

BANK OF RUSSIA

ORDINANCE

№ 3081-U OF OCTOBER 25, 2013

ON DISCLOSING INFORMATION ON ACTIVITIES BY CREDIT INSTITUTIONS

This Ordinance is based on the Federal Law “On Banks and Banking Activities” (in the wording of Federal Law № 17-FZ, dated February 3, 1996) (Records of the Congress of People's Deputies of the RSFSR and the Supreme Soviet of the RSFSR, 1990, № 27, Art. 357; Collection of Laws of the Russian Federation, 1996, № 6, Art. 492; 1998, № 31, Art. 3829; 1999, № 28, Art. 3459, Art. 3469; 2001, № 26, Art. 2586; № 33, Art. 3424; 2002, № 12, Art. 1093; 2003, № 27, Art. 2700; № 50, Art. 4855; № 52, Art. 5033, Art. 5037; 2004, № 27, Art. 2711; № 31, Art. 3233; 2005, № 1, Art. 18, Art. 45; № 30, Art. 3117; 2006, № 6, Art. 636; № 19, Art. 2061; № 31, Art. 3439; № 52, Art. 5497; 2007, № 1, Art. 9; № 22, Art. 2563; № 31, Art. 4011; № 41, Art. 4845; № 45, Art. 5425; № 50, Art. 6238; 2008, № 10, Art. 895; № 15, Art. 1447; 2009, № 1, Art. 23; № 9, Art. 1043; № 18, Art. 2153; № 23, Art. 2776; № 30, Art. 3739; № 48, Art. 5731; № 52, Art. 6428; 2010, № 8, Art. 775; № 19, Art. 2291; № 27, Art. 3432; № 30, Art. 4012; № 31, Art. 4193; № 47, Art. 6028; 2011, № 7, Art. 905; № 27, Art. 3873, Art. 3880; № 29, Art. 4291; № 48, Art. 6728, Art. 6730; № 49, Art. 7069; № 50, Art. 7351; 2012, № 27, Art. 3588; № 31, Art. 4333; № 50, Art. 6954; № 53, Art. 7605, Art. 7607; 2013, № 11, Art. 1076; № 19, Art. 2317, Art. 2329; № 26, Art. 3207; № 27, Art. 3477; № 30, Art. 4084; № 40, Art. 5036) and in conformity with the decision of the Bank of Russia Board of Directors (Minutes of a Meeting of the Bank of Russia Board of Directors № 23 of October 25, 2013) establishes the procedure for disclosing by credit institutions information on their activities.

Chapter 1. The Form of Disclosing Information on Activities by Credit Institutions

1.1. Credit institutions shall disclose:

annually – annual accounting (financial) statements (hereinafter referred to as annual statements), compiled in accordance with Bank of Russia Ordinance № 3054-U of September 4, 2013, “On the Procedure for Compiling Accounting (Financial) Statements¹,” and an auditor’s report verifying their credibility. The content of explanatory notes to the annual statements is defined in the Annex to this Ordinance;

quarterly – interim accounting (financial) statements composed of the following reporting forms established by Bank of Russia Ordinance № 2332-U of November 12, 2009, “On the List, Forms and Procedure for Compiling and Presenting Reporting Forms by Credit Institutions to the Central Bank of the Russian Federation”, registered by the Ministry of Justice of the Russian Federation on December 16, 2009 (№ 15615), June 18, 2010 (№ 17590), December 22, 2010 (№ 19313), June 20, 2011 (№ 21060), December 16, 2011 (№ 22650), July 10, 2012 (№ 24863), September 20, 2012 (№ 25499), December 20, 2012 (№ 26203), March 29, 2013 (№ 27926), June 14, 2013 (№ 28809) (Bank of Russia Bulletin № 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 Bank of Russia Ordinance № 2332-U), and information:

reporting form 0409806 “Balance Sheet”;

reporting form 0409807 “Profit and Loss Account”;

annexes to reporting form 0409806 “Balance Sheet” and “Profit and Loss Statement” composed of:

reporting form 0409808 “Statement on the Capital Adequacy Level, and Amount of Provisions to Cover Doubtful Loans and of Other Assets” (hereinafter referred to as the Capital Adequacy Statement);

reporting form 0409813 “Required Ratio Data”;

reporting form 0409814 “Cash Flow Statement”;

explanatory information to interim accounting (financial) statements.

