

Presentation for investors

Sustainable Bank for southern Russia

9M2015 IFRS Results



Southern Russia. Region overview

- Southern Russia consists of the two federal district: Southern and North Caucasus
- Global competitive advantages of southern Russia are:
 - ✓ mild climate and natural conditions which are conducive for development of agribusiness (account for 20-25% of Russian agricultural production);
 - ✓ unique geographical location and well developed transport infrastructure;
 - ✓ well developed network of educational and research institutions;
 - ✓ rapidly developed and diversified economy, dynamic banking and insurance system;
 - ✓ long historical traditions of enterprise conducive to an intensive development of SMEs.

Comparative features of the region, %	2000	2005	2011	2012	2013	2014
Territory	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
Gross domestic product	7.6	7.1	8.5	8.8	8.8	9.0
Industrial production	-	5.6	7.6	7.3	7.2	6.2
Agricultural output	18.7	22.6	23.2	23.6	23.4	23.5
Construction	11.4	9.5	14.5	14.4	15.0	13.0
Retail trade	9.8	11.5	14.0	14.2	14.1	14.3
Investments	11.6	9.4	14.5	13.0	14.0	13.3



History

From the date of foundation the Center-invest Bank became the «laboratory of reforms in the South Russia».

«Enterprise for All» and «Business loan for businesswoman» were recognized as «The Best Social Projects of Russia»; The Financial Literacy Centre was opened	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»
Winner in the tender of the Federal Treasury for cash services of budgetary funded organizations of Rostov region; Youth Business Programme run by the IFBL	2013	
2011-2015 Development Strategy «The Post-Crisis Development of Southern Russia»; cooperation agreement with Guarantee Fund for SME Development and Support	2012	«The Sustainable Finance Awards» organized by The New Economy magazine; correspondent account with Bank of Communications (Shanghai, China)
Erste Group Bank AG became the shareholder; Bank opened the first processing centre in southern Russia	2011	Top performing bank in the Rostov Region SME Development Programme; 1 st loan under new Energy Efficient Housing and Communal Services Programme
	2010	
	2009	1 st CLN for USD 175m have been issued in international market; Prof. Vysokov - «Sustainable Banker of the Year» by FT; Golden Certificate of Trust from the Federal Tax Service of Russia
	2008	
Moody's assigned B1 rating; 1 st international syndication for USD 45 million; 1 st bond issue of the bank in the amount of RUB 1.5 bln on Russian market	2007	implementation of the program «Doubling with Center-invest Bank»; DEG became a shareholder; RUB 1 bn syndication in the Russian money market
EBRD became the shareholder; entering VISA International as associate member; adoption of Corporate Governance Code and Code of Corporate Ethics	2006	
Agreements with European bank for Reconstruction and Development (EBRD), The U.S. Agency for International Development (USAID), International Finance Corporation (IFC), HERMES entered	2005	
	2004	Branch opened in Krasnodar; implementation of program «Billion dollars of Don investments»
	2003	
Cooperation with international financial institutions began; joining in Europay International as associate member	2002	Participation in programs for transition of Russian banks to international standards
	2001	
Branches opened in Aksay, Azov, Semikarakorsk; implementation of new technology in conditions of financial crisis	2000	Bank offices opened in Salsk, Kagalnik; development of pro-active marketing program
	1999	
	1998	Agency agreement with Western Union, development of the program for Don SME support; first audit passed according to International Accounting Standards by PWC
	1997	
First correspondent account opened in the USA	1996	Advanced license for currency operations; first correspondent accounts opened abroad; launching first investment projects
Start of operations with utility payments, opening first branches in Bataysk, Novocherkassk, Taganrog; operations with bills of exchange	1995	
	1994	Start of operations with individual deposits and currency exchange transactions
	1993	
Services for privatization processes	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 ratings were revised in September 2015:
 - ✓ **B1 (Stable outlook)** – Moody's Investor Service
 - ✓ **A1.ru** – Moody's Interfax
- Two prominent IFIs – **EBRD and DEG** – together with Bank founders **Vasily and Tatiana Vysokovy** hold 68% of Bank's shares
- Bank operates through **129** offices in southern Russia and representative office in Moscow
- CIB has been audited annually by **PricewaterhouseCoopers Audit** since 1997
 - ✓ [http://www.centrinvest.ru/files/about/reports/audit\(en\)/CIB_2014_eng.pdf](http://www.centrinvest.ru/files/about/reports/audit(en)/CIB_2014_eng.pdf)
- High quality of loan portfolio:
 - ✓ High quality of loan portfolio: NPL>90 days as at 01.10.2015 made up **5.93%**
- Number of employees: **1620** as at 01.10.2015



2013
Sustainable banking
leader in Eastern Europe



2010, 2012
STP Excellence
Award (Citibank)

COMMERZBANK 

2015
«Relationship
Award 2014»



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



2014
«The Best
Regional Bank»

