



**БАНК ЦЕНТРОКРЕДИТ**

**CENTROCREDIT BANK**

**30**  
лет

**ГОДОВОЙ ОТЧЕТ 2018**

**ANNUAL REPORT**

ОСНОВАН В  
**1989**  
З.И.С.Ф.







# Address of the Chairman of the Board of Directors

Dear clients, partners and shareholders of CentroCredit Bank,

It is my pleasure to present our Annual report for 2018.

Actually, you will be reading it in 2019, the year of 30th anniversary of our Bank. The figure is both impressive and demanding.

Every anniversary is a pretext to review and evaluate the road covered, recall successes and mistakes. Moreover, most importantly, this is the time recall those, who stood and remain besides you, who trusts our teams and is looking forward to continued cooperation.

We wish you all health, success and prosperity.

Sincerely yours,  
Andrey Tarasov  
On behalf of CentroCredit Bank

# Address of the Chairman of the Management Board

Dear shareholders and partners, clients and colleagues of CentroCredit Bank!

Another year of our cooperation has just ended. It has been the remarkable year on the eve of our 30th anniversary!

I suppose we have properly coped with the challenges that we set, in particular, we have provided safety margin of capital and liquidity, we have applied a cautious strategy of asset formation both credit and security. Moreover, we have succeeded in timely risk evaluation in our daily routine.

We have a considerable experience, that is why we make plans with confidence and, more importantly, with due diligence. We create new projects that could interest our clients; also we enhance our corporate management and examine new regulatory measures.

On behalf of the Bank's management, I wish you and your family all the best and hope for further cooperation.

Sincerely yours,  
Larisa Zimina  
Chairman of the Management Board of CentroCredit Bank

# CentroCredit Bank General Information

CentroCredit joint-stock commercial bank (CJSC) was founded in 1989 and has been successfully working in the Russian banking sector for 30 years operating as a bank under General License № 121 issued by the Central Bank of Russia. The Bank also has a license to operate with precious metals.

The Bank has a representative office in the United Kingdom (London) and has an extensive network of correspondent relationships with such large foreign banks as Raiffeisen Zentralbank Oesterreich AG (RZB), Vienna; Commerzbank AG, Frankfurt am Main; JPMorgan Chase Bank NA etc.

CentroCredit Bank is a member of the Association of Banks of Russia (Association «RUSSIA»), National Financial Association. It is also a member of the St. Petersburg Currency Exchange, a shareholder and a member of the stock market, currency and futures market sections of Moscow Exchange (MOEX).

CentroCredit Bank has a professional securities market participant's license for indefinite period allowing the following activities: dealer activity (license 177-06344-010000 dated 19th of September 2003), brokerage activity (license 177-06333-100000 dated

19th of September 2003) and a depositary activity license (177-06413-000100 dated 26th of September 2003).

The State Customs Committee has included CentroCredit Bank in the Register of organizations authorized to act as a customs guarantor in transactions up to RUR 3,5 billion.

Since 11 November 2004, the State Deposit Insurance Agency has included CentroCredit Bank on its register of banks who participate in the mandatory insurance of deposits (Register No. 161).

As at 1st of January 2019, according to "INTERFAX-CEA" agency rating, CentroCredit Bank was one of the larger Russian banks – holding 41st place based on the volume of own capital and 67th place in terms of the volume of assets.

The assets of the Bank was in 2018 up to RUR 87 billion. The own capital of the Bank in 2018 was RUR 21 billion.

CentroCredit Bank prepares its financial statements according to Russian and international standards. The Bank is audited to international standards by Ernst & Young LLC, while the Russian audit was conducted by LLC Kollegiya Nalogovikh Konsultantov.

# Organizational Structure of CentroCredit Bank\*

## The bank governing bodies:

The Bank's General Shareholders Meeting

The Board of Directors

**Andrey I. Tarasov**

Chairman of the Board of Directors  
*born 1959*

Graduate of Ordzhonikidze Moscow Aviation Institute in 1982. In 2006 graduated from the Russian Academy of the National Economy with an MBA and Doctorate in Economics.  
Married, has two children.

**Nikolay A. Anoshko**

Member of the Board of Directors  
*born 1950*

Graduate of Humboldt German University in 1977.

**Jacques Der Megreditchian**

Member of the Board of Directors  
*born 1959*

Institut Europeen des Affaire (France, Paris), 1980-1985,  
Centre de formation a l'Analyse Financiere (France, Paris), 1985-1987.

**Ilya Y. Korbashov**

Member of the Board of Directors  
*born 1970*

Graduate of Lomonosov Moscow State University in 1993. Graduate of Plekhanov Russian Economic Academy in 1998.  
Married, has two children.

**Artem A. Dilenyan**

Member of the Board of Directors  
*born 1956*

Graduate of Ordzhonikidze Moscow Aviation Institute in 1979. In 1989 graduated from a special department for retraining in new promising areas of science, engineering and technology of Ordzhonikidze Moscow Aviation Institute.

