EXPLANATORY INFORMATION
TO ANNUAL ACCOUNTING (FINANCIAL) STATEMENTS
ABOUT THE LIMITED LIABILITY COMPANY "BANK 131"
FOR 20 20 YEARS

This explanatory information to the annual accounting (financial) statements (hereinafter - the explanatory information) prepared in accordance with the requirements of Indications of I Bank of Russia of 27.11.2018 №4983-U "On the forms, procedure and terms of the credit organizations of disclosure about its activities" , provisions on the form, manner and timing of the disclosure of LLC "Bank 131" information about its activities, and is an integral part of the annual accounting (financial) statements of the Bank Ltd. "131" (hereinafter - the Bank) for 20 20 year.

The annual accounting (financial) statements of the Bank are published as part of the following reporting forms:

- 0409806 "Balance sheet (published form)";
- 0409807 "Statement of financial results (published form)";
- Appendices to the balance sheet and income statement:
- 0409808 "Report on the level of capital adequacy to cover risks (published the form)";
- 0409810 "Statement of changes in the capital of a credit institution (published the form)";
- 0409813 "Information on mandatory standards, financial leverage and short-term liquidity standard (published form) ";
- 0409814 "Statement of cash flows (published form)"

The complete composition of the annual accounting (financial) statements (including this explanatory information), as well as the auditor's report confirming its reliability, is posted on the Bank's website in the information and telecommunications network Internet: https://www.131.ru/

The annual accounting (financial) statements are prepared in the currency of the Russian Federation and are presented in thousands of rubles , assets in foreign currency are reflected in the currency of the Russian Federation at the official exchange rate of the corresponding foreign currency against the ruble established by the Bank of Russia as of the reporting date . The explanatory information to the annual accounting (financial) reporting provides data for the period from 20 on 1 January 20 the year and ending 3 1 December 20 20 (inclusive) as of 01. 01 . 20 2 1 years in thousands of Russian rubles, unless otherwise indicated.

In the explanatory information to the annual accounting (financial) statements, the Bank recognizes as material an item / indicator, the share of which is more than 5% in the total volume of disclosed information.

1. ESSENTIAL INFORMATION ABOUT THE BANK

The full corporate name of the Bank is Bank 131 Limited Liability Company.
Abbreviated name - LLC " Bank 131 ".
Location of the Bank: Russian Federation, Republic of Tatarstan, city of Kazan.
Bank address: 420012, Russian Federation, Republic of Tatarstan, Kazan, street Nekrasov, house 38.

The bank is a commercial bank and operates under the Basic License No. 3538 dated April 12, 2019 "For banking operations with funds in rubles and foreign currency (without the right to attract deposits from individuals) and for banking operations with precious metals" ...

The governing bodies of the Bank are:
- General meeting of participants;
- Board of Directors;
- Management Board (collegial executive body of the Bank);
- Chairman of the Management Board (sole executive body of the Bank).

As at 01. 01 .20 2 1 of the sole member of the Bank is: - Eremeev Dmitri , the size of the share in the authorized capital of the Bank amounts to 100 %.

As at 01. 01 .20 2 1 of the Board of Directors includes :
Eremeev D.N. - Chairman of the Board of Directors
Eremeev S.N. - member of the Board of Directors
Eremeev N.O. - member of the Board of Directors

As at 01. 01 .20 2 1 of the Management Board of the Bank include:
Magomedov A.B. - Chairman of the Board
Kuzmina A.Yu. - board member
Borisova T.V. - board member

The Bank is not a member of a banking (consolidated) group or a bank holding company.
The bank is not a member of the deposit insurance system

2. BRIEF DESCRIPTION OF THE BANK'S ACTIVITIES

The Bank is entitled to carry out (subject to the requirements of Article 5.1 of the Federal Law No. 395-1 "On Banks and Banking Activities") the following banking operations:

- ✓ Attraction of funds from legal entities in deposits (on demand and for a certain period).
- ✓ ✓·Placement of funds attracted in deposits (on demand and for a certain period) of legal entities on their own behalf and at their own expense.
- ✓ ✓·Opening and maintaining bank accounts of legal entities.
- ✓ ✓·Implementation of money transfers on behalf of legal entities, including correspondent banks, through their bank accounts.
- ✓ ✓·Collection of cash, bills of exchange, payment and settlement documents and cash services for individuals and legal entities.
- ✓ ✓·Purchase and sale of foreign currency in cash and non-cash forms.
- ✓ ✓·Attracting precious metals from individuals and legal entities to deposits (demand and for a certain period), with the exception of coins made of precious metals.
  - Placing of attracted into deposits (on demand and for a certain period) of precious metals of individuals and legal entities, with the exception of coins made of precious metals, on their own behalf and at their own expense :
  - Opening and maintaining bank accounts of individuals and legal entities in precious metals, with the exception of coins made of precious metals.
  - Making transfers on behalf of individuals and legal entities, including correspondent banks, through their bank accounts in precious metals.
- ✓ ·Issuance of bank guarantees.

- ✓ ·Making money transfers without opening bank accounts, including electronic money (except for postal orders).

The business segment in which the Bank intends to make a profit is the settlement system and the environment for doing business on the Internet. This area of business is fundamentally different from the relationship between a seller and a buyer in the traditional (non-Internet) market and requires the creation of a payment platform that meets the requirements of participants in Internet relations.

The segment of the financial services market in which the Bank is interested is payment transactions (when paying for consumer services, when doing business via the Internet , when providing and raising funds) of Internet users interacting with each other through the Bank's software platform.

The segment of servicing organizations conducting their business using Internet platforms is considered as an additional one. When servicing payment transactions for such customers, the possibility of transferring customers to full banking services is being considered.

The Bank's goal is to fully meet the needs of participants in Internet relations in a payment service while fully complying with the requirements of the regulator in relation to operations performed by the Bank , as well as ensuring the transparency of transactions carried out through the software platform owned by the Bank .

The Bank's immediate plans do not include active lending to individuals and legal entities at the expense of funds attracted by the Bank . Lending operations are not of the primary interest of the Bank and are considered as possible due to the development of the transactional business. Attraction of customer funds is considered as possible due to the presence of the needs of customers in the transactional business to switch to full service in the Bank and, as a result, the formation of balances on the current accounts of customers.

In the 2020 year in BASIC th tasks and the Bank was to create and operate stably integrated payment network for the operation of the participants online relationships, allowing to make payments via various communication channels .

The registered authorized capital of the Bank (formed by shares) amounted to 340,000 thousand rubles. There were no changes in the size of the authorized capital in the reporting period.

The Bank's own funds (capital), calculated in accordance with Bank of Russia Regulation No. 646-P dated 04.07.2018 "On the Methodology for Determining Equity Funds (Capital) of Credit Institutions (Basel III)" (hereinafter referred to as Bank of Russia Regulation No. 646 -P) on 01.01.202 1 totaled year 419 090 thousand rubles (on 01.01.2020 year - 446 290 thousand rubles). The change in the amount of the Bank's equity (capital) was affected by the loss of the current period , the amount of investments in intangible assets , the amount of income tax to be recovered in future reporting periods in relation to losses carried forward to the future taken into account when calculating income tax, the amount of income tax, recoverable in future reporting periods for deductible temporary differences.

As of 01.01.2021, the balance of attracted funds amounted to 146,070 thousand rubles (as of 01.01.2020 - 132,243 thousand rubles). The Mandatory Reserve Fund as of 01.01.2021 was created in the amount of 4,946 thousand rubles (as of 01.01.2020 - 1,090 thousand rubles) in accordance with the established standards.