1.2. If interim accounting (financial) statements during the whole reporting year were compiled on the basis of a single accounting policy, the explanatory information shall include data on events and operations which are material for understanding the changes in the financial standing and performance of a credit institution that have occurred in the period since the previous annual statements’ date.

The credit institution at its discretion may disclose explanatory information to interim accounting (financial) statements in the volume set for annual statements in line with the Annex to this Ordinance.

If interim accounting (financial) statements are audited, the indicated statements shall be disclosed together with an auditor’s report received before the disclosure.

Chapter 2. Time Periods of Disclosing Information on Activities by Credit Institutions

2.1. Annual (interim) accounting (financial) statements shall be disclosed:

annual – no later than 10 working days following the date of a shareholders’(members’) annual meeting, which has approved the statements;

interim:

without an auditor’s report verifying their credibility – within 30 working days following the established reporting date; for large credit institutions with a large network of divisions – within 40 working days following the established reporting date;

with an auditor's report verifying their credibility – within 40 working days following the established reporting date; for large credit institutions with a large network of divisions – within 50 working days following the established reporting date.

Chapter 3. The Procedure for Disclosing Information on Activities by Credit Institutions

3.1. Credit institutions shall disclose information on their activities in conformity with approved internal documents, which guide their actions when disclosing information on their financial standing, performance, risk and capital management.

3.2. Annual (interim) accounting (financial) statements shall be deemed disclosed in case they are available on a credit institution's site and (or) published in the mass media.

The credit institution irrespective of the purpose of using these statements in line with the procedure ensuring its availability and receipt by interested users, may also take a decision on providing the indicated users with booklets, brochures and other publications containing annual (interim) accounting (financial) statements.

The method of disclosing annual (interim) accounting (financial) statements shall be determined by the credit institution on its own.

3.3. A credit institution in the event of placing its annual (interim) accounting (financial) statements on its website shall provide free, round-the-clock access to them for all users interested in these statements without restriction for no less than three years following the placement date. Annual (interim) accounting (financial) statements shall be placed on the bank's site in the chronological order.

In case of impossibility (limitation) of interested users' access to the statements placed on the bank's site resulting from technical, software or other failures, the credit institution shall take measures for their elimination and restoring the access of interested users to the indicated statements, by way of placing on site

an announcement explaining the reason, date and time of closing (limiting) the access, as well as the date and time of its restoring.

The credit institution placing its annual (interim) accounting (financial) statements on the site, shall indicate the name of the statements, reporting period, and date of their placing on the site. If a credit institution is the parent credit institution or a member of a banking group, there shall be also indicated a method of disclosing annual (interim) consolidated financial statements of the banking group (an address of the site on which the annual (interim) consolidated financial statements of the banking group is placed, the date of their placement and (or) the number, date and name of the publication in which the annual (interim) consolidated financial statements of the banking group have been published).

When publishing annual (interim) accounting (financial) statements in the mass media or in booklets, brochures and other publications, a credit institution indicates in them other methods of information disclosure used (a site's address, the date of placing the annual (interim) accounting (financial) statements on it or the number, date and name of a publication, in which the statements have been published).

3.4. In the places of servicing individuals and legal entities a credit institution shall disclose:

information on the address of its site and (or) on the number, date and name of the mass media edition where the annual (interim) accounting (financial) statements have been published;

a copy of annual (interim) accounting (financial) statements and (or) a copy of booklets, brochures or other publications containing annual (interim) accounting (financial) statements.

Annual (interim) accounting (financial) statements shall be accessible in the places of servicing of legal entities and individuals within one year from the moment of their publishing.

3.5. Annual (interim) accounting (financial) statements shall be disclosed in the places of servicing of legal entities and individuals within three working days

following the day of their placement on the credit institution's site or the day of their publishing.

3.6. In the places of servicing individuals and legal entities a credit institution shall provide on their request:

copies of banking licences and (or) other permits (licences);

a monthly balance sheet by item listed in the reporting form 0409806.