## Auditing Committee of the Bank

Igor A. Avilkin

Natalia V. Belousova

Oksana S. Striganina

\*As of 25 April 2019, in accordance with the motions of the Annual General Meeting of CentroCredit Bank shareholders for 2018.

# The Bank Management

Executive Chairman of the Management Board (Individual executive body)

**Larisa V. Zimina**

Management Board (Collegial executive body)

**Larisa V. Zimina**

Chairman of the Board

**Olga Y. Pavlova**

Member of the board, Chief Accountant

**Kirill Ye. Shershun**

First Deputy Chairman

**Alexander N. Makarov**

Member of the board,  
head of Treasury trading department

**Kirill V. Sukholet**

First Deputy Chairman

**Andrej Ch. Muzyka**

Member of the board, head of the Legal department

**Ilya Y. Korbashov**

Deputy Chairman

**Alexander Y. Semenov**

Member of the board,  
head of the Main financial department

**Eduard Y. Kovelatov**

Deputy Chairman

Credit Committee at the Management Board

K. Sukholet - Chairman of the Committee

I. Korbashov

E. Kovelatov

A. Kudimov

A. Muzyka

O. Pavlova

O. Shevchenko

S. Zhuravlev

The Committee on Asset and Liability Management at the Management Board

L. Zimina – Chairman of the Committee

A. Makarov

O. Pavlova

A. Semenov

O. Shevchenko

Committee on Information Technology (IT) at the Management Board

I. Avilkin – Chairman of the Committee

A. Semenov – Deputy Chairman of the Committee

N. Grechanik

A. Kubyshkin

A. Zagorodnij

Client Committee at the Management Board

K. Sukholet – Chairman of the Committee

S. Kazak

E. Kovaletov

A. Mandrykin

A. Zagorodnij

M. Zakirov



## First Deputy Chairmen of the Management Board

**Kirill Ye. Shershun**

**Kirill V. Sukholet**

## Deputy Chairmen of the Management Board

**Ilya Y. Korbashov**  
**Eduard Y. Kovaletov**

**Marat K. Zakirov**

## Chief Accountant

**Olga Y. Pavlova**

## Representative office of CentroCredit Bank in London, UK

**Mr. Kirill Ye. Shershun**

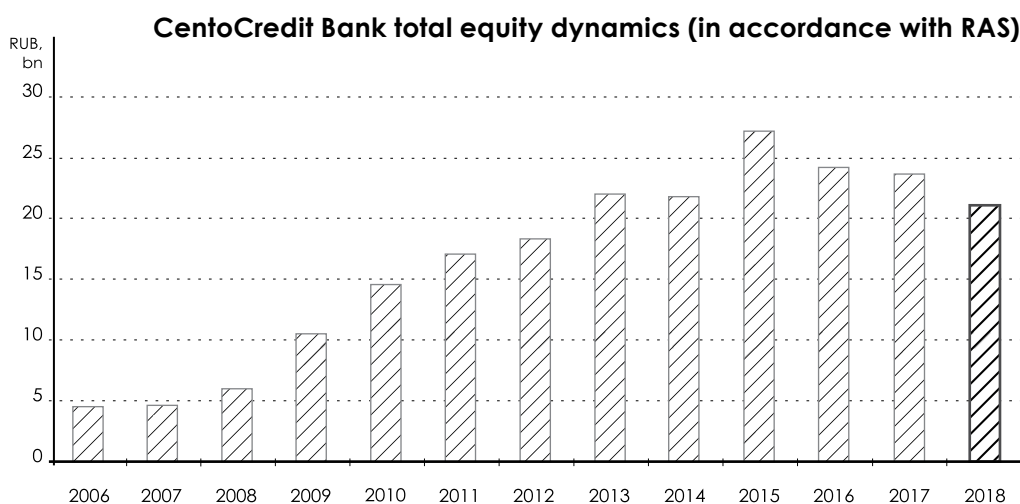
Head of the Representative Office

There were 470 employees at the end 2018. Around 63% of employees have had a higher education, 18 employees have a second higher economic education and four employees have an academic degree in economics. Most Bank specialists have had an education in the fields of economics, finance or mathematics which is particularly useful to the Bank. 40% of employees have worked for the Bank for over 10 years, 31% have worked for the Banks for between five and ten years and the remaining 29% of employees have worked for the Bank for up to 5 years.

At present, Bank shareholders include six individuals and 32 organizations resident in Russia and one non-resident. Shares of main shareholders except "CENTRORIVER HOLDINGS LTD" do not exceed 14%.

# Summary of Bank's performance in 2018

Total equity of CentroCredit Bank in accordance with RAS 01.01.2019 stood at 21,254 million rubles.



In 2018 the Bank maintained high capital adequacy levels in accordance with both international financial reporting standards and Russian accounting standards.