The financial result at the end of 2020 - the loss amounted to 17 679 thousand rubles (for the same period in 2019 the financial result - the loss was 41 280 thousand rubles) .

The Bank's assets as of 01.01.202 1 year amounted to 1,266,755 thousand rubles (as of 01.01.2020 - 583,254 thousand rubles) . Of these: funds placed on correspondent accounts with credit institutions account for the largest share of 46.4% in the total volume of the Bank's assets and amount to 587,320 thousand rubles (as of 01.01.2020 - 271 thousand rubles); funds placed in deposits with the Central Bank of the Russian Federation and of interest on demand deposits, up 539 0 45 thousand

rubles (on 01.01.2020 year - 578 071 000 rubles) ; funds with the Central Bank of the Russian Federation (including required reserves) amount to 5,101 thousand rubles (as of 01.01.2020 - 1,116 thousand rubles) ; plant and equipment and intangible assets amounted to 14 933 thousand rubles (on 01.01.2020 year - 2 844 000 rubles) ; other assets amount to RUB 119,213 thousand (as at 01.01.2020 - RUB 952 thousand), the deferred tax asset is RUB 1,089 thousand (as at 01.01.2020, this indicator was absent) .

The Bank's activities in the 20 20 year have been associated with the involvement of customers - legal entities on settlement services and information technology services in the implementation of cash transfers, including the use of payment cards . In 2020, the Bank joined the international interbank system of information transfer and making payments SWIFT, held activities to connect to the On the Tools Used aster n latezhey (SBP) Bank of Russia payment system .

The Bank's own funds and attracted funds of clients of legal entities were placed on deposits with the Central Bank of the Russian Federation. The resulting interest income on this risk-free placement of funds in the 20 20 year have amounted to 34 216 thousand rubles (for the same period in 2019 this figure was 19 502 thousand and RUB) .

Outstanding liabilities as at 01. 01 .20 2 1 , the Bank no.

In the 20 20 year in the bank with a large margin complied with all mandatory standards for credit organizations.

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3. BRIEF OVERVIEW OF THE MAIN PROVISIONS OF THE BANK'S ACCOUNTING POLICY

The Bank's accounting policy has been developed on the basis of the following regulations:

- Federal Law of 06.12.2011 No. 402-FZ "On Accounting" (with amendments and additions) (hereinafter - the Federal Law "On Accounting");
- Federal Law of 02.12.1990, No. 395-1 "On Banks and Banking Activities" (with amendments and additions);
- Regulations “On the Chart of Accounts for Accounting for Credit Institutions and the Procedure for Its Application” (approved by the Bank of Russia on February 27, 2017, No. 579-P, subject to amendments and additions);
- "Regulations on the rules for transferring funds" (approved by the Bank of Russia on June 19, 2012, No. 383-P, with amendments and additions);
- Regulations “On the Procedure for Determining Income, Expenses and Other Gross Income of Credit Institutions” (approved by the Bank of Russia on December 22, 2014, No. 446-P);
- Regulations "On the procedure for accounting for fixed assets, intangible assets, real estate temporarily unused in the main activity, long-term assets held for sale, stocks, means of labor and objects of labor received under agreements of compensation, pledge, the purpose of which is not defined, in credit organizations "(approved by the Bank of Russia on December 22, 2014, No. 448-P);
- Regulations “Industry standard of accounting for employee benefits in credit institutions” (approved by the Bank of Russia on April 15, 2015, No. 465-P);
- "Provisions on the procedure for reflecting operations to raise funds under bank deposit (deposit) agreements, credit agreements, operations on the issue and redemption (payment) of bonds, promissory notes, certificates of deposit and savings certificates on accounting accounts by credit institutions" (approved by the Bank of Russia 02.10.2017 No. 604-P with changes and additions);
- “Provisions on the procedure for reflecting operations on the provision (placement) of funds under credit agreements, other agreements for the placement of funds, transactions related to the implementation of transactions to acquire the right of claim from third parties to fulfill obligations in cash by credit institutions, in their accounting accounts,” transactions on obligations under issued bank

guarantees and provision of funds ”(approved by the Bank of Russia on 02.10.2017 No. 605-P with amendments and additions);

- “ Provisions on the Procedure for Reflecting Operations with Securities on Accounting Accounts by Credit Institutions” (approved by the Bank of Russia on 02.10.2017 No. 606-P with amendments and additions);

- Regulation "On the Procedure for Reflecting Lease Agreements by Credit Institutions in Accounting Accounts" (approved by the Bank of Russia on November 12, 2018, No. 659-P);

and other legislative acts of the Russian Federation and regulations of the Bank of Russia.

The accounting policy establishes uniform rules and methodological foundations for organizing and maintaining accounting records, which are binding on all the Bank's divisions in the Russian Federation.

The accounting policy defines a set of accounting methods, cost measurement, current grouping and final generalization to ensure the formation of reliable information on the Bank's financial results.

The methods of accounting include methods of grouping and assessing the facts of economic life, paying off the value of assets, organizing workflow, inventory, methods of using accounting accounts, organizing accounting registers, processing information, and other appropriate methods and techniques.

In the annual accounting (financial statements) of the Bank for the year 202 0 , the same accounting policies and calculation methods are applied as in the annual accounting (financial statements) of the Bank for 2019.

Principles, methods of assessment and accounting of significant transactions and events, recognition of income.

The Bank's accounting policy ensures compliance with the following accounting principles:

- Business continuity. The Bank will carry out its business as a going concern and has no intentions or the need to liquidate, significantly reduce its activities or carry out operations on unfavorable terms.

- Consistency of accounting rules. The Bank is constantly guided by the same accounting rules, except in cases of significant changes in its activities or the legislation of the Russian Federation related to the Bank's activities.

- Caution. Assets and liabilities, income and expenses are measured and recorded reasonably, with a sufficient degree of caution so as not to transfer the existing, potentially threatening financial position of the Bank, risks to the next periods.

- Timeliness of reflection of transactions. Transactions are reflected in the accounting on the day they are made (documents are received).

- Recognition of income and expenses on an accrual basis. The financial results of operations (income and expenses) are reflected in the accounting records upon their completion, and not upon receipt or payment of cash (cash equivalents). Income and expenses are reflected in accounting in the period to which they relate.

- Separate reflection of assets and liabilities. The assets and liabilities accounts are valued separately and shown on a gross basis.

- Continuity of the incoming balance. Balances on balance sheet and off-balance sheet accounts at the beginning of the current reporting period must correspond to those at the end of the previous period.

- Priority of content over form. Transactions are recorded according to their economic nature, not their legal form.

- Openness. The reports must accurately reflect the Bank's operations, be understandable to an informed user and be free from ambiguity in reflecting the Bank's position.

- Assets are accepted for accounting at their initial cost.

Subsequently, the Bank's assets are measured (revalued) at fair value, cost, or by creating provisions for possible losses.

Cash and cash equivalents .

For the purposes of preparing accounting (financial) statements, cash equivalents are understood to be short-term highly liquid investments that are freely convertible into cash and are subject to an

insignificant risk of changes in value. Cash and cash equivalents include the following items of Form 0409806 "Balance sheet (published form)": cash, funds of a credit institution with the Bank of Russia (excluding mandatory reserves with the Bank of Russia), amounts due from credit institutions (excluding assets for which risk of loss). Mandatory reserves with the Bank of Russia are not treated as cash and cash equivalents due to restrictions on their use.

