



**CENTROCREDIT BANK**

БАНК ЦЕНТРОКРЕДИТ

**2009**  
**HERE  
FOR  
20  
YEARS**

ANNUAL REPORT



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## **Statement of the Chairman of the Board to partners, clients and shareholders**

Dear partners, clients and shareholders,

The 2009 report undoubtedly marks a special place in the history of the Bank, as a result of the Bank realizing its strategy to overcome the influence of the global financial crisis on the Bank's activity and financial performance. Under conditions of credit market contraction, high risks and stock market volatility, we managed to achieve the almost impossible – liquidating not only 2008 losses, but also laying a solid foundation for future financial stability.

Strong financial results coupled with the decision to convert earlier issued bonds into common shares for RUR 2 bln provided almost twofold (+94%) equity growth for the year. 2009 total assets increased more than 2.5 times.

This was possible due to the management team's highly professional and well-coordinated teamwork in searching for non-standard approaches to improve the Bank's financial results and capitalization, optimizing its work through essential changes in assets and liabilities.

The challenge of strengthening the Bank's financial position remains acute and current in 2010. The crisis will not be over before the end of the nearest year and the Bank is concentrating its efforts on strengthening equity, a basis of the Bank's financial stability, as well as on complying with rigid banking supervision requirements.

I am convinced that targets set during the last year will allow the Bank, under professional, careful and creative relations toward financial risk management, to strengthen its position among large Russian financial and credit institutions.

Sincerely yours,  
Sergey Yeremin

The Chairman of the Board of CentroCredit Joint Stock Commercial Bank

## **Statement of the Chairman of the Management Board to clients, partners and shareholders**

Dear clients, partners and shareholders of CentroCredit Bank,

We would like to draw your attention to the Bank's 2009 Annual Report.

All of us know that this year was one of the most challenging years in the history of global financial markets. At the moment, it is too early to speak about the value and results of these events, which we participated in.

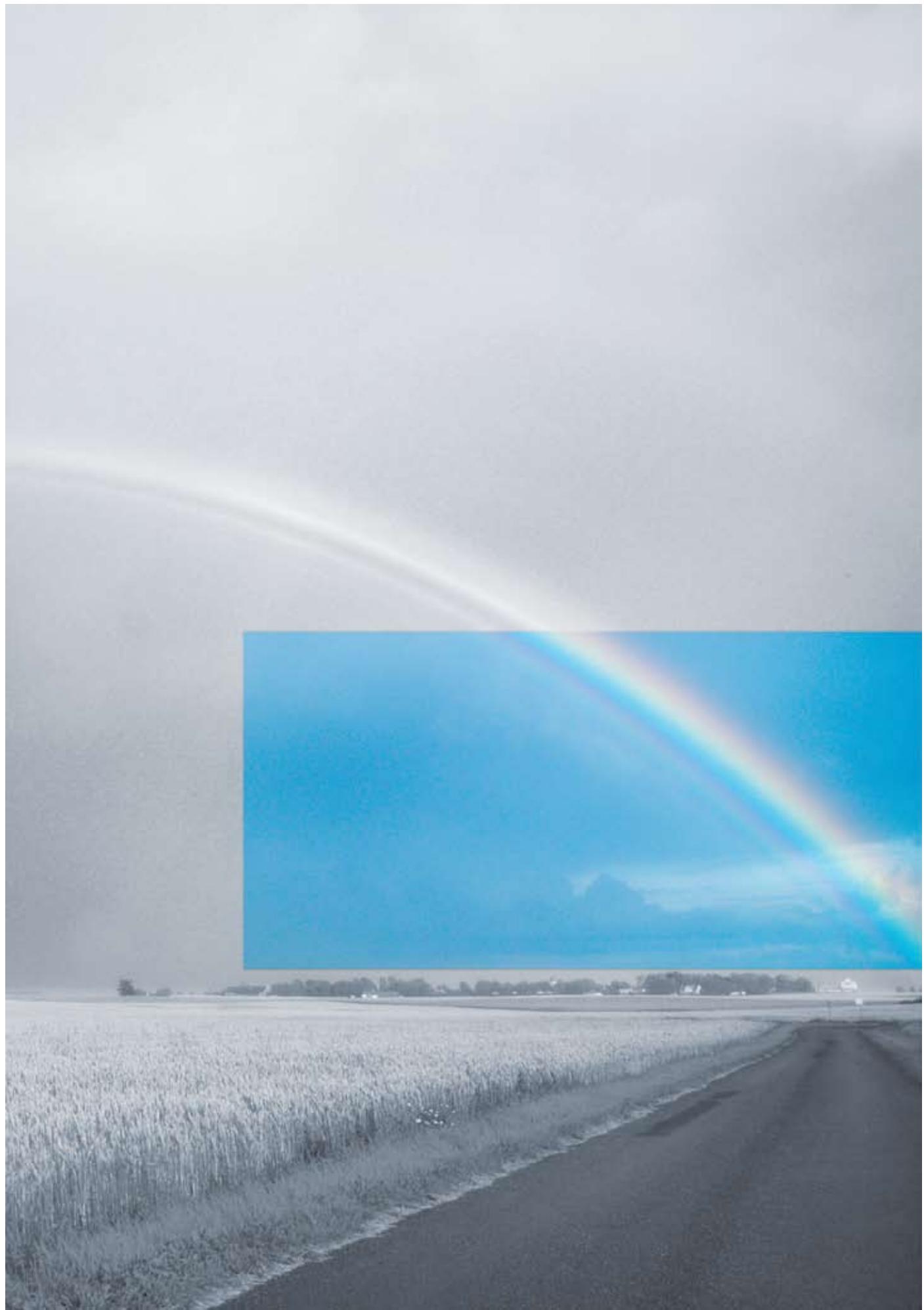
With confidence, however, I can state that we have passed these tests together. CentroCredit Bank continues to carry out its business and social mission. The necessity for sharp cost-cutting, including: salary cuts was the hardest decision for the Bank's management and likely for some of you, as well.