## Capital adequacy ratio (in accordance with RAS)

	2018 год	2017 год
CentroCredit Bank	17,6%	25,3%
Mandatory level	8%	8%

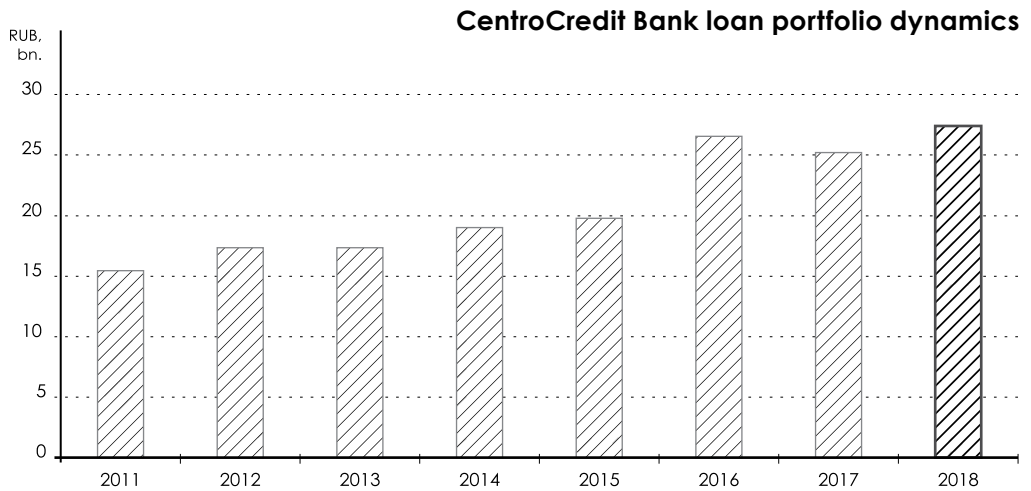
Standard & Poor's rating agency affirmed long term and short term credit ratings of the Bank at "B/B" levels as of 18.10.2018 and RAEX (Expert RA) rating agency affirmed credit rating of the bank at "ruBB+" level.

The values of quick liquidity and current liquidity ratios of the Bank, N2 and N3, are significantly above the mandatory values set by the Bank of Russia.

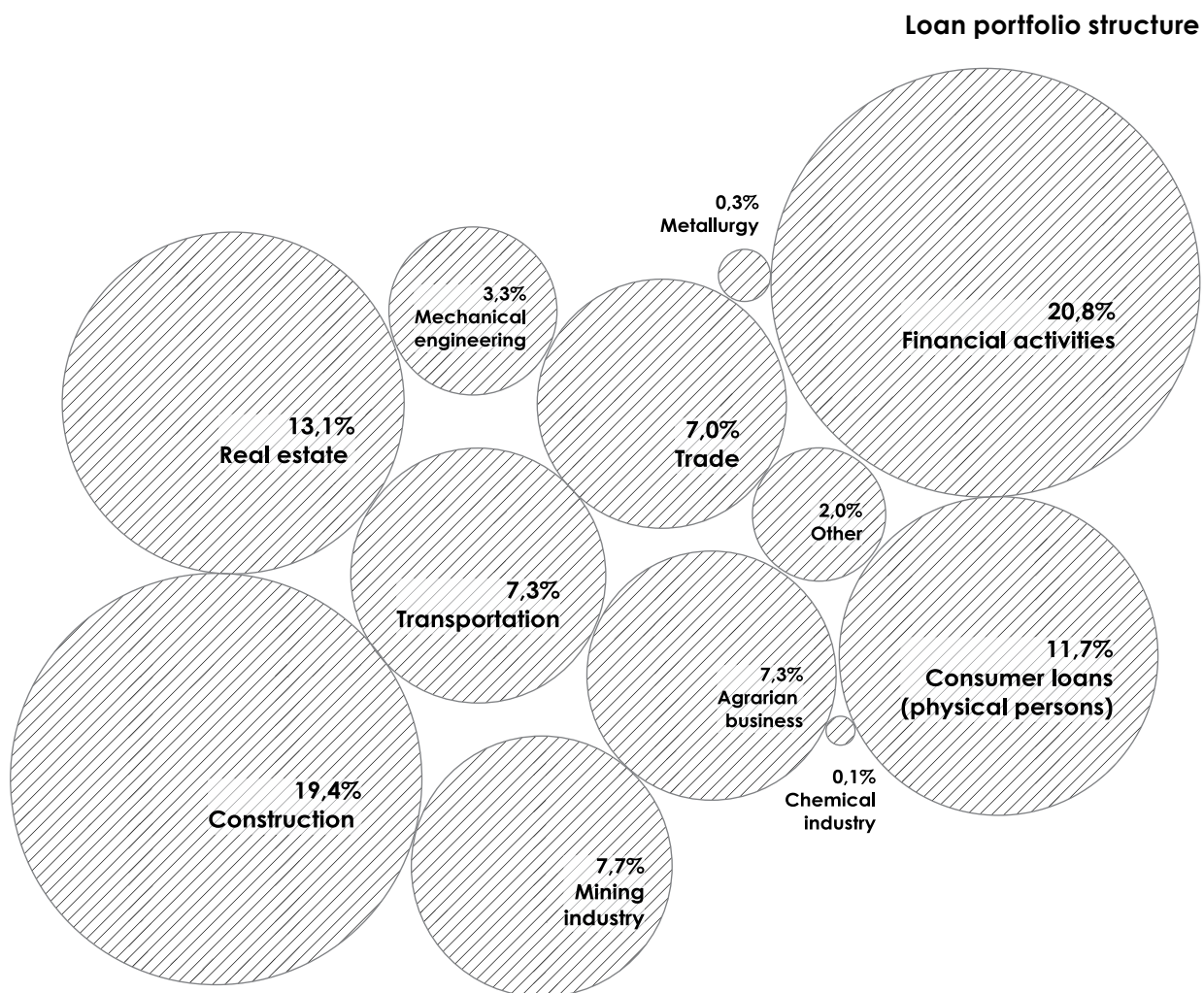
## Quick liquidity and current liquidity ratios of the Bank (in accordance with RAS)