Financial assets and liabilities for issued bank guarantees and provision of funds.

The Bank recognizes a financial asset or financial liability when, and only when, it becomes a party to the contract that defines the terms of the related instrument.

Upon initial recognition, financial assets and liabilities are measured at fair value, which is determined in accordance with International Financial Reporting Standard (IFRS) 13 Fair Value Measurement.

For consistency and comparability of fair value measurements, the following fair value hierarchy is established, dividing the valuation inputs used to measure fair value into three levels:

Level 1 - quoted prices in an active market (unadjusted) for identical financial instruments.

Level 2 - valuation methods based on market data available directly (that is, quotes) or indirectly (that is, data derived from quotes). This category includes instruments that are valued using: quoted market prices in active markets for similar instruments, quoted market prices for identical or similar instruments in markets that are not considered active, or other valuation techniques, all of which are based directly or indirectly on observable market prices. data.

Level 3 - valuation techniques based on unobservable market data. This category includes instruments that are valued using information that is not based on observable market data where such unobservable data has a material effect on the instrument's valuation. This category includes instruments measured on the basis of observable data for similar instruments that require the use of significant unobservable adjustments or judgments to reflect differences between the instruments.

Level 2 and Level 3 valuation techniques are considered reliable for determining fair value if the value of the instrument changes insignificantly within 3 months - with a deviation of 10%

Financial assets and liabilities for issued bank guarantees and provision of funds.

At initial recognition, financial assets, bank guarantee liabilities and cash advances are measured at fair value.

If observable or unobservable inputs are used to determine the fair value of a financial asset at the date of initial recognition, and the effective interest rate (hereinafter - EIR) on the financial asset does not differ from the market interest rate by more than 20% (down from the minimum value of the range upward from the maximum value of the range of market rates), then the fair value of the financial asset at the date of initial recognition is the amount of funds placed.

After initial recognition, financial assets, liabilities on issued bank guarantees and provision of cash are reflected in the accounting records at amortized cost.

In this case, the amortized cost of a financial asset is determined once a quarter on the last calendar day of the quarter, as well as on the dates of full or partial repayment (repayment), including early repayment of the financial asset.

The value of the obligation under the issued bank guarantees and the provision of funds is determined once a month on the last calendar day of the month, as well as in the event of a significant change during the month in the value of the obligation under the issued bank guarantees and the provision of funds - on the date of fulfillment of obligations under the issued bank guarantees and provision of funds or on the date of changing the limit on obligations to provide funds and to issue bank guarantees.

Costs directly related to the execution of a transaction for the placement of a financial asset or an obligation under a guarantee issued and the provision of cash are accounted for in the amounts recognized as immaterial at a time in the expense accounts as incurred.

The materiality threshold is equal to 10% of the amount of funds placed in accordance with the agreement, the total amount of obligations under a bank guarantee, provision of funds.

The amortized cost of a financial asset is determined on a straight-line basis:

- for financial assets with a maturity (return) period of less than one year at initial recognition, including financial assets, the maturity (return) date of which falls on another reporting year ;

- for financial assets with a maturity (return) on demand (on demand).

The requirements of this sub-clause do not apply to transactions for the placement of funds, for the acquisition of the right of claim from third parties to fulfill obligations in cash on terms different from those used in an active market.

For financial assets with a maturity of more than one year, including those extended, the EPR method is applied to determine amortized cost.

Credit risk assessment for each issued loan (reissued on the basis of an opinion) is carried out by the Bank on an ongoing basis. Professional motivated judgment is made based on the results of a comprehensive and objective analysis of the activities of the client-borrower. The change in the quality category is carried out on the basis of an order.

Upon initial recognition of a financial instrument, and at least once a quarter at the reporting date (if credit risk has not significantly increased), the Bank shall recognize an expected credit loss provision based on the risk (probability) of the borrower's default occurring within the next 12 months.

Expected credit losses are measured over the life of a financial instrument in two cases when:

- The credit risk on a financial instrument has increased significantly since the instrument was initially recognized.
- special valuation requirements apply.

When assessing expected credit losses for the entire life of a financial instrument, the Bank should take into account the maximum contractual period during which the entity is exposed to credit risk.

At least once a quarter, the Bank assesses a significant increase in the credit risk of a financial instrument based on the change in the risk of a default occurring over the expected life of the financial instrument. A significant increase in credit risk can be understood as:

- downgrading of the rating set by an international rating agency or a Russian rating agency accredited with the Central Bank of the Russian Federation by 2 notches compared to the previous reporting date;
- the presence of overdue debt on a financial instrument;
- extension of the deadline for a financial asset due to the inability of the borrower to timely and fully repay the obligations assumed;
- assignment of a financial asset in accordance with Bank of Russia Regulation No. 590-P dated June 28, 2017 "On the procedure for the formation by credit institutions of reserves for possible losses on loans, loan and equivalent indebtedness" (hereinafter - Regulation No. 590-P) in 3 quality category and below;
- existing or foreseeable adverse changes in commercial, financial and economic conditions that are expected to result in a significant change in the borrower's ability to meet its debt obligations if reasonable and supported forward-looking information is available without undue cost or effort.

In deciding whether there has been a significant increase in credit risk, the Bank assesses how much the risk of a default has changed over the expected life of the financial instrument, rather than the change in the amount of loss that would have arisen in the event of such a default.

To determine whether the increase in the risk of default for a financial instrument since its initial recognition was significant, the Bank compares its current assessment of the risk of default at the reporting date of its initial recognition.

In evaluating financial instruments, the Bank may use the assumption that the credit risk of the financial instrument has not increased significantly since initial recognition if it has been determined that the financial instrument has low credit risk at the reporting date.

For the purpose of determining a significant increase in credit risk and recognizing a loss allowance on a group basis, the Bank may group financial instruments based on general characteristics of credit risk in order to facilitate analysis that ensures timely identification of a significant increase in credit risk.

Financial liabilities.

On initial recognition, financial liabilities are measured at fair value.

After initial recognition, financial liabilities are recognized in accounting at amortized cost.

In this case, the amortized cost of the financial liability is determined once a quarter on the last calendar day of the quarter, as well as on the dates of full or partial repayment (repayment), including early repayment of the financial liability.

Costs directly related to the transaction of attracting a financial liability are recorded in the amounts recognized as immaterial at a time in the expense accounts as incurred.

The materiality threshold is 10% of the amount of funds raised in accordance with the agreement.

Amortized cost is determined on a straight-line basis or using the EPS method in accordance with IFRS 9.

Amortized cost is determined on a straight-line basis:

- for financial liabilities, the maturity of which from the date of their attraction is less than or equal to one year;

- for financial liabilities, if the difference between the amortized cost determined using the EPS method and the amortized cost determined using the straight-line method is not material. In this case, the materiality threshold is determined by 20% of the price in an active market.

Interest income / expense on financial instruments includes income / expense in the form of an interest (coupon) stipulated by the terms of a financial asset / liability, and (or) a discount in the form of the difference between the redemption (return) price and the placement / attraction price.

Interest income / expense on financial instruments is reflected in the balance sheet accounts for accounting for the financial results of the current year:

- on the day stipulated by the terms of the agreement (issue) for their payment,

- on the last working day of the month.

<u>Accounting for fixed assets and intangible assets</u>

Fixed asset accounting

Fixed assets - a part of property that has a tangible form, intended for use by the Bank in the provision of services or for administrative purposes for more than 12 months, the subsequent resale of which is not expected, provided that the following conditions are met:

- the object is able to bring economic benefits in the future;

- the initial cost of the object can be reliably determined;

- the initial cost of the object, including VAT, is more than 100,000 rubles.

