

surname, name, patronymic (the latter if any), citizenship (allegiance), the place of residence (the designation of the city, populated locality) - for natural persons;

full company name and reduced company name (the latter if any); the place of location (postal address), the name of the country whose resident is the legal entity, the main state registration number, date of state registration as a legal entity (date of entering into the Uniform state register of legal entities of data on the legal entity - the resident registered till July, 1, 2002) - for legal entities.

The full company name, the reduced company name (the latter if any) and the location (the postal address) on non-resident legal entities, as well as the surname, name, patronymic (the latter if any) and a residence (the name of city, populated locality) on non-resident natural persons shall be specified in the dual language format - in the English and Russian languages;

*Information on changes:*

*Direction of the Bank of Russia № 3276-U of June 11, 2014 amended Subitem 2.1.2 of Item 2.1 of Appendix 9*



*See the Subitem in the previous wording*

**2.1.2.** 2 points shall be given in the case when the information stipulated by Item 2.1.1 of the present Appendix is accessible at least to the Bank of Russia;

For the banks petitioning for the reception of the permission of the Bank of Russia on raising to deposits money resources of natural persons and on the opening and conducting bank accounts of natural persons, as well as the banks included in the list registered in the system of the insurance of contributions, 2 points shall be awarded in the case when the information stipulated in Item 2.1.1 of the present Appendix is available to the Bank of Russia and to an unlimited circle of persons, however there are mistakes which do not influence the identification of persons under the control or significant influence of which the bank is situated;

*Information on changes:*

*Direction of the Bank of Russia № 3276-U of June 11, 2014 amended Subitem 2.1.3 of Item 2.1 of Appendix 9*

*See the Subitem in the previous wording*

**2.1.3.** 3 points shall be given in the case when the information stipulated by Item 2.1.1 of the present Appendix is not accessible to the Bank of Russia.

For the banks petitioning for the reception of the permission of the Bank of Russia on raising to deposits of money resources of natural persons and on opening and conducting bank accounts of natural persons, as well as the banks included in the list of banks registered with the system of the insurance of deposits, 3 points shall be awarded in the case when the information stipulated by Item 2.1.1 of the present Appendix it is not available to the Bank of Russia and (or) to an unlimited circle of persons.

**2.2.** Control and significant influence shall be defined according to the International standard of financial reporting (IFRS) 10 "Consolidated financial reporting" and the

International standard of the financial reporting (IAS) 28 "Investments in associated and joint ventures", brought into force on the territory of the Russian Federation by Order of the Ministry of Finance of the Russian Federation № 106n of July 18, 2012 on Entering into Force and Termination of Documents of International Financial Reporting Standards in the Russian Federation, registered with the Ministry of Justice of the Russian Federation on August 3, 2012 under № 25095 (Rossiyskaya Gazeta of August 15, 2012), with amendments brought into force on the territory of the Russian Federation by Orders of the Ministry of Finance of Russia № 143n of October 31, 2012 on Entering into Force of Documents of International Financial Reporting Standards in the Russian Federation, registered by the Ministry of Justice of the Russian Federation on December 12, 2012 under № 26099 (Rossiyskaya Gazeta of December 21, 2012), № 50n of May 7, 2013 on Entering into Force of Documents of International Financial Reporting Standards in the Russian Federation, registered with the Ministry of Justice of the Russian Federation on June 14, 2013 under № 28797 (Rossiyskaya Gazeta of July 12, 2013).

**2.3.** For the purposes of this Direction a group of persons shall be understood as group of persons recognized as such according to Article 9 of Federal Law № 135-FZ of July 26, 2006 on the Protection of Competition (Sobranie Zakonodatelstva Rossiyskoy Federatsii, 2006, № 31, Article 3434; 2007, №49, Article 6079; 2008, №18, Article 1941; №27, Article 3126; №45, Article 5141; 2009, №29, Article 3601, Article 3610; № 52, Article 6450, Article 6455; 2010, №15, Article 1736; № 19, Article 2291; №49, Article 6409; 2011, №10, Article 1281; № 27, Article 3873, Article 3880; №29, Article 4291; № 30, Article 4590; № 48, Article 6728; №50, Article 7343; 2012, № 31, Article 4334; № 53, Article 7643; 2013, №27, Article 3436; Article 3477; № 30, Article 4084).

