

Presentation for investors

Sustainable bank for southern Russia

9M2016 IFRS Results



Southern Russia. Region overview.

The Bank operates primarily in Southern Russia.

Southern Russia consists of two federal districts: Southern and North Caucasus.

Due to a diversified by industry economic structure the South of Russia demonstrates more dynamic and stable development trends than most other Russian regions.

The main industry of the region is agriculture. The growth rate demonstrated by the agriculture significantly exceeds Russia's average level. Stable growth is attributable to natural and climate factors, well-developed infrastructure, the structure of economy diversified by activity and characterized by high share of small and medium enterprises.

Comparative features of the region, % of RF	2000	2005	2011	2012	2013	2014	2015
Territory	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Population	15.6	16.0	16.4	16.3	16.4	16.5	16.2
Industrial production	-	5.6	7.6	7.3	7.2	6.2	7.7
Agricultural output	18.7	22.6	23.2	23.6	23.4	23.5	23.0
Construction	11.4	9.5	14.5	14.4	15.0	13.0	12.5
Retail trade	9.8	11.5	14.0	14.2	14.1	14.3	14.9
Investments	11.6	9.4	14.5	13.0	14.0	13.3	13.4



History

first Russian bank who started issuing and acquiring «Mir» payment cards	• 2016	share capital increase in amount RUB500m;
The Financial Literacy Centre was opened; Social projects «Enterprise for All» and «Business loan for business woman» - «The Best Social Projects of Russia»	• 2015	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	• 2014	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	• 2013	«The Sustainable Finance Awards» by The New Economy magazine; CNY correspondent account with Bank of Communications (Shanghai)
Erste Group Bank AG became a shareholder; Bank's own processing centre was opened	• 2012	Top performing bank in the Rostov Region under SME Development Programme; 1st loan under Energy Efficient Housing and Communal Services Programme
Moody's assigned «B1» rating; 1st international syndication for USD45m; 1st bond issue in amount of RUB1.5bn	• 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
EBRD became the shareholder; entering VISA International; adoption of Corporate Governance Code and Code of Corporate Ethics	• 2010	DEG became a shareholder; implementation of the program «Doubling with Center-invest Bank»; RUB1bn syndication in the Russian money market
agreements with EBRD, The U.S. Agency for International Development (USAID), IFC and HERMES entered	• 2009	branch opened in Krasnodar; implementation of program «Billion dollars of Don investments»
cooperation with IFIs began; joining in Europay International	• 2008	participation in programs for transition of Russian banks to international standards
branches opened in Aksay, Azov, Semikarakorsk	• 2007	development of pro-active marketing program
first correspondent account opened in the USA	• 2006	first audit passed according to International Accounting Standards by PWC; development of the program for Don SME support; cooperation with Western Union
operations with bills of exchange; opening first branches in Bataysk, Novocherkassk, Taganrog;	• 2005	advanced license for currency operations; launching first investment projects
services for privatization processes	• 2004	start of operations with individual deposits and currency exchange transactions
	• 2003	
	• 2002	
	• 2001	
	• 2000	
	• 1999	
	• 1998	
	• 1997	
	• 1996	
	• 1995	
	• 1994	
	• 1993	
	• 1992	



**BANK
CENTER-INVEST**

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 was revised in April 2016: B1 (Stable outlook)
- Two prominent IFIs – EBRD and DEG – together with Bank founders Vasily and Tatiana Vysokovy hold 70% of Bank's shares.
- Bank operates through 133 offices in southern Russia, Nizhniy Novgorod and representative office in Moscow.
- CIB has been audited annually by PricewaterhouseCoopers Audit since 1997
http://www.centrinvest.ru/files/about/reports/audit%28en%29/CIB2015_ru_v21%20eng_formatted_v1.pdf
- Number of employees: 1599



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2013
Sustainable banking
leader in Eastern Europe



2010, 2012
STP Excellence
Award (Citibank)

COMMERZBANK 

2015
«Relationship
Award 2015»



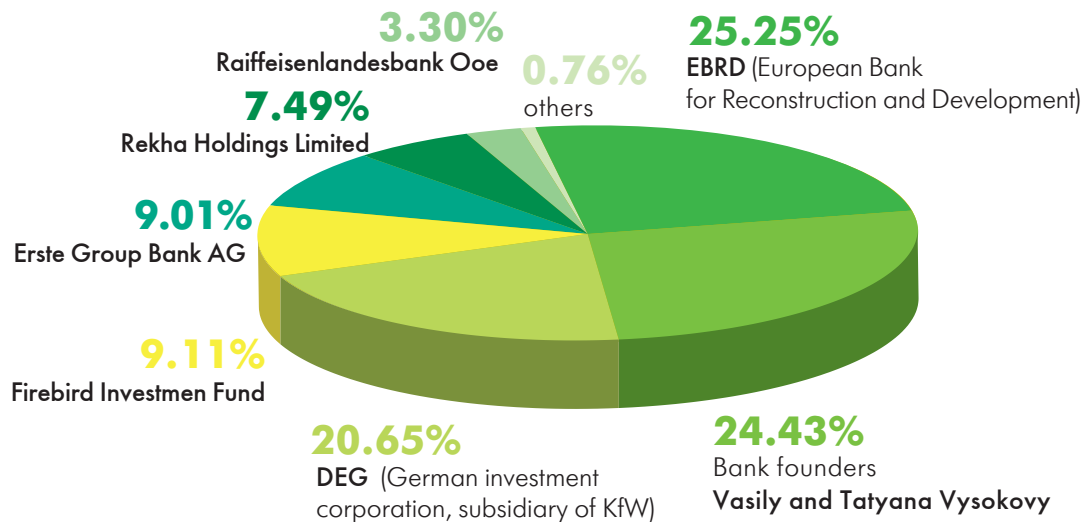
2014
«The 100 Best Goods of
Russia» (banking services)