Fixed assets also include capital investments in leased fixed assets with a value of more than 100,000.00 rubles (including VAT).

Items of property, plant and equipment are carried at historical cost less accumulated depreciation and accumulated impairment losses.

An impairment test is carried out at the end of each reporting year, as well as when events occur that significantly affect the assessment of their value - namely, if there are signs of impairment of an asset - internal (obsolescence, significant physical damage) or external (decrease by more than 20% market value of fixed assets, an increase of more than 20% in market interest rates on government debt securities in the context of maturity corresponding to the useful life of the property).

Accounting for intangible assets.

To accept an object for accounting as an intangible asset, one-time fulfillment of the following conditions is required:

- the object is capable of bringing economic benefits to the Bank in the future, in particular, the object is intended for use when performing work or rendering services, for the management needs of the Bank;

- The Bank has the right to receive economic benefits that this object is capable of bringing in the future (including the Bank has properly executed documents confirming the existence of the asset itself and the Bank's right to the result of intellectual activity or means of individualization, as well as there are restrictions on the access of other persons to such economic benefits (hereinafter - control over the object);

- the possibility of separating or separating (identifying) an object from other assets;

- the object is intended to be used for a long time, i.e. useful life over 12 months;

- The bank does not intend to sell the object within 12 months;

- the initial cost of the object can be reliably determined and amounts to more than 100,000 (one hundred thousand) rubles, including VAT (if any) ;

- the object has no material form.

Intangible assets are carried at historical cost less accumulated depreciation and accumulated impairment losses.

The impairment test is carried out annually as of January 1 of the year following the reporting year, as well as when events occur that significantly affect the assessment of their value, namely:

- lack of obligations (refusal) of the software developer to maintain it in the presence of changes in the legislation that require modifications to the software;

- the intangible asset has not been used by the Bank for more than 1 year;

- when revising the useful lives, it was found that the useful life of the intangible asset has decreased and / or is less than 12 months from the date of the current revision.

Depreciation of property, plant and equipment and intangible assets

Depreciation is the systematic repayment of its depreciable amount during the useful life of an item of property, plant and equipment, which is defined as the original or revalued cost of the property, plant and equipment less the estimated residual value.

The estimated residual value of an item of property, plant and equipment is the amount that the Bank would have received from the disposal of the item after deducting the disposal costs when the item reaches the end of its useful life.

If the estimated residual value of an item of fixed assets is insignificant, then it is not taken into account when calculating the depreciable amount of the item. The residual value of an object is considered insignificant if:

- property after the expiration of its useful life does not have a market price (that is, it is illiquid);

- the liquidation value is less than 10% of the initial value of the object of fixed assets;

- there is a documented intention of the Bank's management not to sell this item of property, plant and equipment at the end of the useful life.

For depreciation of fixed assets and intangible assets, the straight-line method is used.

The method for determining the amortization of an intangible asset is annually checked by the Bank for the need to clarify it. If the calculation of the expected inflow of future economic benefits from the use of an intangible asset, property, plant and equipment has changed significantly, the method of determining the depreciation of such an asset should be changed accordingly.

The use of a different method for determining the depreciation of an intangible asset, a fixed asset is possible only starting from January 1 of the year following the year in which the decision was made to change the method of determining depreciation during the remaining useful life.

The Bank applies the procedure for straight-line accrual of depreciation of fixed assets and intangible assets during the useful life of the fixed assets of the Bank on a daily basis with reflection in the accounting accounts at least once a month and not later than the last business day of the month:

1) For fixed assets - the useful life is determined by the Bank independently on the basis of the "Classification of fixed assets included in depreciation groups" approved by Decree of the Government of the Russian Federation of 01.01.2002 No. 1 "On the Classification of fixed assets included in depreciation groups" (p. taking into account changes and additions) . For those types of fixed assets that are not indicated in the depreciation groups, the useful life is established in accordance with the specifications and recommendations of the manufacturers.

2) For intangible assets, the useful life is recognized:

- the period of validity of the Bank's rights to the result of intellectual activity or means of individualization and the period of control over the asset;

- the expected life of the asset, during which the Bank expects to receive economic benefits.

- in relation to a non-exclusive right to a software product, for which the term is not determined by the contract - 5 years (in accordance with the Civil Code of the Russian Federation).

Accounting for lease agreements , including the results of the transition to the new accounting procedure

A lease is a contract or part of a contract that transfers the right to use an asset (underlying asset) for a specified period in exchange for consideration.

A right-of-use asset (RTA) is an asset that represents the lessee's right to use the underlying asset during the lease term.

An underlying asset is a leased asset for which the right to use has been granted to the lessee by the lessor.

During the reporting period, the Bank did not lease or sublease property.

The accounting of lease agreements in which the Bank acts as a lessee is carried out in accordance with Chapter 2 of Regulation No. 659-P.

The AFPP and the lease liability are recognized by the Bank at the commencement date of the lease, i.e. on the date of signing the transfer and acceptance certificate of the underlying asset.

At the commencement date of the lease, the AFPP is measured at cost.

The initial cost of the AFPP includes:

- the amount of the initial measurement of the lease liability;
- lease payments at the commencement date of the lease or prior to the lease commencement date, net of lease incentive payments received;
- initial direct costs directly related to the lease agreement if they amount to more than 10% of the present value of the lease payments at the date of commencement of the lease;
- an estimate of the costs that the lessee will incur in dismantling and moving the underlying asset, restoring the site where the asset is located, or restoring the underlying asset to the condition required by the lease.

The initial measurement of the liability is determined as the present value of the lease payments.

Lease payments are discounted using the interest rate stipulated in the lease. If it is impossible to calculate the interest rate stipulated in the lease agreement, the interest rate is used for agreements comparable to the lease agreement for raising funds by the Bank.

Contracts are recognized as comparable if the following conditions are met simultaneously:

- concluded in the same currency (rubles, euros, dollars);
- prisoners for the same period of validity (up to 1 year, from 1 to 3 years, over 3 years);
- concluded with the same group of creditors (legal entities and individuals).

When evaluating a group of legal entities, their organizational and legal form is taken into account.

Professional judgment is drawn up to assess the comparability of the lease and the fundraising agreement.

In the absence of agreements on raising funds on comparable terms, information on the weighted average interest rates on deposits (deposits) of individuals and non-financial organizations (as a whole in the Russian Federation) attracted by credit institutions from the Statistical Bulletin of the Bank of Russia as of the corresponding date is used to determine the discount rate, currency, term and group of creditors.

Subsequent to initial recognition, AFPPs related to property, plant and equipment are measured by the Bank using the historical cost model less accumulated depreciation and accumulated impairment losses.

In this case, the assessment of the obligation is carried out:

- increasing the carrying amount to reflect interest on the lease liability;
- reducing the carrying amount to reflect the lease payments made;
- revaluing the carrying amount to reflect a revaluation or modification of leases when such circumstances arise.

The AFPP is reviewed for impairment at the end of each reporting year in accordance with IAS 36 Impairment of Assets.

Lease agreements are accounted for in accordance with clause 2.12. Regulation No. 659-P, if the term of the contract is not more than 12 months and / or the value of the underlying asset does not exceed 350 thousand rubles (inclusive).