3.7. In case of placing annual (interim) accounting (financial) statements on a site of a credit institution, data on the site name and date of information disclosure shall be reported in writing to a Bank of Russia branch supervising its activities within three working days following the day of their publishing.

3.8. In case of publishing annual (interim) accounting (financial) statements in the mass media and (or) in booklets, brochures and other publications, a copy of the original edition shall be presented by credit institutions together with annual (interim) accounting (financial) statements to Bank of Russia regional branches within time periods established by Bank of Russia Ordinance № 2332-U.

Chapter 4. Concluding Provisions

4.1. This Ordinance shall be published in the Bank of Russia Bulletin and becomes effective on January 1, 2014 and shall be applied to the disclosure of annual statements for 2013.

Credit institutions when disclosing explanatory information for the year 2013 in line with the Annex hereto may be guided by provisions of internal documents, defining the approaches to information publishing by credit institution for a broad range of users as regards the annual report, which have been adopted by credit institutions before the effective date of this Ordinance.

Annexes to the balance sheet and financial statement as part of interim accounting (financial) statements of reporting form 0409813 "Required Ratios Data" and reporting form 0409814 "Cash Flow Statement" shall be disclosed starting with statements as of July 1, 2014.

4.2. From the effective date of this Ordinance the following documents shall be expired:

Bank of Russia Ordinance № 2172-U of January 20, 2009, “On Disclosing and Presenting Information on the Activities of Credit Institutions and Banking (Consolidated) Groups”, registered by the Ministry of Justice on February 18, 2009 (№ 13395) (Bank of Russia Bulletin № 14 of February 26, 2009);

Bank of Russia Ordinance № 2925-U of December 3, 2012, “On Amending Bank of Russia Ordinance № 2172-U of January 20, 2009, on Disclosing and Presenting Information on the Activities of Credit Institutions and Banking (Consolidated) Groups”, registered by the Ministry of Justice on December 20, 2012 (№ 26204) (Bank of Russia Bulletin № 75 of December 26, 2012).

Governor
of the Central Bank
of the Russian Federation

Elvira Nabiullina

Explanatory Information to Annual Statements

1. The explanatory information to annual statements (hereinafter referred to as the explanatory information) is an integral part of the annual statements which ensure the disclosure of essential information on a credit institution that is not presented in the annual statements. The following information is deemed essential: the information which if skipped or distorted (individually or collectively) can change or influence the assessment of indicators disclosed by the credit institution and the economic decisions taken by users on the basis of the information disclosed by the credit institution.

The explanatory information includes:

a full corporate name of the credit institution, its legal address, as well as changes in the mentioned details of the credit institution as compared with the previous reporting period;

a reporting period and units of measure of the annual statements;

information on a banking group headed by the credit institution and on the composition of such a group or information on the banking group (bank holding company) of which the credit institution is a member, as well as a source of the published consolidated financial statements of the banking group (bank holding company);

a brief description of the credit institution’s activities;

a brief review of the basics of the annual statements preparation and of the key provisions of the credit institution’s accounting policy;

supporting information to the items of the balance sheet, financial statement, cash flow statement, capital adequacy statement;

information on risks assumed by the credit institution, procedures for their assessment, risk and capital management;

information on activity segments of the credit institution that is publicly placing its securities;

information on credit institution's operations with related parties;

information on compensation (remuneration) to the sole executive body, its deputies, members of the collegial executive body, members of the Board of Directors (Supervisory Board), chief accountant, his/her deputies, as well as to other executives of the credit institution with authority in governance and control of the of credit institution's subdivisions (hereinafter referred to as the executive staff);

a date and the name of a body that has approved the annual statements for publishing.

Data contained in the explanatory information may be presented in the text form and if needed, in the form of analytical tables, charts and diagrams.

1.2. A brief description of the credit institution's activities includes:

the nature of operations and main directions of the credit institution's activities (business lines);

key performance indicators and factors that have affected the bank's financial results in the reporting year;

decisions on net profit distribution resulted from the annual statements consideration.

Following a decision of the bank's executive body the mentioned information may also include additional data in the form of financial and economic management reviews in case such a presentation is necessary for user understanding of the bank's performance. Such a review may include information on the key factors determining financial results, including changes in the external environment in which the credit institution operates, credit institution's response to these changes and their impact, as well as the investment policy of the credit institution aimed at financial results improvement, including the dividend policy.

