



Reporting and Self-Assessment Template

Principles for Responsible Banking



Reviewed version (V2) from September 2022



Reporting and Self-Assessment Template

The following template sets out the reporting and self-assessment requirements for Signatories of the Principles for Responsible Banking (PRB). Your bank discloses which actions it has undertaken to implement the PRB by self-assessing its progress on each of the 6 Principles. This template is therefore structured in accordance with the 6 Principles that signatories have committed to.

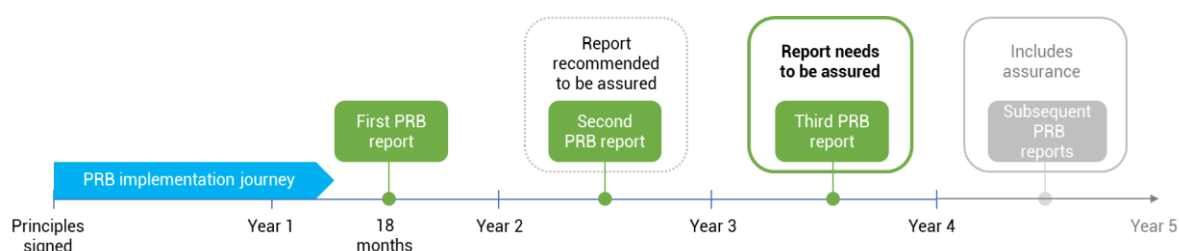
Three [Key Steps](#) are critical to showing that your bank is fulfilling its commitments as a signatory of the PRB, i.e. Impact Analysis, Target Setting & Implementation and Assured Reporting/Accountability. The sections in the Reporting and Self-Assessment Template that relate to the 3 Key Steps also require a self-assessment summary to demonstrate the extent to which the bank has fulfilled the respective requirements of the Key Steps.

Accommodating different starting points

Your bank has an initial four-year period from signing to implement the 6 Principles including to bring its reporting fully in line with the requirements. Your bank may not be able to provide all information required in this template in the first report. You should build on your implementation progress annually. Feedback, support, capacity building, training and peer learning are available to all signatory banks to help them progress with both implementation and reporting.

Timeline for reporting and assurance

Signatory banks need to report on their implementation of the Principles on an annual basis. The first PRB report has to be published within 18 months of signing the Principles, to give the bank some flexibility to align the PRB reporting with its reporting cycle. Publishing the first PRB report at any point earlier than 18 months after signing the Principles is therefore an option. After the first PRB reporting has been published, subsequent reports have to be published annually thereafter, i.e. within 12 months at the latest after the prior report¹.



Assurance

The last report within the initial 4 year implementation period (and subsequent reports thereafter) needs to be assured, which means that at least the third PRB report needs to be assured. Banks are encouraged to put the assurance process in place well before that and have earlier PRB reports already assured.

¹ Early reporting is permitted, although sufficient time to show progress from one year to the other should be taken into account.

All items that relate to the three [Key Steps](#) (highlighted in yellow) require limited assurance by year four of signing the PRB, undertaken by an independent third party with relevant expertise in the field. These are:

- 2.1 Impact Analysis
- 2.2 Target Setting
- 2.3 Target Implementation and Monitoring
- 5.1 Governance Structure for Implementation of the Principles

An assurer provides limited assurance of your self-assessment in these listed areas. You can do this by including it in your existing assured reporting. Where third-party assurance is not feasible, an independent review may be conducted. Assurance requirements are described in more detail in the [Guidance for Assurance providers: Providing limited assurance for reporting](#).

Purpose of the template

The purpose of this template is to assist signatories in disclosing their progress on implementing the PRB. The disclosed information is used by the UNEP FI Secretariat as the basis for the individual review of each bank's progress, as well as for reporting the collective progress made by the PRB Signatory Group. To measure collective progress in a consistent manner, some standardized questions to be completed by the banks are integrated into the template. The open questions give banks the flexibility to disclose the progress they make, considering the diverse business models and various contextual differences in which banks operate.

