

ANNUAL REPORT 2012



**CENTROCREDIT BANK**

БАНК ЦЕНТРОКРЕДИТ

IT IS ONLY THE FIRST STEP THAT SEEMS SCARY





## CONTENTS

Address of the Chairman of the Board of Directors	2
Address of the Chairman of the Management Board	3

## CENTROCREDIT BANK

CentroCredit Bank General Information	6
Organizational Structure of CentroCredit Bank	8

## CENTROCREDIT BANK STRATEGY

Bank Strategy	14
Risk Management	16
Credit Policy	18
HR Policy	21

## RESULTS AND PROSPECTIVE

Summary of Bank's performance in 2012	24
Development prospects in 2013	29

## FINANCIAL REPORTS

Financial statements for 2012 (IAS)	32
-------------------------------------	----

## CONTACTS

	38
--	----

## **ADDRESS OF THE CHAIRMAN OF THE BOARD OF DIRECTORS**

LADIES AND GENTLEMEN!

I would like to begin this address with an important comment. It is commonly believed that the represented materials refer to a formal reporting period i.e. year 2012 in this case. However, it is only possible to hand over the text of the report for printing after the auditors sign the financial reports, i.e. in May. Thus, we can discuss with you not only the results of the reporting year 2012, but also the results of unfinished two quarters of year 2013. I believe it is very substantial as the course of events on the world and especially the Russian financial markets are developing at a dynamic pace.

CentroCredit Bank has to take into account the complex external environment which is characterized by a significant decrease in profitability practically in all sectors of Russian economy. This is accompanied by a slowdown in growth of all macroeconomic indicators. Such changes inevitably influence basic credit risks as they directly affect liquidity and stability of our clients and counteragents.

Therefore risks control in all meaning of the word became key priority for us in the reporting year as well as in the current year. The above said implies the need for a more comprehensive approach to personalia related to client business. Simply said, it is necessary to evaluate the risks not only and not just of the balance sheet sustainability, but also to consider the record and efficiency of shareholders and managers of client companies.

*I thank all our clients for cooperation and mutual understanding. I would like to wish them and their families prosperity, luck and good health.*

Sincerelly yours,  
Andrey Tarasov

## **ADDRESS OF THE CHAIRMAN OF THE MANAGEMENT BOARD**

DEAR CLIENTS AND PARTNERS OF CENTROCREDIT BANK!

I would like to thank you for another year of interesting and mutually beneficial cooperation and from the part of CentroCredit Bank managers I would like to assure you in our intention to remain an efficient business partner in implementation of your ideas and plans.

Presenting the annual report for year 2012, I have to emphasize the complexity of current situation in the banking sphere: with decrease of margin in the first place and clear tendency of assets deterioration. Thus, in order not to lose out to other market participants in terms of quality and price of services we have to constantly monitor internal reserves – increase the efficiency of technological and business processes, more strictly evaluate the professional competency of our employees, improve risk assessment procedures etc.

It is this very task that we considered priority at the moment and its effective accomplishment is seen by us as a necessary precondition for keeping high quality of our banking services.

*With best wishes to you, your dear ones and with hope for further cooperation.*

Larisa Zimina,  
Chairman of Management Board  
CJSC CentroCredit Bank

# CENTROCREDIT BANK

CENTROCREDIT BANK GENERAL INFORMATION

ORGANIZATIONAL STRUCTURE 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 20 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 St. Petersburg Stock Exchange, a participant in the Russian Trading System, a shareholder of "Moscow Exchange" 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 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).





The net assets of the Bank increased in 2012 up to RUR 61 billion. The own capital of the Bank increased in 2012 up to RUR 18 billion. According to 2012 results, the net profit of the Bank was RUR 3,2 billion.

As at January 2013, according to “Profil” magazine rating, CentroCredit Bank was one of the larger Russian banks – holding 39th place based on the volume of own capital and 79th place in terms of the volume of net assets.

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\*

## The Bank Governing Bodies

### THE BANK'S GENERAL SHAREHOLDER MEETING

### THE BOARD OF DIRECTORS

**Andrey I. Tarasov** *(born 1959)*  
**Chairman 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

**Nikolay A. Anoshko** *(born 1950)*  
**Member of the Board of Directors**

Graduate of Humboldt Berlin University in 1977.

**Sergey A. Yeremin** *(born 1956)*  
**Member 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. Korbashov** *(born 1970)*  
**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. Sharay** *(born 1946)*  
**Member of the Board of Directors**

Graduate of the Belarusian State Institute for Physical Culture in 1966.  
In 2004 he received a PhD in economics.  
Married, has two children.

### AUDITING COMMITTEE OF THE BANK

Alexander Y. Semenov  
Zhanna S. Matvejeva  
Oksana S. Striganina

*The Annual General Meeting of Shareholders on 25 June 2013 agreed the motion that Members of the Board of Directors and of the Auditing Committee should receive no compensation for the results of the year 2012.*

## **The Bank Management Bodies**

### **EXECUTIVE CHAIRMAN OF THE MANAGEMENT BOARD**

*(Individual management body)*

#### **Executive Chairman of the Management Board**

Larisa V. Zimina

### **MANAGEMENT BOARD**

*(Collegial executive body)*

#### **Chairman of the Board**

Larisa V. Zimina

#### **First Deputy Chairman**

Kirill Ye. Shershun

#### **First Deputy Chairman**

Kirill V. Sukholet

#### **Deputy Chairman**

Ilya Y. Korbashov

#### **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**

Andrej Ch. Muzyka

#### **Member of the board, Head of the Main financial department**

Tatiana A. Sanktis

*\* As of 25 June 2013, in accordance with the motions of the Annual General Meeting of CentroCredit Bank shareholders for 2012.*