But, I am confident that results from the reporting period will allow us to overcome difficulties and next year to return fully to realizing the Bank's strategic development, particularly taking into account that last year's events proved the full validity of the main provisions of the strategy – concentrating our efforts on promoting complicated credit products and ensuring the maximum usage of the high equity factor level.

I thank you for your support and understanding.

Sincerely yours,  
Andrey Tarasov

The Chairman of the Management Board of CentroCredit Joint Stock Commercial Bank



# CENTROCREDIT BANK

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## Background Information on CentroCredit Bank

CentroCredit joint-stock commercial bank (CJSC) was founded in 1989 and has been successfully working in the Russian banking sector for 19 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 Russian Banks, Moscow Banks Union, National Currency Association, National Stock Exchange Association. It is also a member of the Moscow Stock Exchange, St. Petersburg Stock Exchange, a participant in the Russian Trading System and a shareholder of OJSC "RTS" as well as a shareholder of CJSC "MICEX" and a member of the stock market, currency and futures market sections of the Moscow Interbank Currency Exchange (MICEX).

The Bank has a stock exchange intermediary license, № 1150 dated 25th of March 2008, issued by the Federal Service for Financial Markets, CentroCredit Bank has the right to undertake futures and options transactions in Russia.

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), securities management activity (license 177-06356-001000 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 1.7 bln.

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).

According to Profil magazine (No.09/ March 15th, 2010), as of January 1st, 2010, CentroCredit Bank is among Russia's largest banks – holding 51st place based on the volume of own capital and 38th place in terms of the volume of net assets.

As of January 1st, 2010, JSC CentroCredit Bank's total balance stood at RUR 133 bln, net assets were in excess of RUR 91 bln. and own capital equaled RUR 10 bln.

Based on 2009 results, the Bank's net profit totaled RUR 2.2 billion.

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

## **Organizational Structure of CentroCredit Bank**

As at 7 April 2010 and reported to the 2009 General Shareholders Meeting of JSC CentroCredit Bank.

## **MANAGEMENT AND OVERSIGHT BODIES OF THE BANK**

### **General Shareholder meeting**

### **BOARD OF DIRECTORS**

#### **Sergey A. Yeremin**

(born 1956)

*Chairman of the Board of Directors*

Graduate of Moscow Finance Institute in 1982 with a diploma in Finance and Credit. Graduate of the same college in 1988 with a diploma in International Economic Relations.

Married, has one child.

#### **Ilya Yu. Korbashev**

(born 1970)

*Member of the Board of Directors*

Member of the Board of Directors  
Graduate of Lomonosov Moscow State University in 1993. Graduate of Plekhanov Russian Economic Academy in 1998.

Married, has two children.

#### **Pavel P. Sharai**

(born 1946)

*Member of the Board of Directors*

In 1966, he graduated from the Belorussian State Order of the Red Banner of Labor Institute of Physical Training, as a teacher of physical culture and sports. In 2004, he received a ph.D. (economics).  
Married, has two children.

#### **Nikolay N. Ivin**

(born 1948)

*Member of the Board of Directors*

In 1972, he graduated from the Moscow Finance Institute specializing in international economic relations, qualification: economist. In 1980, he received a ph.D. (economics). He holds the title of associate professor.

Married, has one child.

#### **Andrey I. Tarasov**

(born 1959)

*Member of the Board of Directors*

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.

### **AUDITING COMMITTEE OF THE BANK**

#### **Boris A. Rossikhin**

#### **Zhanna S. Matveeva**

#### **Kirill V. Sukholet**

## CentroCredit Bank Senior Management

### EXECUTIVE CHAIRMAN OF THE MANAGEMENT BOARD

(Individual management body)

**Andrey I. Tarasov**

### MANAGEMENT BOARD

(Collegial executive body)

