



Presentation for investors
ESG Banking. Made in Russia

1H2018



Southern Russia. Region overview

Historically, Southern Russia includes the Southern (Southern Federal District) and the North-Caucasian (North-Caucasian federal district) federal districts. Center-invest bank operates in the Krasnodar Krai (KK), Volgograd (VR) and Rostov (RR) regions and the Stavropol Krai (SK). Potential of the South of Russia includes favorable geopolitical location, favorable natural and climatic conditions, water, land and mineral resources, developed infrastructure, diversified economy, qualified personnel. Competitive advantages of Southern Russia are diversified structure of the economy and entrepreneurial potential, which allows overcoming successfully any crisis processes of the global economy; production in Southern Russia grows faster and producer prices are slower than the average for the Russian Federation

Southern Russia as % of Russian Federation	2016*
Territory	3.6
Population	17.8
Industry	8.8
Agriculture	26.3
Construction	12.0
Retail trade	16.1
Capital investment	10.9

Data is provided for the Southern Federal District and the North Caucasus Federal District.

* The Republic of Crimea and the city of Sevastopol became part of the North Caucasus District in 2016. SMEs and individual entrepreneurs based on data for 2015



History 25+

ACRA assigned A (Ru) rating	• 2018	The foresight-session «Center-invest bank»:25+»
first Russian bank who started issuing and acquiring «Mir» payment cards	• 2017	responsAbility Investments AG became a shareholder; Loan agreement with the BSTDB for SME support amounted to RUB1bn
The Financial Literacy Centre was opened; Social projects «Enterprise for All» and «Business loan for business woman» - «The Best Social Projects of Russia»	• 2016	Bank's first bond issue for population share capital increase in amount RUB500m; Russia's 1st Positive Economy Forum together with PlaNET Finance (France)
winner in the tender of the Federal Treasury for cash services of budgetary funded organizations of Rostov region; Youth Business Programme run by the International Forum of Business Leaders	• 2015	www.school.centrinvest.ru was launched; «Sustainable Bank of Eastern Europe» by FT/IFC Sustainable Finance Awards; Citibank «STP Award 2012» and Commerzbank «Relationship Award 2012»
Development Strategy «The Post-Crisis Development of Southern Russia 2011 - 2015»; Cooperation Agreement with Guarantee Fund for SME Development and Support	• 2014	
Erste Group Bank AG became a shareholder; Bank's own processing centre was opened	• 2013	«The Sustainable Finance Awards» by The New Economy magazine; CNY correspondent account with Bank of Communications (Shanghai)
Moody's assigned «B1» rating; 1st international syndication for USD45m; 1st bond issue in amount of RUB1.5bn	• 2012	Top performing bank in the Rostov Region under SME Development Programme; 1st loan under Energy Efficient Housing and Communal Services Programme
EBRD became a shareholder; entering VISA International; adoption of Corporate Governance Code and Code of Corporate Ethics	• 2011	1st issuance of CLN in amount USD175m in international market; Dr.Vysokov - «Sustainable Banker of the Year» by FT; Golden Certificate of Trust of the Federal Tax Service of Russia
agreements with EBRD, The U.S. Agency for International Development (USAID), IFC and HERMES entered	• 2010	DEG became a shareholder; implementation of the program «Doubling with Center-invest Bank»; RUB1bn syndication in the Russian money market
cooperation with IFIs began; joining in Europay International	• 2009	branch opened in Krasnodar; implementation of program «Billion dollars of Don investments»
branches opened in Aksay, Azov, Semikarakorsk	• 2008	participation in programs for transition of Russian banks to international standards
first correspondent account opened in the USA	• 2007	
operations with bills of exchange; opening first branches in Bataysk, Novochoerkassk, Taganrog;	• 2006	development of pro-active marketing program
services for privatization processes	• 2005	first audit passed according to International Accounting Standards by PWC; development of the program for Don SME support; cooperation with Western Union
	• 2004	advanced license for currency operations; launching first investment projects
	• 2003	start of operations with individual deposits and currency exchange transactions
	• 2002	
	• 2001	
	• 2000	
	• 1999	
	• 1998	
	• 1997	
	• 1996	
	• 1995	
	• 1994	
	• 1993	
	• 1992	



Bank overview

Mission statement

«Center-invest Bank is the Sustainable Bank for southern Russia»!

- Center-invest Bank is a leading universal regional bank in southern Russia, was founded in 1992 (General Banking License N2225)
- Bank is licensed by the Federal Financial Markets Service of Russia to act as a broker, dealer, professional participant in the securities market for securities management and depositary in the Russian securities market
- Credit rating from Moody's Investor Service: Ba3 (Stable outlook)
- Credit rating from Analytical Credit Rating Agency (ACRA): A(RU)
- Two prominent IFIs – EBRD and DEG – together with Bank founders Vasily and Tatiana Vysokovy hold 60% of Bank's shares
- Bank operates through 127 offices in southern Russia, Nizhniy Novgorod and representative office in Moscow
- CIB has been audited annually by PricewaterhouseCoopers Audit
https://www.centrinvest.ru/files/about/reports/fininternational/IFRS_208FZ_AUDIT_RPRT_2018.pdf
- Number of employees: 1662 (as at 01.07.2018)



2010, 2012, 2013, 2016
STP Excellence Award
(Citibank)