How to use this template

This template gives banks the chance to provide summaries of the annual progress made in implementing each Principle. It is designed for your bank to provide references/links to where in your existing reporting/public domains (websites) the required information can be found to support your answers. The aim is to keep any additional reporting burden to a minimum while ensuring transparency and accountability as set out in Principle 6. When referring to other documents, please specify the pages where the exact information appears.

The Reporting and Self-Assessment Template shall not be amended structurally and content-wise. The content and text of the template can be applied to corporate layout and designed accordingly, without omitting parts of the texts. The Reporting and Self-Assessment Template can be integrated into your bank's reports (annual report, sustainability report or relevant reporting formats) or can be published as a stand-alone document. It needs to be publicly available and will be listed on the UNEP FI Signatories page.

The reporting needs to be published in English. Information that is referenced to within the Reporting and Self-Assessment Template should also be available in English. Where that is not possible, it is recommended to include the summary of relevant information as text in the Template, so that all necessary information can be taken into account when the UNEP FI Secretariat reviews the bank's performance.

Principle 1: Alignment



We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

Business model

Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g. the distribution of your bank's portfolio (%) in terms of geographies, segments (i.e. by balance sheet and/or off-balance sheet) or by disclosing the number of customers and clients served.

Center-invest bank is one of the leading private regional banks in southern Russia implementing ESG or sustainable banking business model.

Center-invest Bank operates in 7 regions of the Russian Federation: Rostov Region, Volgograd Region, Krasnodar Territory, Republic of Adygea, Stavropol Territory, Nizhny Novgorod Region, Moscow. The branch network of the bank consists of 100 offices. The bank's team consists of 1546 people.

The Bank occupies a leading positions in lending to population (TOP-10 on mortgage portfolio), SMEs (12-th on loan portfolio in Russia), modernizing enterprises, developing women's, youth and social entrepreneurship.

The share of retail lending in the total loan portfolio of the bank amounted to 63%, the portfolio of SME loans is 31%, the corporate lending segment - 6%.

The bank has a sustainable customer ecosysteme:

- 1.5 million retail customers.
- 52,000 entrepreneurs and customers from the SME segment

https://centrinvest.com/media/files/ESG_2022_ENG.pdf

<https://centrinvest.com/media/files/Annual-report-2022.pdf>

<https://centrinvest.com/about/news/center-invest-bank-ranks-among-top-7-sme-lenders-in-russia>

Strategy alignment

Does your corporate strategy identify and reflect sustainability as strategic priority/ies for your bank?

☒ Yes

☐ No

Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.

Does your bank also reference any of the following frameworks or sustainability regulatory reporting requirements in its strategic priorities or policies to implement these?

- ☒ UN Guiding Principles on Business and Human Rights
- ☐ International Labour Organization fundamental conventions
- ☐ UN Global Compact
- ☐ UN Declaration on the Rights of Indigenous Peoples
- ☐ Any applicable regulatory reporting requirements on environmental risk assessments, e.g. on climate risk - please specify which ones: -----
- ☐ Any applicable regulatory reporting requirements on social risk assessments, e.g. on modern slavery - please specify which ones: -----
- ☐ None of the above

We are observing international and national guidelines of implementing sustainable banking and take them into account to prepare our strategy and business-plan.

The new bank's strategy 2022-2024 "ESG-digitalisation 2.0" combines the global UN Sustainable Development Goals until 2030, priorities of the National projects of Russia until 2024, development goals within the programs of the Bank of Russia. It contains quantitative and qualitative metrics for achieving the SDGs goals and targets.

As of 01.01.2023 Center-Invest Bank's investments in SDGsSDG amounted to Bn395.6 rubles, the bank invested bn384.3 rubles in national projects. For each depositor, the bank provides information about his participation in the financing of the SDGs and National projects. This distribution clearly shows how each depositor of the bank participates in sustainable development of the region, country, world.

https://www.centrinvest.ru/files/about/reports/Strategy_2022-2024_RU.pdf

Principle 2: Impact and Target Setting



We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

2.1 Impact Analysis (Key Step 1)

Show that your bank has performed an impact analysis of its portfolio/s to identify its most significant impact areas and determine priority areas for target-setting. The impact analysis shall be updated regularly² and fulfil the following requirements/elements (a-d)³:

a) Scope: What is the scope of your bank's impact analysis? Please describe which parts of the bank's core business areas, products/services across the main geographies that the

² That means that where the initial impact analysis has been carried out in a previous period, the information should be updated accordingly, the scope expanded as well as the quality of the impact analysis improved over time.