# ORGANIZATIONAL STRUCTURE OF CENTROCREDIT BANK

## CREDIT COMMITTEE AT THE MANAGEMENT BOARD

I. Kosolobov – **Chairman of the Committee**

I. Korbashov

E. Kovelatov

A. Kudimov

K. Lebedev

N. Perepilitsyna

A. Surmilo

E. Sporyshev

O. Shevchenko

## COMMITTEE ON INFORMATION TECHNOLOGY (IT) AT THE MANAGEMENT BOARD

I. Avilkin – **Chairman of the Committee**

A. Semenov

N. Grechanik

A. Zhuravleva

N. Belousova

O. Shevchenko

## FIRST DEPUTY CHAIRMEN OF THE MANAGEMENT BOARD

Kirill Ye. Shershun

Kirill V. Sukholet





## DEPUTY CHAIRMEN OF THE MANAGEMENT BOARD

Ilya Yu. Korbashov

Igor V. Kosolobov

Andrey N. Surmilo

## CHIEF ACCOUNTANT

Natalya V. Perepilitsyna

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

### ***Head of the Representative Office***

Mr. Nikolay Ryzhenko

At present, Bank shareholders include seven individuals and 37 organizations resident in Russia and one non-resident.

Shares of main shareholders except "Trading House "CentroCredit" do not exceed 14%. Share of non-residents in the charter capital of the bank is 1,2%.





# CENTROCREDIT BANK STRATEGY

BANK STRATEGY

RISK MANAGEMENT

CREDIT POLICY

HR POLICY

# BANK STRATEGY



*In CentroCredit Bank, the Bank's Board of Directors administers strategic management including: selecting development trends, determining key principles for the Bank's activity and setting basic budget parameters in the long-term.*

*The Bank's strategy illustrates that it is a private company operating in shareholders' interests and selects its own niche in the competitive market.*

*Understanding Spinoza's principle «Freedom is a perceived need» as an opportunity to do only what we can do and do well, the Bank CentroCredit does not enter into competition with the major retail banks and has no essential dependence on any financial industrial group.*

*Established dynamic control system in the Bank, combined with high competence and traditionally small staff of qualified personnel, allows the Bank to form banking products customized for each business partner from the standard banking services.*

**CentroCredit Bank's strategy is made up of two parts - External (market) and Internal (business processes and risk management).**

## EXTERNAL STRATEGY

- A loan policy that gives priority to conducting large high value-add transactions coupled with efficient complex risk management;
- Liquidity support on a conservatively high level;
- High-quality loan portfolio support;
- Development of a hi-tech Bank which offers complex financial services that are advantageous for medium and large corporate clients:
  - Leasing to corporate clients;
  - Factoring;
  - Trade finance (including: bank guarantees and letters of credit, etc.);
  - LBO and MBO transactions structuring (companies buy-back financing, white knight M&A);
  - Consultancy services on raising funds;
- Distributing the Bank's liabilities on public financial markets and creating a credit history for the Bank;
- Consistent work aimed at strengthening client loyalty to the Bank. The Bank's management must focus on building long-term mutually beneficial relationships with clients. Forming of institutions of personal and product client managers;
- Supporting the stability of the CentroCredit Bank brand, as a private commercial bank with extensive experience in carrying out investment transactions, underscoring its flexibility in working with clients and that it is competitive in the market environment.





## INTERNAL STRATEGY

- Achieving top response speed to address any client request;
- Financial risk hedging in the Bank's activities via regular stress-testing models by implementing integrated risk management (EWRM - Enterprise-Wide Risk Management);
- Implementing a technology strategy as a tool to improve the Bank's market position by using progressive management interaction with customers (CRM - Customer Relationship Management);
- Insuring profit mark-up by reducing business process costs and minimizing loan (EGAR-Loans) and operational risks (EGAR Operational Risk);
- Upgrading internal accounting systems based on the SAP BI data warehouse to create a common information space;
- Implementing the doctrine of developing human capital.

## RISK MANAGEMENT

**DAILY MANAGEMENT** falls under the competence of the Bank's Management Board and is implemented along with permanent collegial working bodies - the Credit Committee and the Information Technology Committee under the auspices of the Bank's Management Board.

Key implementation issues regarding strategy and financial policy are discussed and the Bank's current financial situation and liquidity are monitored at the regular Management Board and committee meetings. Furthermore, the implementation of target indicators and limits and prudential regulations, established by the Russian Central Bank, are evaluated as well.

**RISK MANAGEMENT** at the Bank is implemented by constructing an Enterprise-Wide Risk Management (EWRM) model in accordance with universally recognized international rules and approaches developed in accordance with Basel Committee recommendations.

**General concept:** *a market behavior model, as protection against risks, i.e.:*

- Financial and non-financial risk management on the macro-level for the Bank;
- Qualitative and quantitative measurement of the Bank's financial and non-financial risk portfolio;
- Transition from risk-management to an integrated risk and capital management strategy.



## Implementation Methods

### CREDIT RISKS

- Adaptation of the assessment technology and credit risk modeling (EGAR Loans, a model for rating mortgage quality and expert maps) subject to a credit policy focused on medium-sized and major corporate clients and cluster segmentation;
- Identification, monitoring and credit risk management which are typical for clusters;
- Use of software tools for predictive modeling and simulation, forecasting the loan portfolio and conducting stress tests;
- Hiring consultants to analyze, research and monitor precious metals markets (Wardell Armstrong) and real estate (Jones Lang LaSalle, Knight Frank and Cushman & Wakefield).

### OPERATIONAL RISKS

- Introduction of monitoring and operational risk management based on the evaluation map method;
- Development of a model scenario for assessing and monitoring operational risks and introducing the EGAR Operational Risk software package.

### LIQUIDITY RISKS

- Monitoring and the Bank's liquidity risk management are based on an existing Stock & Flow stress test model;
- Introduction of the Liquidity Contingency Plan;
- Development of a non-financial risk map and introduction of monitoring, control and stress testing stages for non-financial risks.