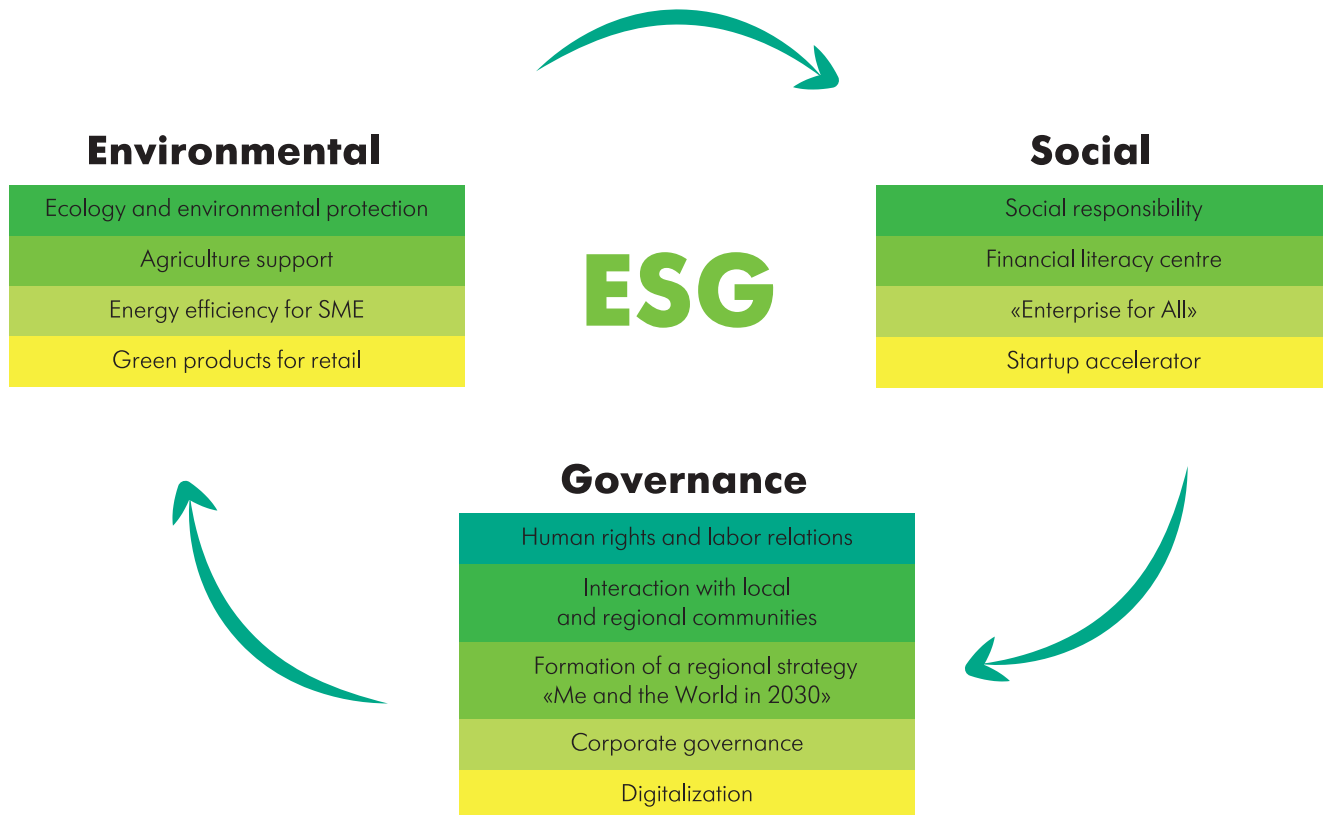
2013
Sustainable banking leader
in Eastern Europe FT/IFC

Forbes

2017
Top 35 «The most reliable
banks in Russia»

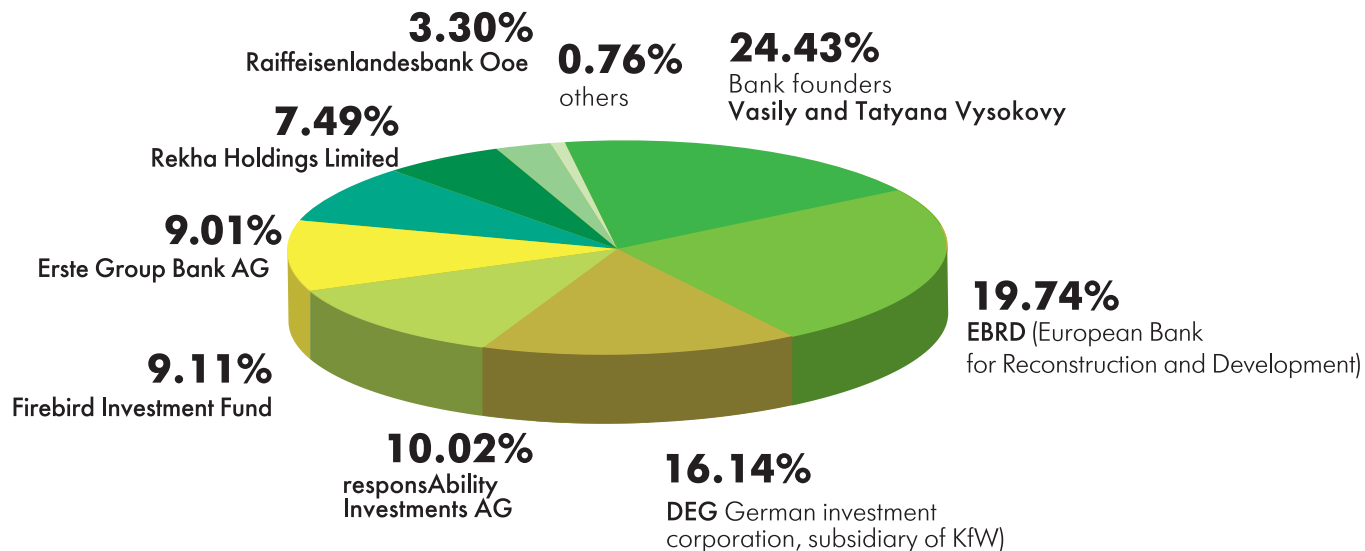


2017
«The 100 best goods in Russia»
(banking services)



Shareholders' structure

Shareholders structure*



* %, Voting right shares



Financial highlights

Key financials									
RUB. bn	2011	2012	2013	2014	2015	2016	1H2017	2017	1H2018
Assets	54.5	62.7	75.9	91.3	89.6	96.6	95.5	102.6	105.4
Capital	6.7	7.6	8.8	9.6	10.6	11.5	11.7	12.6	12.3
Net Loans and Lease	42.5	48.4	61.5	72.0	72.7	73.6	79.8	80.1	86.8
Customer accounts	39.0	44.0	49.4	49.2	65.0	80.4	80.7	87.2	89.4
Net profit	0.9	1.1	1.4	1.1	0.5	1.0	0.5	1.4	0.7
ROAE, %	14.6	15.4	17.3	12.1	5.3	9.1	9.0	11.8	11.9
ROAA, %	1.8	1.9	2.0	1.3	0.6	1.1	1.1	1.4	1.4
NIM, %	6.8	6.7	6.6	6.3	4.4	5.3	6.0	6.2	5.4
Cost/Income, %	49.9	45.1	45.0	43.4	51.1	44.9	47.6	48.7	43.7
Loans/Deposits, %	109.1	109.9	124.5	146.2	111.7	91.6	98.8	91.9	97.0
CAR, %	18.2	17.4	15.6	14.5	17.1	17.0	15.6	16.8	15.6
Number of children born to bank employees	82	71	83	86	78	103	34	89	30