**Andrey I. Tarasov**

Chairman of the Board

First Deputy Chairman

**Larisa V. Zimina**

Deputy Chairman

**Igor V. Kosolobov**

Deputy Chairman

**Andrey N. Surmilo**

Member of the board, Chief Accountant

**Natalya V. Perepilitsyna**

Member of the board, Head of Treasury trading department

**Alexander N. Makarov**

Member of the board, Head of the Legal Department

**Igor Ch. Muzyka**

Member of the board, Head of the Main financial department

**Tatiana A. Sanktis**

### CREDIT COMMITTEE AT THE MANAGEMENT BOARD

**I. Kosolobov**

Chairman of the Committee

**L. Zimina**

**E. Kovelatov**

**I. Korbashev**

**K. Lebedev**

**A. Surmilo**

**E. Terehov**

### 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. Zhuravleva**

**N. Belousova**

**O. Shevchenko**

### FIRST DEPUTY CHAIRMEN OF THE MANAGEMENT BOARD

**Larisa V. Zimina**

**Kirill Ye. Shershun**

### DEPUTY CHAIRMEN OF THE MANAGEMENT BOARD

**Ilya Yu. Korbashev**

**Kirill V. Sukholev**

### CHIEF ACCOUNTANT

**Natalya V. Perepilitsyna**

### REPRESENTATIVE OFFICE OF CENTROCREDIT BANK IN THE UNITED KINGDOM (LONDON)

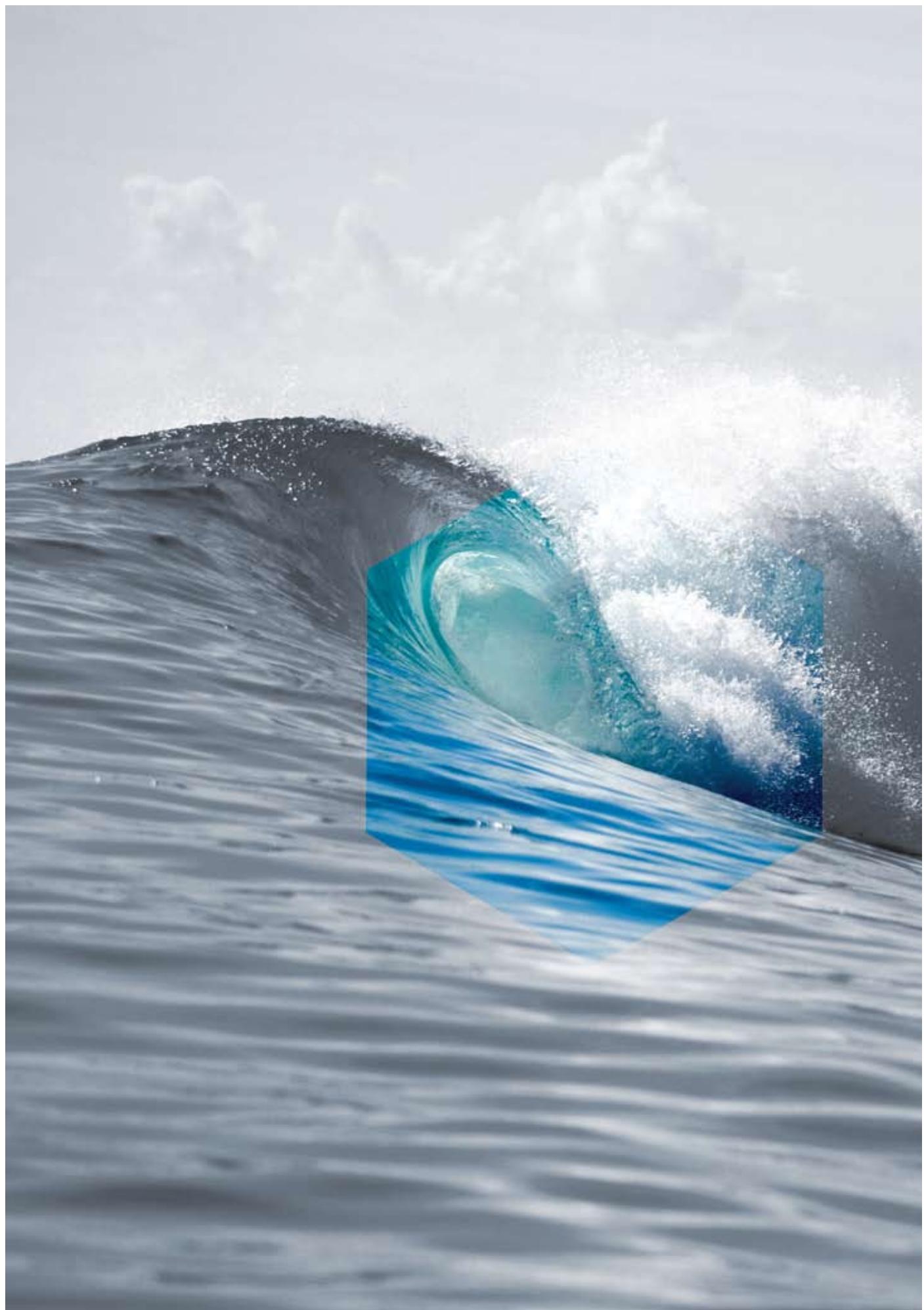
Head of the Representative Office

**Nikolay S. Ryzhenko**

## Structure of Functional Management of the Bank



At present, Bank shareholders include seven individuals and 37 organizations resident in Russia and one non-resident. Shares of main shareholders do not exceed 14%.  
(Excluding JSC «TFD «CentroCredit»)



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## CentroCredit Bank Strategy

Strategic management in CentroCredit Bank is the responsibility of the Board of Directors and includes defining the main principles of the Bank's activities, choosing the direction of development and determining the basic budget parameters.

The strategy of CentroCredit Bank is divided into two parts – External (market strategy) and Internal (organization of business processes and risk management).

### EXTERNAL STRATEGY

- Development of a high-tech Bank capable of offering to medium and large corporate clients a broad range of specialized financial products with a high added value, including:
  - Development of leasing services in the corporate clients sector;
  - Positioning in the factoring services market on the basis of cluster selection;
  - Provision of a broad sector of documentary operations;
  - Development of LBO/MBO based products;
- Broadening of client access to financial resources and the provision of consulting services in the field of choosing the means of capital attraction and the financing organization;
- Placement of the Bank's liabilities in open financial markets; development of a credit history in open financial markets;
- Priority orientation of credit policy on conducting large transactions with a high

added value, high levels of realization and complex risk management; sustaining the liquidity and quality level of the credit portfolio;

- Restructuring of client work with the aim of increasing client loyalty towards the Bank. Orientation of management activities to the building of long-term mutually beneficial partner relationships. Forming of the institute of personal and product client managers as well as direction of client managers' activities in conformity with strategic and tactical plans of client base development.
- Strengthening of the CentroCredit brand as a private classic bank that is not dependent on the state or financial and industrial groups, has vast experience of investment transactions and is flexible in the way it works with clients and competitive in the market environment.
- Improving external communications.

### INTERNAL STRATEGY

- Implementation of the integrated risk management model – Enterprise-Wide Risk Management (EWRM);
- Realization of a technological strategy as one of the ways of improving the market position of the Bank through the use of advanced technologies (Customer Relationship Management), development of new channels of marketing services and of new types of services. Securing the increase of revenue through cost-cutting in business processes and minimization of credit (EGAR-Loans) and operational risks (EGAR Operational Risk);
- Further integration of internal accounting systems on the SAP BI data storage system with the aim of forming of a single information network;
- Implementation of human resources development doctrine;
- Improving the quality of corporate governance.