*Information on changes:*

*Direction of the Central Bank of Russia № 3085-U of October 25, 2013 reworded Item 3 of this Appendix. The new wording shall enter into force on January 1, 2014*

*See the Item in the previous wording*

### 3. The PUZ Index.

#### 3.1. At an evaluation of the PUZ Index:

**3.1.1.** 1 point shall be given in the case when the total interest of the votes falling on voting shares (stakes) in the authorized capital of the bank, belonging to residents of the offshore zones, as well as to shareholders (participants) of bank, which final proprietors are residents of the offshore zones (including, established the control or significant influence concerning the particular shareholders (participants) bank), are made less than 10 per cent;

**3.1.2.** Two points shall be given in the case when the total interest of the votes falling on voting shares (stakes) in the authorised capital of the bank that belongs to residents of offshore zones, as well as to shareholders (partners) of the bank, the final proprietors of which are residents of the offshore zones (including those who established control or exercise significant influence concerning the particular shareholders (participants) of the bank) amounts to from 10 per cent (inclusive) up to 40 per cent;

**3.1.3.** Three points shall be given in the case when the total interest of the votes falling on voting shares (stakes) in the authorized capital of the bank that belonging to residents of offshore zones, as well as to shareholders (participants) of the bank the final proprietors of which are residents of the offshore zones (including those who established control or significant influence in relation to the particular shareholders (participants) bank), constitutes 40 per cent and more.

**3.2.** In the evaluation of the PUZ index the votes shall not be taken into account which fall on voting shares (stakes) in the authorized capital of bank which belong:

to residents of offshore zones the final proprietors of which are residents of the Russian Federation (including those who established control or significant influence in relation to the particular residents of offshore zones);

to credit organisations residents of offshore zones if the aforementioned credit organisations do not use a preferential tax mode and the right not to open and not to submit to the supervisory body of the country of the location the information while conducting

financial transactions.

4. The list of information and documents that may be analysed for evaluating the transparency of the structure of the bank's property:

*Information on changes:*

*Direction of the Central Bank of Russia № 3085-U of October 25, 2013 amended Subitem 4.1 of Item 4 of this Appendix. The amendments shall enter into force on January 1, 2014*

*See the Subitem in the previous wording*

4.1. the bank's constituent documents and the constituent documents of the legal entities owning the bank's shares (partner shares), as well as persons, under control or significant influence of which the bank is situated;

4.2. the list of persons having the right to participate in a general meeting of the bank's shareholders (partners);

*Information on changes:*

*Direction of the Central Bank of Russia № 3085-U of October 25, 2013 amended Subitem 4.3 of Item 4 of this Appendix. The amendments shall enter into force on January 1, 2014*

*See the Subitem in the previous wording*

4.3. the protocols of the general meetings of the bank's shareholders (partners) (of both the regular annual and the extraordinary general meetings) at the disposal of the Bank of Russia's territorial institution or the Department of supervision over systemically significant credit organisations of the Bank of Russia, including:

- the data on the bank's shareholders (partners), attending at the meeting, and the

number of the voting shares (of the votes), owned by them;

- the issues, put on the agenda of the general meetings of the bank's shareholders (partners), including: the election of the members of the bank's board of directors (supervision council) and the early termination of their powers; the formation of the bank's executive body and the early termination of its powers (unless the bank's Rules have referred resolution of these issues to the competence of the board of directors (of the supervisory council));

- the data on the results of the voting.

**4.4.** Proposals of the bank's shareholders (partners), introduced for putting them on the agenda of an annual general meeting of shareholders (of partners), and the candidates to the bank's management bodies they have put forth.

**4.5.** Information on the decisions of the bank's board of directors (supervisory council), on the demands of the company's auditing commission (auditor), of the auditor (of an individual auditor or of an audit organisation), as well as of the shareholders (of the shareholder), who are (is) the owners (the owner) of not less than ten per cent of the company's voting shares as on the date of presenting the demand for calling an extraordinary general meeting of shareholders - for a bank operating in the form of a joint-stock company.

**4.6.** Information on the demands of the company's executive body, of the company's board of directors (supervisory council), of the company's auditing commission (auditor), of the auditor (an individual auditor or an audit organisation), as well as of the company's partners for calling an extraordinary general meeting of partners - for a bank operating in the form of a limited liability company.

**4.7.** Information on the composition of the bank's board of directors (supervision council):

- which of the bank's shareholders (partners) has put forward the candidate to the bank's board of directors (supervisory council) for voting at the meeting, and the number of voting shares (of votes), belonging to him;

- the number of voting shares (of votes), belonging directly to every member of the

above-mentioned management body of the bank.