1USD=57.6002RUB as at 01.01.2018

1USD=62.7565RUB as at 01.07.2018

Competitive positions: ratings and rankings



In ranking of the largest Russian banks as at 01.07.2018:

32	Value of retail loan portfolio
35	Value of retail deposits
47	Value of corporate loan portfolio
54	Value of total loan portfolio
64	Value of total assets

<http://raexpert.ru/ratings/bank/monthly/Jul2018/>



In ranking of largest mortgage banks as at 01.07.2017:

13	Number of issued loans
14	Value of issued mortgage loans
17	Value of mortgage loan portfolio

http://raexpert.ru/ratings/bank/ipoteka_1h_2017/

Moody's

Ba3 | Center-invest Bank's rating

ACRA

A(ru) | Center-invest Bank's rating



In ranking of TOP-16 Russian banks for SMEs as at 01.01.2018:

4	Value of loan portfolio to individual entrepreneurs
9	Value of loan portfolio to small business
14	Value of loan portfolio to medium enterprises
15	Value of total SME loan portfolio

https://raexpert.ru/researches/banks/frb_2017

The Banker

GLOBAL FINANCIAL INTELLIGENCE SINCE 1996

TOP-100 Russian Banks by «The Banker» magazine:

40	Profit
42	CAR
48	ROE
49	ROA
51	Cost/Income
55	Tier 1&Net Assets

<http://www.thebanker.com>

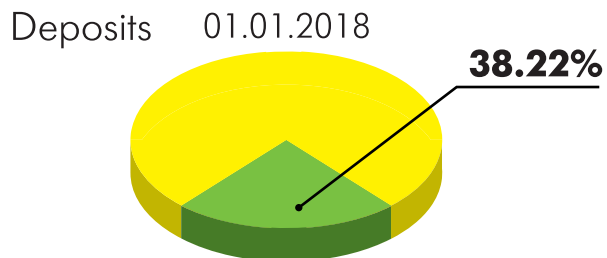
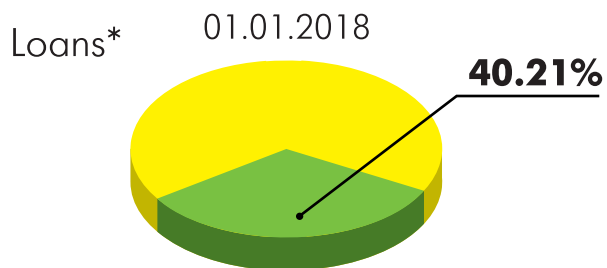
Forbes

31 | The most reliable banks in Russia

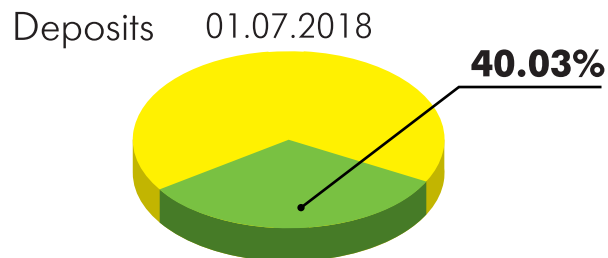
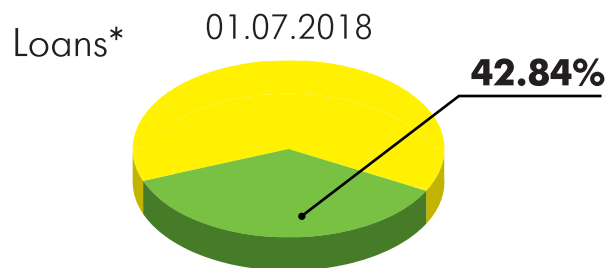
Center-invest Bank: market share

Share of Center-invest Bank in southern Russia

among local banks in CIB operational area



*loans to non-financial corporations,
leasing, factoring



*loans to non-financial corporations,
leasing, factoring

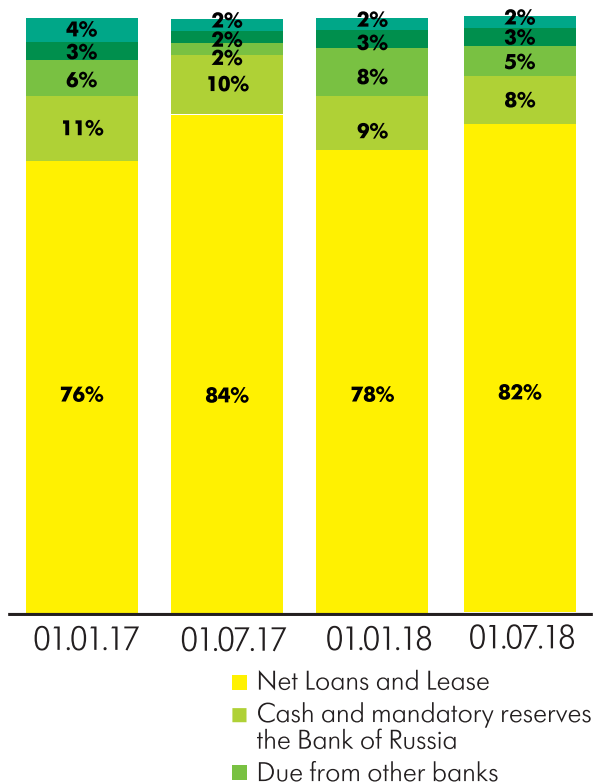
Due to the lack of data on regional Sberbank branches of Russia, since July 2014, information about a share among all banks isn't available.