2014
«The Best
Regional Bank»

Shareholders' structure

Shareholders' structure*



* %, Voting right shares



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Financial highlights

	Key financials							
RUB.bn	2010	2011	2012	2013	2014	9M15	2015	9M16
Assets	48.3	54.5	62.7	75.9	91.3	88.5	89.6	94.5
Capital	5.8	6.7	7.6	8.8	9.6	10.3	10.6	11.0
Net Loans and Lease	30.6	42.5	48.4	61.5	72.0	72.2	72.7	74.4
Customer accounts	33.8	39.0	44.0	49.4	49.2	60.0	65.0	76.4
Net profit	0.2	0.9	1.1	1.4	1.1	0.2	0.5	0.7
ROE, %	3.9	14.6	15.4	17.3	12.1	3.2	5.3	8.1
ROA,%	0.5	1.8	1.9	2.0	1.3	0.4	0.6	1.0
NIM,%	6.3	6.8	6.7	6.6	6.3	4.1	4.1	5.5
Cost/Income, %	51.8	49.9	45.1	45.0	43.4	52.3	51.1	42.9
Loans/Deposits, %	90.6	109.1	109.9	124.5	146.2	120.4	111.7	97.3
CAR,%	19.5	18.2	17.4	15.6	14.5	16.7	17.1	16.6

1USD=72.8827RUB as at 01.01.2016

1USD=63.1581RUB as at 01.10.2016



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Competitive positions: ratings and rankings



In ranking by the Expert RA Rating Agency as at 01.10.2016 Center-invest Bank is placed*:

13	Value of issued SME loans**
16	Value of SME loan portfolio**
37	Value of retail loan portfolio
39	Value of retail deposits
52	Value of corporate loan portfolio
65	Value of total assets

*<http://www.raexpert.ru/ratings/bank/monthly/Oct2016/>

**http://www.raexpert.ru/ratings/bank/frb_2015/

Forbes

In the Forbes Annual Reliability Rating of Russian banks:

38	The Most Reliable Banks: classed as «highly reliable»
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www.forbes.ru/ratings



In ranking of the 100 largest Russian banks by the Banki.ru portal as at 01.10.2016 :

54	Value of total loan portfolio
55	Value of high liquid assets
67	Value of net assets
78	Capital

<https://www.banki.ru/banks/ratings/>

The Banker

GLOBAL FINANCIAL INTELLIGENCE SINCE 1926

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

17	ROE
19	ROA
51	CAR
55	Assets
58	Capital

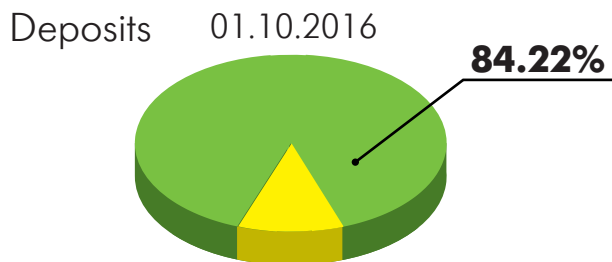
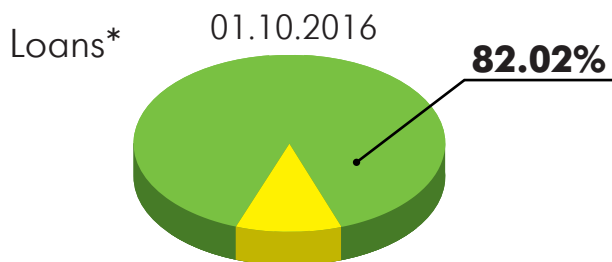
<http://www.thebanker.com>



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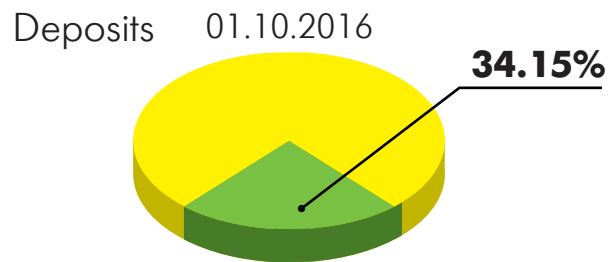
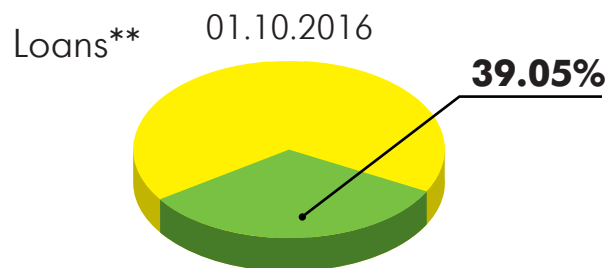
Center-invest Bank: market share