**4.8.** Information on the composition of the bank's collegiate management body:

- which shareholder (partner) of the bank has put forward the candidate for voting at the meeting. If the bank's Rules have referred the resolution of this question to the competence of the bank's board of directors (supervisory council), which member of the bank's board of directors (supervisory council) has put forward the candidate, and the interests of which shareholder (partner) of the bank the given member of the bank's board of directors (supervisory council) represents. The number of voting shares (of votes), belonging to him;

- the number of voting shares (votes), belonging directly to every member of the above-said management body of the bank.

**4.9.** Information on the bank's one-man executive body (on the head of the bank):

- which of the bank's shareholders (partners) has put forward the candidate for the bank's one-man executive body for voting at the meeting and the number of voting shares (votes), belonging to him (to them);

- the number of voting shares (votes), belonging directly to the bank's manager.

**4.10.** Information on the decisions of the bank's board of directors (supervisory council), including on the voting on the issue of election of the bank's collegiate executive body, if such right is granted by the bank's Rules to the bank's board of directors (supervisory council).

*Information on changes:*

*Direction of the Central Bank of Russia № 3085-U of October 25, 2013 amended Subitem 4.11 of Item 4 of this Appendix. The amendments shall enter into force on January 1, 2014*

*See the Subitem in the previous wording*

**4.11.** Information on the acquirer (on the group of acquirers), contained:

- in notifications on the acquisition and (or) on the receipt into trust management of over one per cent of the bank's shares (partner shares);

- in petitions on the reception of the preliminary consent and the subsequent consent of the Bank of Russia for the performance of the transaction (transactions) directed at the purchase and (or) reception in confidential management of more than 10 percents of shares(stakes) of the credit organisation and (or) on the establishment of the direct or indirect (through third parties) control concerning the shareholders (participants) of the credit organisation that own more than 10 per cent of shares (stakes) of the credit organisation;

- in the materials the applicants have presented on agreeing (notifying about) the deals on the acquisition of the bank's shares (partner shares) with the Federal Anti-Monopoly Body in the cases established in the legislation of the Russian Federation.

**4.12.** Information, contained in the registered prospects of securities, in reports on the results of an issue (of an additional issue) of securities and in the quarterly reports of the issuers of serial securities of the issuer bank, including:

- on the persons, included into the composition of the issuer's management bodies, including on those who are members of the issuer's board of directors (supervisory council) or members of the issuer's collegiate executive body of the issuer's management, fulfilling the functions of a one-man executive body of the issuer's management, as well as information on the character of any kindred relations between the said persons;

- on the size of the share of participation of the persons, included into the issuer's management bodies (including the executive bodies), in the issuer's authorised capital, of the bank's ordinary shares belonging to the said persons, as well as information on the options for the bank's shares granted to these persons;

- information on the bank's partners (shareholders), owning not less than five per cent of its authorised capital or not less than five per cent of its ordinary shares, including on the size of the share of the bank's partner (shareholder) in its authorised capital, as well as of the part of the bank's ordinary shares, belonging to it, as well as information on the partners (shareholders) of such persons, owning not less than twenty per cent of their

authorised capital or not less than twenty per cent of their ordinary shares;

- information on changes in the composition and on the size of participation of the bank's partners (shareholders), owning not less than five per cent of its authorised capital or not less than five per cent of its ordinary shares, over the last five complete financial years or over every completed financial year, if the issuer has performed his activity for less than five years.

*Information on changes:*

*Direction of the Central Bank of Russia № 3085-U of October 25, 2013 reworded Subitem 4.13 of Item 4 of this Appendix. The new wording shall enter into force on January 1, 2014*

*See the Subitem in the previous wording*

**4.13.** Information on the messages disclosed by the issuer bank on substantial facts of occurrence of a person who controls the issuer, as well as on the termination of the grounds for such control.

**4.14.** Information contained in the bank's business-plans and reports on the bank's affiliated persons and on the members of the bank holding.

*Information on changes:*

*Direction of the Central Bank of Russia № 3085-U of October 25, 2013 reworded Subitem 4.15 of Item 4 of this Appendix. The new wording shall enter into force on January 1, 2014*

*See the Subitem in the previous wording*

**4.15.** Document supported information submitted by the bank on persons, under control or significant influence of which the bank is situated.



*Information on changes:*

*Direction of the Bank of Russia № 3276-U of June 11, 2014 supplemented Item 4 of Appendix 9 with Subitem 4.16*

**4.16.** Other documents confirming the information necessary for the evaluation transparency of the structure of the bank's property.