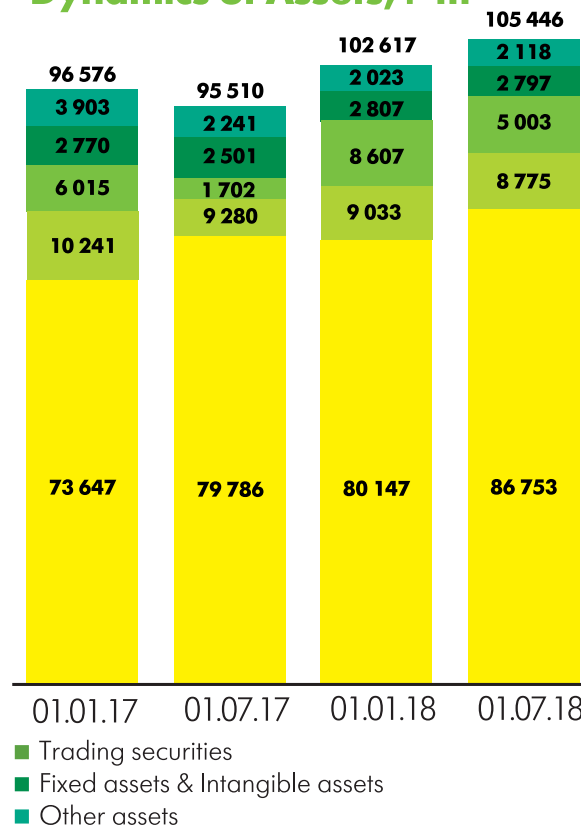
**BANK
CENTER-INVEST**

Assets: dynamics and structure

Assets structure, %



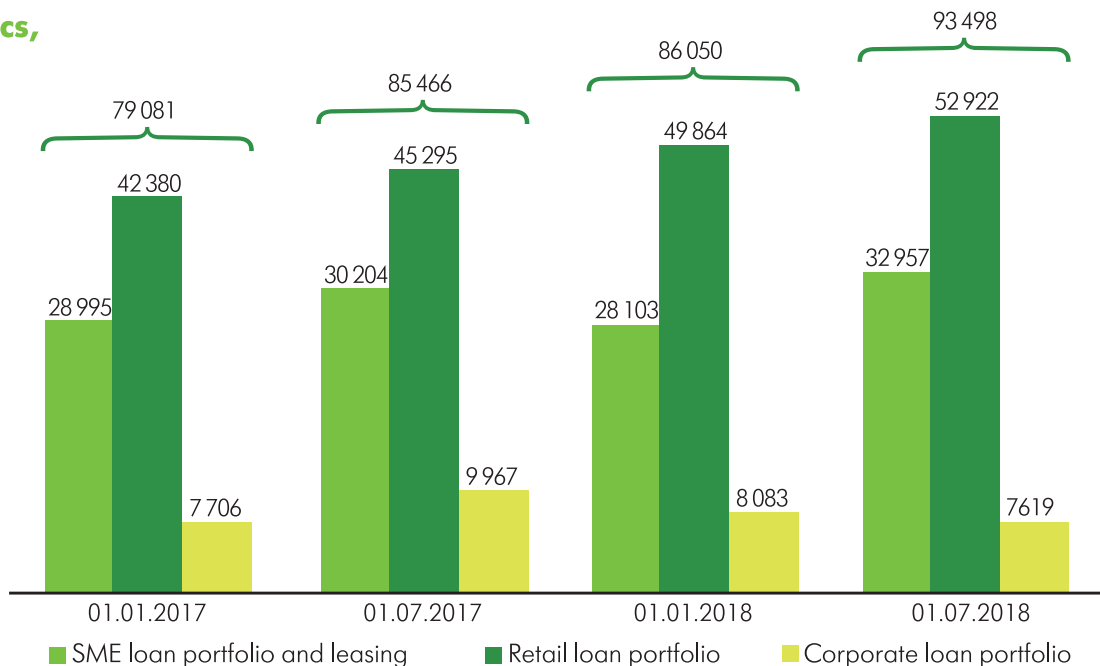
Dynamics of Assets, ₴ m



Loan portfolio development

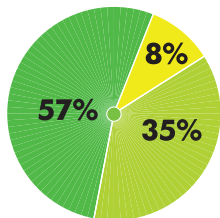
Gross loan portfolio has increased by **₽8.3bn** (+9.7%) and made up **₽93.5bn** (before provisions). The stable growth in lending is attributable to the attractive lending terms, comprehensive support for entrepreneurs, free consulting services to clients and long-term sustainable development strategy of the Bank. Retail lending is still the basic driver for growth of the Bank's loan portfolio.

Loan portfolio growth dynamics, ₽ m



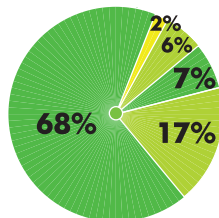
Loan Portfolio: structure and concentration

Client's structure



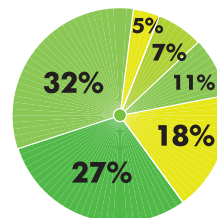
57 % - Retail
35 % - SME
8 % - Corporate

Maturities structure



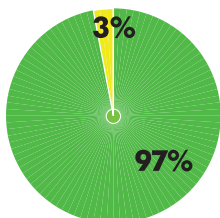
68 % - >1 year
17 % - 181-365 days
7 % - 91-180 days
6 % - 31-90 days
2 % - < 30 days

Industries structure



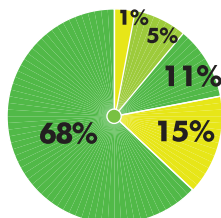
32 % - Trade
27 % - Agriculture
18 % - Manufacturing
11 % - Transport
7 % - Others
5 % - Construction

Structure by currency



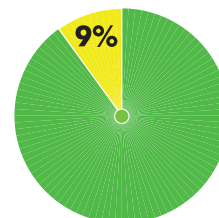
97 % - Russian rubles
3 % - Foreign currency

Structure by collateral



68 % - Real estate
15 % - Motor vehicles
11 % - Third parties' guarantees
5 % - Farming machines
1 % - Others

TOP-10 Borrowers*

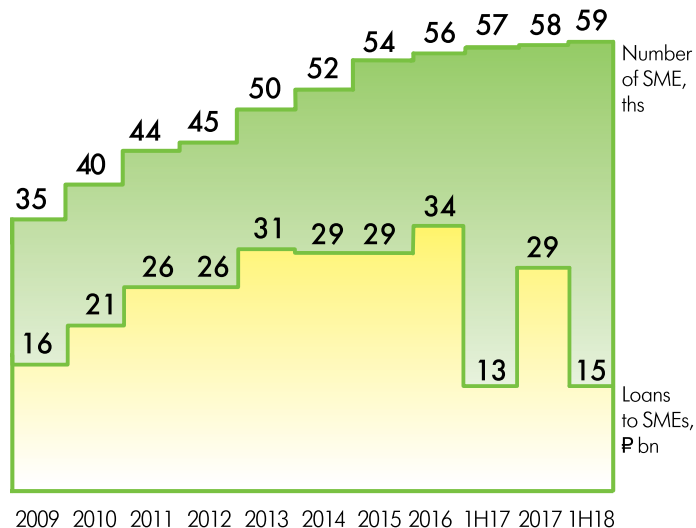


9 % – Share of TOP-10 Borrowers in gross loan portfolio and leasing
 Gross loan portfolio and leasing – **RUB93.5bn**

*%, loans and lease before provisions



Focus on SME Lending



Despite the intense competition on the SME lending market, the Bank maintained its rate of lending at the same level as last year: in 1H2018 we made more than 2 300 loans to SMEs for a total of RUB15.5bn and has managed to expand our client base.