1.3. The brief review of the basics of the annual statements preparation and the key provisions of the bank's accounting policy shall include:

principles and methods of evaluating and accounting material transactions and events;

information on the character and size of adjustments related to the changes in the accounting policy and estimated evaluations impacting the comparability of specific indicators of the bank's operations;

information on the nature of assumptions and main ambiguity sources in evaluations as of the end of the reporting period;

information on adjusting events following the reporting date;

a description of the nature of a non-adjusting event following the reporting date that impacts substantially on the bank's financial standing, assets and liabilities, as well as the assessment of its monetary consequences. If there is no possibility of assessing monetary consequences of the event occurred following the reporting date, the credit institution shall mention this;

information on the changes in the bank's accounting policy for the next reporting year, including the information on discontinuation of using the basic assumption (principle) of "business continuity";

information on the nature and scope of substantive errors in each item of the annual statements for each preceding period;

value of adjustments in the data on basic and diluted earnings (losses) per share (for credit institutions established in the form of joint stock companies).

In the absence of a possibility for restating retrospectively the annual statements' items, the reasons for this shall be mentioned and the procedure for reflecting the elimination of essential errors in the bank's annual accounts shall be described, specifying the period in which the corrections have been made.

In case of presenting revised accounts, the reasons for the replacement of annual statements shall be indicated.

1.4. Supporting information to the balance sheet of reporting form 0409806, profit and loss statement, capital adequacy statement, and cash flow statement shall

be presented in an orderly form in accordance with the sequence of annual statements' forms and their items. Each item of the form shall have a reference to the supporting information in the explanations relating thereto.

1.4.1. Supporting information to the balance sheet of reporting form 0409806 shall contain the following information.

1.4.1.1. Information on the amount and structure of funds and their equivalents in terms of cash, balances of accounts with the Bank of Russia (other than required reserves), correspondent accounts with credit institutions of the Russian Federation and other countries, as well as information on the amount of funds excluded from this item as a result of the existing restrictions for their use.

1.4.1.2. Information on the amount of portfolios of financial assets assessed at fair value through profit or loss, including data on the type of securities and currencies (roubles, US dollars, other currencies):

debt securities by type (eurobonds of the Russian Federation, federal loan bonds (OFZ), bonds (eurobonds) of foreign governments, foreign companies, credit institutions, Russian companies and credit institutions, Russian municipal bonds) with maturities and coupon value for each issue;

equity securities by portfolio volume of issuers' major economic sectors and activities (e.g., portfolios of shares of financial institutions, including credit institutions and non-financial organisations by enterprise in the oil and gas, metallurgy, and construction sectors);

derivatives by type of underlying assets (precious metals, securities, foreign currency, price indices, and other variables) and derivatives (forwards, swaps, options, futures).

1.4.1.3. Information on methods of assets evaluation at fair value and basic data used for this evaluation, including information on changes in assessment methods and reasons for them.

With respect to assets evaluated at fair value based on unobservable inputs (Level 3 of the hierarchy of source data in accordance with IFRS 13 "Fair Value Measurement" (hereinafter referred to as IFRS 13), introduced in Russia by

Ministry of Finance Order № 106n of July 18, 2012, "On Introduction and Termination of International Financial Reporting Standards in Russia", registered by the Ministry of Justice on August 3, 2012 (№ 25095) (Rossiyskaya Gazeta of August 15, 2012), there shall be disclosed information on the assumptions made at source data compilation, and the reasons for the transfer of source data between the levels in accordance with IFRS 13, as well as the assessment of the impact of such assets on profit (loss) or other total income.

1.4.1.4. Information on the amount and structure of loans and similar debt (hereinafter referred to as loans) grouped by:

type of borrowers, line of a bank's activities and extended loans (e.g., corporate loans split into loans for financing current operations, claims on deals related to alienation (acquisition) of financial assets by a credit institution with simultaneous provision to a counterparty of a right of payment deferral (delivery of financial assets), etc.; individual loans split into consumer and mortgage loans);

by type of borrowers' economic activities (e.g., mining and metallurgy, trade, energy, agriculture, etc.);

time to full repayment;

geographical areas (countries, groups of countries and regions of the Russian Federation) (hereinafter referred to as geographical areas).