The Bank uses under a lease agreement non-residential premises located at the address: 420012, Republic of Tatarstan, Kazan, st. Nekrasov, 38. The lease agreement was concluded for a period of 3 years with the individual entrepreneur Shakirov Ramil Ravkhatovich. Accounting for this agreement is carried out in accordance with clause 2.1.-2.11. Regulation No. 659-P and the Bank's Accounting Policy.

The transition to a new accounting procedure for transactions under lease agreements (Regulation 659-P) was carried out on the first business day of 2020.

As a result of the transition, the following assets and liabilities were formed:

	On 01.01.2020
Right-of-use assets less depreciation (AFPP)	***4 671***
Lease obligations	***4 780***

The financial result from the transition to the new accounting treatment for lease agreements is reflected in personal account 10901 “Uncovered loss” in the amount of 469 thousand rubles:

	On 01.01.2020
Write-off of advance lease payments paid in 2019. under a lease agreement included in lease obligations	***359***
Accrual of interest expenses as of 01.01.2020	***6***
Accrual of amortization by AFPP as of 01.01.2020	***33***
Adjustment of the difference arising from the difference between the period of the lease and the period of payment of the lease payments	***71***
Total:	***469***

According to item 9.1 Regulation 659-P and pp.S5 (b), C7 International Standard and the Financial Statements (IFRS) 16 "Rent", enacted by Order of the Ministry of Finance of the Russian Federation dated July 11, 2016 N 111N in the accounting (financial) financial statements for 2020, comparative information is not restated. The cumulative effect of initial application is reflected in the Statement of Changes in Equity of a Credit Institution as an adjustment to retained earnings (loss) in the line of the effect of changes in accounting policies.

Information on the nature and magnitude of significant errors

In the reporting year 2020, no significant errors were found in the annual (interim) accounting (financial) statements of the Bank.

Accounting policy for 2021

Changes / additions were made to the Bank's accounting policy for 2021, compared to the accounting policy for 2020, related both to the introduction of changes and additions to the legislation of the Russian Federation and to the regulations of the Bank of Russia, and in connection with the clarification of the accounting procedure for certain types of banking operations.

Activities related to the end of the financial year and the preparation of annual reports

In order to verify the accuracy of accounting data, the actual availability of valuables, as of November 1, 2020, an inventory of fixed assets, intangible assets, inventories, valuables and documents issued under the report, property registered off-system and obtained under lease agreements was carried out. The results of the inventory confirmed the compliance of the actual availability of valuables with the accounting and reporting data. No discrepancies were found.

As of November 1, 2020, balances on balance sheet accounts for accounting for investments in the creation and acquisition of fixed assets and intangible assets were also analyzed. No items of fixed assets and intangible assets actually put into operation have been identified.

As of December 1, 2020, an inventory of settlements for claims and obligations for banking operations and transactions, settlements with debtors and creditors for other (intrabank) operations was carried out. Discrepancies, distortions of accounting data were not revealed.

The data of the annual accounting (financial) statements reflect the actual existence of the property, claims and liabilities of the Bank.

As of January 1, 2020, there are no sources of uncertainty in the estimates at the end of the reporting period.

Information about to orrektiruyuschi x events x after the reporting date :

Profit for the reporting period before SPOD	***(17 553)***
Fee and commission income	*1 144*
Deferred tax asset	*2*
Commission expenses	*(136)*
Other operating expenses	*(217)*
Expenses Related to Supporting the Activities of a Credit Institution	*(448)*
Deferred tax liabilities	*(2)*
Total SPOD	***343***
Profit after SPOD	***(17 210)***

There are no non-adjusting events after the reporting date that significantly affect the financial condition, the condition of the Bank's assets and liabilities.

4. СОПРОВОДИТЕЛЬНАЯ ИНФОРМАЦИЯ К БУХГАЛТЕРСКОМУ БАЛАНСУ

The following discloses the information on balance sheet items in the form 0409806, which the Bank considers important for understanding the financial position and results of d ce 2020 year.

4.1. Amount of funds deposited with credit institutions

	On 01.01.2021	***On 01.01.2020***
Funds from credit institutions	***587 320***	***271***

As of 01.01.2021, the funds placed on correspondent accounts of credit institutions, the largest share (46 , 4 %) in the total assets of the Bank.

4.2. About bemsya and structures and the net loan receivables are measured at amortized cost.

	On 01.01.2021	***On 01.01.2020***

Deposits with the Bank of Russia	***539 000***	***578 000***
Interest claims on deposits with the Bank of Russia	***45***	***71***
Interest claims on funds placed with credit institutions	***54***	***0***
Total net outstanding loans	***539 099***	***578 071***

As at 01. 01 .20 2 1 , the funds placed in deposits with the Bank of Russia and the requirements of the interest on deposits , up 42.6% from the general of the volume and the Bank's asset.

4.3. The volume and structure of other assets.

	On 01.01.2021	***On 01.01.2020***
Requirements for clients on transactions carried out within the framework of the previously provided collateral	***117 303***	***0***
Requirements for counterparties under business contracts	***1 910***	***952***
Total other assets	***119 213***	***952***

As of 01.01.2021, other assets accounted for 9.4% of the total assets of the Bank.

4.4. Obligation structure.

	On 01.01.2021	***On 01.01.2020***
Funds of customers other than credit institutions placed on current accounts	***146 070***	***132 243***
Other liabilities	***689 644***	***2,291***
Total liabilities	***835 714***	***134,534***

As of 01.01.2021 the year in the structure of liabilities of the Bank obligations to clients who are not credit institutions , up 17 , 5 %. The largest in worthwhile in the structure of the Bank's liabilities (82 , 5 %) occupy the other obligations, which is 99% composed of leftover s funds in the accounts pending settlement with the operators of the payment infrastructure services operators and remittance.

4.5. Authorized capital

The volume and structure of sources of own funds are disclosed in section 6 of this explanatory information to the annual accounting (financial) statements.

5. SUPPORTING INFORMATION TO THE ARTICLES OF THE FINANCIAL RESULTS REPORT.

Disclosed below is information on items in the statement of financial results in Form 0409807, which the Bank considers to be significant for understanding its financial position and results of operations for 2020.

5.1. The structure of fee and commission income.

	On 01.01.2021	On 01.01.2020
Income from money transfer operations	*34 833*	*57*
Other fee and commission income	*219*	*29*
Fee and commission income (total)	*35 052*	*86*

Fee and commission income received from servicing corporate clients as of 01.01.2021 has the largest share, equal to 49.3%, in the total structure of the Bank's income.

5.2. Interest income structure.

	On 01.01.2021	On 01.01.2020
Interest income from placing funds on deposits with the Central Bank of the Russian Federation	*34 216*	*19 502*
Other interest income	*293*	*0*
Interest income (total)	*34 509*	*19 502*

The share of interest income received in 2020 amounted to 48.5% in the total structure of the Bank's income. The main source of interest income is the placement of funds on deposits with the Central Bank of the Russian Federation.

5.3. The structure of operating expenses.

	On 01.0 1 .202 1	On 01.0 1 .20 20
Staff costs	*46 254*	*24 91 1*
The costs associated with the entry and participation in the International X -payments x systems ah	*8 942*	*28 983*
Information security costs	*3 484*	*1 440*
Expenses for communication services, telecommunication and information systems	*3 369*	*448*
Maintenance costs of software products	*2 938*	*1 766*
Depreciation expense	*2 694*	*141*
The right to use objects of intellectual activity	*1 978*	*867*
Property rental expenses	*1 407*	*1 462*
Other operating expenses	*2 8 93*	*1 030*
Operating expenses (total)		

Operating expenses have the largest share equal to 8 2 , 7 % in the total structure of the Bank's expenses for 2020.