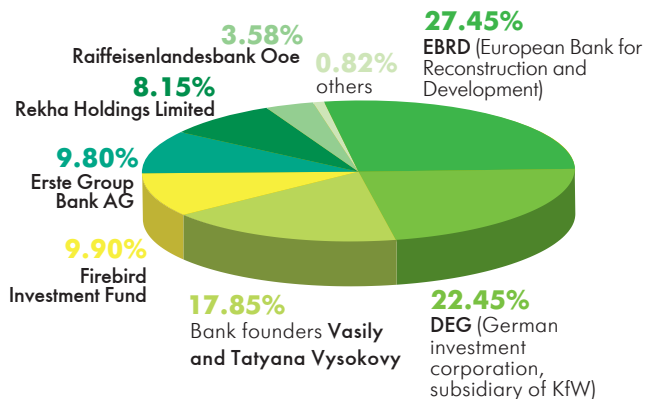


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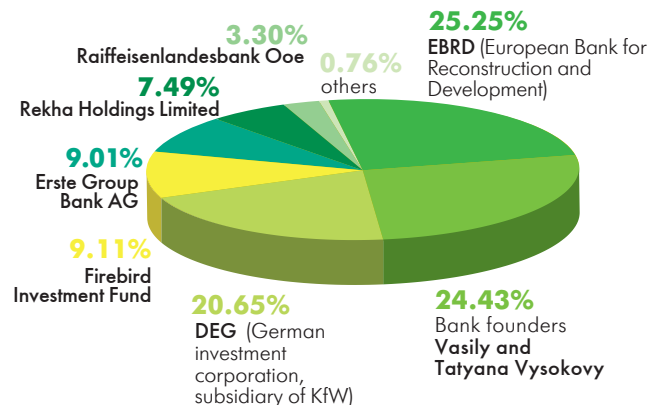
Shareholders structure

As a result of the September 2015 capital increase the structure of Bank's shareholders will be as follows:

**Shareholder structure
as at 01.07.2015***



**Shareholder structure
as at 01.10.2015***



* Voting right shares

Financial highlights

Key financials									
RUB.billion	2009	2010	2011	2012	2013	3Q14	2014	1H15	3Q15
Assets	42.9	48.3	54.5	62.7	75.9	82.2	91.3	87.4	88.5
Capital	5.4	5.8	6.7	7.6	8.8	9.5	9.6	9.6	10.3
Net Loans and Lease	26.3	30.6	42.5	48.4	61.5	67.5	72.0	74.2	72.2
Customer accounts	27.8	33.8	39.0	44.0	49.4	51.1	49.2	55.0	60.0
Net profit	0.1	0.2	0.9	1.1	1.4	1.0	1.1	0.02	0.2
NIM,%	6.5	6.3	6.8	6.7	6.6	6.4	6.3	3.6	4.1
Cost/Income, %	53.1	51.8	49.9	45.1	45.0	41.7	43.4	55.8	52.3
Loans/Deposits, %	94.6	90.6	109.1	109.9	124.5	132.2	146.2	134.9	120.4
CAR,%	20.8	19.5	18.2	17.4	15.6	15.9	14.5	15.0	16.7

1USD=56.2584RUB as at 01.01.2015

1USD=65.7364RUB as at 01.10.2015



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Competitive positions: ratings and rankings



In ranking by the Expert RA Rating Agency as at 01.09.2015 Center-invest Bank is placed*:

12	SME loan portfolio**
16	Value of loans granted to SMEs **
40	Value of retail loan portfolio
49	Value of retail deposits
52	Value of corporate loan portfolio
56	Value of Total loan portfolio
70	Assets
88	Value of corporate funds

*<http://www.raexpert.ru/ratings/bank/monthly/Sep2015/>

**http://raexpert.ru/ratings/bank/credit_msb_9m2014

Forbes

In the Forbes Annual Reliability Rating of Russian banks:

33	The «Most Reliable Banks: classed as «highly reliable»»
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<http://forbes.ru/ratings>



In ranking of the 100 largest Russian banks by the Banki.ru portal as at 01.09.2015:

40	Value of retail loan portfolio
51	Value of retail deposits
52	Value of corporate loan portfolio
54	Value of high liquid assets
56	Value of total loan portfolio
72	Value of Net assets
78	Capital Basel (form 123)
72	Value of corporate funds