1.4.1.5. Information on the value and structure of portfolios of debt and equity securities available for sale, by type of securities (Russian government bonds, Russian municipal bonds, Bank of Russia bonds, corporate bonds, bonds and eurobonds of credit institutions, etc.) and issuers' economic activities, as well as on the geographical concentration of assets available for sale (the Russian Federation, non-OECD countries, OECD countries) with the maturity of debt securities.

1.4.1.6. Information on the volume and structure of financial investments in subsidiaries, associates and on other shareholdings by type of investment and share.

1.4.1.7. Information on financial assets available for sale, delivered without de-recognition, including securities pledged under sale and repurchase agreements, with interest rates and maturities.

1.4.1.8. Information on the value of net portfolios of securities held to maturity net of provisions by type of securities (Russian government bonds, Russian municipal bonds, Bank of Russia bonds, corporate bonds) with maturities, coupon income separately for each issue of debt securities and data on the value of portfolios by issuers' major economic sectors and activities (for example, portfolios of bonds of credit institutions, companies of oil and gas, metallurgy, and construction sectors), their credit quality, dynamics of the actual provisions in the reporting year by type of securities, on the value and duration of payment delay on them (up to 30 days, from 30 to 90 days, 90 to 180 days, 180 to 360 days and over 360 days).

1.4.1.9. Information on the value of securities used as collateral under repo agreements, as well as the amount of securities pledged as collateral to third parties on bank term deposits and other borrowings.

1.4.1.10. With regard to financial instruments classified into categories "available for sale", "held to maturity" and reclassified from one category to another, there shall be disclosed information on the total value of the reclassified financial instruments, the reasons for their reclassification, as well as the name of categories from which (into which) these financial instruments were reclassified.

1.4.1.11. Information on the current fair value of securities, changes in the original cost of which shall be reflected in the formation of provisions.

1.4.1.12. Information on the composition, structure, and changes in the value of fixed assets, intangible assets, as well as real estate, temporarily unused in operations, including the changes resulting from their depreciation by type.

1.4.1.13. Information on the restrictions on property rights to fixed assets, and real estate, temporarily unused in operations, as well as the value of fixed assets pledged as security for liabilities.

1.4.1.14. Information on the actual value of a fixed asset construction project.

1.4.1.15. Information on the value of contractual commitments for the acquisition of fixed assets.

1.4.1.16. Information on the date of the last revaluation of fixed assets.

1.4.1.17. In case of involving an independent appraiser into an evaluation of fixed assets and real property temporarily unused in operations, there shall be disclosed information on the appraiser, including the name, first name, patronymic (if available), details of the membership in a self-regulatory organisation of appraisers, methods and assumptions used for measuring the fair value of objects (the degree to which the fair value of the objects was determined directly on the basis of current prices of the active market or on the basis of recent market transactions between independent parties, or has been obtained by using other valuation methods).

1.4.1.18. If the current use of a non-financial asset measured at fair value differs from its effective use, there shall be disclosed information on the mentioned fact and the reasons for such use.

1.4.1.19. Information on the value, structure and changes in the value of other assets, including the changes resulting from their depreciation, by type of assets (financial and non-financial), currency, time to maturity. The value and composition of long-term receivables, repayment or payment of which is expected in a period exceeding 12 months from the reporting date shall be disclosed separately.

1.4.1.20. Information on the balances of accounts of credit institutions by type of accounts (correspondent accounts, interbank loans and deposits received, obligations to return the borrowed securities to the creditor that is a credit institution with the book value of loans and the fair value of collateral), overnight deposits, syndicated loans (with their terms and maturities).

1.4.1.21. Information on the balances of customer accounts by type of borrowing (funds in current and settlement accounts, term deposits (including those denominated in precious metals at the accounting price), obligations to return the borrowed securities to the creditor other than a credit institution), by sector and economic activity.

1.4.1.22. Information on the value and structure of issued debt securities by type of securities (bonds, eurobonds, bills, certificates of deposit) and individual

securities (bills: discount, interest, interest-free) with the dates of placement and redemption on each issue of securities, as well as interest rates on them.