Center-invest Bank first began working with SMEs back in 1997. Bank is a leader for SME Development Programmes in Rostov region – accounting for a quarter of all long-term loans for investment purposes for SMEs and takes an active part in implementation of the similar programmes in southern Russia.

Bank has again performed very well in ratings of Russia's leading banks for SMEs. In a study of Russia's SME lending market in 1H2017 produced by the Expert RA Rating Agency, Center-invest Bank ranks **5th** place in the **TOP-10** Russian banks for value of portfolio of loans to small and medium business.



Unique lending programmes

The programme for supporting early-stage entrepreneurs includes consulting and education programmes:

Startup

Loan programme, which provides preferential financing over a three year term for up to 3 million rubles as well as consulting support and mentoring from active and successful businessmen,

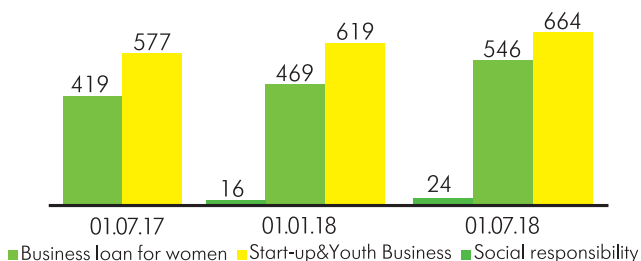
Business loans for women

Preferential loan for business women and enterprises providing services or producing goods for women. The absence of overdue payments on that programme proves its effectiveness.

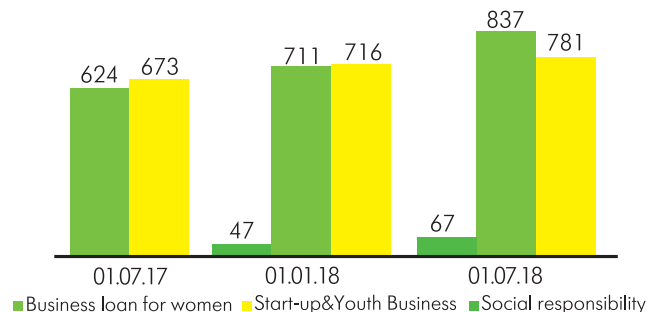
Social responsibility

Loan programme for development of social entrepreneurs' business in the field of education services, health and healthy lifestyles, the revival of cultural and historical traditions, the development of domestic tourism, and ecology

Total number

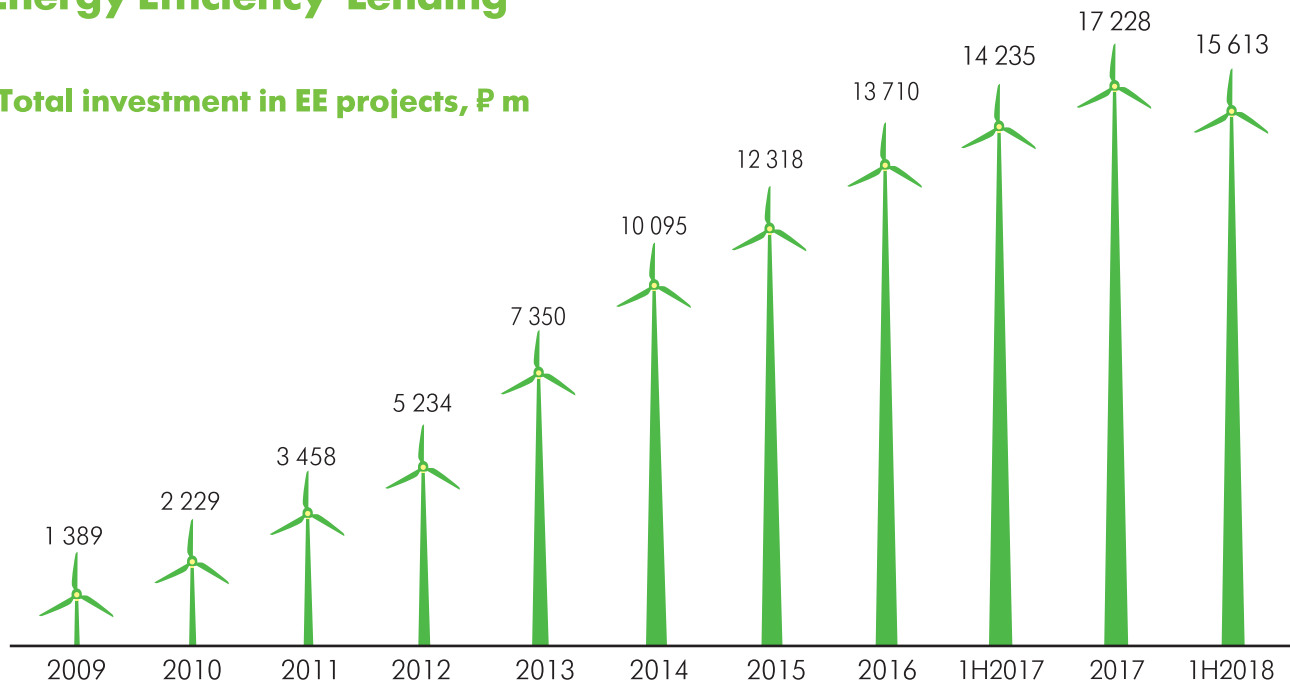


Total amount, ₺ m



Energy Efficiency Lending

Total investment in EE projects, ₪ m



Bank's Environmental & Social Policy addresses the majority of responsibilities in terms of environmental protection.