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

The Banker

GLOBAL FINANCIAL INTELLIGENCE SINCE 1926

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

10	Cost/Income Ratio
15	Return on Tier 1 Capital
25	Return on Assets
58	Assets
72	Capital

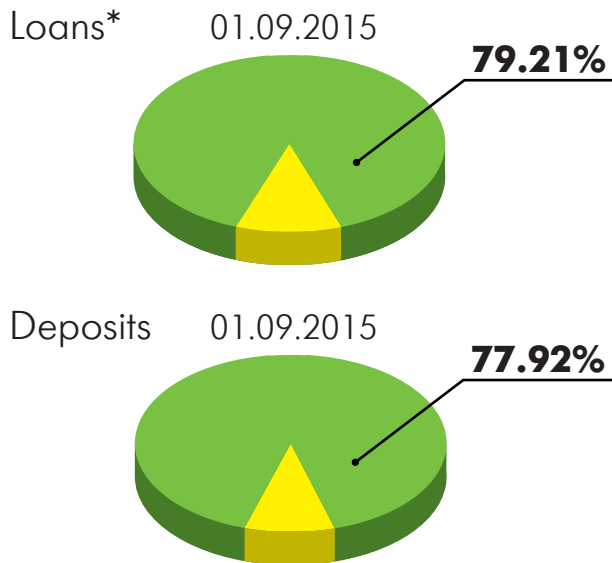
<http://www.thebanker.com>



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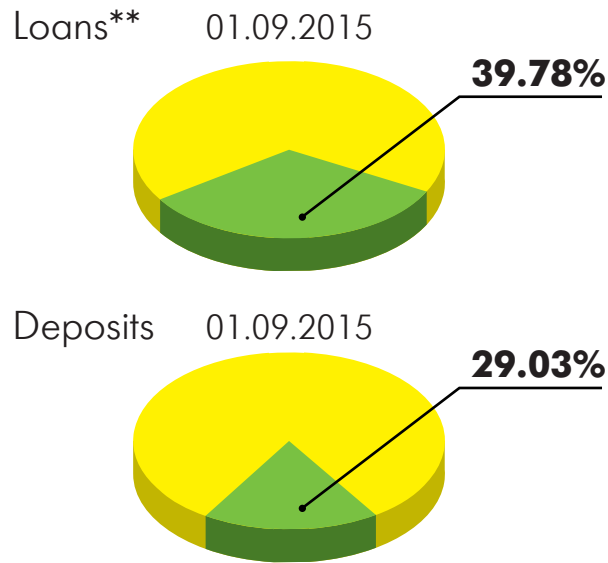
Center-invest Bank: market share

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



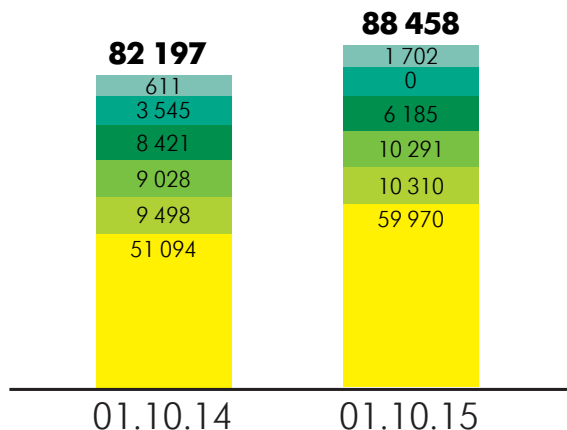
** loans to non-financial corporations, leasing, factoring



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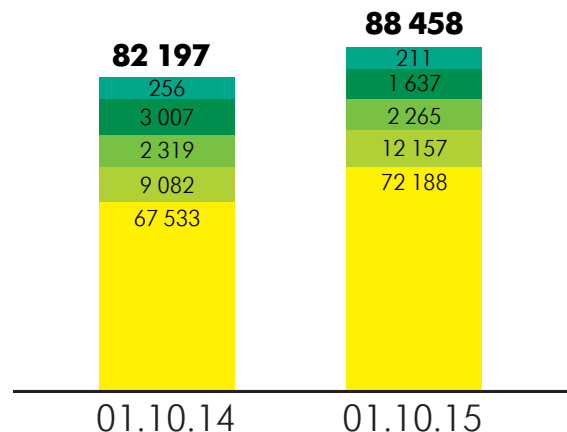
Balance sheet structure

Liabilities, RUB m



- Customer accounts
- Total shareholders equity
- Loans from IFIs
- Debt securities in issue
- Due to CBR and other banks
- Other liabilities

Assets, RUB m



- Net Loans and Lease
- Cash and mandatory reserves with the Bank of Russia
- Fixed assets
- Other assets
- Trading securities



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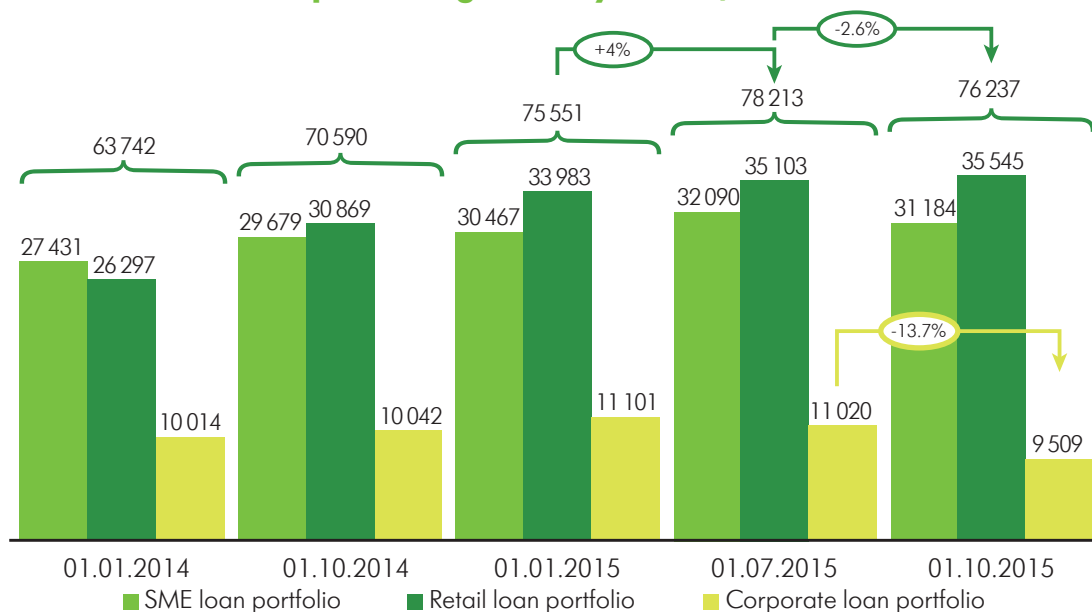
Loan portfolio development

During the **1H2015** gross loan portfolio increased by RUB2.7bn and reached **RUB78.2 billion**.

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

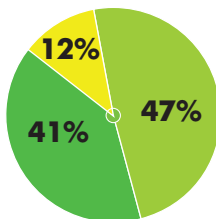
A decrease of RUB2.0bn in value of corporate loan portfolio (-13.7%) during the 3Q2015 results from the scheduled repayments by Bank's clients involved in agribusiness sector.