³ Further guidance can be found in the [Interactive Guidance on impact analysis and target setting](#).

<p>bank operates in (as described under 1.1) have been considered in the impact analysis. Please also describe which areas have not yet been included, and why.</p>	
<p><i>Southern Russia, the region where the Bank operates, has a lot of important competitive advantages – favorable location and climate for the development of agribusiness (22% of Russia's agricultural production), the region does not have an abundance of oil and gas; instead, it has diversified economy not only by sector, but also by enterprise size: 10% of all Russian SMEs are based in southern Russia; deep-rooted tradition of free trade and small business. The main challenges are the low level of personal income in southern Russia (60%–70% of the Russian average), relatively low competitiveness of the industrial enterprises, high investment risks, not increasing productivity of production factors (labor, land, capital, etc.), their obvious “undercapitalization”, a low share of innovative activities, ecological problems. Despite the fact the Bank operates in 7 regions of Russia, we think the most significant impacts from the core-business arise in the Rostov and Volgograd regions and Krasnodar krai.</i></p>	<p>https://centrinvest.com/media/files/Annual-report-2022.pdf</p>
<p>b) <u>Portfolio composition:</u> Has your bank considered the composition of its portfolio (in %) in the analysis? Please provide proportional composition of your portfolio globally and per geographical scope</p> <p>i) by sectors & industries⁴ for business, corporate and investment banking portfolios (i.e. sector exposure or industry breakdown in %), and/or</p> <p>ii) by products & services and by types of customers for consumer and retail banking portfolios.</p> <p>If your bank has taken another approach to determine the bank's scale of exposure, please elaborate, to show how you have considered where the bank's core business/major activities lie in terms of industries or sectors.</p>	
<p><i>Structure of loan portfolio (01.01.2023): retail – 63%, SME – 31%, non-SME – 6%.</i></p> <p><i>Structure of corporate loan portfolio (01.01.2023): agriculture – 52%, trade – 20%, industry – 10%, other – 18%.</i></p> <p><i>Structure of retail loan portfolio (01.01.2023): mortgage – 75%, consumer – 23%, auto – 2%.</i></p> <p><i>The Bank's core business is retail lending which comprises 63% of the loan portfolio. The Banks retail lending focuses on mortgages (75,6%) and the bank's corporate loan portfolio focuses on agriculture (52%)</i></p> <p><i>Since the main retail loan product for the bank is a mortgage, and the main corporate loan product is agriculture, we decided to start the evaluation with these products</i></p>	<p>https://centrinvest.com/media/files/Annual-report-2022.pdf</p>

⁴ 'Key sectors' relative to different impact areas, i.e. those sectors whose positive and negative impacts are particularly strong, are particularly relevant here.

c) Context: What are the main challenges and priorities related to sustainable development in the main countries/regions in which your bank and/or your clients operate?⁵ Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis.

This step aims to put your bank's portfolio impacts into the context of society's needs.

Both products (mortgage and loans to agribusiness) are important for economy and social stability of the region. The main challenges are the low level of personal income in southern Russia (60-70% of the Russian average), high investment risks, low productivity of production factors (labour, land, capital), ecological problems.

Based on these first 3 elements of an impact analysis, what positive and negative impact areas has your bank identified? Which (at least two) significant impact areas did you prioritize to pursue your target setting strategy (see 2.2)⁶? Please disclose.

We believe that our mortgage programmes allow people to make their lives better, help to stabilize social tension, our fair and low interest rates make it affordable to buy an apartment for every family. On the other hand there is a negative impact such as increasing CO₂ emissions into the atmosphere.

Our huge loan portfolio of agribusiness means that the bank helps to improve agribusiness in the region and finance modernizations of enterprises. On the other hand there is a negative impact such as increasing CO₂ emissions into the atmosphere and lack of monitoring the reduce of energy and other resources consumption.

https://centrinvest.com/media/files/ESG_2022_ENG.pdf

d) For these (min. two prioritized impact areas): Performance measurement. Has your bank identified which sectors & industries as well as types of customers financed or invested in are causing the strongest actual positive or negative impacts? Please describe how you assessed the performance of these, using appropriate indicators related to significant impact areas that apply to your bank's context.