	Regulatory value	Actual value	
		31.12.2018	31.12.2017
Quick liquidity ratio (N2)	15,0%	64,8%	68,9%
Current liquidity ratio (N3)	50,0%	76,9%	103,3%

The volume of loan portfolio in 2018 was 27,443 million rubles against 25,360 million rubles the year before. The loan portfolio has increased by 8%. Loans to legal entities account for 86.55% of overall loan portfolio, which amount to 23,751 million rubles, while loans to individuals account for 13.45% of overall loan portfolio, which amounts to 3,692 million rubles.

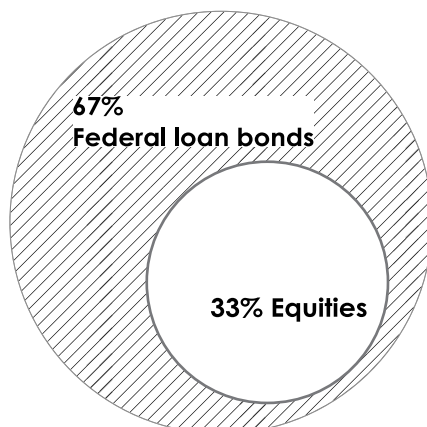


Loan portfolio has much diversified structure in terms of branches of activity of the borrowers.



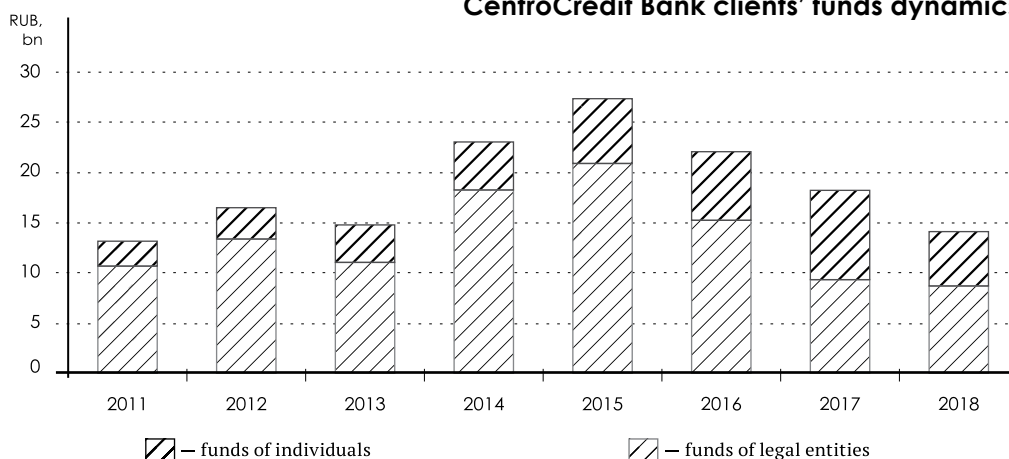
During 2018, there was an increase by 32.85% in the securities portfolio, consisting of equities and federal loan bonds in the amount of 20,561 million rubles and 42,607 million rubles respectively.

### Structure of investments in securities as of 01.01.2019



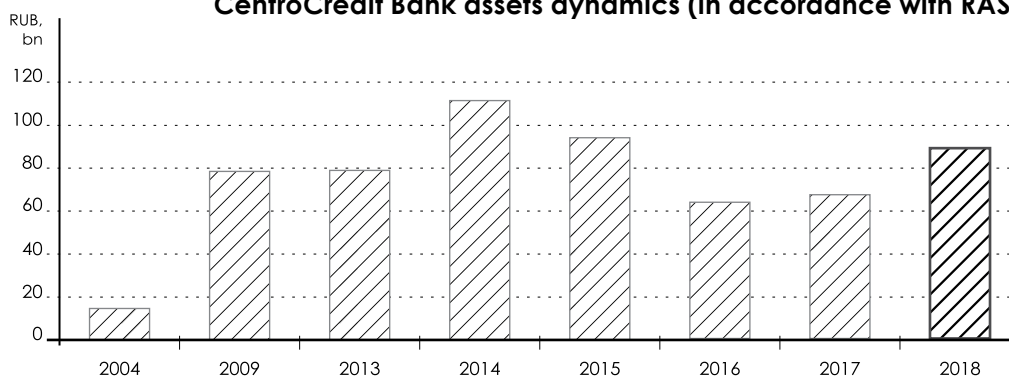
As of end 2018, the overall volume of attracted funds at clients' accounts amounted to 14 billion rubles, of which 5,137 million rubles were funds of individuals and 8,813 million rubles were funds of legal entities.