1.4.1.23. Information on the terms of securities' issue, contracts to borrow funds (bonds, eurobonds of credit institutions, depository receipts, deposits, loans, interbank loans) containing the terms of early repayment by the credit institution of funds (precious metals), repurchase of the securities on creditor's (investor's) request upon the occurrence of conditions that are not related to the discharge of obligations to the credit institution by third parties.

1.4.1.24. Information on the value of the debt principal amount, interest (discount) accrued at the end of the reporting period, overdue debt, restructuring of unexecuted bank obligations, including promissory notes.

1.4.1.25. Information on the value, structure and changes in other liabilities by type of obligations (financial and non-financial), currency, time left to maturity. Information on other liabilities may be detailed with the separation of float, clients' payables on transactions with securities, foreign currency and precious metals, debt to the staff, payables of related parties, deferred income, liabilities on current taxes (profit and other taxes), deferred tax and other liabilities.

1.4.1.26. Information on the amount and changes in the authorised capital of a credit institution, including data on:

on the face value and the number of paid-up shares in a credit institution operating in the form of a limited liability company, the size of the stake owned by the credit institution, with date(s) of the purchase of the respective share by the credit institution, on bank's obligations to repay to its member(s) who has(have) applied for the exit from the credit institution, the real value of its (their) share(s) in the bank authorised capital with dates of the discharge of these obligations;

on the number of announced, placed and paid-up shares of a credit institution operating in the form of a joint stock company, number of placed and paid-up shares of the last registered additional issue of shares, the face value of shares of each category (type), the number of shares of each category (type), the rights to them and restrictions on them (including on dividends payment and the number of

shares held by a shareholder, their total face value, the maximum number of votes granted to one shareholder), the number of shares of each category (type) that can be placed as a result of converting the placed securities into shares or as a result of meeting option obligations of the issuing credit institution, the number of shares held by a credit institution with date(s) of transferring the ownership of these shares to the credit institution).

1.4.2. Supporting information to the profit and loss statement shall contain the following additional data:

information on losses and reversal of impairment for each type of assets;

information on the value of exchange rate differences recognised in profit or loss, except for differences arising from financial instruments evaluated at fair value through profit or loss;

information on the main components of tax expenses (incomes);

information on the amount of incomes or expenses associated with changes in tax rates and introduction of new taxes;

information on employee remuneration;

information on the costs of research and development recognised as expenses during the period.

Income and expense items shall be disclosed separately in the following cases:

a write off of the fixed assets' value to their recovered amounts, as well as the reversal of such write-offs;

restructuring of an organisation and recovery of any provisions for restructuring costs;

retirement of fixed assets;

retirement of investments;

discontinued operations;

settlement of litigations;

other cases of reserves recovery.

1.4.3. Supporting information to the capital adequacy statement should disclose the following additional data:

information that enables users to evaluate objectives, policies and procedures for capital management adopted by a credit institution;

information on terms, conditions and main characteristics of bank's capital instruments by instrument of common equity and additional capital and approaches to assessing capital adequacy for ensuring current and future activities;

information on changes in the capital management policy applied by the credit institution and (or) quantitative data on capital management, as compared with the previous period;

information on bank's compliance in the reporting period with capital requirements, and in case of a failure in meeting these requirements, information on the consequences of the breaches;

information on dividends recognised as payments to shareholders during the period and the amount corresponding to the stake;

information on losses from impairment and reversal of impairment losses recognised during the period in equity for each type of assets;

information on unrecognised dividends on cumulative preferred shares.

1.4.4. Supporting information to the cash flow statement should disclose the following additional data:

information on significant balances of cash and its equivalents held by a credit institution, but not available for use;

information on significant investment and financial transactions that do not require the use of cash;

information on unused credit facilities stating any restrictions on their use;

information on cash flows increasing operating capacity separated from cash flows required to maintain operating capacity;

information on cash flows by business segment or geographical area.

1.5. Information on risks assumed by a credit institution, their assessment procedures, risk and capital management.

The structure, content and procedure for disclosing qualitative and quantitative information on risks shall be determined by the credit institution itself, with account of the proportionality principle.