In determining priority areas for target-setting among its areas of most significant impact, you should consider the bank's current performance levels, i.e. qualitative and/or quantitative indicators and/or proxies of the social, economic and environmental impacts resulting from the bank's activities and provision of products and services. If you have identified climate and/or financial health&inclusion as your most significant impact areas, please also refer to the applicable indicators in the [Annex](#).

If your bank has taken another approach to assess the intensity of impact resulting from the bank's activities and provision of products and services, please describe this.

The outcome of this step will then also provide the baseline (incl. indicators) you can use for setting targets in two areas of most significant impact.

Links and references

⁵ Global priorities might alternatively be considered for banks with highly diversified and international portfolios.

⁶ To prioritize the areas of most significant impact, a qualitative overlay to the quantitative analysis as described in a), b) and c) will be important, e.g. through stakeholder engagement and further geographic contextualisation.

Self-assessment summary:

Which of the following components of impact analysis has your bank completed, in order to identify the areas in which your bank has its most significant (potential) positive and negative impacts?⁷

Scope:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Portfolio composition:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Context:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Performance measurement:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No

Which most significant impact areas have you identified for your bank, as a result of the impact analysis?

Climate change mitigation, climate change adaptation, resource efficiency & circular economy, biodiversity, financial health & inclusion, human rights, gender equality, decent employment, water, pollution, other: please specify

How recent is the data used for and disclosed in the impact analysis?

- ☒ Up to 6 months prior to publication
- ☐ Up to 12 months prior to publication
- ☐ Up to 18 months prior to publication
- ☐ Longer than 18 months prior to publication

Open text field to describe potential challenges, aspects not covered by the above etc.:
(optional)

⁷ You can respond "Yes" to a question if you have completed one of the described steps, e.g. the initial impact analysis has been carried out, a pilot has been conducted.

2.2 Target Setting (Key Step 2)

Show that your bank has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis.

The targets⁸ have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART). Please disclose the following elements of target setting (a-d), for each target separately:

a) Alignment: which international, regional or national policy frameworks to align your bank's portfolio with⁹ have you identified as relevant? Show that the selected indicators and targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks.

You can build upon the context items under 2.1.

Goal 1 (climate change mitigation) *The main goal of mortgage lending is to permanently reduce the carbon footprint in terms of 1 m² of mortgage and agribusiness loans issued, and achieve of 45 kg CO₂ emissions per m²/year by 2030.*

The assessment of CO₂ emissions for mortgages is calculated in the bank from March 1, 2023.

The main goal of mortgage carbon emissions is to permanently reduce the carbon footprint in terms of 1 m² of mortgage issued, and achieve value of 45 kg CO₂ emissions per m²/year by 2030.

Four months of evaluation show that this goal is achievable, since from March to June average CO₂ emissions per m²/year decreased from 52.0 to 49.4 kg. In the future, there may be restrictions on the issuance of loans in houses of certain energy efficiency classes (minimum energy efficiency level) – this issue will be worked out separately. The main criterion for agricultural production can also be the reduction of annual emissions per 1 Ha of financed loans and the establishment of restrictive limits on the most inefficient technologies.

The assessment methodology for agricultural has started since July, 2023. We haven't yet enough track records to set the targets on this issue. But for the next report we will have enough data to present.

<https://centrinvest.com/about/news/center-invest-bank-has-started-to-consider-the-carbon-footprint-of-home-loans>

<https://centrinvest.com/about/news/customers-of-center-invest-bank-prefer-energy-efficient-housing>

<https://www.centrinvest.ru/about/press-releases/bank-tsentri-invest-vzial-pod-kontrol-uglerodnyisled-agrokreditov>

Goal 2 (social). *Assessment of the social impact on society when lending to various vulnerable groups of the population, as well as targeted lending programs. The bank has chosen the following groups and programs as its immediate target. The main goal is to increase the share of financing of these groups:*

- 1. Mortgage, unmarried woman;*
- 2. Consumer/auto loan, unmarried woman;*
- 3. Consumer loan, purpose – medical treatment;*
- 4. Consumer loan, purpose – education;*
- 5. Consumer loan, purpose – to increase energy efficiency;*

and achieve a total share of these groups in the retail loan portfolio of 35% by 2030.

b) Baseline: Have you determined a baseline for selected indicators and assessed the current level of alignment? Please disclose the indicators used as well as the year of the baseline.