### CentroCredit Bank clients' funds dynamics



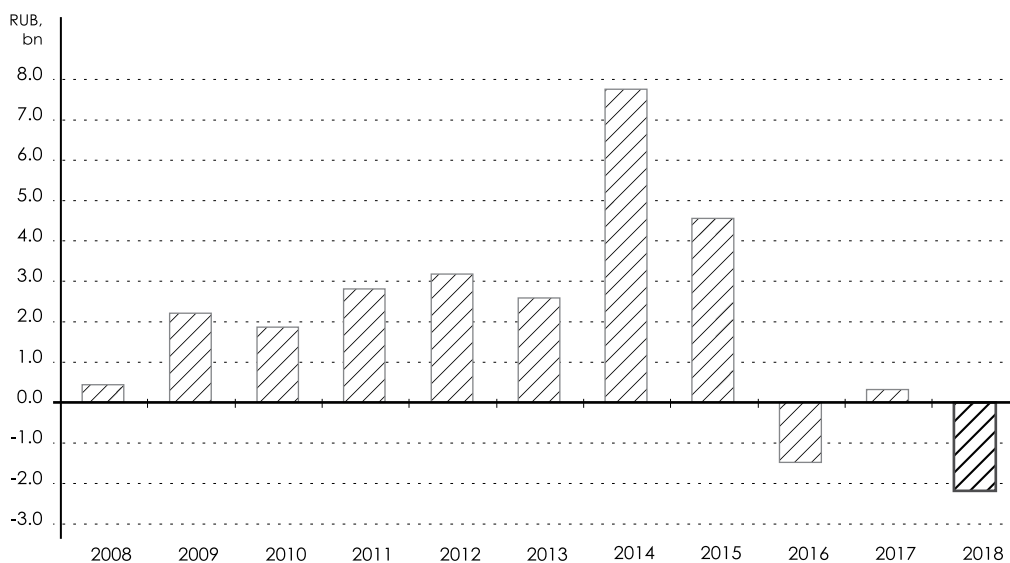
The Bank's assets increased by 31.42% as of December 31, 2018 in comparison with end of year 2017 and stood at 87,975 million rubles.

### CentroCredit Bank assets dynamics (in accordance with RAS)



Net loss of CentroCredit Bank under RAS in 2018 amounted to 2,198 million rubles.

### CentroCredit Bank net profit dynamics (in accordance with RAS)



## Prospects for development of the Bank in 2019

The main challenge for the Russian banking system in 2019 is radically new macroeconomic environment.

We will have to work and develop in conditions of continued threats of new sanctions, low inflation, falling business activity.

This causes our concern and make us mobilize. We believe that the main task in these circumstances is to maintain stability of our capital. In terms of client policy, we intend to focus on increase of revenue from commissions and documentary operations.

Again, bearing in mind particularity of the prevailing conditions prudence and risk control become of highest priority.

# Independent auditor's report

Translation from the original Russian version

**To the shareholders and Board of Directors  
of CentroCredit Bank**

## **Report on the audit of the financial statements**

### **Opinion**

We have audited the financial statements of CentroCredit Bank (the "Bank"), which comprise the statement of financial position as at 31 December 2018, and the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes\* to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditor's responsibility for the audit of the financial statements section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the Russian Federation, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Management's responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related



to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

### **Auditor's responsibility for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control;

Evaluate the appropriateness of accounting policies used and the reasonableness of estimates and related disclosures made by management;

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required

*\*The full version of the Financial statements you can find on the bank's web-site in the section About Us / Financial Statements.*



to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern;

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Report in accordance with the requirements of Article 42 of Federal Law No. 395-1 of the Russian Federation Concerning Banks and Banking Activities of 2 December 1990**

Management of the Bank is responsible for compliance of the Bank with the mandatory prudential ratios established by the Central Bank of the Russian Federation (the "Bank of Russia") and for compliance of the conformity of internal control and organization of the risk management systems of the Bank with the requirements set forth by the Bank of Russia in relation of such systems.

In accordance with the requirements of Article 42 of Federal Law No. 395-1 of the Russian Federation Concerning Banks and Banking Activities of 2 December 1990 (hereinafter, the "Federal Law"), during the audit of the Bank's financial statements for the year ended 31 December 2018, we determined:

1) Whether the Bank complied as at 1 January 2019 with the prudential ratios established by the Bank of Russia.