# Risk management at CentroCredit Bank

## OPERATIONAL MANAGEMENT

Operational management is the responsibility of the Bank's Management Board and it is conducted together with collegiate bodies – the Credit committee and IT committee of the Management Board.

During the regular meetings of the Management Board and the Committees the participants discuss the key issues of strategy and financial policy, monitor the Bank's current financial position and liquidity and evaluate the fulfillment of planned indexes, limits and economic ratios set by the Central Bank of Russia.

## RISK MANAGEMENT

Risk management in the Bank is realized using an integrated risk-management model, Enterprise-Wide Risk Management (EWRM), and the universal international principles and approaches developed according to the recommendations of the Basel committee.

The general concept is a model of market behavior as a risk protection system:

- Management of financial and non-financial risks on the macrolevel of the organization;

- Qualitative and quantitative evaluation and integration of the portfolio of financial and non-financial risks connected with banking activity;
- Movement from risk management towards an integrated strategy of managing risks and capital.

- Development of a scenario model and of evaluation and monitoring of operational risks and introduction of the software package EGAR Operational Risk.

## Liquidity risks

- Conducting monitoring and the management of the Bank's liquidity risk using the existing Stock & Flow model of stress-analysis;
- Introduction of a Liquidity Contingency Plan;
- Development of a non-financial risks map and stages of introduction of monitoring, management and stress-analysis of non-financial risks within the framework of EWRM strategy.

## IMPLEMENTATION METHODS

### Credit risks

- Adaptation of the technology of credit risk evaluation and modeling (EGAR Loans, model of collateral quality evaluation, expert maps) with a focus of credit policy on middle-sized and large corporate clients and cluster segmentation, identification, monitoring and management of cluster credit risks;
- Introduction of scenario analysis of the credit portfolio: sensitivity model Tornado Chart and dynamic model Crystal Ball;
- Outsourcing of consultants in the field of analysis, study and monitoring of the real estate market (Jones Lang LaSalle, Knight Frank, Cushman & Wakefield).

### Operational risks

- Introduction of monitoring and management of operational risks using evaluation maps;

## Credit policy of CentroCredit Bank

The main focus of the credit policy is to control risks associated with the most effective placement of the Bank's credit resources with the aim of securing the best interests of both the Bank shareholders and its clients. The priorities of the credit policy are:

- High quality of assets assumes an asset portfolio that will provide an optimal risk/profitability ratio in the medium to long term taking into account possible negative impact on business from macroeconomic or local conditions. These 'quality' assets are not only assets secured in the form of collateral, guarantees, etc., but are also able to yield income in the case of a change in external conditions - principle of sufficiency, provision, stability and liquidity;
- Profitability of relations with Clients and Partners of the Bank is based on offering to medium and large size corporate clients a set of wholesale financial services having an individual character and representing ranges of financial products (cross-sales) put together to take account of client needs. Provision of a complex product requires a thorough understanding of the market environment in which the borrowing client does business, their commercial experience, as well as an understanding of the strategic goals and the quality of their financial and operational management. It also requires an understanding of the transparency level of the borrowers. The bargaining power of the borrower with the Bank is also

taken into account. Such a high level of understanding of the risks associated with each single borrower allows the Bank to perform the identification, monitoring and management of risks in a professional way and allows the establishment of planned and adequate values of risk/profitability ratios;

- Acceptable growth of the credit portfolio, taking into account shareholder attitude towards risk, is understood as the basis for the stable long term profitability of the Bank. It is reached through the optimal and conscious risk/profitability ratio and the high quality of assets; the Bank has a declared preference towards portfolio quality over volume;
- Collateral policy is considered as a basis for securing the stability, profitability and liquidity of the Bank as well as an instrument of protection against non-financial risks such as fraud. Commitment towards obtaining collateral for loans in the form of property that is subject to mandatory state registration (i.e. real estate), repo operations, top-class financial guarantees and security forms the basis of the collateral policy. The collateral policy is based on principles of conservatism in evaluation, requirements for cash flows, which may be generated in case of change in owner of encumbered assets, liquidity and diversification of collateral products and corresponding diminishment of risk exposition through minimization of similar type collaterals. The accepted collateral policy also takes account of the

number of legal cases the Bank is willing to have outstanding at one time;

- Development of the Bank's credit culture, which is understood as a set of approaches, views, organization, philosophy and their reflection in credit work at the Bank. The main criterion for credit work is the quality of assets that provide the certainty of the Bank's revenue, high shareholder stock value, a 'strong' balance and a high rating. To a large extent the credit culture is provided through effective communication between the Bank's divisions and high quality employees.

## **HR policy at CentroCredit Bank**

The Bank's HR policy is aimed at ensuring an optimal balance between renewing and preserving processes of the quantitative and qualitative headcount structure, alongside its development according to the Bank's requirements.

The Bank's HR policy is focused on forming professional teams with strong business qualities focused on successful achievements in the area of providing banking products to corporate and private clients. The team is able to appropriately react to changing market requirements.

- As of the end of 2009, the Bank's headcount is 369 persons;
- Average age of employees - 38 years old;
- 63% of employees have higher educations, 28 employees - second higher economic education, 6 employees have ph.D.s and 5 of them have ph.D.s in economics. A number of the Bank's top managers, including: the Chairman of the Bank's Management Board have MBAs (Masters in Business Administration). The bulk of the Bank's specialists are: economists, financiers

and mathematicians by training, which allows them to comprehensively resolve tasks facing the Bank.