You can build upon the performance measurement undertaken in 2.1 to determine the baseline for your target.

A package of indicators has been developed for climate change mitigation and financial health & inclusion to guide and support banks in their target setting and implementation journey. The overview of indicators can be found in the [Annex](#) of this template.

If your bank has prioritized climate mitigation and/or financial health & inclusion as (one of) your most significant impact areas, it is strongly recommended to report on the indicators in the Annex, using an overview table like below including the impact area, all relevant indicators and the corresponding indicator codes:

Impact area	Indicator code	Response
Climate change mitigation	A1.1	In progress
	A2.1	Setting it up
	A3.1	Yes
	A4.1	To reach average 23,5 CO ₂ emissions per year by 2030

Impact area	Indicator code	Response
Financial health & inclusion	...	
	...	
	...	

In case you have identified other and/or additional indicators as relevant to determine the baseline and assess the level of alignment towards impact driven targets, please disclose these.

Response	Links and references
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c) SMART targets (incl. key performance indicators (KPIs)¹⁰): Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as further impact areas, if in place). Which KPIs are you using to monitor progress towards reaching the target? Please disclose.

Goal 1 (climate change mitigation) The main goal is permanent reduce the carbon footprint in terms of 1 m² of mortgage and agribusiness loans issued, and achieve of 45 kg CO₂ emissions per m²/year by 2030.

Goal 2 (social).

To achieve a total share of high mentioned vulnerable groups of the population in the retail loan portfolio up to 35% by 2030.

⁸ Operational targets (relating to for example water consumption in office buildings, gender equality on the bank's management board or business-trip related greenhouse gas emissions) are not in scope of the PRB.

⁹ Your bank should consider the main challenges and priorities in terms of sustainable development in your main country/ies of operation for the purpose of setting targets. These can be found in National Development Plans and strategies, international goals such as the SDGs or the Paris Climate Agreement, and regional frameworks. Aligning means there should be a clear link between the bank's targets and these frameworks and priorities, therefore showing how the target supports and drives contributions to the national and global goals.

¹⁰ Key Performance Indicators are chosen indicators by the bank for the purpose of monitoring progress towards targets.

<p>d) <u>Action plan:</u> which actions including milestones have you defined to meet the set targets? Please describe.</p> <p>Please also show that your bank has analysed and acknowledged significant (potential) indirect impacts of the set targets within the impact area or on other impact areas and that it has set out relevant actions to avoid, mitigate, or compensate potential negative impacts.</p>	
<p><i>The Bank at the strategy level have tasks related to minimizing negative and increasing positive impacts.</i></p> <ul style="list-style-type: none"> ✓ <i>Providing preferential conditions for loans</i> ✓ <i>expanding the diversity of loan programmes for individuals and SME</i> ✓ <i>legal support, consulting</i> ✓ <i>holding corporate events, webinars for customers devoted to reasonable consumption and responsible production</i> <p>Promoting “Green finance” and “green technologies” in the region</p> <ul style="list-style-type: none"> ✓ <i>Develop a new Environmental and Social policy containing the statements of Carbon Neutrality Strategy of Center-invest Bank</i> ✓ <i>Advertising campaign among the customers to invest into the third Bond's issue and “green” deposit</i> ✓ <i>Participation in the partner event to promote the energy-efficiency loans</i> <p>To increase the availability of financial literacy</p> <ul style="list-style-type: none"> ✓ <i>Development of an online-course on financial literacy, on SDGs, ESG and ecology</i> ✓ <i>Training school teachers in the basics of financial literacy for the further education of schoolchildren</i> ✓ <i>Conducting contests to transform digitally the educational programs of schools and universities</i> ✓ <i>Participation in hackathons and training new personnel for the Bank and region</i> ✓ <i>Teaching orphans the basics of financial literacy</i> ✓ <i>Financial literacy training for volunteers</i> 	

Self-assessment summary

Which of the following components of target setting in line with the PRB requirements has your bank completed or is currently in a process of assessing for your...