5.4. Structure of commission expenses.

	Ha 01.01.2021	Ha 01.01.2020

Expenses for services of counterparty banks	***13342***	***53***
Expenses for the services of the Bank of Russia	***135***	***14***
Commission expenses (total)	***13 477***	***67***

Commission expenses have a specific gravity equal to 1, 5 , 1 % in the general structure of the Bank's expenses for the year 2020.

5.5. Information on staff costs, incl. employee benefits

	On 01.01.2021	***On 01.01.2020***
Labor costs for employees	***36,064***	***19396***
Insurance premium costs	***9 853***	***5485***
Other staff costs	***337***	***thirty***
Staff costs (total)	***46254***	***24911***

Расходы Банка на персонал отражены по статье операционные расходы отчета о финансовых результатах.

5.6. Financial result information

The financial result at the end of 2020 - the loss amounted to 1 7 210 thousand rubles (for the same period in 2019 the financial result - the loss was 41 280 thousand rubles).

6. ACCOMPANYING INFORMATION TO THE ARTICLES OF THE REPORT ON CHANGES IN CAPITAL

The registered authorized capital of the Bank as of 01.01.2021 amounted to 340,000 thousand rubles (as of 01 January 2020 - 340,000 thousand rubles). The authorized capital of the Bank was paid in cash. There were no changes in the size of the authorized capital in the reporting period.

Sources of capital as of 01.01.2021 amounted to 43 1,041 thousand rubles (as of 01 January 2020 - 448,720 thousand rubles)

Changes in the Bank's equity during 2020 resulted from:

- uncovered loss in the amount of 469 thousand rubles, formed in connection with the transition to new accounting standards under lease agreements ;

- the total aggregate income (loss) of the Bank at the end of 2020, which amounted to a loss of 17,210 thousand rubles .

P on the decision of the sole member parts s contribution to the assets received by the Bank in 2019, in the amount of 41 280 thousand rubles were directed to cover for the 2019 loss .

No dividends were paid to participants during 2020.

7. ACCOMPANYING INFORMATION TO THE ARTICLES OF THE CASH FLOW REPORT.

7.1. Cash used by the Bank during 2020 in operating activities before changes in operating assets and liabilities amounted to RR 16 435 thousand. The indicator is calculated on the basis of interest income, commission income, income from operations with foreign currency, other operating income, excluding interest expenses incurred in the reporting period , commission expenses, tax expenses and other operating expenses (adjusted for the amount of uncovered loss in the amount of 469 thousand rubles, formed in connection with the transition to new accounting standards under lease agreements).

7.2. The increase in net cash from operating assets and liabilities for 2020 was 615,684 thousand rubles. This indicator was influenced by an increase in the balance of funds on the accounts of customers who are not credit institutions and an increase in other liabilities due to an increase in the balance of funds on accounts of outstanding settlements with operators of payment infrastructure services and money transfer operators , a decrease in the volume of funds placed in deposits of the Central Bank. Bank of the Russian Federation.

7.3. Investments in intangible assets, fixed assets and inventories during 2020 amounted to 1,089 thousand rubles;

7.4. The increase in cash in the reporting period amounted to 587,178 thousand rubles.

8. INFORMATION adopted A proxy risk of the Bank, RISK MANAGEMENT POLICIES AND CAPITAL.

In the process of risk management, the Bank identifies the following main types of risks:
- credit risk;
- market risk;
- interest rate risk of the banking book;
- operational risk;
- liquidity risk;
- concentration risk;
- the risk of loss of business reputation (reputation risk);
- strategic risk;
- regulatory risk (compliance risk).

The management of each of the significant types of risks is regulated by the relevant internal documents of the Bank, describing the methods of risk assessment, the powers and responsibilities of the Bank's divisions in the risk management system, methods for minimizing risks, the procedure for submitting internal reporting, developed in accordance with the requirements of the legislation of the Russian Federation and regulations of the Bank of Russia.

Credit risk.

Credit risk is the risk arising from the likelihood of non-fulfillment of contractual obligations by a borrower or counterparty to the Bank.

As part of the management and assessment of credit risk, a qualitative assessment of claims against counterparties (determination of the quality category) is carried out in accordance with the requirements of the Bank of Russia Regulation No. 590-P "On the procedure for the formation by credit institutions of reserves for possible losses on loans, loan and equivalent debts" and 611-P "On the procedure for the formation of reserves for possible losses».

Market risk..

Market risk is the risk of incurring financial losses (losses) due to changes in the current (fair) value of financial instruments, as well as foreign exchange rates and (or) discount prices for precious metals.

Market risk management includes the management of foreign exchange, interest rate and equity risks.

Interest rate risk of the banking book.

Interest rate risk in the banking book is the risk of deterioration of the Bank's financial position due to a decrease in the amount of capital, income level, asset value as a result of changes in interest rates on the market.

Interest rate risk management consists of the following main procedures: setting interest rates on operations for raising and placing funds, depending on the types and maturities (development of an interest rate policy); determination of the percentage gap; ensuring the balance of the volumes of assets and liabilities sensitive to changes in interest rates for different periods in order to reduce the risks of changes in interest rates and ensure the profitability of interest transactions.

Operational risk.

Operational risk is the risk of direct and indirect losses as a result of imperfection or erroneous internal processes of the Bank, actions of personnel and other persons, failures and shortcomings of information, technological and other systems, as well as as a result of external events.

Systematic tracking of incurred operating losses is carried out using an analytical database that takes into account all significant events and risks by areas of activity (divisions), individual operations (deals), and contains, among other things, information on the types and amounts, dates of incurring (reimbursing) operating losses in the context of areas of activity, individual operations (transactions), the circumstances of their occurrence and identification.

The Bank also recognizes Legal Risk as one of the types of operational risk. Legal risk management is carried out within the framework of general operational risk management procedures.

Tool for managing legal risk st is a constant monitoring of the regulatory framework and its trends. The legal risk management system is integrated into the internal risk management processes of the Bank, and its results form an integral part of the process of monitoring and control of the level and profile of legal risk, as well as the decision-making process in the implementation of the current activities of the Bank.

Liquidity risk. Liquidity risk - the risk of the Bank's inability to finance its activities, that is, to ensure the growth of assets and fulfill obligations as they fall due without incurring losses in an amount that threatens the financial stability of the Bank.

Liquidity management consists of the following stages:

- control and / or monitoring of the level of liquidity;
- analysis and assessment of liquidity risk;
- gap analysis;
- measures to minimize liquidity risk and restore liquidity

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Concentration risk.

Concentration risk is the risk arising from the Bank's exposure to major risks, the realization of which may lead to significant losses that could threaten the Bank's solvency and its ability to continue as a going concern.

Sources of concentration risk may include:

- a significant amount of claims against one counterparty or a group of counterparties;
- a significant amount of investments in instruments of the same type and instruments, the cost of which depends on changes in general factors;
- credit claims to counterparties in one sector of the economy or geographic area;
- credit claims to counterparties, the financial results of which depend on the implementation of the same type of activity or the sale of the same goods and services;
- indirect exposure to concentration risk arising from the implementation of measures to reduce credit risk (use of identical types of collateral, independent guarantees provided by one counterparty);
- dependence on separate sources of liquidity.