**Share of Center-invest Bank in Rostov region
among local banks**



*loans to individuals, corporate loans, leasing, factoring and interbank loans

**Share of Center-invest Bank in southern Russia
among local banks in CIB operational area**



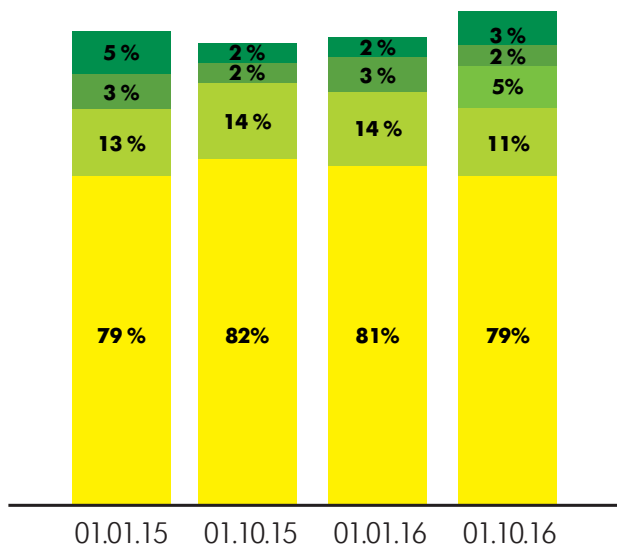
** loans to non-financial corporations, leasing, factoring



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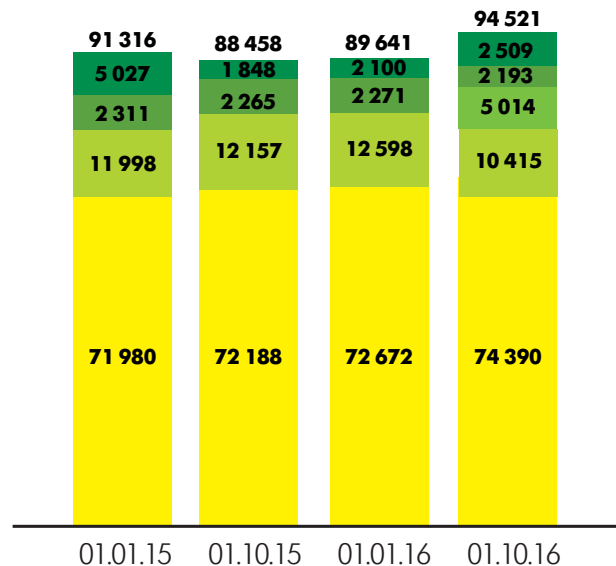
Assets: dynamics and structure

Assets structure, %



- Net Loans and Lease
- Cash and mandatory reserves the Bank of Russia

Dynamics of Assets, RUB m



- Due from other banks
- Fixed assets
- Other assets



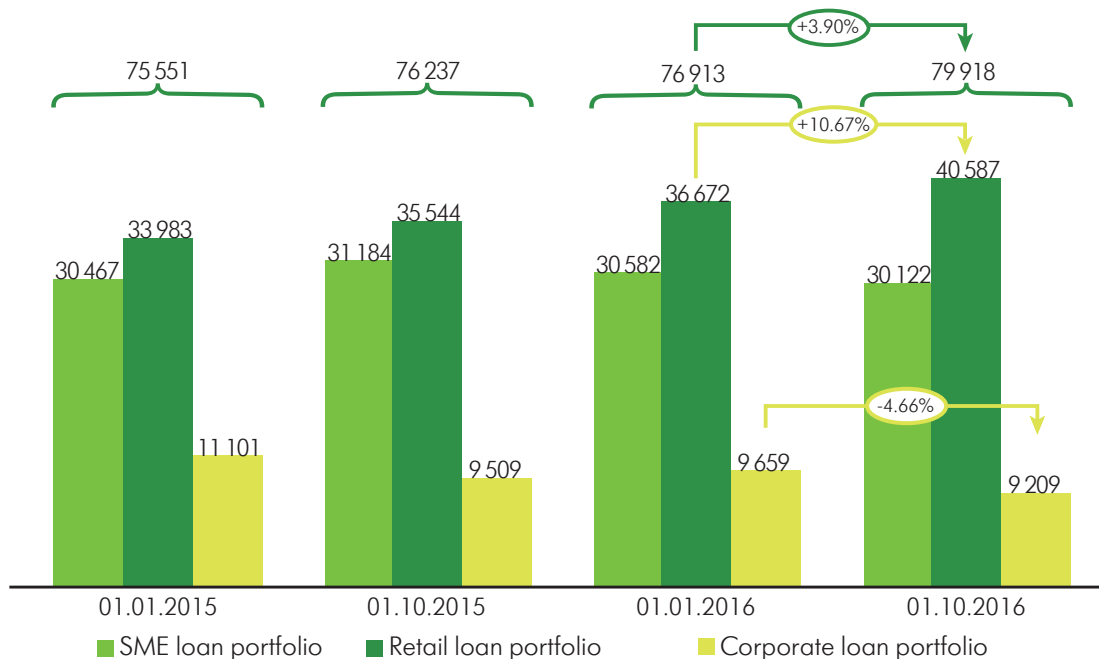
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Loan portfolio development

During the 9M2016 gross loan portfolio (before provisions) has increased by **RUB3.0 bn (+3.9%)** and made up RUB79.9bn (before provisions).

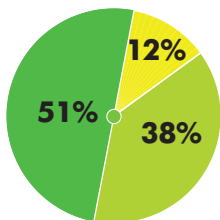
The stable growth in lending is attributable to the attractive lending terms, comprehensive support for entrepreneurs, free consulting services to clients and long-term sustainable development strategy of the Bank.