	... first area of most significant impact: ... (Climate change mitigation)	... second area of most significant impact: ... (Social area)	(If you are setting targets in more impact areas) ... your third (and subsequent) area(s) of impact: ... (please name it)
Alignment	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
Baseline	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
SMART targets	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
Action plan	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No

2.3 Target implementation and monitoring (Key Step 2)

For each target separately:

Show that your bank has implemented the actions it had previously defined to meet the set target.

Report on your bank's progress since the last report towards achieving each of the set targets and the impact your progress resulted in, using the indicators and KPIs to monitor progress you have defined under 2.2.

Or, in case of changes to implementation plans (relevant for 2nd and subsequent reports only): describe the potential changes (changes to priority impact areas, changes to indicators, acceleration/review of targets, introduction of new milestones or revisions of action plans) and explain why those changes have become necessary.

Having submitted our second report and consultations with experts from UNEP FI, we took into account their recommendations and set new targets to be in compliance with the requirements.

Therefore, the targets we are submitting in these reports differ from the ones we presented in the previous one. So we can't show the progress from one report to another but we can present our achievements in these fields.

From the point of view of big data, the Bank collects and processes a large amount of statistical information in the regions

https://centrinvest.com/files/PRB_Report2021.pdf

<p><i>of its presence to assess its own impacts, taking into account the Sustainable Development Goals and adopted in Russia National Projects. We plan to develop internal practices for quantifying social and environmental impacts, taking into account the best world experience.</i></p>	
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Principle 3: Clients and Customers



We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

3.1 Client engagement

Does your bank have a policy or engagement process with clients and customers¹¹ in place to encourage sustainable practices?

☐ Yes ☒ In progress ☐ No

Does your bank have a policy for sectors in which you have identified the highest (potential) negative impacts?

☒ Yes ☐ In progress ☐ No

Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities¹²). It should include information on relevant policies, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.

This should be based on and in line with the impact analysis, target-setting and action plans put in place by the bank (see P2).

In 2022, the Bank implemented a new methodology for assessing the ESG risks of entrepreneurial borrowers. The updated methodology has significantly expanded the list of parameters used for borrowers' ratings, and the final score determines one of the seven levels of the final rating from the highest ESG-A to the worst ESG-G.

A high rating (ESG-A/B) was assigned 47% of all loans received rating, which shows a high level of environmental, social and corporate responsibility of the bank's customers. Clients of a bank with an ESG A/B/C rating receive certificates of gratitude for responsible business conduct. In addition, borrowers have the opportunity to apply for an overdraft discount that depends on the level of the ESG rating (higher rating - higher discount). So the bank forms a loyalty system and involves entrepreneurs in the sphere of responsible management business.

Center-Invest Bank launched the Green Mortgage program, which allows customers to receive a preferential rate when buying real estate with an increased energy efficiency class. "Green Mortgage" is a continuation energy efficient financing programs for the population and businesses.

In 2022, Center-invest Bank introduced a new electronic media - a magazine "Green vector". The main theme of the magazine is

<https://www.centrinvest.ru/media/about/investors/reports/ESG2022.pdf>

<https://www.centrinvest.ru/files/about/reports/byyear/2022.pdf>

<https://greenvector.media/>

environmentally friendly and conscious Lifestyle. "Green Vector" is useful to everyone who to be more actively involved in the eco-movement.

Center-invest Bank received a laureate diploma of the XVIII Annual International prize in the field of economics and finance named after P. A. Stolypin in the nomination "For popularization of ESG-banking".

<https://centrinvest.com/about/news/center-invest-bank-becomes-stolypin-award-laureate>

3.2 Business opportunities

Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how you have worked on these in the reporting period. Provide information on existing products and services, information on sustainable products developed in terms of value (USD or local currency) and/or as a % of your portfolio, and which SDGs or impact areas you are striving to make a positive impact on (e.g. green mortgages – climate, social bonds – financial inclusion, etc.).