Bank has developed a methodology to assess environmental risks in its lending activities which help customers develop measures to avoid or mitigate adverse social and environmental impacts and monitor compliance with

environmental and social obligations during project implementation.

Center-invest is the first bank in southern Russia to provide loans for homeowners' associations to renovate apartment buildings and reduce energy consumption.



**BANK
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Agribusiness Lending

Value of financing
agribusiness projects, ₪ m



In 1H18, loans granted to agribusiness constituted a substantial 32% of the Bank's corporate loan portfolio.

In September 2017 Bank was included in the list of credit institutions approved by the Ministry of Agriculture authorized to participate in the government's preferential

agricultural lending programme which will involve a providing loans with a maximum rate of 5% p.a. for working capital and investment purposes.



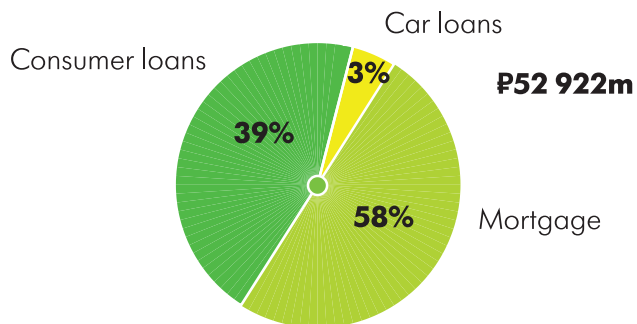
Retail lending

Bank's retail loan portfolio increased by RUB3bn (+6.1%) in 1H18 to RUB52.9bn at year end (2017: RUB49.9bn).

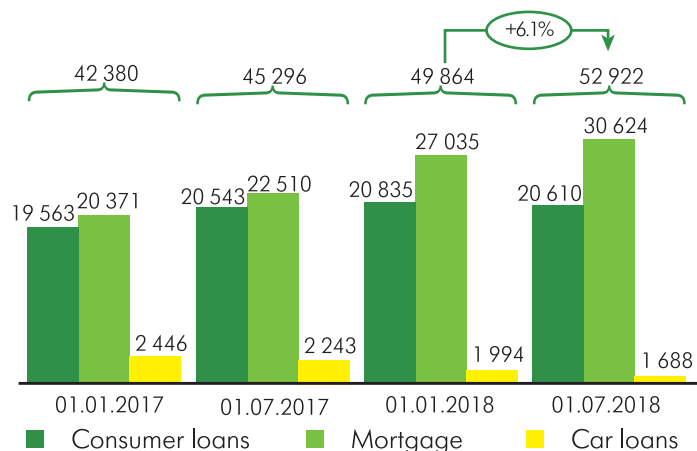
Mortgage loans are still the basic driver for growth of the retail portfolio. Center-invest Bank was ranked 18th among Russia's largest banks for volume of mortgage lending in 2017.

In spite of rapid growth of retail lending, NPL Ratio (>90 days) is maintained at a low level: 5.3%.

Breakdown by loan volumes as at 01.07.2018



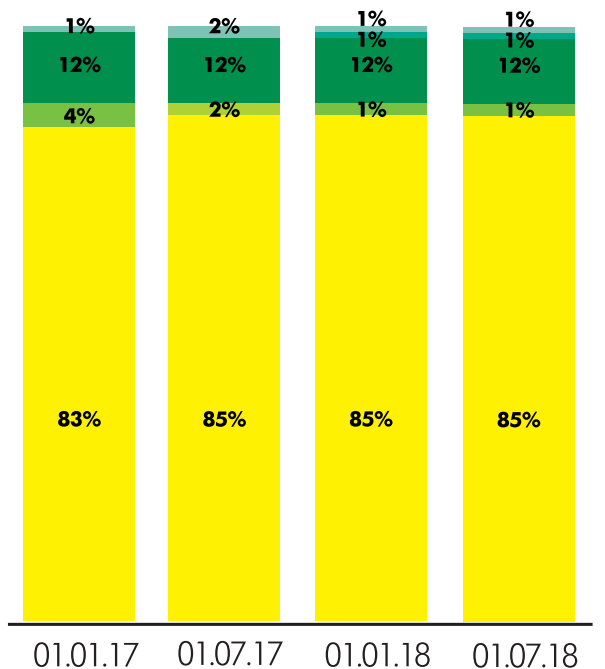
Dynamics and structure of retail lending portfolio, P m



Bank's approach to retail lending is rather conservative: we don't provide express loans and give preferences to customers with a good credit history, own depositors, and participants in Bank's payroll programmes.

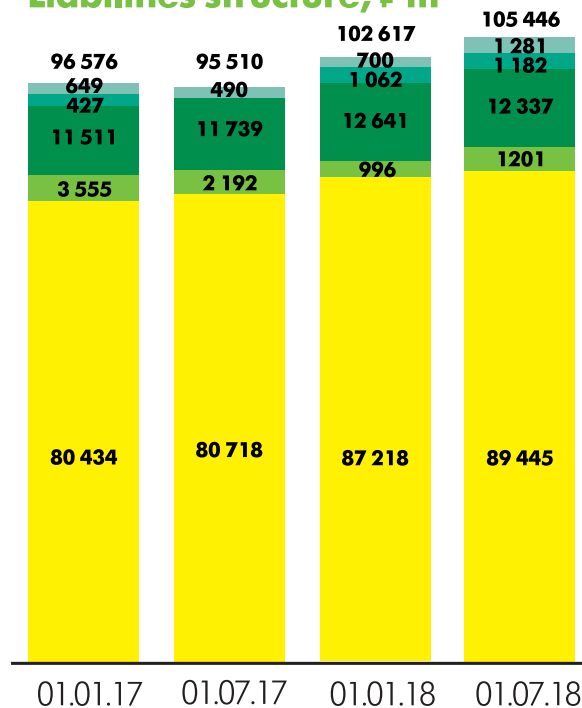
Liabilities: dynamics and structure

Dynamics of Liabilities, %



■ Customer accounts
■ Loans from IFIs and other banks

Liabilities structure, ₴ m



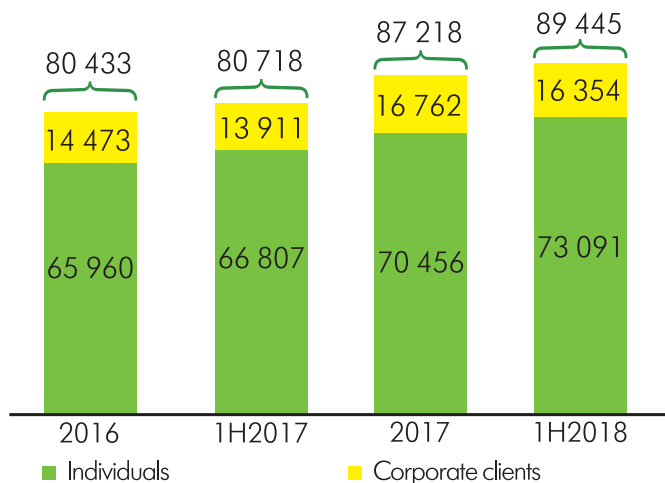
■ Total shareholders equity
■ Debt securities in issue
■ Other liabilities