Loan portfolio growth dynamics, RUB m



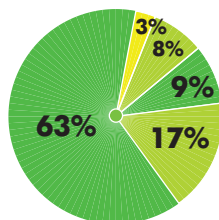
Loan Portfolio: structure and concentration

Client's structure



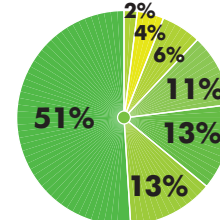
51 % - Retail
38 % - SME
12 % - Corporate

Maturities structure



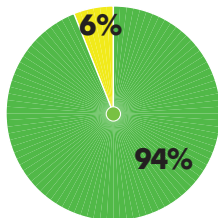
63 % - >1 year
17 % - 181-365 days
9 % - 91-180 days
8 % - 31-90 days
3 % - <30 days

Industries structure



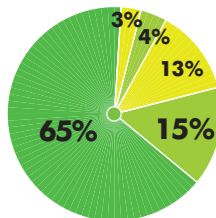
51 % - Individuals
13 % - Agriculture
13 % - Trade
11 % - Manufacturing
6 % - Construction
4 % - Others
2 % - Transport

Structure by currency



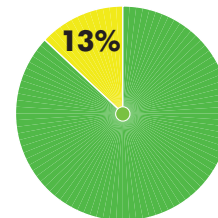
94% - Russian rubles
6 % - Foreign currency

Structure by collateral



65% - Real estate
15 % - Motor vehicles
13 % - Third parties' guarantees
4 % - Others
3 % - Farming machines

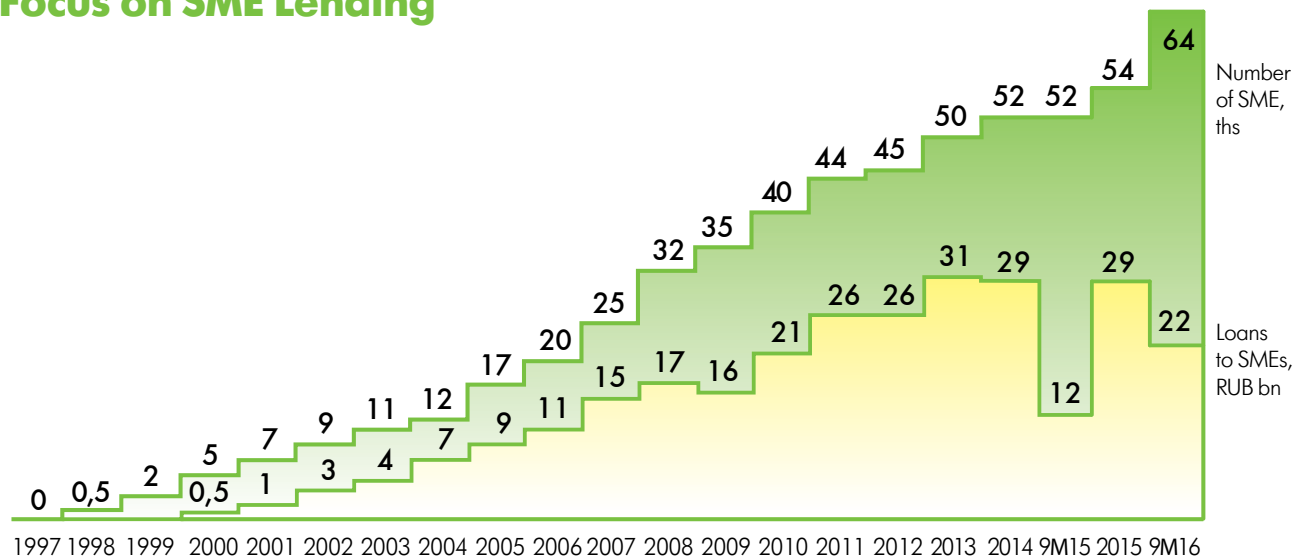
TOP-10 Borrowers*



13% - Share of TOP-10 Borrowers in gross loan portfolio and leasing
 Gross loan portfolio and leasing – **RUB80.3bn**

*%, loans and lease before provisions

Focus on SME Lending



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 2015 produced by the Expert RA rating agency, Center-invest Bank ranks **16th place** in the **Top 20 banks** for size of portfolio of loans to small and medium-business.

Despite the overall trend in Russia of reduced lending to SMEs, Bank maintained its rate of lending at the same level as last year: in 9M2016 we made **3 330** loans to SMEs for a total of **RUB21.6bn**.

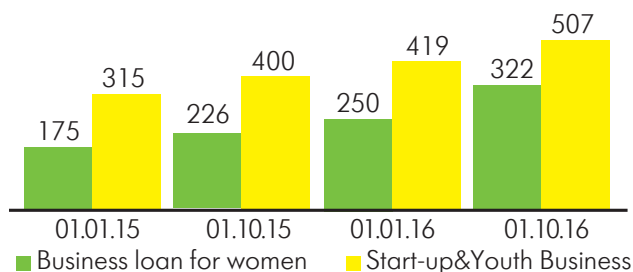


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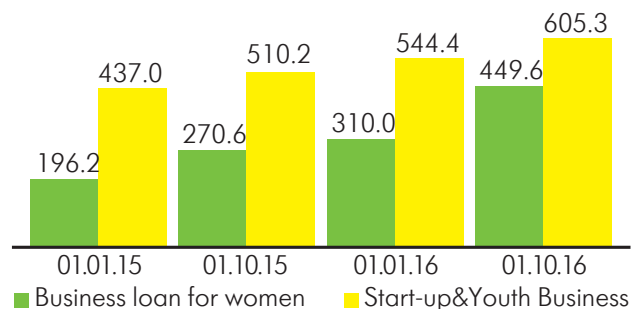
Unique lending programmes

- Bank continues to provide finance on preferential terms under its Start-Up, Youth Business Russia and Business Loans for Women programmes.
- New entrepreneurs have already received 507 loans totaling RUB605.3m while businesswomen have obtained 322 loans for a total of RUB449.6m.
- More than **26 500** people registered on the online training portal «**Enterprise for All**» (<http://school.centrinvest.ru>) launched by the Bank, more than **11 000** users had completed the course of basic principles of the economy and entrepreneurship for which they received a certificate.
- In June 2016 Bank presented **Chinese, German, French and Portuguese versions** of online training portal «**Enterprise for All**». Moreover, free mobile applications of the training course are available in App Store and Google Market.