Our goal is to expand and develop our customer base through digitalization products and services, fair and transparent terms of lending. And promote the principles of sustainable banking among the population and business through our new green products and information policy.

The bank's ESG balance sheet allows to evaluate the effectiveness of our ESG business model for achievement of the SDGs. Center-invest Bank multiplies shareholders' funds (15% of liabilities) who invested in the bank to implement ESG principles, and attracts funds from other ESG investors (5% of liabilities) for transformation funds of clients (80% of liabilities) - the population and entrepreneurs of the south of Russia — in ESG projects, SDGs and National projects.

Thus, each ruble of investments of ESG shareholders is transformed into 5 rubles of investment for the SDGs and National projects. 88% of bank funds work in the real sector of the economy.

<https://centrinvest.com/esg-banking>

¹¹ A client engagement process is a process of supporting clients towards transitioning their business models in line with sustainability goals by strategically accompanying them through a variety of customer relationship channels.

¹² Sustainable economic activities promote the transition to a low-carbon, more resource-efficient and sustainable economy.

Principle 4: Stakeholders



We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

4.1 Stakeholder identification and consultation

Does your bank have a process to identify and regularly consult, engage, collaborate and partner with stakeholders (or stakeholder groups¹³) you have identified as relevant in relation to the impact analysis and target setting process?

☒ Yes ☐ In progress ☐ No

Please describe which stakeholders (or groups/types of stakeholders) you have identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.

Center-invest Bank actively participates in the development and implementation of state programs for the development of entrepreneurship, regions, municipalities, works jointly with public organizations of entrepreneurs, conducts an active information policy on the problems of entrepreneurial activity. Active interaction on the development of ESG banking is carried out with the State Duma of the Russian Federation, the Government of the Russian Federation, the Bank of Russia, the Ministry of Economic Development, the State Development Corporation VEB.RF, Rosstat, and the Moscow Exchange. The Chairman of the Board of Directors of Center-invest Bank chairs the ESG Banking Project Group of the Association of Russia, approving the Russian Taxonomy, instruments for financing environmental and social projects, measures to support investors and issuers of a fiscal, economic and regulatory nature are discussed. Center-invest Bank experts are participating in the discussion of criteria and metrics for financing ESG projects in the field of energy efficiency, responsible consumption, social entrepreneurship and sustainable agriculture. Deputy Chairman of the Executive Board of Center-invest Bank Ph.D. Alexander Dolganov became a member of the expert council on sustainable development and green financing under the Committee of the State Duma of the Russian Federation on the financial market.

<https://centrinvest.com/about/news/center-invest-bank-expert-heads-the->

¹³ Such as regulators, investors, governments, suppliers, customers and clients, academia, civil society institutions, communities, representatives of indigenous population and non-profit organizations

Since these authorities and institutions are simultaneously the Bank's stakeholders, Center-invest is in dialogue with stakeholders, systematically discloses its own results of ESG risk management and practical cases on responsible financing, and also receives feedback to monitor progress in aspects of sustainable development.

Chairman of the Board of Directors, Vasily Vysokov, published an article titled «Competitive Advantages of Sovereign ESG Banking». The article analyzes how Russian banks might leverage their competitive edges to take climate change into consideration and take advantage of legal incentives for ESG-transformation.

Acting in the interests of present and future generations, the bank strives to support talented youth and actively promotes the Sustainable Development Goals. In 2022, together with the Don State Technical University, the bank released the world's first task book "Sustainable Development Goals".

On the basis of the task book, Center-Invest Bank held a competition among young scientists for the best solution of ESG problems. The contestants used big data and modern digital technologies for researching ESG issues and developing proposals for sustainable joint development of the world.

[committee-on-sustainable-development-at-the-chamber-of-commerce-and-industry-of-the-rostov-region](https://centrinvest.com/about/news/competitive-advantages-of-sovereign-esg-banking)

<https://centrinvest.com/about/news/competitive-advantages-of-sovereign-esg-banking>

<https://centrinvest.com/about/news/400-strategies-for-transformation-of-the-economy>

Principle 5: Governance & Culture



We will implement our commitment to these Principles through effective governance and a culture of responsible banking

5.1 Governance Structure for Implementation of the Principles

Does your bank have a governance system in place that incorporates the PRB?