Loan portfolio growth dynamics, RUB m



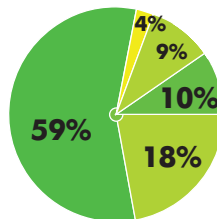
Loan Portfolio: structure and concentration

Clients structure



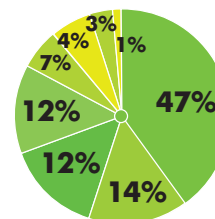
47 % - Retail
41 % - SME
12 % - Corporate

Maturities structure



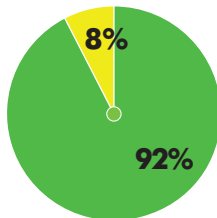
4 % - < 30 days
9 % - 91-180 days
10 % - 31-90 days
18 % - 181-365 days
59 % - > 1 year

Industries structure



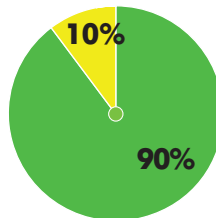
47 % - Individuals
14 % - Trade
12 % - Agriculture
12 % - Manufacturing
7 % - Construction
4 % - Finance
3 % - Transport
1 % - Others

Structure by currency



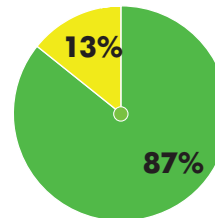
92 % - Russian rubles
8 % - Foreign currency

Collateralized loans



90 % - Collateralized loans
10 % - Unsecured loans

TOP-10 Borrowers



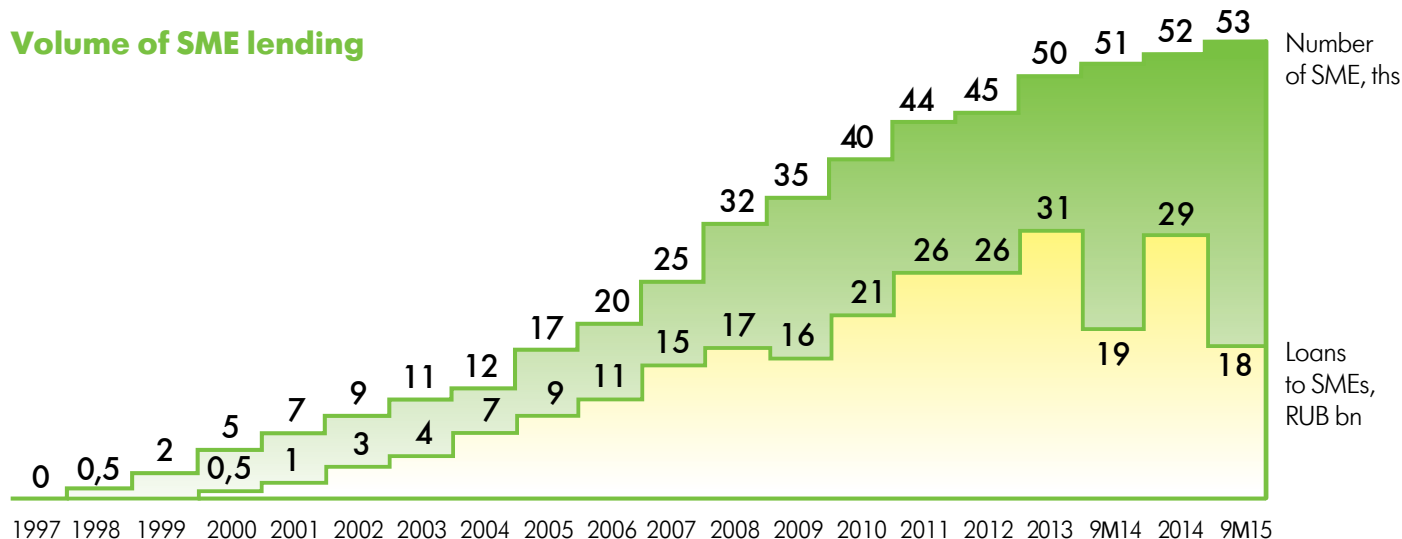
13 % - Share of TOP-10 Borrowers in gross loan portfolio and leasing
 Gross loan portfolio and leasing – **RUB76.636m**



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Focus on SME Lending

Volume of SME lending



Entrepreneurship development is a priority for Center-invest Bank.

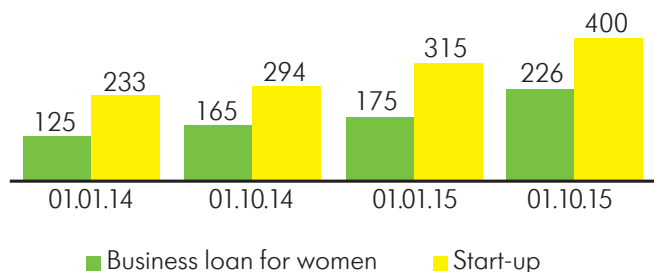
Center-invest Bank first began working with SMEs back in 1997. During these years it has gathered an extensive experience and was recognized as one of the best from regional banks in Russia in SME lending.

Center-invest Bank is a leader of 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.