## CREDIT POLICY

*The Bank's credit policy primarily focuses on controlling risks during asset allocation to ensure optimal results for the Bank's shareholders and interested parties.*

### Credit Policy Priorities:

**HIGH ASSET QUALITY** involves loan portfolio structure, which provides an acceptable balance of risk/return for shareholders in light of possible adverse changes in both macro-economic and local business conditions. Thus, the quality assets referred to are not only security in the form of collateral and guarantees, etc., but also interest-bearing assets in the event of changes in external conditions. The Bank uses the principles of security, stability and liquidity to generate such assets;



**PROFITABILITY OF THE BANK'S RELATIONSHIPS WITH CLIENTS AND PARTNERS** is based on offering medium-sized and major corporate clients all-inclusive financing facilities, which include tailor-made services and financial products geared to meet clients' needs. Providing a complex product requires an absolute understanding of the borrower market environment, the borrower's experience in conducting its business, its strategic tasks, the quality of its operational and financial management, and its transparency to the Bank. The bargaining power of the borrower with the Bank is also taken into account. This high level of understanding of the risks associated with each borrower provides for more deliberate, careful identification, monitoring and risk management and enables the Bank to achieve design and adequate values for the risk/return ratio;

**LOAN PORTFOLIO GROWTH** is the foundation for the Bank's stable, long-term profitability and is achieved via an optimum and informed risk/return ratio and high asset quality. The Bank declares a distinct preference for portfolio quality versus portfolio volume. This approach helps us to carefully form a liability base. The Bank is fully functional with a high quality expensive liability and lacks a large cheap balance of clients. Thus, the "KNOW HOW" of CentroCredit Bank is its dynamism, analysis, flexibility and complete professionalism, providing excess return (3-4% above the mid-market return) without sacrificing borrower quality and, accordingly, without weakening the Bank's balance sheet;



**THE COLLATERAL POLICY** is considered the foundation for the Bank's sustainability, profitability and liquidity, as well as an instrument to protect from non-financial risks, principally, from fraud. The basis of the Bank's collateral policy is the desire to receive collateral security under the originated loan subject to compulsory State registration (for example, real estate), repo transactions and high quality warranties and guarantees. The collateral policy is developed based on the principles of conservative estimates of cash flow requirements, which in case of an ownership change can generate pledged assets, liquidities, collateral diversification and a corresponding decrease in exposure risk by minimizing the number of homogeneous collaterals. The adopted collateral policy also takes into account the current state of the judicial system, settled judicial practice, and, correspondingly, the number of legal proceedings that the Bank can conduct simultaneously;

## CREDIT POLICY

**DEVELOPMENT OF THE BANK'S CREDIT CULTURE** is the totality of convictions, organization and approaches and their reflections in the Bank's credit procedures. The main criterion for the Bank's credit activity is asset quality, ensuring income predictability for the Bank, a high share value for shareholders, a "strong" balance sheet and a top-grade rating. On a significant level, the Bank's credit culture is ensured by effective communication between the Bank's departments and its skilled staff.



## HR POLICY

**THE HUMAN RESOURCE POLICY** of the Bank is aimed at forming a team of high class professionals servicing clients in accordance with the internal corporate standards of client-oriented technologies.

- There were 447 employees at the end of year 2012.
- Around 63% of employees have had a higher education, 41 employees have a second higher economic education and four employees have a academic degree in economics. Most of top managers have MBAs.
- 25 % of employees have worked for the Bank for over 10 years and 28% have worked for the Banks for between five and ten years.
- The Bank is interested in the development and evaluation of employee competence and performance management. In 2012 employees underwent education and training programs in the following training centers: International Moscow Financial and Banking school", AF "Vneshaudit", LLC "Finconsulting Plus", LLC "FKD consult", "Microsoft", fund "Institute of stock market and management" and others.

# RESULTS AND PROSPECTIVE

SUMMARY OF BANK'S PERFORMANCE IN 2012

DEVELOPMENT PROSPECTS IN 2013





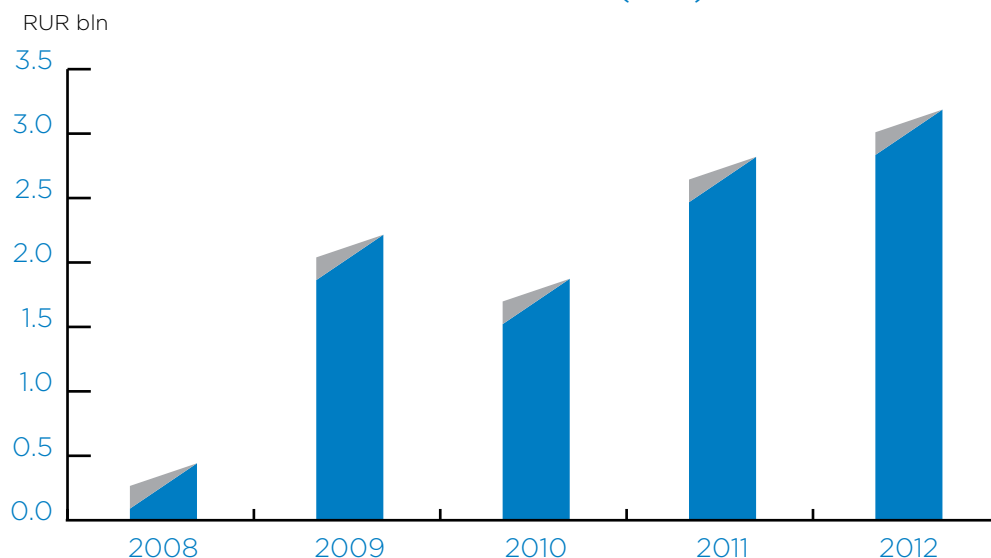


## SUMMARY OF BANK'S PERFORMANCE IN 2012

Net profit in accordance with RAS totaled 3.18 billion rubles – the highest level over the entire history of activity of the Bank.

The Bank ranked 30th in terms of absolute amount of net profit among Russian banks (according to banki.ru portal).