Total number



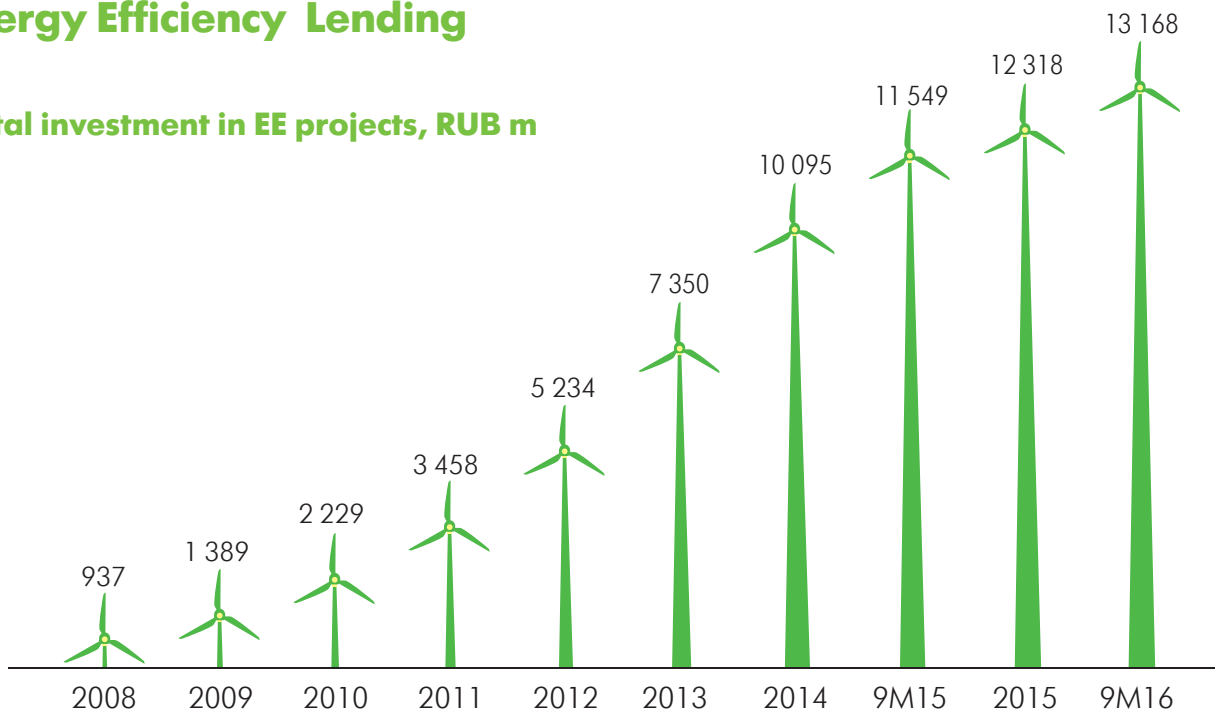
Total amount, RUB m



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Energy Efficiency Lending

Total investment in EE projects, RUB m



Center-invest Bank's success in financing energy efficiency projects is attributable to the fundamentally new approach that we have developed for our customers in southern Russia: **sustainable lending**.

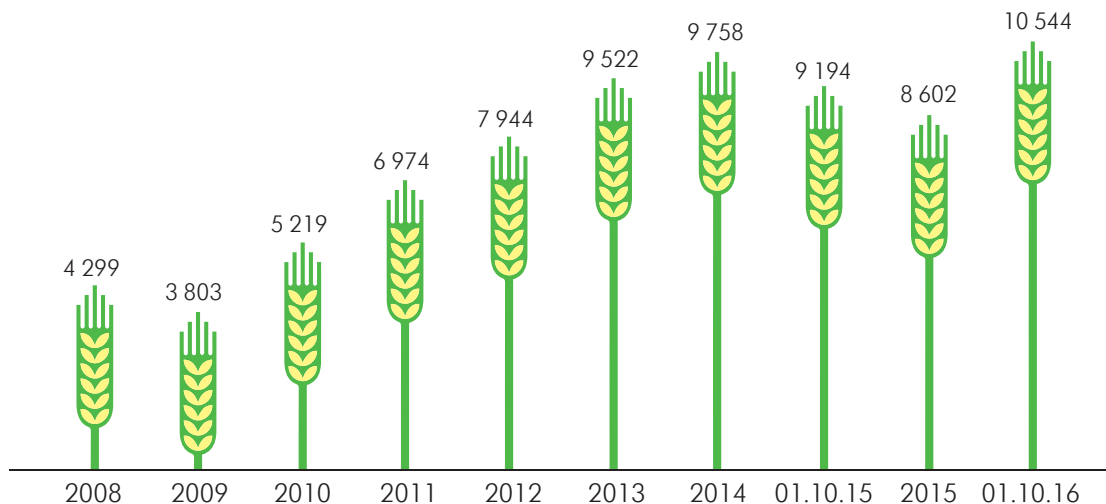
This approach combines technical, financial and social

engineering. The projects financed by the Bank meet the social and environmental requirements dictated by the Bank's policies and procedures

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

Agribusiness Lending

Value of financing agribusiness projects, RUB m



At end-September 2016, loans granted to agribusiness constituted a substantial 27% of the bank's corporate loan portfolio.