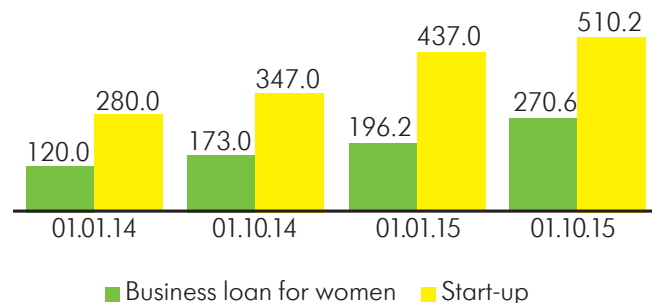
Unique lending programmes

- Bank continued to promote its **Start-up loan programme** for new businesses. The **Bank's Advisory Centre** holds more than 60 free seminars every year.
- In 2012 Center-invest Bank became a financial partner of the **Youth Business Programme** run by the International Business Leaders Forum (IBLF). In frame of programme for supporting female entrepreneurs in Southern Russia, Bank provides a **Business Loan for Women**.
- More than **17 000** people registered on the online training portal «**Enterprise for All**» (www.school.centrinvest.ru) launched by the Bank, more than **6 000** users had completed the course of basic principles of the economy and entrepreneurship for which they received a certificate.

Number of projects



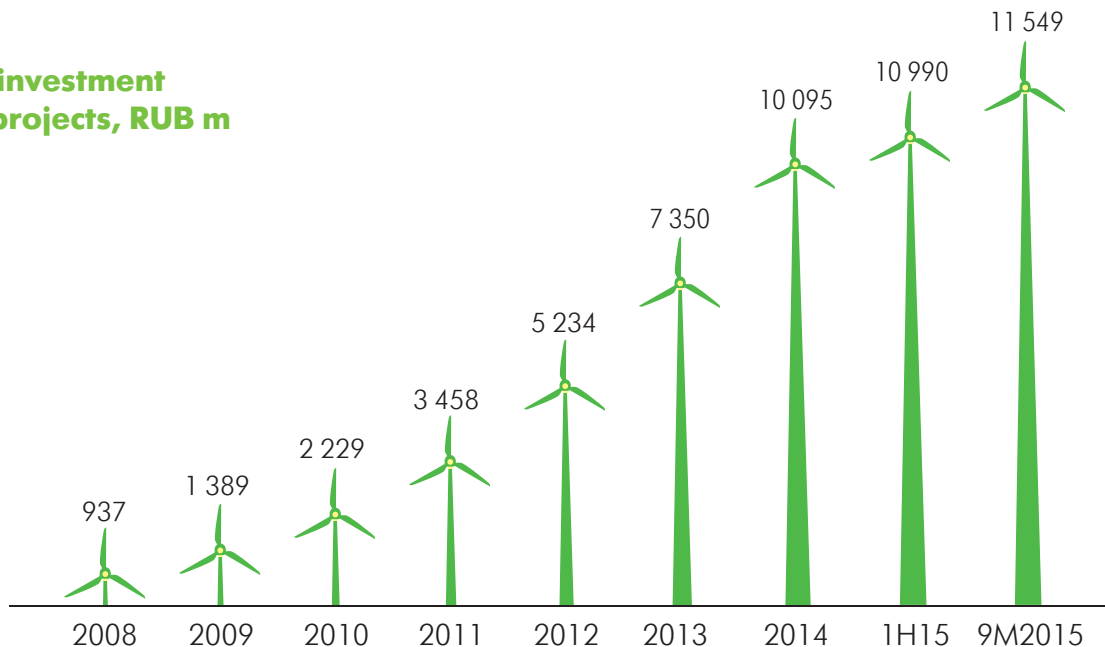
Total amount, RUB m



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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.

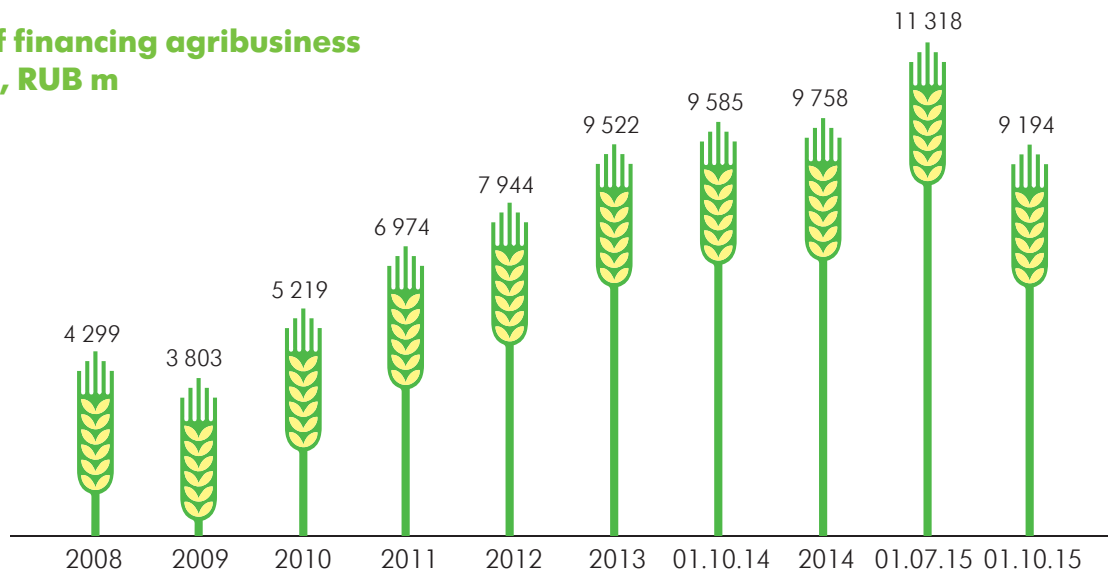
Center-invest Bank is **the first bank in southern Russia** to provide loans for homeowners' associations to renovate apartment buildings and reduce energy consumption.