The concentration risk is limited and minimized by setting limits on the concentration risk indicators, including the mandatory Bank of Russia standards: the maximum exposure standard for one borrower or a group of related borrowers (N6); the standard for the maximum amount of risk per person related to the bank (group of persons related to the bank) (N25).

The risk of loss of business reputation.

The risk of loss of business reputation is the risk that losses arise as a result of negative perception of the Bank by its members, customers, counterparties, shareholders, investors, creditors, market analysts, supervisory authorities and other stakeholders , which may negatively affect the Bank's ability to maintain existing and establish new business relationships and maintain access to financial resources on an ongoing basis.

The main tools for managing the risk of losing business reputation are:

- continuous monitoring of publications and statements in the media about the Bank, as well as constant assessment of the degree of loyalty to the Bank of its counterparties;
- prompt development of a unified agreed position of the Bank on issues affecting its business reputation;
- compliance by the Bank's staff during working hours with the standards of communication with clients, representatives of regulatory bodies and the public; development and support of relations (including informal ones) with infrastructure organizations and other participants in the financial services market; establishment of constructive legitimate interaction of the Bank with representatives of regulatory bodies and other government bodies.

Strategic risk.

Strategic risk is the risk of unfavorable changes in the Bank's performance due to erroneous decisions made in the Bank's management process, including when developing, approving and implementing the Bank's development strategy, improper execution of decisions made, and the inability of the Bank's management bodies to take into account changes in external factors.

Management of this type of risk is ensured by adequate planning of the Bank's economic operations.

Regulatory risk (compliance risk).

Regulatory risk (compliance risk) - the risk of the Bank incurring losses due to non-compliance with the legislation of the Russian Federation, internal documents of the Bank, standards of self-regulatory organizations (if such standards or rules are mandatory for the Bank), as well as the application of sanctions and (or) other measures influence from supervisory authorities.

To build an effective management process on an ongoing basis for regulatory risk in order to minimize it, the Bank has created an independent structural unit, the Internal Control Service, which carries out its activities on the basis of approved plans, as well as adopted internal documents regulating this process.

The regulatory risk management process at the Bank includes the following key elements:

- revelation and identification of regulatory risk, including planned and unscheduled measures (monitoring) carried out in order to assess the compliance of internal documents, products, processes and procedures of the Bank with the requirements of the legislation of the Russian Federation, regulations of the Bank of Russia and internal documents of the Bank;
- control over the timeliness and completeness of amendments to the internal documents of the Bank in connection with changes in the legislation of the Russian Federation and regulations of the Bank of Russia (daily reviews of legislation with the direction of recommendations to the Bank's divisions (if necessary);
- accounting for events related to the occurrence (probability of occurrence) of regulatory risk and documenting recommendations and measures aimed at minimizing it (event log);
- assessment of regulatory risk.
- development of measures to minimize regulatory risk, sending recommendations to the heads of the Bank's structural divisions and monitoring the timing of their implementation;

identification of conflicts of interest in the activities of employees, structural divisions and the Bank as a whole, during monitoring in the areas of the Bank's activities;

- annual analysis of the dynamics of complaints (requests, claims) of clients (if any) , including those containing signs of non-compliance by the Bank with clients' rights and the presence of regulatory risk;
- advising the Bank's employees on issues related to regulatory risk management;

- participation, within its competence, in the Bank's interaction with supervisory authorities, self-regulatory organizations;

- other activities related to the management of regulatory risk and provided the Bank's internal documents.

8.1. Credit risk.

Information on the classification of assets by quality categories, types of financial transactions is provided on the basis of data from Form 0409115 "Information on the quality of assets of a credit institution" as of 01.01.2021:

As of 01.01.2021, the structure of the Bank's assets includes claims against legal entities (other than credit institutions) in the amount of RUB 119 343 thousand, which are classified as the first quality category, and claims against credit institutions for the total amount of RUB 614 450 thousand, from whose claims in the amount of 588,669 thousand classified in the first category quality requirements for the amount of 25 781 thousand and RUB classified as a second category of quality.

Formed reserves for possible losses on 01.0 1 .202 1 year amount to 1 290 thousand rubles .

When calculating mandatory ratios and determining the amount of equity (capital), the Bank takes into account reserves for possible losses on financial assets formed in accordance with Bank of Russia Regulation No. 590-P, Bank of Russia Regulation No. 611-P dated 23.10.2017 “On the Procedure formation of reserves for possible losses by credit institutions ”and Ordinance of the Bank of Russia dated November 17, 2011 No. 2732-U“ On the specifics of the formation by credit institutions of a reserve for possible losses on operations with securities, the rights to which are certified by depositories ”

8.2. Market risk.

Market risk arises when the Bank performs transactions with financial instruments, the value of which is subject to changes in the market.

The capital requirements for covering market risk take into account the impact and size of currency and interest rate risks and are calculated in accordance with the requirements of the regulator (Regulation of the Bank of Russia dated 03.12.2015 No. 511-P “Regulation on the procedure for calculating the value of market risk by credit institutions” (hereinafter - Regulation Bank of Russia No. 511-P)).

Market risk, including stock, interest rate and currency risks, is assessed in accordance with Bank of Russia Regulation No. 511-P.

The value of the market risk on 01.0 1 .202 1 , in accordance with the Bank of Russia # 511-P: 0 thousand.

Measurement, assessment and monitoring of the market risk of the trading portfolio (if any) is also carried out by calculating the market risk (VAR- assessment), analyzing compliance with the limits and thresholds determined by the Bank.

In order to manage market risk, the Bank uses risk assessment according to the value-atrisk (VAR) method . This methodology is used to assess the risk of loss in the value of the trading portfolio of securities and open foreign exchange positions (OCP) of the Bank.

The VAR estimate is an estimate of the value expressed in monetary units, which will not exceed the expected losses during a given period of time with a given probability

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8.3. Interest rate risk of the banking book.

Below is information about the interest rate risk of the banking book on ruble transactions, calculated on Form 0409127 "Information on interest rate risk" as of 01.0 1 .2021.

Line number	Indicator name	Time intervals	

		up to 30days	from 31 to 90 days	from 91 to 180 days	from 181 days to 1 year	Insensitive to changes in interest rates
1	2	3	4	5	6	16
1 BALANCE SHEET ASSETS						
1.1	Cash and cash equivalents	X	X	X	X	0
1.2	Funds on correspondent accounts with credit institutions	588659	0	0	0	5105
1.3	Loan debt, total, of it:	539767	0	0	0	0
1.3.1	credit institutions	539767	0	0	0	0
1.6	Прочие активы	0	0	0	0	119142
1.7	Property, plant and equipment and intangible assets	0	0	0	0	14933
2 OFF-BALANCE REQUIREMENTS						
3	Total balance sheet assets and off-balance sheet claims	1128426	0	0	0	139180
4 BALANCE LIABILITIES						
4.2	Funds of customers other than credit institutions, total, of which:	0	0	0	0	146071
4.2.1	on settlement (current) accounts of legal entities and individuals	0	0	0	0	146071
4.4	Other liabilities	0	0	0	0	690117
4.5	Sources of equity (capital)	0	0	0	0	430697
5 OFF-BALANCE COMMITMENTS						
6	Total balance sheet liabilities and off balance sheet liabilities	0	0	0	0	1266885
7	Cumulative gap (line 3 - line 6)	1128426	0	0	0	X
8	Change in net interest income:	X	X	X	X	X
8.1	+ 200 basis points	21627,41	0,00	0,00	0,00	X
8.2	- 200 basis points	-21627,41	0,00	0,00	0,00	X
8.3	time factor	0,9583	0,8333	0,6250	0,2500	X

Interest rate risk in the banking book, as calculated in the framework of the form 0409127 to 01.0 1 .202 1 , amounts to 21 627.41 thousand rubles (as of 01.01.2020 this indicator amounted to 11 095 thousand rubles).