2) Whether the internal control and organization of the risk management systems of the Bank conformed to the requirements set forth by the Bank of Russia for such systems in respect of the following:

- Subordination of risk management function;
- Existence of methodologies approved by the Bank's respective authorized bodies, for detecting and managing risks that are significant to the Bank and for performing stress-testing; the existence of a reporting system at the Bank pertaining to its significant risks and capital;
- Consistency in applying and assessing the effectiveness of methodologies for managing risks that are significant to the Bank;
- Oversight performed by the Board of Directors and executive management of the Bank in respect of the

Bank's compliance with risk limits and capital adequacy requirements set forth in the Bank's internal documents, and effectiveness and consistency of the application of the Bank's risk management procedures.

This work included procedures selected based on our judgment, such as inquiries, analysis, reading of documents, comparison of the requirements, procedures and methodologies approved by the Bank with the requirements set forth by the Bank of Russia, and the recalculation, comparison and reconciliation of numerical values and other information.

The findings from our work are provided below.

**Compliance by the Bank with the prudential ratios established by the Bank of Russia**

We found that the values of prudential ratios of the Bank as at 1 January 2019 were within the limits established by the Bank of Russia.

We did not perform any procedures in respect of the accounting data of the Bank, except for those procedures we considered necessary to express our opinion on the fair presentation of the Bank's financial statements.

**Compliance by the internal control and risk management systems of the Bank with the requirements set forth by the Bank of Russia in relation to these systems**

We found that, in accordance with the legal acts and recommendations issued by the Bank of Russia, as at 31 December 2018, the Bank's internal audit function was subordinated and accountable to the Board of Directors, and the Bank's risk management function was not subordinated or accountable to the departments that take the relevant risks.

We found that the Bank's internal documents effective as at 31 December 2018 that establish the methodologies for detecting and managing credit, market and concentration risks, that are significant to the Bank, and stress-testing have been approved by the Bank's authorized bodies in accordance with the legal acts and recommendations issued by the Bank of Russia. We also found that, as at 31 December 2018, the Bank had a reporting system pertaining to credit, market and concentration risks that were significant to the Bank, and pertaining to its capital.

We found that the frequency and consistency of reports prepared by the Bank's risk management and internal audit functions during the year ended 31 December 2018 with regard to the management of credit, market and concentration risks of the Bank complied with the Bank's internal documents

and that those reports included observations made by the Bank's risk management and internal audit functions in respect of the effectiveness of relevant risk management methodologies.

We found that, as at 31 December 2018, the authority of the Board of Directors and executive management bodies of the Bank included control over compliance of the Bank with internally established risk limits and capital adequacy requirements. For the purpose of control over the efficiency and consistency of the risk management procedures applied by the Bank during the year ended 31 December 2018, the Bank's Board of Directors and executive management bodies regularly reviewed the reports prepared by the Bank's risk management and internal audit functions.

The procedures pertaining to the internal control and organization of the risk management systems were conducted by us solely for the purpose of determining the conformity of certain elements of the internal control and organization of the risk management systems of the Bank, as listed in the Federal Law and described above, with the requirements set forth by the Bank of Russia.

MARIJA IGNATJEVA,  
Partner  
Ernst & Young LLC

26 April 2019

**Details of the audited entity**

Name: CentroCredit Bank  
Record made in the State Register of Legal Entities on 16 September 2002, State Registration Number 1027739198387.  
Address: Russia 119017, Moscow,  
Pyatnitskaya ulitsa, 31/2, building 1.

**Details of the auditor**

Name: Ernst & Young LLC  
Record made in the State Register of Legal Entities on 5 December 2002; State Registration Number 1027739707203.  
Address: Russia 115035, Moscow, Sadovnicheskaya naberezhnaya, 77, building 1.  
Ernst & Young LLC is a member of Self-regulated organization of auditors "Russian Union of auditors" (Association) ("SRO RUA"). Ernst & Young LLC is included in the control copy of the register of auditors and audit organizations, main registration number 11603050648.

# Statement of financial position as at 31 December 2018

(thousands of Russian rubles)

	2018	2017
<b>Assets</b>		
Cash and accounts with the CBR	2 462 311	2 611 594
Financial assets at fair value through profit or loss	11 764 172	19 211 976
Financial assets at fair value through profit or loss pledged under repurchase agreements	51 429 488	20 195 156
Amounts due from credit institutions	8 189 562	4 823 241
Loans to customers	17 685 858	15 035 606
Available-for-sale investments	-	245 676
Held-to-maturity investments	-	7 962 781
Property and equipment	78 091	74 775
Current income tax assets	-	183 324
Other assets	936 947	923 961
<b>Total assets</b>	<b>92 546 429</b>	<b>71 268 090</b>
<b>Liabilities</b>		
Amounts due to credit institutions	50 557 291	22 616 227
Amounts due to customers	13 419 965	13 856 685
Debt securities issued	708 055	4 677 121
Other provisions	896 212	968 643
Current income tax liabilities	60 584	25 536
Deferred income tax liabilities	-	566 766
Other liabilities	499 651	228 725
<b>Total liabilities</b>	<b>66 141 758</b>	<b>42 914 167</b>
<b>Equity</b>		
Share capital	6 946 140	6 946 160
Revaluation reserve for available-for-sale investments	-	(12 096)
Retained earnings	19 458 531	21 419 879
<b>Total equity</b>	<b>26 404 671</b>	<b>28 353 923</b>
<b>Total equity and liabilities</b>	<b>92 546 429</b>	<b>71 268 090</b>