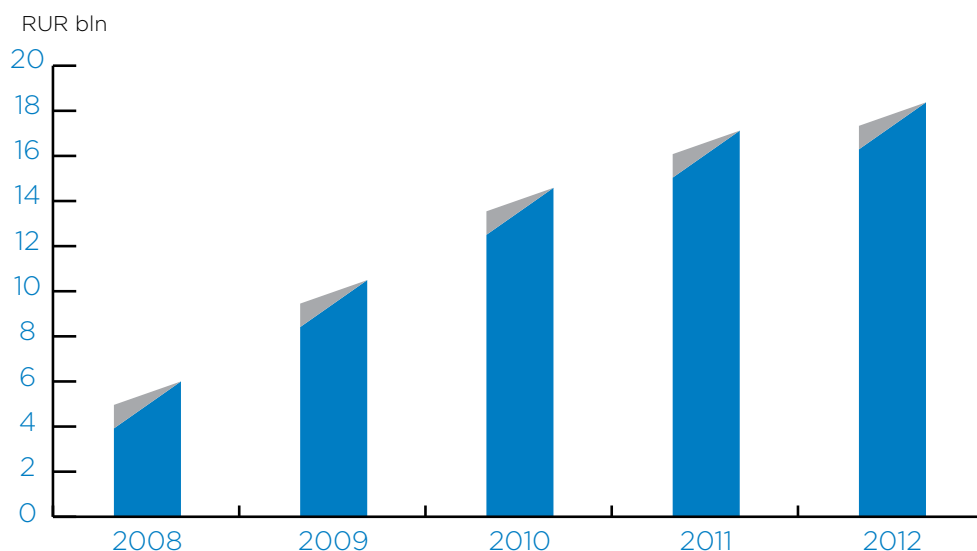
### NET PROFIT DYNAMICS OF CJSC "CENTROCREDIT" BANK (RAS)



Shareholders' equity of CJSC "CentroCredit" Bank as of 01.01.13 – 18,368 mln rubles.

During the last five years shareholders' equity of the Bank tripled. The average annual rate of growth amounted to 33%.

### GROWTH DYNAMICS OF SHAREHOLDERS' EQUITY OF CJSC CENTROCREDIT BANK (RAS)



### HIGH LEVEL OF CAPITAL ADEQUACY ACCORDING TO IFRS STANDARDS

	2011	2012
CJSC CentroCredit Bank	56.04%	52.63%
Regulatory value	8%	8%

«Very strong capitalization ratios» and «good internal profit generation» are the key factors which influenced the resolution of Standard & Poor's on increasing the rating of the Bank to B category in accordance with the international scale in 2012.

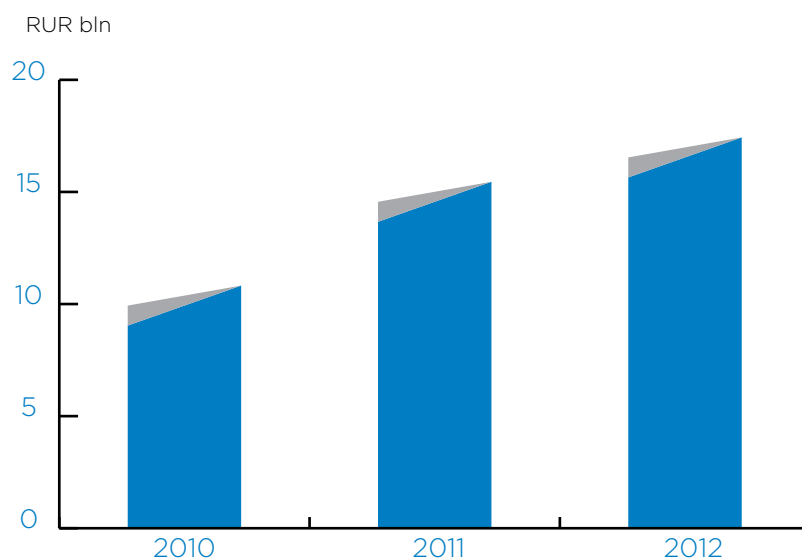
An important element of the strategy of «CentroCredit» bank is maintaining of high liquidity level.

The values of instant and current liquidity ratios H2 and H3 significantly exceed the regulatory values.

#### LIQUIDITY VALUES

	Normative value	Actual value	
		On the reporting date	On the previous reporting date
Instant liquidity (H2),%	15,0	114.67%	121,6%
Current liquidity (H3),%	50,0	141.37%	115,9%