- 39% of employees have up to 5 years work experience in CentroCredit Joint Stock Commercial Bank; 44 % - have up to 10 years work experience; and 17 % - have worked for the Bank for more than 10 years.
- Personnel training is investment into the Bank's work. Great attention is paid to professional growth and upgrading employees' overall performance. During the reporting period, personnel development was carried out at the following educational centers: the International Moscow Finance and Banking School (IMFBS), the BusinessSchoolConsultant, Information

Protection Training Center, the Institute for the Development of Financial Markets, the Moscow Higher School of Economics, LLC Financial Consulting, AF Vneshaudit Training Center, the Financial Center New Parity, the Capital Center of Economics and Justice Training Center, etc.

A number of the Bank's top managers have studied the experience of the Bank's foreign partners in the area of client servicing, and have carried out negotiations with foreign companies and banks regarding participating in joint projects.

**39% OF EMPLOYEES  
HAVE UP TO 5 YEARS  
OF WORKING EXPERIENCE  
IN CENTROCREDIT BANK;  
44% - UP TO 10 YEARS;  
17% - MORE THAN 10.**



# RESULTS & PROSPECTS

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## Activity results of CentroCredit Bank

**2009**

### Year of Extremely High Net Profit

During the reporting period, CentroCredit Bank effectively used opportunities provided by the market situation to increase its profit and capital base.

2009 marked a year of record net profit for the Bank.

Based on RUR 2,216 mln. net profit, calculated in accordance with Russian Accounting Standards (RAS), CentroCredit Bank occupies 14th position among all Russian banks (Interfax-100 ranking). A comparable 2009 profit, calculated in accordance with International Financial Reporting Standards (IFRS), was confirmed by Deloitte and Touche Audit Company.

Based on 2009 results, 15% of net profit was directed at dividend payments, the remainder (RUR 1,717 mln.) was channeled at increasing the Bank's equity and reserve fund.

### EQUITY Traditionally High Level

High profit ensures dynamic and consistent equity growth.

Apart from capitalizing 2009 profit, direct input into the Bank's equity was contributed by the conversion of bonds issued in 2006 (and owed by the Bank's shareholders) into common shares in the 1Q 2009, which increased equity RUR 2 bln.

Thus, the Bank's equity growth totaled 75%, which is one of the highest 2009 indicators among banks not included in financial rehabilitation procedures, M&A, etc.

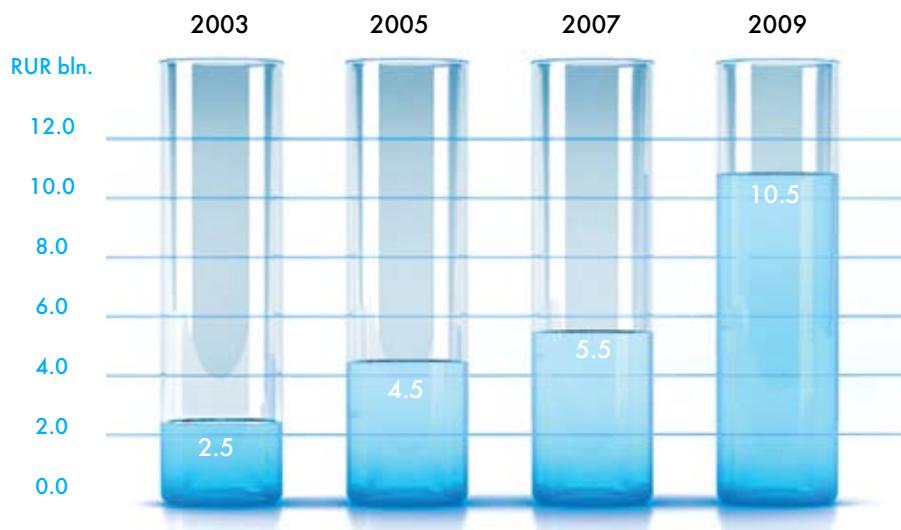
As of January 1st, 2010, the Bank's equity amounted to RUR 10.5 bln – based on

this indicator the Bank became one of Russia's 50 largest banks – checking in 45th place (Interfax-100 rating).

The Bank traditionally maintains a high sufficient capital ratio, which gives it competitive advantages as an opportunity:

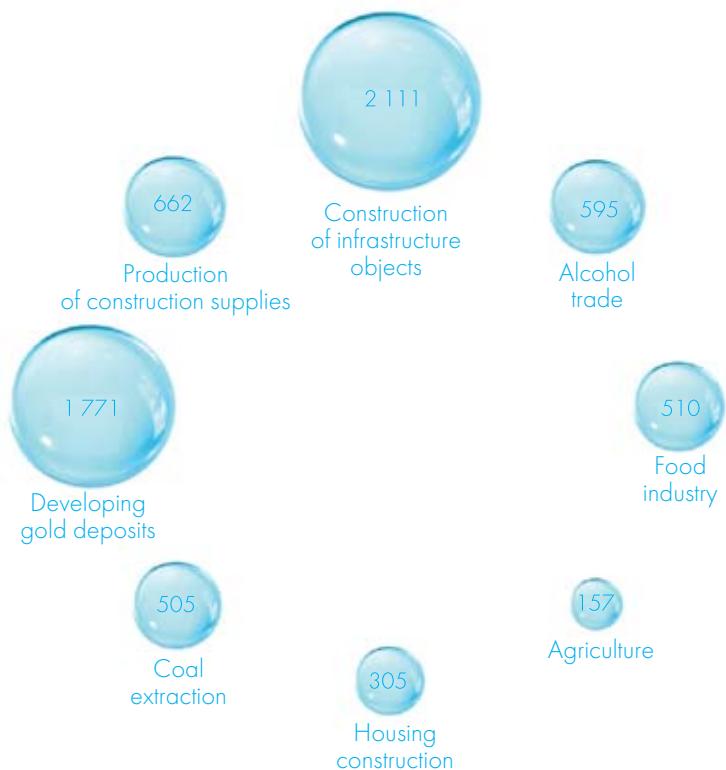
- to perform major transactions with a high credit limit per borrower, and
- promptly react to open market opportunities, increasing the volume of investments in attractive financial instruments, if needed.