1.5.1. Information on risks assumed by a credit institution, methods of their identification, measurement, monitoring and control includes:

information on the types of significant risks faced by the credit institution and their sources;

information on the structure and organisation of divisions engaged in risk management;

main provisions of the risk and capital management strategy;

a brief description of risk management procedures and methods of assessment, as well as information on changes in the risks that have occurred during the reporting year;

policies to mitigate risks;

information on the composition and frequency of bank's internal reporting on risks;

information on the amount of capital requirements and their changes during the reporting year. In case the value of capital requirements as of the reporting date differs by 10% or more from the value of capital requirements during the period, there should be disclosed additional information on the maximum, minimum and average value of capital requirements for the credit institution during the period;

information on the type of risks and the level of their concentration associated with various banking operations by geographic area, type of currency, borrower and his activities, market, as well as a description of methods for determining the concentration of risks.

1.5.2. With respect to each significant type of risk there should be disclosed the following information.

1.5.2.1. With respect to credit risk:

on the distribution of credit risk (requirements to capital with regard to credit risk) by a bank's business line, type of a borrower's (counterparty's) economic activity, type of counterparty (corporate customers, correspondent banks, government agencies, individual entrepreneurs, private individuals) split by type of financial assets, as well as large portfolios within individual assets, geographical distribution of credit risk by group of countries or regions of the Russian Federation and the classification of assets into risk groups in accordance with point 2.3 of Bank of Russia Instruction № 139-I of December 3, 2012, "On Banks' Required Ratios", registered by the Ministry of Justice on December 13, 2012, № 26104, (Bank of Russia Bulletin № 74 of December 21, 2012);

the value and periods of overdue and restructured loans, by type of counterparties and financial instruments with significant differences in bank activities (business lines), geographic areas and other factors. There shall be additional information provided on the share of overdue and restructured loans in total assets. An asset is recognised as overdue in full in case of a default on at least one principal and (or) interest payment set by the contract;

on the results of asset classification by quality category, size of calculated and actual provisions, including data on the amount of formed and recovered provisions;

on the nature and value of obtained collateral, including information on the collateral of the first and second quality category accepted for the reduction of estimated provisions. This information shall be supported by disclosing the policy and procedures for collateral evaluation accepted by a credit institution, the periodicity of evaluating various types of collateral, the fair value of realised or remortgaged security, as well as credit institutions' commitment for its return;

on the amounts and types of assets used and available as collateral with the separation of liquid assets, which may include assets accepted as collateral by the Bank of Russia or in repo operations, as well as assets with a limited possibility of being used as collateral. With respect to pledged assets, there shall be further

disclosed information on their book (fair) value, on terms and conditions of the pledge.

1.5.2.2. With regard to market risk:

on the structure of financial assets held for trading (hereinafter referred to as the trading portfolio), the methodology of measuring the value of trading portfolio instruments, size of capital requirements relating to market risk, and market risk measurement methods. The " trading portfolio " concept is used in the meaning as defined by IFRS (IAS) 39 "Financial Instruments: Recognition and Measurement", introduced in Russia by Ministry of Finance Order № 160n of November 25, 2011, "On Implementation and Clarification of International Financial Reporting Standards in Russia", registered by the Ministry of Justice on December 5, 2011 (№ 22501) (Rossiyskaya Gazeta of December 9, 2011) (hereinafter referred to as Ministry of Finance Order № 160n), with amendments effected in Russia by Ministry of Finance Order № 106n of July 18, 2012, "On Introduction and Termination of International Financial Reporting Standards in Russia", registered by the Ministry of Justice on August 3, 2012 (№ 25095) (Rossiyskaya Gazeta of August 15, 2012 (hereinafter referred to as Ministry of Finance Order № 106n), and Ministry of Finance Order № 36n of April 2, 2013, "On Introduction and Termination of International Financial Reporting Standards in Russia", registered by the Ministry of Justice on May 27, 2013 (№ 28518) (Rossiyskaya Gazeta of June 5, 2013);

analysis of a bank's sensitivity to each type of market risk (interest rate risk, foreign exchange risk, price change risk, index risk, other price risks), which it is exposed to, with reflecting the impact of changes in respective risk factors on the performance and capital of the credit institution (exchange rates, market interest rates, share prices) as of the reporting date. A credit institution may use for disclosure purposes the sensitivity analysis which reflects the relationship between risk factors (e.g., value-at-risk analysis), if it is used for market risk management.