#### CREDIT PORTFOLIO DYNAMICS OF CJSC CENTROCREDIT BANK



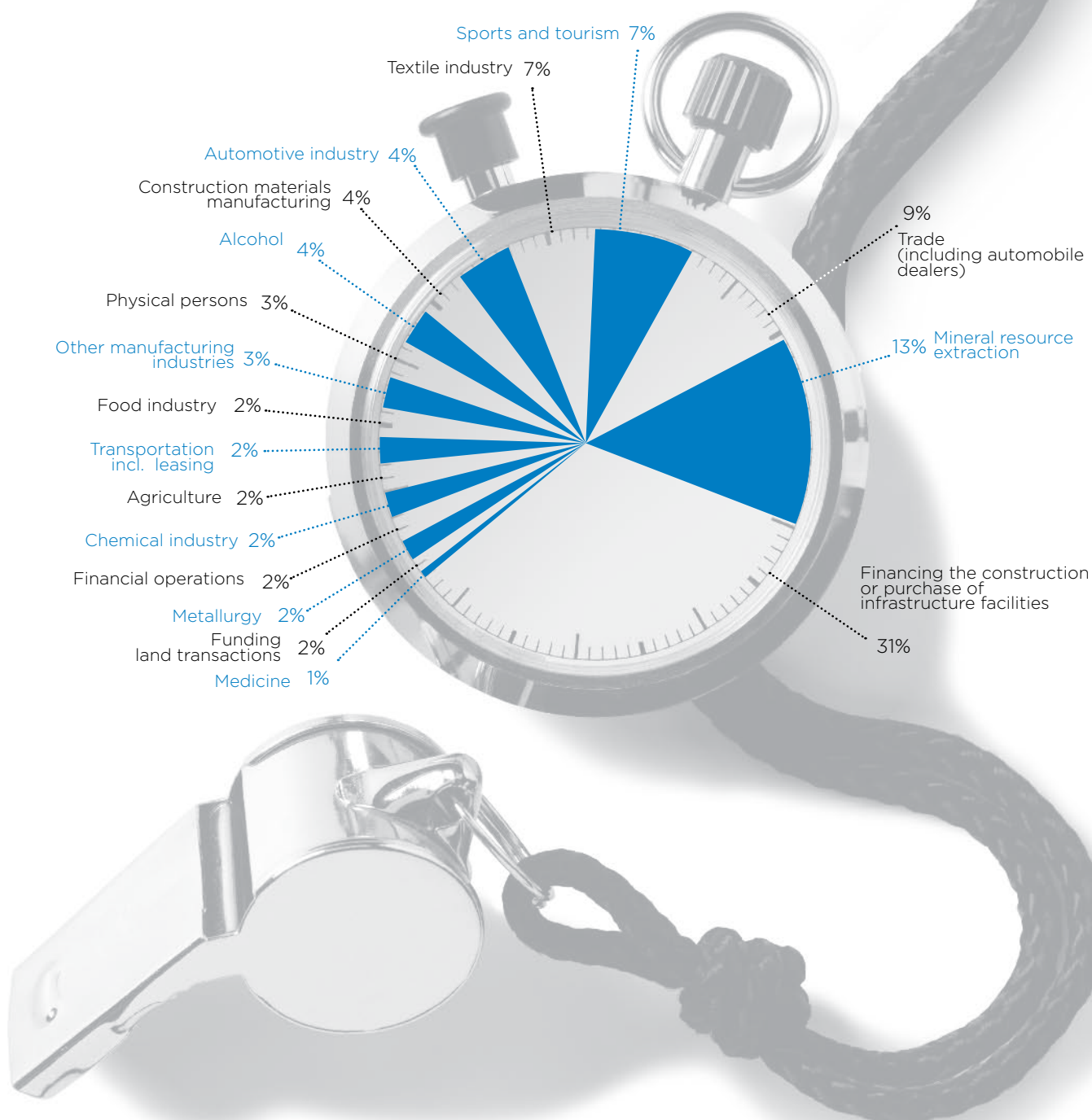
Balanced growth of credit portfolio in 2012 under conditions of worsening macroeconomic parameters - 13%.

The growth is exclusively due to well reputed borrowers and credit projects well-thought through credit products offered by the Bank.

# SUMMARY OF BANK'S PERFORMANCE IN 2012

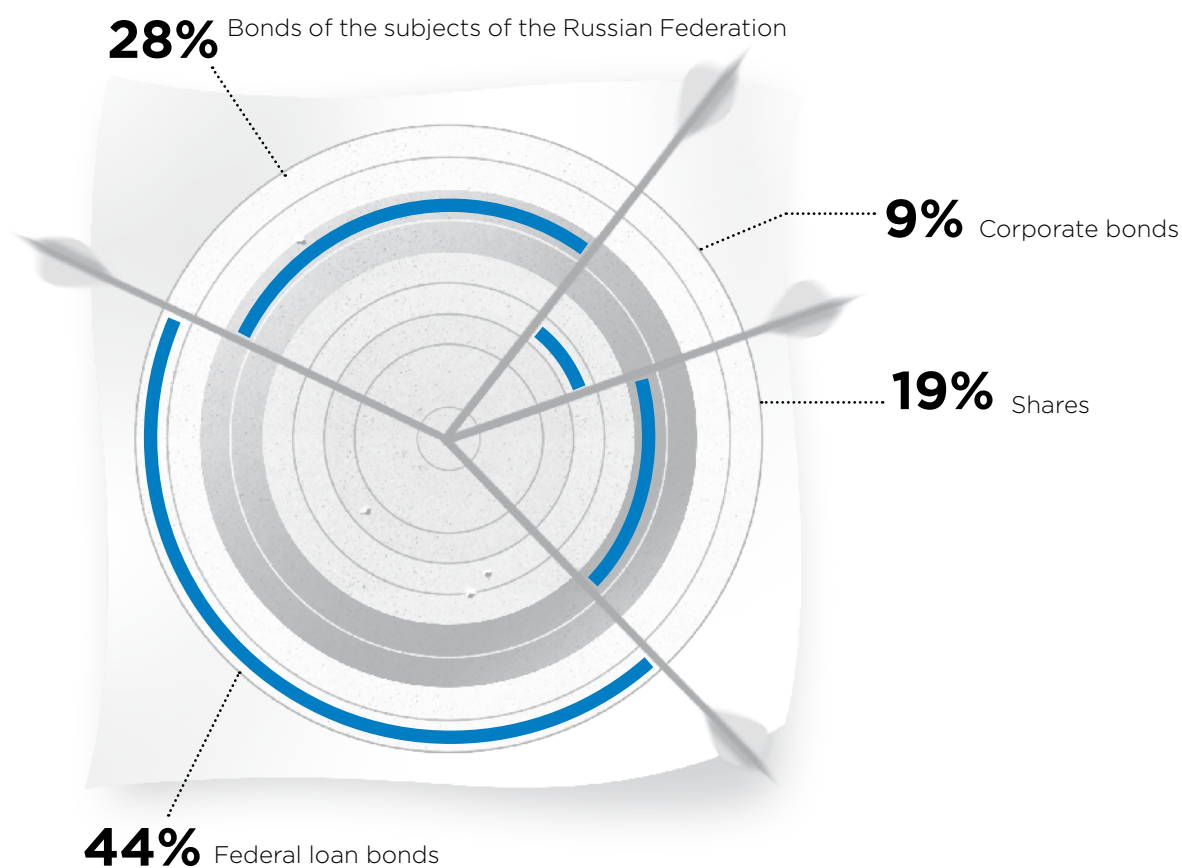
The credit portfolio is well diversified by sector of industry.