Funding base

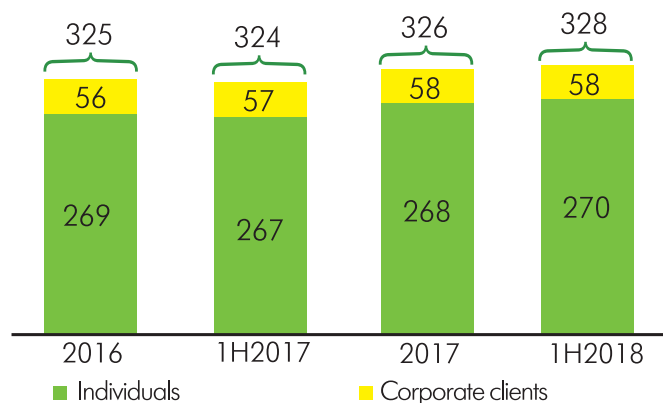
Center-invest Bank's total customer funding base increased by 2.6% in 1H18 to RUB89bn, retail customer accounts by 3.7%. Customer funding continues to be the Bank's main source of funding, accounting for 85% of the Bank's total liabilities as at end H12018 (retail accounting for 69% and corporate customer accounts for 16% of total liabilities). The share of current accounts in total customer funding amounted to 16% as at end 1H18.

Despite of the significant share of retail deposits, it's diversification by quantity, type of customers and wide geographic presence, the continued low concentration as well as gathered bank's experience serves as clear proof that customer funds are the long-term and stable source of funding of bank's activity. The share of TOP-10 depositors to the total value of liabilities made up 2.1% as at 01.07.2018 and continued to drop, for which reason, the risk of concentration of customer base is estimated as rather low.

Dynamics and structure of customer accounts, ₪ m



Dynamics of individuals and corporate accounts, ths accounts



Center-invest Bank on financial markets

Bonds in circulation

Series	Total par value, RUB m	In circulation, RUB m	Maturity date	Put option date	Coupon rate, % per annum
Exchange bonds, BO-07 series	3 265.00	8.67	11.2018	-	8.5
Exchange bonds, BO-10 series	3 000.00	93.93	05.2019	11.2018	8.25
Exchange bonds, BO-001P-01 series	300.00	299.5	07.2018		9.5
Exchange bonds, BO-001P-02 series	60.10	59.6	08.2018		9.31
Exchange bonds, BO-001P-03 series	226.6	226.0	01.2019	10.2018	9.5
Exchange bonds, BO-001P-04 series	159.6	159.6	10.2021	10.2018	8.25

Our professionalism and transparency in conditions of market volatility have strengthened customer confidence in the bank. The increase in customer funds in 2016 and 2017 allowed the bank to reduce the volume of more expensive borrowing in the financial markets.

In honor of the bank's 25th anniversary in the framework of the Exchange bonds programme, the bank issued bonds for the public subject to income tax relief. The issues of the Exchange bonds programme offer unique conditions for investing money as an alternative to placing funds in deposit.

Cooperation with IFIs

Starting from 2002 Bank has been attracting funds from both the Russian and the international financial markets. Bank continues to make positively use of borrowed funds from IFIs, including EBRD, DEG, BSTDB, IFC and others. Attracted credit lines are mainly dedicated for the development of Bank's SME and retail lending.

Our partners



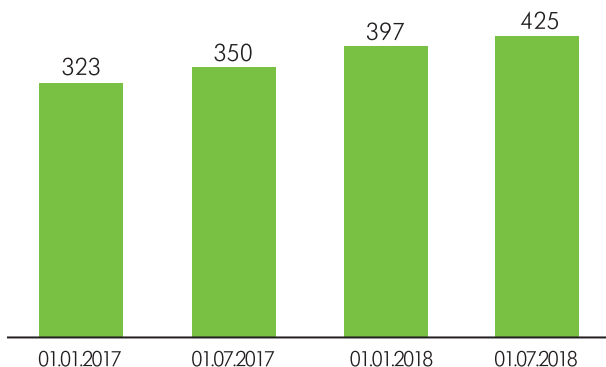
responsAbility



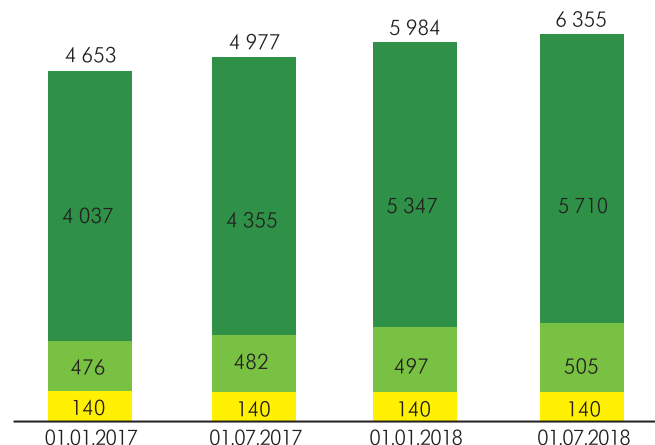
Bank cards

- Center-invest Bank is the leader in southern Russia for the development and introduction of bank card products and services. Bank has become one of the first banks in Russia who joined new national payment card system “MIR” operated JSC National System of Payment Cards (NSPC) and took part in the pilot programme to test the issuing and servicing of the card.
- Bank was ranked among **TOP-6** banks in Russia in value of number of issued cards “MIR” (124 518 cards were issued as at 01.07.2018).
- Center-invest is **the only bank** in Southern Russia to have its **own modern processing centre**. This advantage enables to systematically expand our services based on bank cards.
- Bank provides services for settlement account to **Federal Treasury** of Krasnodar Krai, Rostov and Volgograd regions. As at 01.07.2018 a number of active bank cards issued in frame of this programme made up 12 280 cards.