Bank nurtures and works with the best customers in southern Russia's agribusiness sector which accounts for 25% of the country's total agricultural output.

Loans from Center-invest Bank are used to introduce modern technologies for production and to improve the quality of soil cultivation and crop growing, and the productivity of livestock farming.

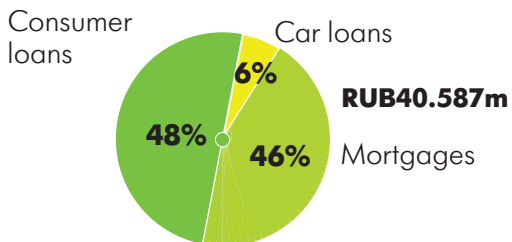


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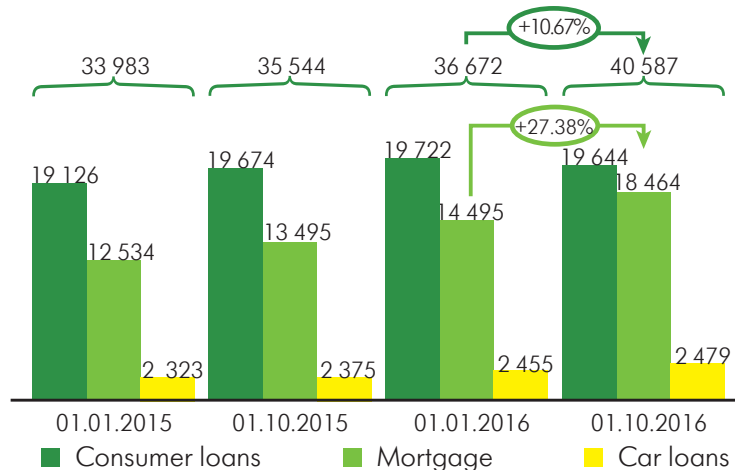
Retail lending

- Bank's retail loan portfolio made up **RUB40.6bn** as at 01.10.2016 this represents an increase of over **RUB4.0bn** (+10.7%) for the 9M2016 and attributable to the following factors: low interest rates, extensive product line and flexible loan terms.
- Mortgage loans are still the basic driver for growth of the retail loan portfolio: 3 700 loans amounting RUB6.7bn were issued during 9M 2016, this growth demonstrates 40% increase in comparison with the 3Q2015.
- Bank ranks 14th place in number and 16th place in value of issued mortgages among TOP-20 Russian banks.

Breakdown by loan volumes as at 01.10.2016



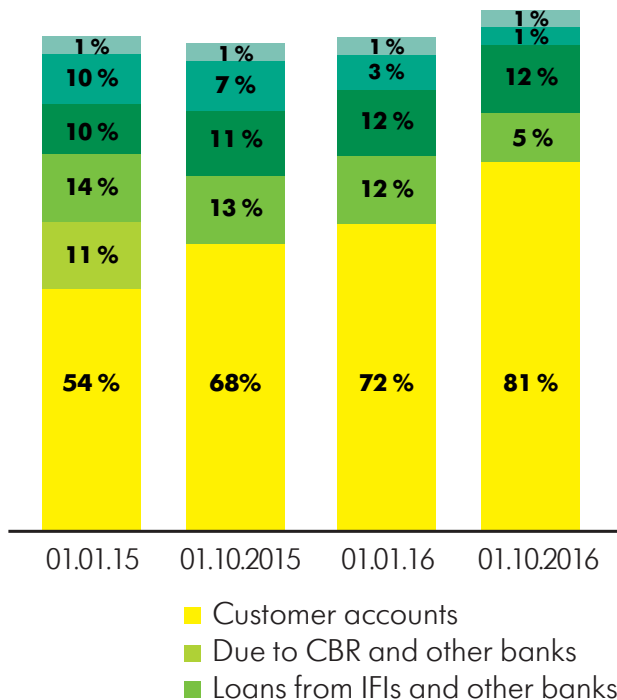
Dynamics and structure of retail lending portfolio, RUB m



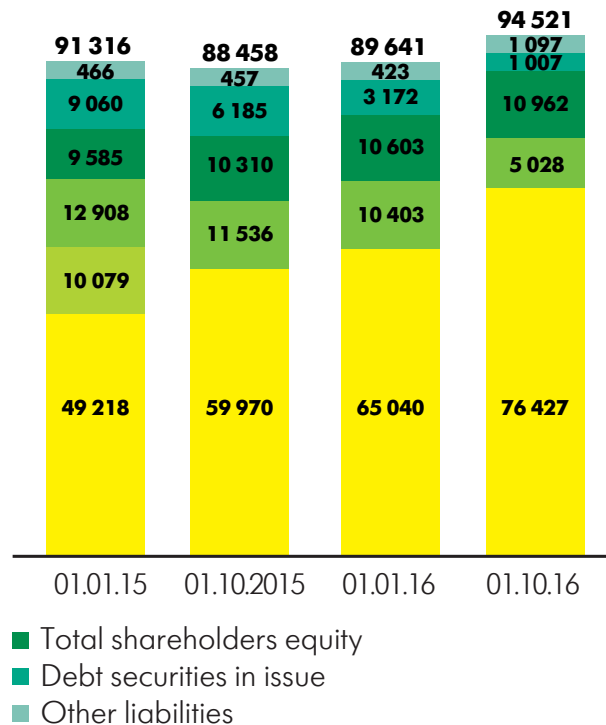
- Providing financial support for southern Russia's real economy and local population is part of the bank's sustainable development strategy
- Bank's approach to retail lending is rather conservative: Bank doesn't provide express loans and give preferences to own depositors, customers with solid credit histories and people who have salary cards issued by the Bank.