*Information on changes:*

*Direction of the Bank of Russia № 2894-U of October 1, 2012 supplemented this Direction with Appendix 10. The Appendix shall enter into force on July 1, 2013*

**Appendix 10**  
**to Direction of the Bank of Russia**  
**№ 2005-U of April 30, 2008**  
**on Evaluating Banks' Economic Position**

**Parameter****of the Management of Risk of Material Motivation of the Personnel**

Ser.	Questions	Weight	Points
№			
1	2	3	4
1	Are the questions of the organisation,	3	
	functioning, monitoring and the control of		
	the system of payment of work remuneration,		
	evaluation of its conformity to the strategy		
	of the bank, to the character and scale of		
	its activity examined by the board of		
	directors (supervisory board) of the bank?		
2	Is the completeness of the contents of the	3	
	internal documents of the bank establishing		

	the system of the remuneration for work, as		
	well as the strictness of its observance		
	provided?		

3	When determining the amount of remuneration for work of the employees of the bank are the levels taken into account of the risk to which the bank is exposed (was exposed) as a result of their actions?	3	
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4	Is the activity diligently organised of the divisions that carry out the internal control mentioned in subitems 2.2.1 - 2.2.3 of item 2.2 of Regulations of the Bank of Russia № 242-P (hereinafter - divisions that carry out the internal control), and management of risks (in the absence of a separate structural division - the activity of the employees of the bank having the corresponding functions in risk management) regarding questions of the system of remuneration for work?	2	
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5	Does the bank regularly disclose complete and trustworthy information about the system of the remuneration for work?	2	
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**Notes** to filling in the table.

**1.** To question 1.

When evaluating the particular question it is necessary to take into account the following:

whether the board of directors (supervisory board) of the bank endorses (approves) the documents establishing the procedure for the determination of the amount of salaries of the single person executive body and members of a collegial executive body (hereinafter - members of the executive bodies), the procedure for the determination of the amount, forms and computation compensation and stimulating payments to members of the executive bodies and other employees making decisions on the performance by bank of operations (other transactions) the results of which may affect the observance by the bank of the obligatory normatives or occurrence of other situations menacing to interests of creditors (investors), including the grounds for the performance of measures on the prevention of insolvency (bankruptcy) of the bank (hereinafter - other employees accepting risks), as well as to employees of the divisions that carry out the internal control;

whether the documents aforementioned in the third paragraph of the present item are reconsidered by the board of directors (supervisory board) of bank depending on the change of conditions of the activity of bank, including in connection with changes in the strategy of the bank, character and scale of its activity, as well as the level risks accepted by it;

whether the board of directors (supervisory board) of the bank the approves the amount of the labour remuneration fund of the bank;

whether there are in composition of the board of directors (supervisory board) of the bank members of the board of directors (supervisory board) of the bank, having experience or qualification allowing the board of directors (supervisory board) of the bank to make decision on the questions stipulated by present item (in particular, whether they

have the higher legal or economic education and (or) operational experience in the field of management of bank risks and the organisation of the system of remuneration for work);

whether the board of directors (supervisory board) of the bank considers the proposals of the divisions which carry out the internal control and management of risks (if such proposals are available), and reports of the division (divisions) to which the powers on the monitoring of the system of the remuneration for work are assigned, as well as independent evaluations of the system of the remuneration for work (particularly in the framework of the annual conclusion of the external auditor and the information of the committee on risk management (if any));

whether control is carried out on the part of the board of directors (supervisory board) of bank over the payments of large compensations recognized as such according to the documents establishing the system of remuneration for work;

whether there is and whether there functions in the composition of the board of directors (supervisory board) of the bank a special body, for example, committee on remuneration (in the case of absence of a special body - whether the corresponding functions are assigned to a specific member of the board of directors (supervisory board) bank) whose duties include the preparation of decisions of the board of directors (supervisory board) of the bank on the questions stipulated by the present item.

## 2. To question 2.

When evaluating the particular question it is necessary to take into account the following:

whether the internal documents of bank of contain provisions according to which the general amount for the bank of stimulating payments is determined in view of the parameters (quantitative and qualitative), allowing to take into account the amount of all risk undertaken by the bank, as well as profitability of the activity of the bank;

whether all the forms of a payment used in bank and the kinds of payments stipulated by system of the remuneration for work, as well as payment which according to the legislation of the Russian Federation and (or) internal documents of the bank formally do not belong to the system of the remuneration for work are regulated, are non-standard,

non-sensitive to risks undertaken by the bank (such as indemnification of charges under concessional loans, indemnification of charges on expensive habitation for employees, indemnification of charges on training, indemnification of charges on insurance, pension deductions, other similar payments);

whether the internal documents establishing the system of remuneration for work are observed;

whether the documents establishing the system of remuneration for work are brought to the knowledge of all the employees of the bank against their signature;

whether the procedure is determined in internal documents of the bank for the evaluation of the efficiency of the organisation and functioning of the system of remuneration for work, as well as the division (divisions) to which powers on monitoring the system of remuneration for work are assigned.