## THE CREDIT PORTFOLIO STRUCTURE AS OF END 2012



The main bulk of securities portfolio (81%) is formed by bonds, among which:  
The most part (44% of the portfolio) are government securities, 28% of the portfolio are bonds of various subjects of the Russian Federation, mainly the Government of Moscow

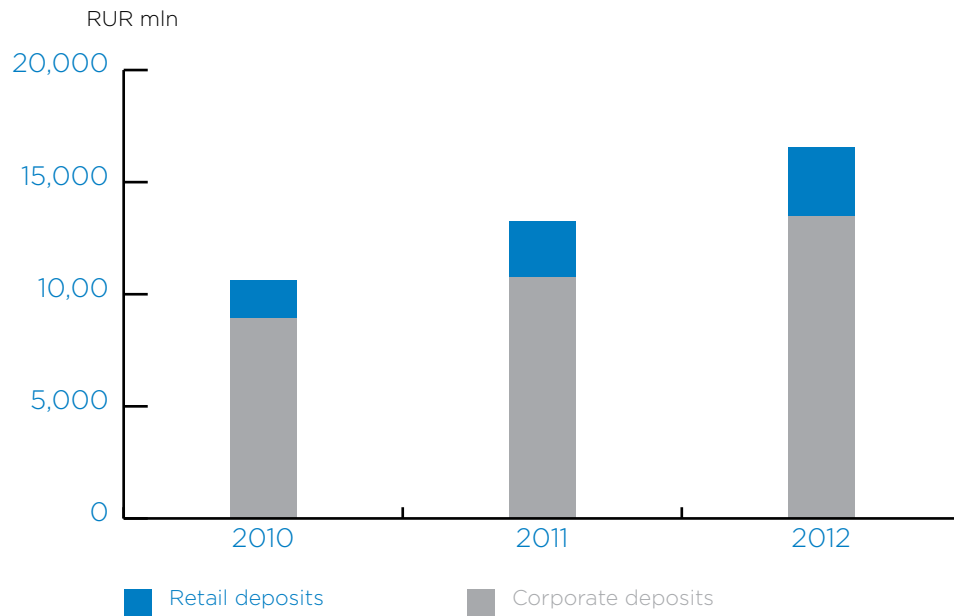
### STRUCTURE OF SECURITIES PORTFOLIO OF CJSC CENTROCREDIT BANK AS OF 31.12.12



## SUMMARY OF BANK'S PERFORMANCE IN 2012

The attracted customer funds increased by 25% in 2012 reaching an amount of 16.5 billion rubles (the increase of corporate deposits for the whole banking system of Russia amounted to 12%, increase in retail deposits - 20%).

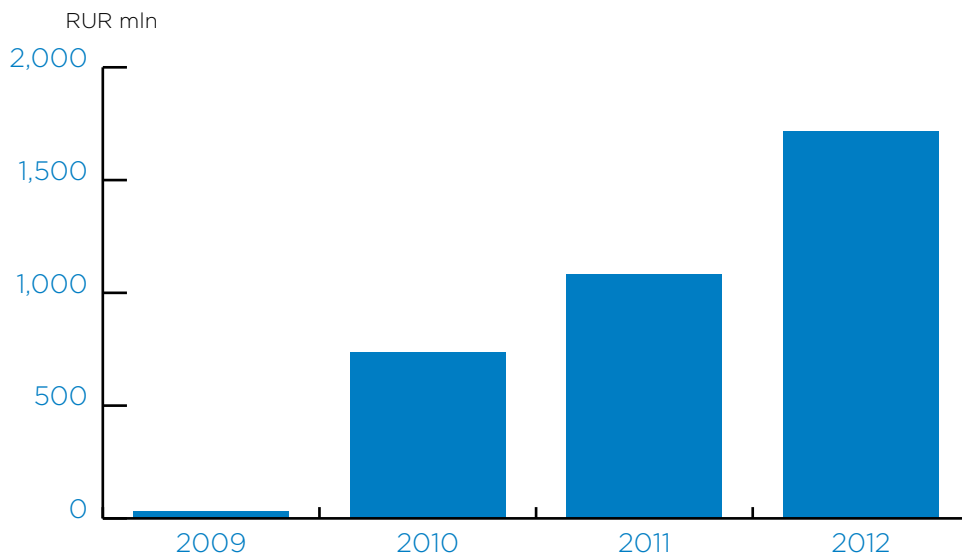
### CUSTOMER ACCOUNTS



Intensive growth in the volume of issued certificates of deposit since the moment of introduction of this type of investment in 2009.

In 2012 the increase amounted 58%.  
As of end of the year the amount totaled 1.7 billion rubles.

### GROWTH DYNAMICS FOR FUNDS INVESTED IN CERTIFICATES OF DEPOSIT.



## DEVELOPMENT PROSPECTS IN 2013

It is especially important to provide clients with stable and high quality services against the background of slowing economic growth and falling profitability. Keeping the top quality and reliability of our services is exactly our main task and prospect for the next year.

We would like our partners to appreciate that our best qualities are demonstrated even in the most challenging times.