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Agribusiness Lending

Value of financing agribusiness projects, RUB m



Agribusiness lending accounts for a significant part Bank's loan portfolio: **12.1%** (RUB) as at 01.10.2015

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.

Due to the record harvest in southern Russia most of agribusiness loans were repaid ahead of schedule during the 3Q2015 which was resulted to a decrease in the value of the total loan portfolio.

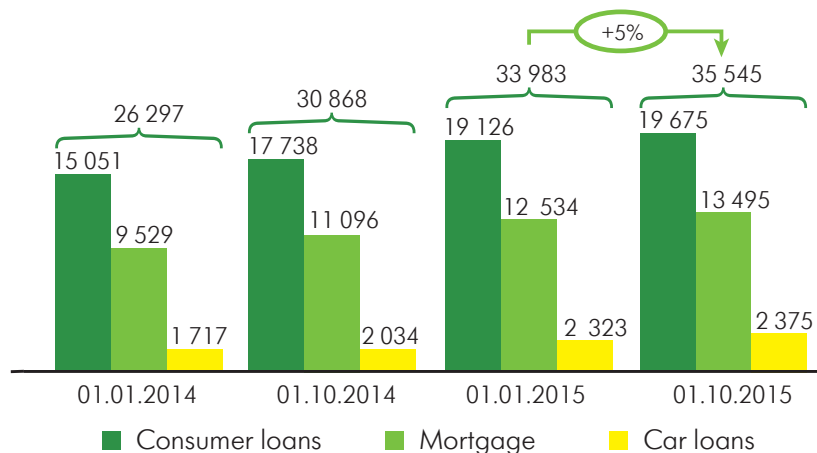


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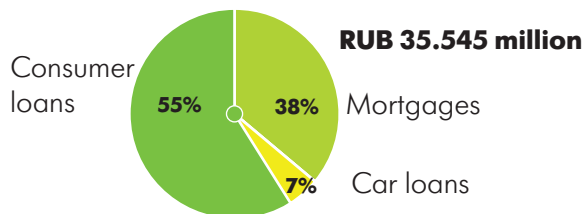
Retail lending

- Providing financial support for southern Russia's real economy and local population is part of the bank's sustainable development strategy
- Bank's Retail loan portfolio made up **RUB35.5billion** as at 01.10.2015 this represents an increase of over **RUB1.6bn (+5.0%)** for the 9M2015 and attributable to the following factors: low interest rates, extensive product line and flexible loan terms.

Dynamics and structure of retail lending portfolio, RUB m



Breakdown by loan volumes as at 01.10.2015



- 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.
- In spite of rapid growth of retail loan, NPL ratio is maintained at a low level: NPL>90 days – **6.29%** as at 01.10.2015

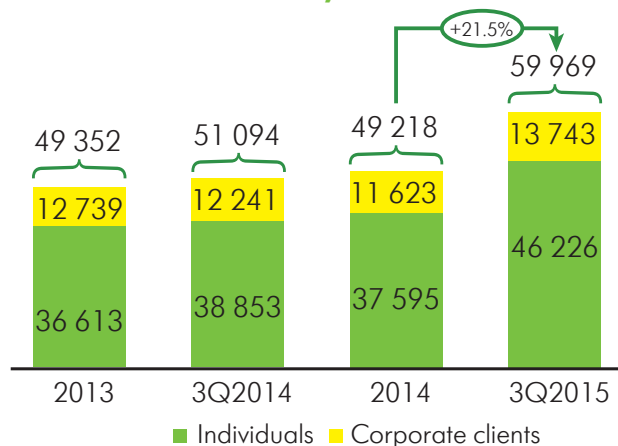


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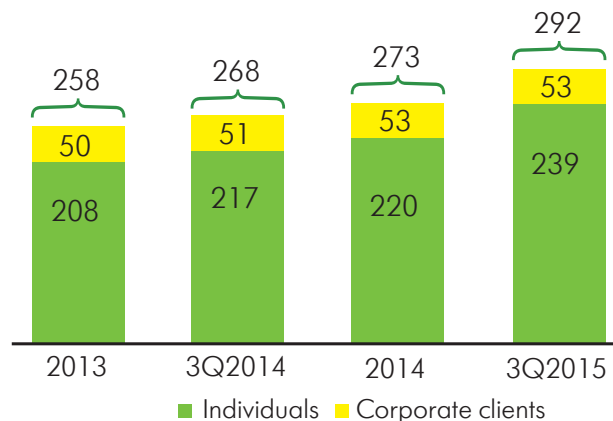
Funding base

- Bank displays a fairly diversified funding structure with a well balanced short term liquidity gap. The bulk of Liabilities are customer accounts as well as bonds securities in issue and long term borrowings from International Financial Institutions.
- 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 77%.
- Household deposits, the largest source of funding, grew by **RUB8.6bn** (+21.5%) during the 3Q2015 to reach **RUB46.2bn**, accounting for **59%** of total liabilities in 3Q2015.
- 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, and our reliability.