### 3. To question 3.

When evaluating the particular question it is necessary to take into account the following:

whether the distribution of stimulating payments for the divisions of bank that carry out bank operations is performed taking into account the risks undertaken by the bank in the framework of the activity of such divisions, amount of own means necessary for covering the accepted risks, amount and cost of the borrowed and other involved means necessary for a covering an unforeseen deficiency of liquidity;

whether it is stipulated that not less than 50 percent of compensations as stimulating payments for the members of executive bodies and other employees accepting risks;

whether the amount of payment of the members of executive bodies and other employees accepting risks is determined, depending on the position and the level of responsibility taking into account the risks, accepted by the bank in connection with their decisions (for example, credit risk, risk of liquidity), as well as the quality indicators of the performance of labour duties (for example, infringement of labour discipline or principles of the professional ethics (codes of behaviour) of the employees of the bank);

whether it is provided in the internal documents of the bank and whether is applied

to members of executive bodies and other employees accepting risks the delay and the subsequent adjustment of not less than 40 percent of the amount of stimulating payments proceeding from the terms of the reception of financial results of their activity (but not less than 3 years), including the possibility of the reduction or a cancellation of stimulating payments at the reception of a negative financial result as a whole for the bank or in the corresponding direction of activity (including by defining the amount of stimulating payments and their computation at the end of the periods, sufficient for the determination of the results of activity);

whether it is provided in the documents establishing the system of the remuneration for work, and whether is applied to the members of the executive bodies and other employees accepting risks the combination of the monetary and non-monetary form of the remuneration for work sensitive to the results of the activity and the level of risks accepted by the bank (in case of absence of the corresponding non-monetary form of labour remuneration - whether contracts with employees provide for the payment of a part of compensations as a difference in cost of shares (units) of the bank for the dates stipulated by system of remuneration for work).

#### 4. To a question 4.

When evaluating the particular question it is necessary to take into account the following:

whether the divisions which carry out the internal control and management of risks develop in the framework of their competence proposals and (or) recommendations for the parameters used for the postponement and adjustment of stimulating payments, as well as for the documents of the bank aforementioned in the third paragraph of item 1 of the present notes, depending on the results of the activity of the bank in view of the level of risks, accepted by the bank, its divisions and employees, as well as changes in the strategy of the bank, character and scale of its activity;

whether the independence of the amount of the fund of remuneration payment is ensured of the divisions which carry out the internal control and management of risks from the financial result of the structural divisions under their supervision and the structural

divisions accepting risks;

whether the quality is taken into account of the performance by the employees of the divisions that carry out the internal control and management of risks, of the tasks assigned to them by regulations (similar internal documents) about the corresponding divisions of the bank in the system of remuneration for work;

whether salaries prevail (whether such make not less than 50 percent) in the total amount of the compensations paid to employees of the divisions that carry out the internal control and management of risks.

**5. To question 5.**

While evaluating the particular question it is necessary to take into account, whether the bank discloses in the explanatory note to the annual report presented to the Bank of Russia, the following information (data):

about the procedure and terms of payment, as well as the total amount of compensations according to Item 4.6 of Direction of the Bank of Russia № 2089-U of October 8, 2008 on the Procedure for Credit Institutions Compiling an Annual Report, registered with the Ministry of Justice of the Russian Federation on November 28, 2008 under № 12753, May 4, 2010 under № 17096, December 14, 2010 under № 19175 ("Vestnik Banka Rossii" № 71 of December 4, 2008, № 26 of May 13, 2010, № 69 of December 17, 2010);

about the share of the position salaries, stimulating and compensation payments in the total fund of remuneration for work;

about in the amount and structure of the largest compensations (recognized as such according to the internal documents establishing the system of remuneration for work) for groups of persons, aforementioned in the fourth paragraph of Item 3 of the present notes without the indication of the surname, name, patronymic of the employee;

whether the rules and procedures stipulated by internal documents, establishing the system of the remuneration for work are observed.