# REPORT OF THE INDEPENDENT AUDITOR ON THE FINANCIAL STATEMENTS



## INDEPENDENT AUDITOR'S REPORT

To the Shareholders and Board of Directors of Joint Stock Commercial Bank CentroCredit (Closed Joint Stock Company):

We have audited the accompanying financial statements of Joint Stock Commercial Bank CentroCredit (Closed Joint Stock Company) (hereinafter "the Bank"), which comprise the statement of financial position as at 31 December 2012, the income statement, the statement of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### Management's Responsibility for the Financial Statements

Management of the Bank is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2012, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

27 June 2013  
Moscow, Russian Federation  
Golovkova A.Y., Partner  
(Qualification Certificate No.01-000102 of 17 October 2011)  
ZAO Deloitte & Touche CIS

## SUMMARY INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2012

(in thousands of Russian Rubles)

	Year ended 31 December 2012	Year ended 31 December 2011
Interest income	5,424,468	4,917,299
Interest expense	(2,368,421)	(2,014,076)
<b>NET INTEREST INCOME BEFORE PROVISION FOR IMPAIRMENT LOSSES ON INTEREST BEARING ASSETS</b>	<b>3,056,047</b>	<b>2,903,223</b>
Provision for impairment losses on interest bearing assets	(996,070)	(441,879)
<b>NET INTEREST INCOME</b>	<b>2,059,977</b>	<b>2,461,344</b>
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss:	2,043,363	(1,402,018)
Net gain on foreign exchange operations	233,008	76,005
Net gain on precious metals operations	84,969	81,916
Fee and commission income	358,437	398,437
Fee and commission expense	(34,444)	(26,348)
Net gain on investments available-for-sale	139,468	914,361
Dividends received	617,918	725,982
Provisions for off-balance sheet commitments	(126,378)	(191,498)
Other income	9,647	393,508
<b>NET NON-INTEREST INCOME</b>	<b>3,325,988</b>	<b>970,345</b>
<b>PROFIT FROM OPERATING ACTIVITIES</b>	<b>5,385,965</b>	<b>3,431,689</b>
<b>OPERATING EXPENSES</b>	<b>(907,387)</b>	<b>(838,978)</b>
<b>PROFIT BEFORE TAX</b>	<b>4,478,578</b>	<b>2,592,711</b>
Income tax expense	(719,247)	(394,637)
<b>NET PROFIT</b>	<b>3,759,331</b>	<b>2,198,074</b>

## SUMMARY STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER, 2012

(in thousands of Russian Rubles)

	Year ended 31 December 2012	Year ended 31 December 2011
<b>NET PROFIT</b>	<b>3,759,331</b>	<b>2,198,074</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
Net change in fair value of investments available-for-sale	(499,526)	730,452
Reclassification of fair value of investments available-for-sale	215,067	(914,361)
Deferred income tax attributable to other comprehensive income components	56,892	36,782
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>3,531,764</b>	<b>2,050,947</b>

Chairman of the Management Board  
L.V. ZIMINA



Chief Accountant  
N.V. PEREPILITSYNA



27 June 2013 Moscow

## SUMMARY STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

(in thousands of Russian Rubles)

	31 December 2012	31 December 2011
<b>ASSETS:</b>		
Cash and balances with the Central Bank of the Russian Federation	2,790,724	2,557,987
Financial assets at fair value through profit or loss	40,675,685	32,729,686
Due from banks and other financial institutions	1,868,989	3,979,689
Loans to customers	17,468,761	19,353,481
Investments available-for-sale	3,458,895	3,319,427
Property and equipment	227,251	132,906
Other assets	52,614	65,147
<b>TOTAL ASSETS</b>	<b>66,542,919</b>	<b>62,138,323</b>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES:</b>		
Due to banks and the Central Bank of the Russian Federation	23,010,431	24,714,485
Customer accounts	10,399,784	9,998,991
Debt securities issued	6,437,447	3,403,365
Other provisions	464,584	338,206
Current income tax liabilities	76,066	71,941
Deferred income tax liabilities	1,733,392	1,491,526
Other liabilities	125,787	157,988
Subordinated debt	2,588,242	2,621,655
<b>Total liabilities</b>	<b>44,835,733</b>	<b>42,798,157</b>
<b>EQUITY:</b>		
Share capital	6,946,140	6,946,140
Investments available-for-sale revaluation reserve	351,999	579,566
Retained earnings	14,409,047	11,814,460
<b>Total equity</b>	<b>21,707,186</b>	<b>19,340,166</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>66,542,919</b>	<b>62,138,323</b>

## SUMMARY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2012

(in thousands of Russian Rubles)

	Share capital	Investments available-for-sale revaluation reserve	Retained earnings	Total equity
31 December 2010	6,946,140	726,692	9,989,296	17,662,128
Comprehensive income	-	(147,126)	2,198,074	2,050,948
Dividends declared	-	-	(372,910)	(372,910)
31 December 2011	6,946,140	579,566	11,814,460	19,340,166
Comprehensive income	-	(227,567)	3,759,331	3,531,764
Dividends declared	-	-	(1,164,744)	(1,164,744)
31 December 2012	6,946,140	351,999	14,409,047	21,707,186




# SUMMARY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2012

(in thousands of Russian Rubles)

	Year ended 31 December 2012	Year ended 31 December 2011
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Profit before income tax	4,478,578	2,592,711
Adjustments for:		
Provision for impairment losses on interest bearing assets	996,070	441,879
Other provisions	126,378	191,498
Net gain on investments available-for-sale	(139,468)	(914,361)
Gain/(loss) from disposal of property and equipment and non-current assets held for sale	16,469	(370,509)
Depreciation of property, plant and equipment	20,398	16,717
Change in interest accruals, net	373,679	108,833
Change in dividend accruals, net	108,064	218,642
Net change in fair value of financial assets at fair value through profit or loss	-	15,960
Exchange differences	(98,360)	79,136
Accrued expenses	127,275	48,098
Cash inflow from operating activities before changes in operating assets and liabilities	6,009,083	2,428,604
Changes in operating assets and liabilities (Increase)/decrease in operating assets:		
Minimum reserve deposits with the Central Bank of the Russian Federation	40,070	279,365
Financial assets at fair value through profit or loss	(10,590,928)	17,376,564
Due from banks and other financial institutions	2,103,040	(353,897)
Loans to customers	1,230,140	(5,991,851)
Other assets	(52,582)	(54,586)
Increase/(decrease) in operating liabilities:		
Due to banks and the Central Bank of the Russian Federation	(1,699,962)	(19,065,528)
Customer accounts	511,290	1,654,419
Other liabilities	(30,207)	(44,751)
Cash outflow from operating activities before taxation	(2,480,056)	(3,771,661)
Income tax paid	(365,332)	(525,466)
Net cash outflow from operating activities	(2,845,388)	(4,297,127)