Signed and authorized for release on behalf of the Management Board of the Bank

Chairman of the Management Board  
L.V. Zimina



Chief Accountant – Head of the  
Accounting and Reporting Department  
O.Yu. Pavlova



April 26, 2019

## Statement of profit or loss for the year ended 31 December 2018

(thousands of Russian rubles)

	<b>2018</b>	<b>2017</b>
Interest income	6 642 106	4 646 792
Interest expense	(3 146 044)	(1 035 073)
<b>Net interest income</b>	<b>3 496 062</b>	<b>3 611 719</b>
Credit loss expense	(472 158)	(109 322)
<b>Net interest income after credit loss expense</b>	<b>3 023 904</b>	<b>3 502 397</b>
Fee and commission income	516 038	420 684
Fee and commission expense	(70 449)	(60 810)
Net losses from financial instruments at fair value through profit or loss	(4 755 332)	(1 636 857)
Net gains from available-for-sale investments	–	68 536
Net gains from precious metals	108 817	1 604
Net losses from foreign currencies:	(417 639)	(309 143)
– dealing	34 791	44 701
– translation differences	(452 430)	(353 844)
Dividends received	1 989 947	1 212 090
Other income	114 090	34 662
<b>Non-interest expense</b>	<b>(2 514 528)</b>	<b>(269 234)</b>
Personnel expenses	(738 676)	(736 457)
Depreciation and amortization	(35 776)	(31 647)
Other operating expenses	(383 123)	(421 608)
<b>Non-interest expense</b>	<b>(1 157 575)</b>	<b>(1 189 712)</b>
<b>(Loss)/profit before income tax expense</b>	<b>(648 199)</b>	<b>2 043 451</b>
Income tax expense	(267 507)	(293 165)
<b>(Loss)/profit for the year</b>	<b>(915 706)</b>	<b>1 750 286</b>

## Statement of comprehensive income for the year ended 31 December 2018

(thousands of Russian rubles)

	2018	2017
<b>(Loss)/profit for the year</b>	<b>(915 706)</b>	<b>1 750 286</b>
<b>Other comprehensive loss</b>		
Net change in fair value of available-for-sale investments	-	(59 293)
Deferred income tax attributable to components of other comprehensive income for the period	-	9 439
<b>Other comprehensive loss, net of tax</b>	<b>-</b>	<b>(49 854)</b>
<b>Total comprehensive (loss)/income for the year</b>	<b>(915 706)</b>	<b>1 700 432</b>

## Statement of changes in equity for the year ended 31 December 2018

(thousands of Russian rubles)

	Share capital	Revaluation reserve for available-for- sale investments	Retained earnings	Total equity
<b>1 January 2017</b>	<b>6 946 140</b>	<b>37 758</b>	<b>20 579 511</b>	<b>27 563 409</b>
Profit for the year	-	-	1 750 286	1 750 286
Other comprehensive loss for the year	-	(49 854)	-	(49 854)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>(49 854)</b>	<b>1 750 286</b>	<b>1 700 432</b>
Dividends to shareholders of the Bank (Note 17)	-	-	(909 918)	(909 918)
<b>31 December 2017</b>	<b>6 946 140</b>	<b>(12 096)</b>	<b>21 419 879</b>	<b>28 353 923</b>
Effect of transition to IFRS 9 (Note 3)	-	12 096	(603 401)	(591 305)
<b>Balance at 1 January 2018 restated under IFRS 9</b>	<b>6 946 140</b>	<b>-</b>	<b>20 816 478</b>	<b>27 762 618</b>
Loss for the year	-	-	(915 706)	(915 706)
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>(915 706)</b>	<b>(915 706)</b>
Dividends to shareholders of the Bank (Note 17)	-	-	(442 241)	(442 241)
<b>31 December 2018</b>	<b>6 946 140</b>	<b>-</b>	<b>19 458 531</b>	<b>26 404 671</b>

## Statement of cash flows for the year ended 31 December 2018

(thousands of Russian rubles)

	2018	2017
<b>Cash flows from operating activities</b>		
Interest received	6 522 214	4 455 680
Interest paid	(3 281 666)	(844 966)
Fees and commissions received	516 038	420 684
Fees and commissions paid	(70 449)	(60 810)
Gains less losses from financial assets at fair value through profit or loss	(1 061 130)	715 192
Gains less losses from precious metals	352 603	209 020
Realized gains less losses from dealing in foreign currencies	34 791	44 701
Dividends received	1 738 377	1 103 456
Other income received	112 770	34 662
Personnel expenses paid	(721 069)	(718 731)
Other operating expenses paid	(377 671)	(356 393)
<b>Cash flows from operating activities before changes in operating assets and liabilities</b>	<b>3 764 808</b>	<b>5 002 495</b>
<i>Net (increase)/decrease in operating assets</i>		
Obligatory reserve with the CBR	63 096	(12 599)
Financial assets at fair value through profit or loss	(18 815 049)	(8 350 965)
Amounts due from credit institutions	(7 451)	(3 284)
Loans to customers	(4 149 991)	753 483
Other assets	(275 949)	168 967
<i>Net increase/(decrease) in operating liabilities</i>		
Amounts due to credit institutions	27 927 104	8 332 462
Amounts due to customers	(1 397 495)	(4 857 482)
Debt securities issued	(3 842 240)	1 249 162
Other liabilities	249 028	14 713
<b>Net cash flows from operating activities before income tax</b>	<b>3 515 861</b>	<b>2 322 150</b>