#### EQUITY DYNAMICS

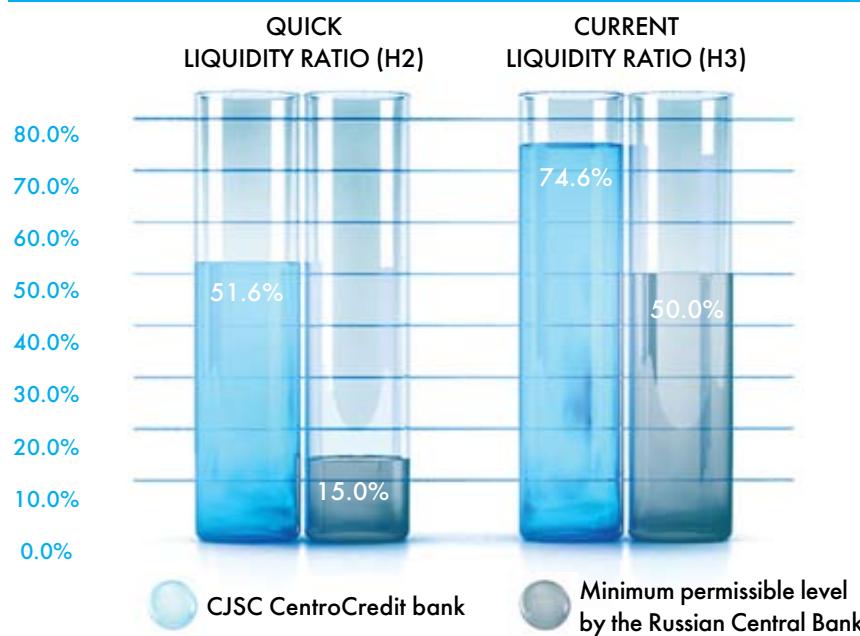


## REAL ECONOMY FINANCING

RUR mln.



### 2009 AVERAGE LIQUIDITY RATIOS



## A HIGH LEVEL OF LIQUIDITY

Maintaining a high level of liquidity is an element of the Bank's strategy, which allows:

- to realize a conservative risk management policy;
- to be ready to carry out large transactions for clients.

The main instrument for liquidity management is the portfolio of high-quality Russian federal bonds and subjects of Russian Federation, which provide a relatively high yield at the same time.

## DYNAMIC GROWTH IN ACTIVE TRANSACTIONS

The increased equity level allowed the Bank to significantly expand total assets, as of the end of 2009, maintaining the capital adequacy ratio at a high level – 21.3% as of January 1st, 2010.

By the end of the reporting period, the Bank increased investments in federal and municipal bonds to RUR 45 bln.

The increase in bonds and credit operations against the securities portfolio allowed the Bank to receive additional income in the form of bond coupons, interest on REPO transactions and the revaluation of bonds as a result of a general decrease in market yield.

2009 profit exceeded 2008 losses, which were the result of the general capital market decline.

BOND PORTFOLIO AS OF JANUARY 1ST, 2010



## 2009 SUCCESS STORIES

**A RUR 1.5 bln guarantee for the Federal Grid Company contractor was accepted by the consignee and completely returned in due course.**

**Participation in the re-deployment process at the ZIL Plant for its subsidiary to transfer its production capacities to the country.**

**A large deal on carriage-rolling stock leasing connected with the purchase of new freight cars in Ukraine.**

**«KAMAZ-metallurgy» was financed on factoring with metallurgical enterprises and metal trading companies.**

## 2010 BANK DEVELOPMENT PROSPECTS

To assess our assumptions of the Bank's 2010 development in brief, it would be appropriate to use the term "cautious optimism".

Unfortunately, the macro-economic situation does not allow us to count on a full-scale return to our strategy.

Throughout 2010, we anticipate that we will witness extreme volatility in both Russian and foreign markets.

In such situations, the main thing is to exercise caution and control risks, while at the same time being prepared to aggressively start expanding the Bank's share in strategically interesting market segments. For example, in our opinion, there are complicated lending products and trade finance transactions that are potentially exciting.

In 2010, discipline in all senses will be hugely important; first of all, discipline in

working with external counterparts which can be achieved only through faultless technological discipline in intra-banking processes. 2010, certainly, will be a challenging year, but it will also be a year of unique opportunities.

Let's keep pace with the requirements of the time.



# FINANCIAL REPORTS

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# Deloitte.

## INDEPENDENT AUDITORS' REPORT

To the Shareholders and Board of Directors of Joint Stock Commercial Bank "CentroCredit":

### Report on the Financial Statements

We have audited the financial statements of Joint Stock Commercial Bank "CentroCredit" (Closed Joint Stock Company) (the "Bank") for the year ended 31 December 2009 from which the accompanying summarized financial statements were derived, in accordance with International Standards on Auditing. In our independent auditors' report dated 16 June 2010 we expressed an unqualified opinion on the financial statements from which the accompanying summarized financial statements were derived.

### Opinion

In our opinion, the accompanying summarized financial statements are consistent, in all material respects, with the financial statements of the Bank from which they were derived.

For a better understanding of the Bank's financial position and the results of its operations for the period and of the scope of our audit, the accompanying summarized financial statements should be read in conjunction with the financial statements from which the summarized financial statements were derived and our audit report thereon.