Chairman of the Management Board  
L.V. ZIMINA



Chief Accountant  
N.V. PEREPILITSYNA



27 June 2013 Moscow

## SUMMARY STATEMENT OF CASH FLOWS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

(in thousands of Russian Rubles)

	Year ended 31 December 2012	Year ended 31 December 2011
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Acquisition of property and equipment	(102,472)	(34,728)
Proceeds on sale of property and equipment	23,770	33,005
Proceeds on sale of non-current assets held for sale	-	994,767
Net change in available-for-sale investments	(284,459)	2,083,535
Net cash (outflow)/inflow from investing activities	(363,161)	3,076,579
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds on issue of debt securities issued, net	3,051,035	751,371
Dividends paid	(1,164,744)	(372,910)
Net cash inflow from financing activities	1,886,291	378,461
Effect of foreign exchange movements	39,734	49,640
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(1,282,524)</b>	<b>(792,447)</b>
CASH AND CASH EQUIVALENTS, beginning of period	5,781,885	6,574,332
CASH AND CASH EQUIVALENTS, end of the period	4,499,361	5,781,885

Interest paid and received during the year ended 31 December 2012 amounted to RUB 1,831,582 thousand and RUB 5,109,281 thousand, respectively.

Interest paid and received during the year ended 31 December 2011 amounted to RUB 1,927,910 thousand and RUB 4,939,966 thousand, respectively.

ON BEHALF OF THE MANAGEMENT BOARD:

Chairman of the Management Board  
L.V. ZIMINA



Chief Accountant  
N.V. PEREPILITSYNA



27 June 2013 Moscow

## CONTACTS

### MAIN OFFICE

31/2, Building 1, Pyatnitskaya St., Moscow, Russia, 119017  
Telephone +7 (495) 956-8626, 959-0280  
Fax +7 (495) 959-0285  
E-mail: info@ccb.ru

CentroCredit Bank has the following additional offices:

### BRANCH OFFICE "KUTUZOVSKIY"

2-2 1812 Goda St., Moscow,  
Telephone +7 (495) 781-1762

### BRANCH OFFICE "CENTRALNIY"

10 Stariy Tolmachevskiy Lane, Moscow,  
Telephone +7 (495) 780-3540

### BRANCH OFFICE "SEMOVSKIY"

10 Build. 13 Bolshaya Semenovskaya St., Moscow,  
Telephone +7 (495) 962-1594

### BRANCH OFFICE "NAHABINO"

1-212 Leshkovo Village, Pavlovo-Slobodskoe Selskoe Poselenie,  
The Istrinskiy District, The Moscow Region,  
Telephone +7 (498) 715-7225

### OUTSIDE OFFICE CASH COUNTER No 2

14 Build. 3 Kronshtadtskiy Avenue, Moscow,  
Telephone +7 (495) 459-1786

### OUTSIDE OFFICE CASH COUNTER No 4

6 Build. 12 Kotlyakovskaya St., Moscow,  
Telephone +7 (495) 787-0063, ext. 194

### OUTSIDE OFFICE CASH COUNTER No2 0

21 Build. 4, Obrucheva St., Moscow,  
Telephone +7 (495) 775-0405, 935-0356

### OUTSIDE OFFICE CASH COUNTER No 22

13 Build. 1, Akademika Koroleva St., Moscow,  
Telephone +7 (495) 616-4481

### OUTSIDE OFFICE CASH COUNTER No 23

54 Build. 1 Entuziastov Shosse, Moscow,  
Telephone +7 (495) 672-3423

### OUTSIDE OFFICE CASH COUNTER No 25

6-64 Dmitrovskoe Shosse, Moscow,  
Telephone +7 (495) 481-1033

### OUTSIDE OFFICE CASH COUNTER No 26

19 Build. 1 Yaroslavskoe Shosse, Moscow,  
Telephone +7 (495) 984-2315

### OUTSIDE OFFICE CASH COUNTER No 27

1A Build. 28 Begovaya St., Moscow,  
Telephone +7 (495) 234-0039, ext. 169



**OUTSIDE OFFICE CASH COUNTER No 29**

7-34 Marksistskaya St., Moscow,  
Telephone +7 (495) 632-7045

**OUTSIDE OFFICE CASH COUNTER No 32**

29 Svobodiy St., Moscow, Telephone: +7 (495) 661-1025

**OUTSIDE OFFICE CASH COUNTER No 33**

1 Agrohnikov St., Novoivanovskoe Rabochiy Poselok,  
The Odintzovskiy District, The Moscow Region,  
Telephone +7 (495) 664-4875

**OUTSIDE OFFICE CASH COUNTER No 35**

100-100 Shelkovskoe Shosse, Moscow, Telephone +7 (495) 668-1510

**OUTSIDE OFFICE CASH COUNTER No 37**

11 Novoryazanskoe Shosse, Lubertsy, The Moscow Region, Russia  
Telephone +7 (495) 641-3333, ext. 130

**OUTSIDE OFFICE CASH COUNTER No 40**

3-1, 8 km Outer side of MKAD Telephone +7 (495) 644-02-51

**OUTSIDE OFFICE CASH COUNTER No 41**

16-1 Build. 5, Nagatinskaya St., Moscow,  
Telephone +7(495) 995-12-20, ext. 131

**OUTSIDE OFFICE CASH COUNTER No 42**

129-2 Warshawskoe Shosse, Moscow, Telephone +7 (495) 795-24-56

**OUTSIDE OFFICE CASH COUNTER No 43**

2-3, Ryazansky prosp.,  
Moscow, Telephone +7 (495) 795-95-02

**OUTSIDE OFFICE CASH COUNTER No 45**

10b Build 2, Vostryakovsky proezd,  
Moscow, Telephone +7 (499) 608-02-84

**UK REPRESENTATIVE OFFICE**

28 Redburn St., London SW3 4 BX, UK,  
Telephone +(44) 2073 499 566