Dynamics and structure of customer accounts, RUB m



Dynamics of individuals and corporate accounts, ths accounts



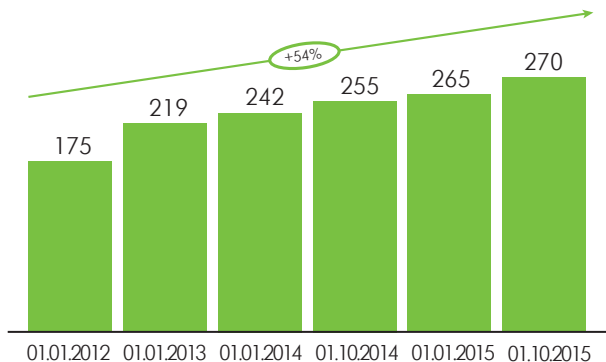
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Bank cards

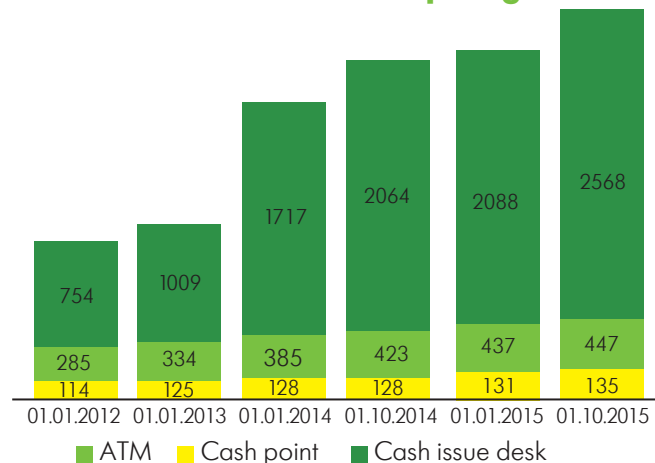
	2014	2013	2014/2013
Number of transactions (million)	50	40	+25.0%
Visa International and MasterCard Worldwide cards issued	149 447	135 579	+10.2%
Volume of transactions (RUB bn)	50.5	46.10	+9.5%
Number of payroll card programmes	2 275	2 128	+6.9%
Number of cards to service the accounts of regional departments of the Federal Treasury in southern Russia	12 490	10 015	+24.7%

- Center-invest Bank 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 01.10.2015 a number of active bank cards issued in frame of this programme made up **12 541** cards.

Number of active cards in circulation, ths.*



Growth in the Bank's acquiring network



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Center-invest Bank in the bond market

Bonds in circulation

Series	Total par value, RUB million	In circulation, RUB million	Maturity date	Put option date	Coupon rate, % per annum
Exchange bonds, BO-07 series	3 265,00	3 265,00	11.2018	11.2015	9,20
Exchange bonds, BO-10 series	3 000,00	2 497,33	05.2019	05.2016	15,25

Center-invest Bank successfully placed five issues from the First Exchange Bonds Programmes which was approved by the BoD. Total volume of bonds in circulation is **RUB5.8billion**.

Attracted funds from the bonds issues have been used to develop SME lending and expanding retail lending capacities in southern Russia.

Registered issues

Series	Total par value, RUB million	Maturity
Exchange bonds, BO-08 series	2 000,00	5 years
Exchange bonds, BO-09 series	2 000,00	5 years
Exchange bonds, BO-11 series	3 000,00	5 years

Exchange bonds issued by Center-invest Bank have been included into the **Bank of Russia's Lombard List** of securities that commercial banks can pledge to borrow funds from the regulator.



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 and others. The share of IFIs' funding corresponds to 12% in liabilities structure (RUB10.3m as at 01.10.2015). These credit lines are mainly dedicated for the development of CIB's SME and retail lending.

Existing loan agreements

Date	Lender	Purpose	Amount	Years
October 2014	IIB (International Investment Bank)	Energy Efficiency	EUR15.0m	3
June 2014	EBRD (European Bank for Reconstruction and Development)	MSME	RUB800.0m	3
March 2014	IFC (International Finance Corporation)	SME and Agribusiness	RUB600.0m	2
December 2013	BSTDB (Black Sea Trade and Development Bank)	SME	EUR20.0m	5
August 2013	ResponsAbility Global Microfinance Fund (Luxemburg)	Microbusiness	RUB485.0m	3
March 2013	EBRD (European Bank for Reconstruction and Development)	MSME	RUB1 500.0m	3
February 2013	IFC (International Finance Corporation)	SME	RUB900.0m	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
January 2012	EBRD (European Bank for Reconstruction and Development)	SME and Energy Efficiency	RUB1 125.0m	3
November 2009	IFC (International Finance Corporation)	Agribusiness and Energy Efficiency	RUB900.0m	5
May 2008	DEG	Subordinated loan	USD30.0m	10
April 2008	EBRD (European Bank for Reconstruction and Development)	Subordinated loan	USD20.0m	10



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 twelve years Center-invest Bank and Endowment Fund for Education and Science in the Southern Federal District have held an annual scholarship competition for southern Russia's top students. The annual scholarship fund exceeds RUB7m.



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. The most successful volunteers went on to take up paid positions with Center-invest Bank.



The www.school.centrinvest.ru online training portal was launched in March 2013. Using a combination of textbooks and modules, the portal provides free training in the basics of entrepreneurship. An English version of the portal went live in January 2014. Child and Youth Finance International (CYFI) has included this training recourse in its global electronic library.