Liabilities: dynamics and structure

Liabilities structure, %



Dynamics of Liabilities, RUB m

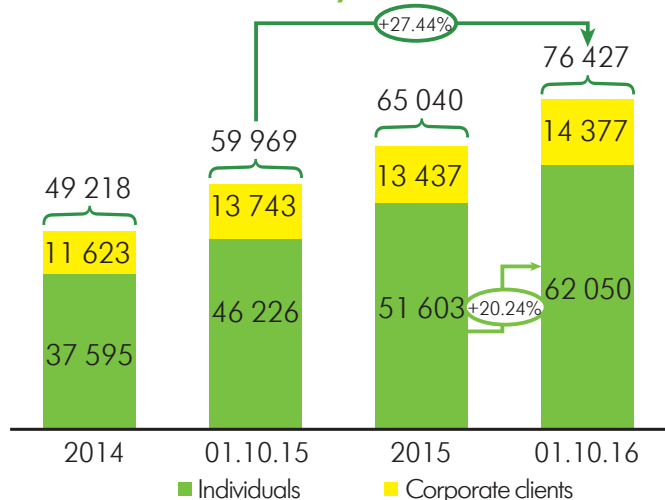


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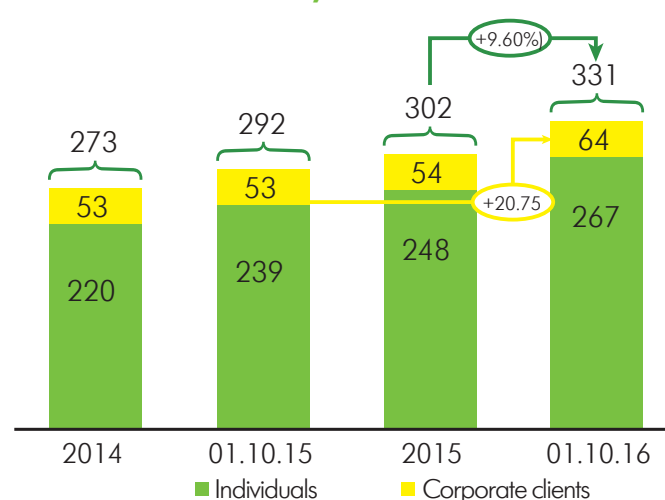
Funding base

- Bank displays a diversified funding structure with a well balanced short term liquidity gap. Stable customer deposits accounted for 91% of bank's non-equity funding as of end-September 2016.
- Bank has a particularly strong presence in the retail segment. Continuing a historical trend, the majority of Bank's deposit base is comprised of deposits from individuals: over 81% of total deposits.
- As of end of the 3Q2016 the volume of customer accounts has increased by **27.44%** as compared with the similar period of the last year and has reached the point of **RUB76.427m**, while the increase of volume of individual deposits for the 9M2016 has made up **20.24%**.
- The sustainable growth in the volume of deposits held by Center-invest Bank can be attributed to the market rates paid on deposits, our special seasonal offers, our reliability and unstained reputation.

Dynamics and structure of customer accounts, RUB 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	467.30	11.2018	11.2016	11.25
Exchange bonds, BO-10 series	3 000.00	88.50	05.2019	05.2017	10.00

During the period of high interest rates on financial markets and due to significant growth of customer accounts, Bank decreased the volume of bonds in circulation which resulted the reduction of pressure on the net interest margin and net interest income.

Cooperation with IFIs

Starting from 2002 Bank has been attracting funds from both the Russian and the international financial markets. CIB continues to make positively use of borrowed funds from IFIs, including EBRD, DEG, BSTDB, IFC, IIB and others. During the 9M2016 customer accounts grew at a faster pace, which allowed the bank to reduce expensive borrowings from the financial markets.

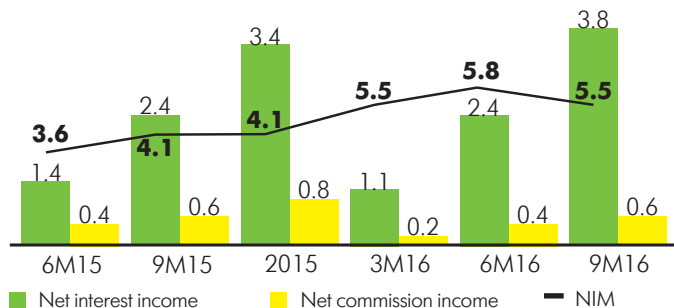
Existing loan agreements

Date	Lender	Purpose	Amount	Years
December 2015	SME Bank (Russian Bank for Small and Medium Enterprise Support)	SME	RUB200.0m	5
June 2014	EBRD (European Bank for Reconstruction and Development)	MSME	RUB800.0m	3
August 2013	responsAbility Global Microfinance Fund (Luxemburg)	Microbusiness	RUB485.0m	3
November 2012	SME Bank (Russian Bank for Small and Medium Enterprise Support)	SME	RUB500.0m	5
September 2012	OeEB (Austrian Development Bank)	SME and Energy Efficiency	EUR20.0m	7
May 2008	DEG (Deutsche Investitions- und Entwicklungsgesellschaft mbH)	Subordinated loan	USD30.0m	10
April 2008	EBRD (European Bank for Reconstruction and Development)	Subordinated loan	USD20.0m	10