*Deloitte & Touche*

16 June 2010

Moscow

**CJSC COMMERCIAL BANK "CENTROCREDIT"  
SUMMARIZED FINANCIAL STATEMENTS  
SUMMARIZED INCOME STATEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2009**

(in thousands of Russian Rubles)

	Year ended December 31, 2009	Year ended December 31, 2008
Interest income	4,161,617	2,391,298
Interest expense	<u>(1,659,063)</u>	<u>(898,579)</u>
<b>NET INTEREST INCOME BEFORE RECOVERY OF PROVISION FOR IMPAIRMENT LOSSES ON INTEREST BEARING ASSETS</b>	<b>2,502,554</b>	<b>1,492,719</b>
 (Provisions)/recovery of provision for impairment losses on interest bearing assets	 <u>(1,598,459)</u>	 <u>405,954</u>
<b>NET INTEREST INCOME</b>	<b><u>904,095</u></b>	<b><u>1,898,673</u></b>
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss	1,024,325	(2,298,960)
Net gain/(loss) on foreign exchange operations	775,614	(77,124)
Net gain/(loss) on precious metals operations	15,155	(60,464)
Fee and commission income received	241,950	229,172
Fee and commission expense paid	(28,097)	(37,727)
Net gain/(loss) on investments available-for-sale	461,818	(722,852)
Dividends received	281,505	17,889
(Provision)/ recovery of provision for impairment losses on other transactions	(82,009)	24,376
Other income	20,669	77,550
<b>NET NON-INTEREST INCOME/(EXPENSE)</b>	<b><u>2,710,930</u></b>	<b><u>(2,848,140)</u></b>
 OPERATING INCOME/(LOSS)	 <u>3,615,026</u>	 <u>(949,467)</u>
 OPERATING EXPENSES	 <u>(532,120)</u>	 <u>(644,042)</u>
<b>PROFIT/(LOSS) BEFORE INCOME TAX</b>	<b><u>3,082,906</u></b>	<b><u>(1,593,509)</u></b>
 Income tax (expense)/recovery	 <u>(618,653)</u>	 <u>397,452</u>
<b>NET PROFIT/(LOSS)</b>	<b><u>2,464,253</u></b>	<b><u>(1,196,057)</u></b>

**On behalf of the Management Board:**

**Chairman  
of the Management Board  
A.I. Tarasov**

June 16, 2010  
Moscow

**Chief Accountant  
N.V. Perepilitsyna**

June 16, 2010  
Moscow

The summarized financial statements were derived from the issued financial statements as at December 31, 2009 and for the year ended December 31, 2009.

**CJSC COMMERCIAL BANK "CENTROCREDIT"  
SUMMARIZED FINANCIAL STATEMENTS  
SUMMARIZED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED DECEMBER 31, 2009**

(in thousands of Russian Rubles)

	Year ended December 31, 2009	Year ended December 31, 2008
NET PROFIT/(LOSS)	<u>2,464,253</u>	<u>(1,196,057)</u>
OTHER COMPREHENSIVE INCOME		
Net change in fair value of investments available-for-sale	(593,200)	(516,954)
Reclassification adjustments for expenses / (income) included in profit or loss from comprehensive income on disposal of investments available-for-sale	516,729	(172,262)
Deferred income tax effect attributable to other comprehensive income components	<u>15,294</u>	<u>137,843</u>
<b>TOTAL COMPREHENSIVE INCOME/(EXPENSE)</b>	<b><u>2,403,076</u></b>	<b><u>(1,747,430)</u></b>

**On behalf of the Management Board:**

**Chairman  
of the Management Board  
A.I. Tarasov**

June 16, 2010  
Moscow

**Chief Accountant  
N.V. Perepilitsyna**

June 16, 2010  
Moscow

The summarized financial statements were derived from the issued financial statements as at December 31, 2009 and for the year ended December 31, 2009.

**CJSC COMMERCIAL BANK "CENTROCREDIT"  
SUMMARIZED FINANCIAL STATEMENTS  
SUMMARIZED STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2009**

(in thousands of Russian Rubles)

	December 31, 2009	December 31, 2008
<b>ASSETS:</b>		
Cash and balances with the Central Bank of the Central Bank of the Russian Federation	1,483,405	1,750,423
Precious metals	-	44,629
Financial assets at fair value through profit or loss	40,170,777	517,301
Due from banks and other financial institutions	7,143,130	4,002,993
Loans to customers	26,241,011	11,054,495
Investments available-for-sale	3,092,591	4,511,758
Fixed assets	226,391	130,749
Deferred income tax assets	118,640	103,347
Other assets	18,566	194,869
<b>TOTAL ASSETS</b>	<b>78,494,511</b>	<b>22,310,564</b>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES:</b>		
Financial liabilities at fair value through profit or loss	145,931	356,542
Due to the Central Bank of the Russian Federation and other financial institutions	54,140,119	5,496,482
Customer accounts	10,523,437	5,577,234
Debt securities issued	1,945,030	3,905,280
Other provisions	116,880	34,871
Current income tax liabilities	76,066	92,907
Deferred income tax liabilities	558,863	74,527
Other liabilities	166,576	86,679
Subordinated debt	640,925	653,672
<b>Total liabilities</b>	<b>68,313,827</b>	<b>16,278,194</b>
<b>EQUITY:</b>		
Share capital	5,229,241	3,228,241
Additional paid-in capital	-	255,762
Investments available-for-sale fair value reserve	(474,562)	(413,385)
Retained earnings	5,426,005	2,961,752
<b>Total equity</b>	<b>10,180,684</b>	<b>6,032,370</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>78,494,511</b>	<b>22,310,564</b>

**On behalf of the Management Board:**

**Chairman  
of the Management Board  
A.I. Tarasov**

June 16, 2010  
Moscow

**Chief Accountant  
N.V. Perepilitsyna**

June 16, 2010  
Moscow

The summarized financial statements were derived from the issued financial statements as at December 31, 2009 and for the year ended December 31, 2009.