8.4. Operational risk.

The value of operational risk is taken into account in the calculation of mandatory ratios of capital adequacy (capital) to 01.0 1 .202 1 of 2 935 000 rubles (as of 01.01.2020 the value of the operational risk amounted to 7763 thousand rubles).

8.5. Liquidity risk.

Information about the structure of assets and liabilities by maturity and repayment of demand deposits to 01.0 1 .202 1 shows (in thousands rubles) based on the data form 0409125 "Information on assets and liabilities in terms of demand and redemption":

Indicator name	Amounts by the terms remaining to maturity (demand)					
	on demand and for 1 day	up to 5 days	up to 10 days	up to 20 days	up to 30 days	up to 1 year
1	2	3	4	5	6	10
ASSETS						
1. Cash, including balances on correspondent accounts, total, including:	588765	588765	588765	588819	588819	588819
3. Loan and equivalent debt, measured at amortized cost, total, including:	144141	144141	144141	539767	539767	539767
6. Other assets, total, including:	0	116013	116013	116013	116013	116013
7 TOTAL LIQUID ASSETS (sum of lines 1, 2, 3, 4, 5, 6)	732906	848919	848919	1244599	1244599	1244599
LIABILITIES						
9. Customer funds, total, including:	146071	146071	146071	146071	146071	146071
9.1. funds of non-resident clients (except for deposits of individuals)	30831	30831	30831	30831	30831	30831
11. Other liabilities, total, including:	1897	686052	686052	687345	690117	690117
12. TOTAL LIABILITIES (the sum of lines 8, 9, 10, 11)	147968	832123	832123	833416	836188	836188
LIQUIDITY INDICATORS						
14. Surplus (shortage) of liquidity (the difference between line 7 and the sum of lines 12 and 13)	584938	16796	16796	411183	408411	408411
15. Ratio of excess (deficit) liquidity (line 14: line 12) x100%	395,3	2,0	2,0	49,3	48,8	48,8

Liquidity surplus as at 01.0 1 .202 1 , in the period before the year is 4 08 411 thousand rubles (as of 01.01.2020g. This figure was 444 841 thousand rubles).

Current liquidity ratio as of H3 01.0 1 .202 1 of 1 34 . 313 % (as of 01.01.2020 this indicator was 429.905%)

8.6. Concentration risk.

Due to the absence of a loan portfolio, indicators of sectoral and geographical concentration, indicators of structural concentration, as well as the indicator of statistical concentration (Herfindahl-Hirschman index) of the loan portfolio are not calculated.

Mandatory concentration standards (H6 and H25) are 0% and 0%, respectively.

The level of concentration of liquidity sources - the share of the Bank's largest creditor in the total volume of the Bank's liquidity sources (borrowed and own funds of the Bank (capital) amounted to 7 %.

Based on the results of a comprehensive assessment, the level of concentration risk is recognized as low.

8.7. Information about money management.

The Bank on an ongoing basis carries out the calculation, assessment of the adequacy and monitoring of its own funds (capital). The calculation of the value and the assessment of the level of sufficiency are carried out by the Bank in accordance with the requirements of the regulator (within the framework of the Bank of Russia Regulation No. 646-P and the Bank of Russia Instruction of 06.12.2017 No. 183-I " On mandatory standards for banks with a basic license" (hereinafter referred to as the Bank of Russia Ordinance Russia No. 183-I), respectively).

The magnitude of internal resources (capital) to 01.0 1 .202 1 was 419,090 th. Rub., The value of bank capital 01.0 1 .202 1 was 419,090 th. Rub.

The ratio of capital adequacy (capital) of N1.0 to 01.0 1 .202 1 totaled 114,546 % (as of 01.01.2020 the norm N1.0 was 187,747%)

Regulatory capital adequacy N1.2 to 01.0 1 .202 1 amounted to 114,546 % (as of 01/01/2020 was 124,645 standard N1.2%)

In order to control the level of capital adequacy, the Bank has established signal (criterion) values of the level of capital adequacy (according to the standards N1.0, N1.2 at 15% and 13%, respectively), in the event of which the Bank develops measures to prevent further deterioration of standards and their return to comfortable values.

In the reporting period, the Bank complied with the requirements for the adequacy of its own funds (capital) in accordance with Bank of Russia Ordinance No. 183-I.

9. LABOR REMUNERATION SYSTEM

The Regulation on the remuneration and remuneration system for employees of Bank 131 LLC (hereinafter - the Regulation on remuneration) determines the policy in the field of remuneration and material incentives for personnel and is aimed at ensuring the financial stability of the Bank and increasing the motivation for work of the Bank's employees, their material interest in effective work.

The regulation on remuneration was approved by the Board of Directors. In 2020, changes were made to this document in order to update and bring it in line with the requirements and recommendations of the regulatory documents of the Russian Federation on wages.

In accordance with the Regulations on Labor Remuneration, the Internal Audit Service annually evaluates the effectiveness of the organization and functioning of the Bank's remuneration system. Based on the results of the analysis, the Bank's remuneration system was found to comply with the requirements of the Bank of Russia Instruction No. 154-I. The report of the Internal Audit Service on the results of the assessment and proposals of divisions exercising internal control and divisions performing risk management on the improvement of the remuneration system (if any) are considered by the Board of Directors.

The remuneration system includes constant at u (fixed) part (base salary) and variable (variable) part defined by taking into account the quantitative and qualitative indicators to take into account all

relevant to the Bank's risks and profitability of the Bank. With regard to separately identified categories of workers:

- members of executive bodies and other employees who take risks ,
- subdivisions carrying out operations (transactions) bearing risks,

when determining the amount of remuneration for employees, the levels of risks to which the Bank is exposed as a result of their actions are taken into account.

The Bank's expenses on remuneration for key management personnel in 2020 amounted to RUB 7,796 thousand, insurance premium expenses amounted to RUB 1,737 thousand, incl. short-term remuneration - 7 796 thousand rubles, insurance premiums - 1,737 thousand rubles. Bank The compensation cost is, other leaders (workers) take risks in 2020 totaled 1 057 thousand rubles, the cost of insurance premiums amounted to 316 thousand rubles, including short-term benefits - 1 057 000 rubles, insurance payments - 316 thousand rubles. There are no long-term employee benefits (including key management personnel) and share-based payments.

10. INFORMATION ON TRANSACTIONS WITH PARTIES RELATED TO THE BANK.

The term “related parties” is used within the meaning of “related parties” as defined in International Financial Reporting Standard (IAS) 24 “Related Party Disclosures”. In the normal course of business, the Bank enters into cash and settlement transactions with related parties and business transactions. Transactions are carried out on market terms similar to those for transactions with third parties.

As of 01.01.202 1 year current account balances related party of the Bank amounted to 64 903 thousand and RUB, commission income from cash management services related to the side of the bank amounted to 99 thousand rubles.

Organizational and administrative expenses of the Bank under contracts with related parties amounted to 1 9 07 thousand rubles.

Information about the remuneration of on e of key management personnel and executives (employees) taking risks is presented in Section 9 of this explanatory information.

Chairman of the Board **Magomedov AB**

Chief Accountant **T.V. Borisova.**

29.01.2021