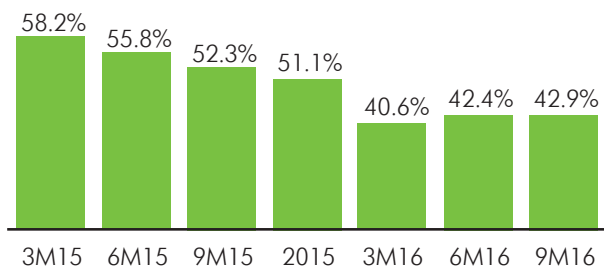


Operational efficiency

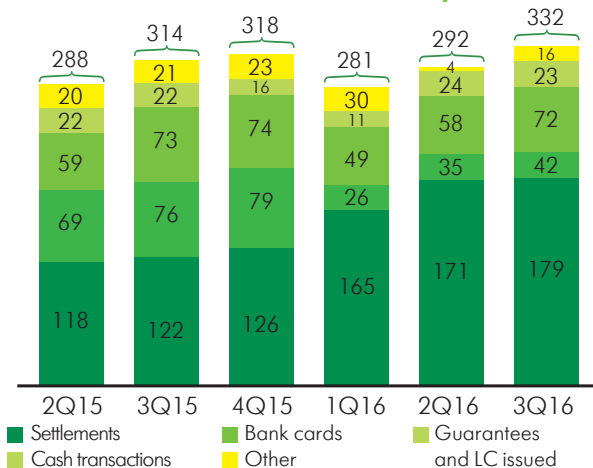
Net interest and commission income, RUB bn



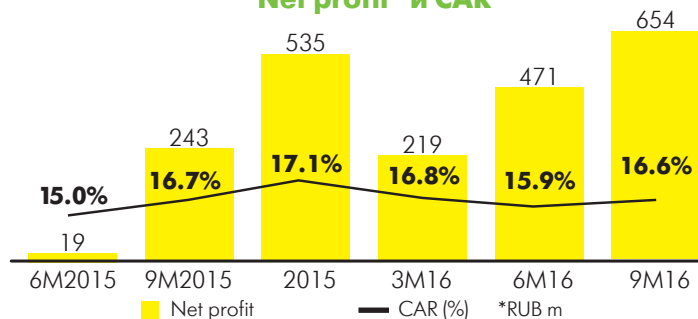
Cost/Income



Fee and commission income, RUB m



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.

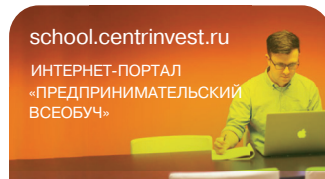
Social projects «Enterprise for All» and «Business loan for businesswoman» were recognized as «The Best Social Projects of Russia» in nomination «Education and Science» and «Social marketing».



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 15,000 students have entered the competition since it began, and 3,300 scholarships have been awarded.



In April 2014, in partnership with Southern Federal University, the bank set up a Financial Literacy Centre. Open to all, the centre provides free advice and training on personal finance for all groups of the population of southern Russia. Experts from the bank regularly train students to work as volunteers at the Centre. During the year more than 200 volunteers finished their education and the most successful volunteers went on to take up paid positions with Center-invest Bank.



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 20,500 people have registered on the portal so far.



Thanks to financial support of CIB, more than 130 000 Rostov region children received free entry to the exhibitions at the Rostov Region Local Studies Museum and Volgograd State Panoramic Museum Stalin-grad Battle.



**BANK
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CIB news: 2016

Bank began issuing cards for Russia's new national **payment card system «Mir»** operated by OJSC National Payment Card System.

Bank «grace period card» won **the «Credit Card of the Year» category in the Banker of the Year awards** run by the Banki.ru portal.

Bank has won the Internal Communications and Corporate Media category in the Silver Archer Awards (South) 2015 with the project of corporate theatre group «Green Theatre».

At the RETAIL FINANCE AWARDS 2015 bank and Terrasoft received a special prize for their innovative IT solution for retail lending.

In a study of Russia's SME lending market in 2015 produced by the Expert RA rating agency, Center-invest Bank ranks **16th** among Russian banks **by size of SME loan portfolio**.

Bank presents his unique experience with Business-women lending in frame of the **Global SME Finance Forum 2016** in Beijing, China.

Bank's specialists took part in round table: **«Tutorship: how to nurture entrepreneurs-manufacturers»** in frame of «Youth Business Programme in Russia».

Bank took part and become a partner of the round table **«State support to SME lending development»** in framework of the XIV International Banking Forum «Banks of Russia – XXI century».

Bank took part in one of the leading banking conferences - **SIBOS 2016** - in Geneva, Switzerland.

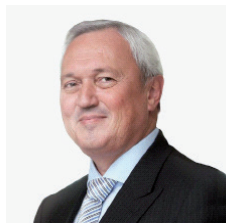
Bank in collaboration with Kuban State Technological University opened a **Financial Literacy Centre** in **Krasnodar** city.

In frame of the **International Congress for Intellectual Systems and Information Technologies** Bank's specialists took part in **SAP InnoJam** – an experimental workshop based on design-thinking methodology.



**BANK
CENTER-INVEST**

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