**Number of active cards
in circulation, ths.**

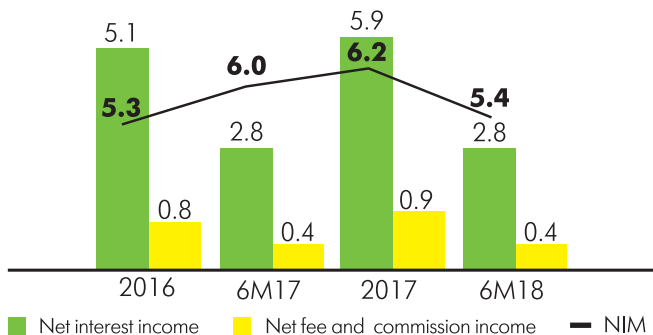


**Growth in the Bank's
acquiring network,
number**

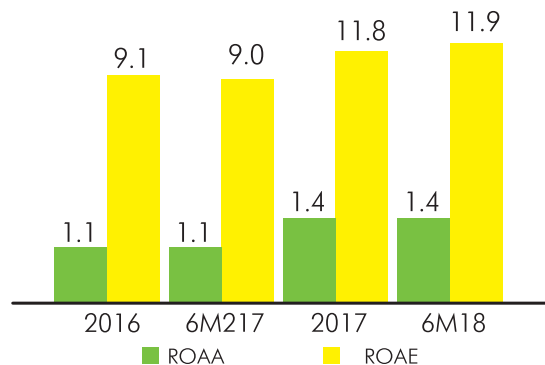


Operational efficiency

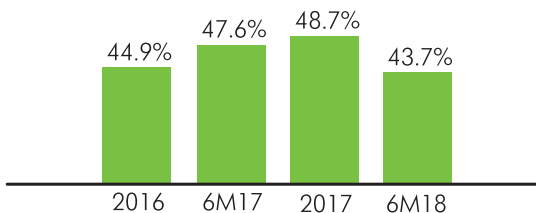
Net interest and commission income, ₪ bn



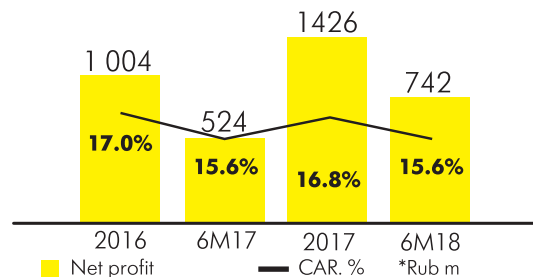
ROAA and ROAE dynamics, %



Cost/Income, %



Net profit* и CAR



Focus on social responsibility

Center-invest Bank sets a positive example as a socially responsible business. Sustainable banking business model focuses on introducing new knowledge and new technologies in the interests of future generations.

Social projects «Enterprise for All» and «Business loan for businesswoman» were recognized as «The Best Social Projects of Russia» in nomination «Education and Science» and «Social marketing».



For the past thirteen years the Endowment Fund for Education and Science in the SFD and Center-invest Bank have been running an open scholarship competition for undergraduate and postgraduate students in southern Russia. More than 19,000 students have entered the competition since it began, and 4,800 scholarships have been awarded.



Center-Invest Bank set up Financial Literacy Centers in Rostov-on-Don, Krasnodar and Taganrog, where every day Centres staff provides free advice on financial issues for all groups of the population to help to avoid mistakes when borrowing money and carrying out other financial transactions. At the Centre, experts from Center-invest Bank regularly provide trainings for older people, young entrepreneurs and workshops for those who want to develop its existing business. All consultations and workshops are provided by the volunteers of the Center free of charge.



The Bank's work to raise financial literacy continues all year round. A key component of this is the online training platform school.centrinvest.ru. The platform combines training modules in the basics of entrepreneurship, video lectures and textbooks. These resources help users to assess their entrepreneurial capabilities and resources, produce a business plan and select the most appropriate start-up loan product. Everyone who completes the «Enterprise for All» course receives a certificate. Over 33 600 people have registered on the portal so far.



Thanks to financial support of CIB, more than 190 000 Rostov region children received free entry to the exhibitions at the Rostov Region Local Studies Museum and Volgograd State Panoramic Museum Stalingrad Battle. In August 2017 «Center-invest bank» is proud to sponsor a unique exhibition, «Ivan Aivazovsky: 200 years of triumph», which opened at the Rostov Region Museum of Fine Arts.



Center-invest Bank: 1H2018

According to a VigeoEiris report Center-invest Bank ranks 17 among 76 leading European banks operating on the basis of models of environmental, social and corporate responsibility (ESG: Environment, Social and Governance).

Center-invest Bank has become a participant and developer of the project «Marketplace», which is implemented by the Bank of Russia. In June 2018 at the International financial Congress in St. Petersburg the Bank of Russia and the Moscow exchange presented a prototype of the Marketplace and remotely opened the first ten deposits in Center-invest Bank.

Analytical credit rating agency (ACRA) has assigned a credit rating of A(RU) to Center-invest Bank, outlook stable.

Center-invest Bank has become a member of the state program for subsidizing the mortgage rate for families, in which a second and third child will appear from January 1, 2018.

Center-invest Bank has released a new application «Mobile Bank» for Android and iOS, which allows to receive information on cards, accounts, deposits and loans, make transfers, pay for services.

The business daily Kommersant has published a ranking of the top 50 banks in Russia based on consumer loans. Ranking in 31st place, Center-invest Bank remains the best bank in the Southern Federal District.

EDB provided Center-invest Bank with a credit line for the implementation of the programmes for SMEs in Russia.

In 2017 Center-invest Bank moved eight places up the annual reliability rating produced by the international business magazine Forbes. We now rank in 31st place.

Moody's Investors Service affirmed Center-invest Bank's Ba3 rating for long-term local and foreign-currency deposits, outlook stable.

Center-invest Bank won in the international street football tournament on the Fair Play as part of the Russian tour of Strassenfussball.



Contacts



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