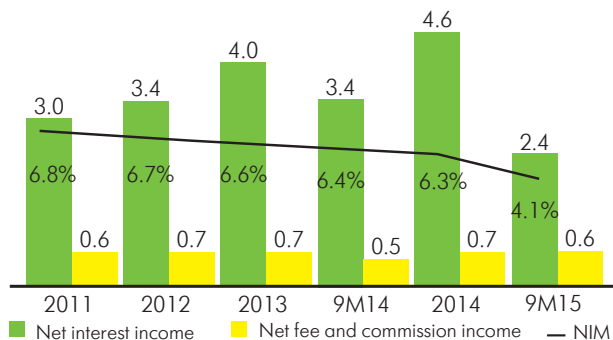
Thanks to financial support of CIB, more than 11 000 Rostov region children received free entry to the exhibitions at the Rostov Region Local Studies Museum.



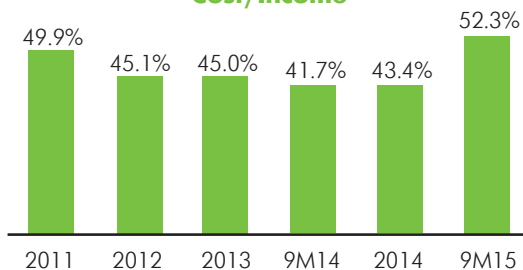
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Operational efficiency

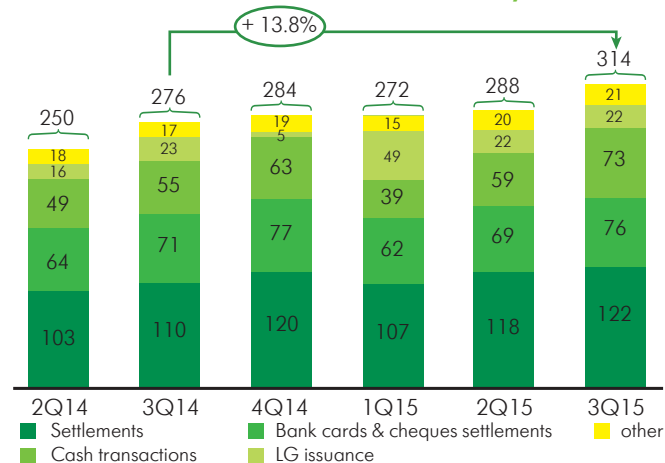
Net interest and commission income, RUB bn



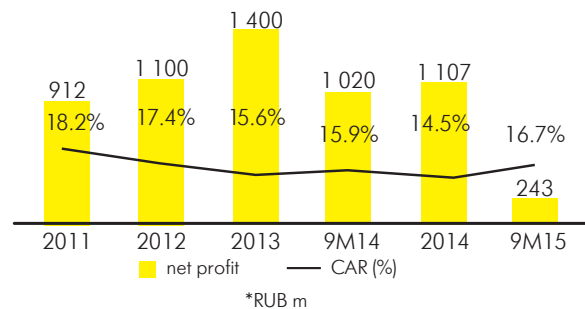
Cost/Income



Net interest and commission income, RUB m



Net profit* and CAR



*RUB m

Center-invest Bank: news 2015

Russia's first **Positive Economy Forum** organised by Center-invest Bank together with PlaNet Finance (France) was held in Rostov-on-Don.

The **Financial Literacy Centre** marked its first anniversary in April 2015. In the past year it has improved the financial literacy of more than 5,000 Rostov residents.

The Chairman of the Board of Directors of Center-invest Bank, Dr Vasily Vysokov presented a paper entitled «Transformational Banking: made in Russia» and spoke about Center-invest Bank's experience of working with **IFC in frame of IFC Financial Institutions Group Knowledge Forum** in Washington D.C., USA.

Center-invest Bank presented its **unique experience** in providing loans for homeowners' associations to renovate apartment buildings and reduce energy consumption at a seminar in Krasnodar on «**The Practicalities of Energy Efficiency Modernisation of Multifamily Residential Buildings**» organised by the RuSEFF «Warm Life» programme.

The chairman of the Executive Board of Center-invest Bank, Yuri Bogdanov, attended the international **SAP Financial Services Forum** held in London. Over 400 bankers from around the world gathered at the Forum to discuss the latest trends and future developments in banking technology.

Dr Vasily Vysokov, the chairman of the Board of Directors of Center-invest Bank, attended the **Europe Summit** held by the Institute of International Finance (IIF) in Frankfurt.

Center-invest Bank was a co-organiser and financial partner for an **international conference of young scientists and academics from BRICS countries** held at Southern Federal University in Rostov-on-Don.

Moody's affirmed Center-invest Bank's B1 deposit and senior debt ratings, outlook stable. Center-invest Bank is the only bank in southern Russia to have had an international rating since 2006.

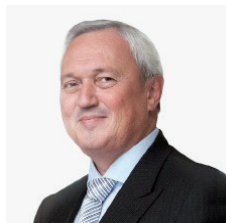
Deputy Chairman of the Executive Board, Sergey Smirnov, attended «**Building a Global Energy Efficiency Financing Alliance**» Forum held by the European Bank for Reconstruction and Development (EBRD) in partnership with the **United Nations Environment Programme Finance Initiative (UNEPFI)** in Istanbul.

Center-invest Bank's delegates presented the results of Russia's first Positive Economy Forum at the the **4th Positive Economy Forum** held in Le Havre (France).

Center-invest Bank participated in a study tour organised by IFC for managers from the **Fransabank Group (Lebanon)** and share with colleagues about experience of financing small business and energy efficiency projects in various sectors of the economy.



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