1.5.2.3. With regard to operational risk:

on the size of capital requirements with regard to operational risk, as well as information on the amount of income (net interest and non-interest income) used for calculating capital requirements to cover operational risk;

on the methods used by a credit institution to mitigate operational risk.

1.5.2.4. With regard to risk of debt instrument portfolios:

on the amount and analysis of debt securities value sensitivity to changes in interest rates by category of securities assessed at fair value through profit (loss) and available for sale, type of bonds and currencies.

1.5.2.5. With regard to banking portfolio interest rate risk:

on the amount, structure and sensitivity of financial instruments value to changes in interest rates;

on the sources of interest rate risk (the risk that the value of positions changes as a result of differences in the maturity (for a fixed rate) and changes in the value of balance-sheet and off-balance-sheet assets and liabilities (for a floating rate), risk of changes in the yield curve, basis risk, optional risk, frequency of risk assessments and key assumptions used to risk assessment (assumptions of early repayment of loans, investors' behavior with respect to deposits that do not have fixed terms, etc.), a description of scenarios used by the credit institution;

on analysis of the impact of changes in interest rate risk on the performance and capital of a credit institution by type of currency.

1.6. Information on the segments of bank's activities, including data on the nature, performance and economic conditions of operations in the reported segments with criteria, the procedure for their definition (types of services, business lines of credit institutions, geographic area, etc. whether the reported segment is separate or obtained through aggregation) and their performance (profit (loss) for the reporting period, the value of assets, liabilities, specific income and expense items, the data on which are presented to the bank's management bodies taking decisions with regard to these segments). There shall be also included information on major customers of the credit institution, income from transactions with which constitutes no less than 10% of the total revenues of the credit institution.

1.7. Details of bank's transactions with related parties shall be disclosed separately for each group of related parties. The concept of "related party" is used in the meaning as defined by IFRS (IAS) 24 "Disclosure of Information on Related Parties", effected in Russia by Ministry of Finance Order № 160n with amendments introduced in Russia by Ministry of Finance Order № 106n.

A credit institution shall disclose information on its operations (transactions) with related parties (the amount of transactions, balances on such operations) which is needed to understand the impact of these operations (transactions)' results on the financial standing of the credit institution, in part of:

loans (with the value of overdue loans), portfolios of securities (measured at fair value, held to maturity, available for-sale) with the size of provisions formed for these assets;

values of funds in customer accounts, taken (placed) subordinated loans;

volume of obligations on mutual settlements;

data on issued and received guarantees;

amounts written off by a credit institution as uncollectible receivables from related parties.

There shall be also disclosed information on incomes and expenses from operations (transactions) with related parties in terms of:

interest income, including income from loans extended to customers, securities portfolios;

interest expenses, including the expenses on funds raised from customers, issued debt obligations;

net incomes (losses) from foreign currency transactions, from stakes in the authorised capital of legal entities;

operating incomes and expenses.

Credit institution shall also disclose additional information on the terms and conditions of operations (transactions) with related parties and data on security for these operations (transactions).

1.8. Information on the total value of payments (remuneration) to management staff, their share in the total remuneration and by each of the following types of payments:

short-term remuneration - the payment of the full amount of which is expected within 12 months after the end of the annual reporting period during which employees provided the respective services (wages and social security contributions, paid annual leave and paid sick leave, profit-sharing and bonuses, as well as benefits provided to employees in kind (such as medical care, housing, transportation, provision of goods or services free of charge or at a reduced price);

post-employment remuneration - pension benefits (e.g. pensions and lump-sum payments on retirement) and other post-employment payments (e.g., life insurance and medical care in the post-employment period);

other long-term remuneration - leaves and long service payments, payments at long disability and other benefits;

severance payments.

In addition, the disclosures shall contain information on the payroll staff, including the number of managerial staff, information on compensations to management staff, including employees responsible for risks taken, both in a whole and for each payment separately, as well as data on compliance with rules and procedures stipulated in internal documents establishing the labor remuneration system.