Statement of cash flows for the year ended 31 December 2018 (continued)

	2018	2017
Income tax paid	(183 878)	(283 786)
<b>Net cash from operating activities</b>	<b>3 331 983</b>	<b>2 038 364</b>
<b>Cash flows from investing activities</b>		
Purchase of available-for-sale securities	–	(157 197)
Proceeds from sale and redemption of available-for-sale securities	–	352 689
Purchase of held-to-maturity securities	–	(7 805 378)
Purchase of property and equipment	(32 313)	(8 300)
Proceeds from sale of property and equipment	1 320	5
Purchase of investment property	–	(22 000)
Proceeds from sale of investment property	31 777	43 500
<b>Net cash from / (used in) investing activities</b>	<b>784</b>	<b>(7 596 681)</b>
<b>Cash flows from financing activities</b>		
Dividends paid to shareholders of the Bank	(442 214)	(909 838)
<b>Net cash used in financing activities</b>	<b>(442 214)</b>	<b>(909 838)</b>
Effect of exchange rates changes on cash and cash equivalents	406 351	(81 096)
Effect of changes in expected credit losses on cash and cash equivalents	(18 281)	–
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>3 278 623</b>	<b>(6 549 251)</b>
<b>Cash and cash equivalents, beginning</b>	<b>7 204 333</b>	<b>13 753 584</b>
<b>Cash and cash equivalents, ending</b>	<b>10 482 956</b>	<b>7 204 333</b>

## Contact information

### Head Office

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Tel. +7 (495) 956-86-26; (495) 959-02-85  
Fax +7 (495) 959-02-85; (495) 953-98-12  
e-mail: info@ccb.ru  
www.ccb.ru

CentroCredit Bank has the following additional offices:

### Branch Office “Kutuzovskiy”

2-2 1812 Goda St., Moscow, 121170  
Tel. +7 (495) 781-17-62 ext. 168

### Branch Office “Centralniy”

10, Stary Tolmachevskiy Lane, Moscow, 115184  
Tel. +7 (495) 780-35-40

### Branch Office “Nahabino”

212 Leshkovo Village, Pavlo Sloboda rural set-nt, Istrinskiy District,  
The Moscow Region, 143581  
Tel. +7 (495) 780-35-40 ext. 908

### Outside Office Cash Counter №4

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Tel. +7 (495) 380-17-70

### Outside Office Cash Counter №32

29 Svobody St., Moscow, 125362  
Tel. +7 (495) 380-17-70

### Outside Office Cash Counter №35

100-100, Shelkovskoe Shosse, Moscow, 105523  
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Outside Office Cash Counter №37  
11, Novoryazanskoe Shosse, Lyubertsy,  
The Moscow Region, 140011  
Tel. +7 (495) 380-17-70

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3-1, 8 km Outer side of MKAD, 109145  
Tel. +7 (495) 380-17-70

### Outside Office Cash Counter №41

Bldg. 5, 16-1, Nagatinskaya St., Moscow, 115487  
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### Outside Office Cash Counter №45

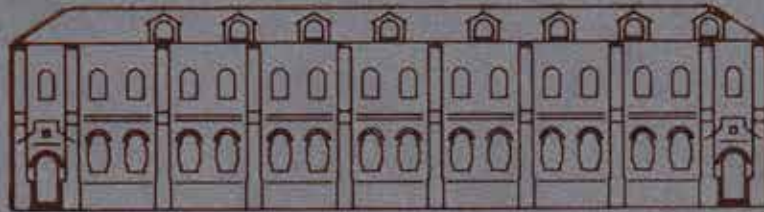
Bldg. 2 , 10b, Vostryakovskiy Proezd,  
Moscow, 117403  
Tel. +7 (495) 380-17-70

### Outside Office Cash Counter №49

11/1, Novoryazanskoe Shosse, Lyubertsy,  
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### UK Representative Office

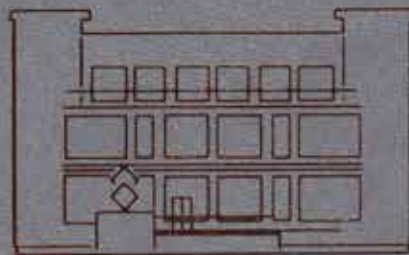
28, Redburn Street,  
London SW3 4 BX, UK  
Тел.: +44 2073 499 566



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10, Starý Tolmachevskiy Lane, Moscow, 115184



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