**CJSC COMMERCIAL BANK "CENTROCREDIT"  
SUMMARIZED FINANCIAL STATEMENTS  
SUMMARIZED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2009**

(in thousands of Russian Rubles)

	Share capital	Additional paid-in capital	Investments available-for-sale fair value reserve	Retained earnings	Total equity
<b>December 31, 2007</b>	<b><u>3,228,241</u></b>	<b><u>255,762</u></b>	<b><u>137,988</u></b>	<b><u>4,297,467</u></b>	<b><u>7,919,458</u></b>
Comprehensive income recognized for the year ended December 31, 2008	-	-	(551,373)	(1,196,057)	(1,747,430)
Dividends declared on ordinary shares	-	-	-	(139,658)	(139,658)
<b>December 31, 2008</b>	<b><u>3,228,241</u></b>	<b><u>255,762</u></b>	<b><u>(413,385)</u></b>	<b><u>2,961,752</u></b>	<b><u>6,032,370</u></b>
Comprehensive income recognized for the year ended December 31, 2009	-	-	(61,177)	2,464,253	2,403,076
Increase of share capital from bonds-to-shares conversion	2,001,000	(255,762)	-	-	1,745,238
<b>December 31, 2009</b>	<b><u>5,229,241</u></b>	<b><u>-</u></b>	<b><u>(474,562)</u></b>	<b><u>5,426,005</u></b>	<b><u>10,180,684</u></b>

**On behalf of the Management Board:**

**Chairman  
of the Management Board  
A.I. Tarasov**

June 16, 2010  
Moscow

**Chief Accountant  
N.V. Perepilitsyna**

June 16, 2010  
Moscow

The summarized financial statements were derived from the issued financial statements as at December 31, 2009 and for the year ended December 31, 2009.

**CJSC COMMERCIAL BANK "CENTROCREDIT"  
SUMMARIZED FINANCIAL STATEMENTS  
SUMMARIZED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

(in thousands of Russian Rubles)

	Year ended December 31, 2009	Year ended December 31, 2008
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Profit/(loss) before taxes	3,082,906	(1,593,509)
Adjustments for:		
Provision/(recovery of provision) for impairment losses on interest bearing assets	1,598,459	(405,954)
Provision/(recovery of provision) for impairment losses on other transactions	82,009	(24,376)
Impairment of investments available-for-sale	12,197	339,221
Loss on transactions with derivative financial instruments	5,515	14,547
Gain from disposal of property, plant and equipment and intangible assets	1,384	(21,091)
Depreciation of property, plant and equipment	16,546	24,172
Change in interest accruals, net	(1,319,543)	(233,745)
Net change in fair value of precious metals	(18,208)	(2,008)
Foreign exchange differences	(101,614)	(225,409)
Accrued expenses	<u>3,400</u>	<u>57,430</u>
Cash inflow/(outflow) from operating activities before changes in operating assets and liabilities	3,363,051	(2,070,722)
Changes in operating assets and liabilities (Increase)/decrease in operating assets:		
Minimum reserve deposit with the Central Bank of the Russian Federation	(69,687)	215,999
Precious metals	62,837	480,715
Financial assets at fair value through profit or loss	(38,908,261)	3,389,567
Due from banks and financial institutions	(2,349,861)	(1,048,823)
Loans to customers	(16,627,997)	(2,070,386)
Other assets	161,347	(65,428)
Increase/(decrease) in operating liabilities:		
Due to the Central Bank of the Russian Federation and other financial institutions	48,723,244	1,989,189
Customer accounts	5,446,538	(266,796)
Other liabilities	<u>95,840</u>	<u>(49,188)</u>
Cash (outflow)/inflow from operating activities before taxation	(102,949)	504,127
Income tax paid	<u>(166,451)</u>	<u>(7,361)</u>
Net cash (outflow)/inflow from operating activities	<u>(269,400)</u>	<u>496,766</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Additions to fixed assets	(115,580)	(11,177)
Proceeds on sale of fixed assets	2,008	26,087
Net changes in investments available-for-sale	<u>883,312</u>	<u>(691,032)</u>
Net cash inflow/(outflow) from investing activities	<u>769,740</u>	<u>(676,122)</u>

**CJSC COMMERCIAL BANK "CENTROCREDIT"  
SUMMARIZED FINANCIAL STATEMENTS  
SUMMARIZED STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2009**

(in thousands of Russian Rubles)

	Year ended December 31, 2009	Year ended December 31, 2008
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
(Repayment)/sale of debt securities issued, net	(134,475)	217,571
Dividends paid	-	(139,658)
Proceeds from subordinated debt	-	653,672
	<hr/>	<hr/>
Net cash (outflow)/inflow from financing activities	(134,475)	731,585
	<hr/>	<hr/>
Effect of foreign exchange rate fluctuations	13,693	33,040
	<hr/>	<hr/>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	379,558	585,269
<b>CASH AND CASH EQUIVALENTS, beginning of period</b>	<hr/>	<hr/>
	1,928,426	1,343,157
<b>CASH AND CASH EQUIVALENTS, end of period</b>	<hr/>	<hr/>
	2,307,984	1,928,426

Interest paid and received by the Bank during the year ended December 31, 2009 amounted to RUB 1,771,124 thousand and RUB 2,954,135 thousand, respectively.

Interest paid and received by the Bank during the year ended December 31, 2008 amounted to RUB 1,053,307 thousand and RUB 2,312,281 thousand, respectively.

**On behalf of the Management Board:**

**Chairman  
of the Management Board  
A.I. Tarasov**

June 16, 2010  
Moscow

**Chief Accountant  
N.V. Perepilitsyna**

June 16, 2010  
Moscow

The summarized financial statements were derived from the issued financial statements as at December 31, 2009 and for the year ended December 31, 2009.



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