☒ Yes ☐ In progress ☐ No

Please describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support the effective implementation of the Principles. This includes information about

- which committee has responsibility over the sustainability strategy as well as targets approval and monitoring (including information about the highest level of governance the PRB is subjected to),
- details about the chair of the committee and the process and frequency for the board having oversight of PRB implementation (including remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected), as well as
- remuneration practices linked to sustainability targets.

ESG development is the key part of the Bank's strategy. The Board of Directors is responsible for approving the bank's sustainability strategy and key targets of bank's development. The committee for strategic planning of the Board of Directors analyzes proposals of the Executive Board and chooses directions for sustainable development. In 2022, the committee held 3 meetings. The main issues considered by the committee: quarterly reports of the Executive board, implementation of the business plan and budget of the bank, including implementation of PSB principles, review business plan for 2023.

The Chairman of the Committee is Dr Vasily Vysokov, Chairman of the Board of Directors and main visioner of sustainable banking in Russia. Dr Vysokov chairs the ESG project group and SMEs committee of the Association of Russian banks. He is a member of the Supervisory Board of the Association for the Development of Financial Literacy.

The Bank's CEO Ms Lidia Smonova passionately supports the principles of ESG banking in decisions of the Executive Board, organization of work on the implementation of business plans, assessment of the work of divisions. The Executive Board is assigned responsibility for compliance with the principles and approaches specified in the policies, ensuring that the policies are communicated to all bank employees and for compliance with the policies. All of the Bank's credit committees are also guided by the policies.

Mr Smirnov - CFO of Center-invest Bank Ph.D. - is in charge of coordination of the processes used for the adoption of the environmental procedures at Center-invest Bank, serves as an Environmental secretary of the Bank.

5.2 Promoting a culture of responsible banking:

Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, e-learning, sustainability trainings for client-facing roles, inclusion in remuneration structures and performance management and leadership communication, amongst others).

In 2022, Center-invest Bank specialists developed a unique methodology analysis of customer ESG metrics and implemented it in the lending process. Thus, all bank customers receive an ESG rating in one of 7 ESG categories from A to G in depending on how they take into account environmental, social and managerial responsibility in the implementation of their activities. Rating affects the interest rate on the loan - the higher the rating, the lower the rate. This work was supported by a number of trainings and e-learning among the employees to make sure the methodology is implemented correctly in all branch network of the bank.

On a regular basis we hold meetings with the team, where we discuss how data on sustainable development is used in each department.

Center-invest Bank has an Anti-Corruption and Anti-Fraud Policy, which must be adhered to by all employees of the bank and its subsidiaries, irrespective of their position and job functions.

<https://www.centrinvest.ru/about/press-releases/klienty-banka-tsentr-invest-poluchat-esg-reiting>

5.3 Policies and due diligence processes

Does your bank have policies in place that address environmental and social risks within your portfolio?¹⁴ Please describe.

Please describe what due diligence processes your bank has installed to identify and manage environmental and social risks associated with your portfolio. This can include aspects such as identification of significant/salient risks, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures you have in place to oversee these risks.

The bank has a number of policies that address environmental and social risks within the portfolio. They are:
The Environmental and Social Policies (2010, revised 2011, 2012, 2014, 2019) require the bank to promote the generally accepted principles of “environmentally sound and sustainable development” throughout its banking operations, investments and technical cooperation, as a cornerstone of rational business conduct. The policies set out the bank’s strategy for managing and assuming environmental and social risks. Under the policy the Bank uses a cross-cutting assessment of any project in terms

<https://www.centrinvest.ru/about/investors/pub-info/inside-docs>

¹⁴ Applicable examples of types of policies are: exclusion policies for certain sectors/activities; zero-deforestation policies; zero-tolerance policies; gender-related policies; social due diligence policies; stakeholder engagement policies; whistle-blower policies etc., or any applicable national guidelines related to social risks.

of possible environmental and social impacts, based on the Environmental and Social Policy of Center-invest Bank. There is a strictly prohibited list of activities in which projects cannot be financed by the bank.

The Risk Management Policy (2019) ensures transparent and effective risk management. It is based on modern risk assessment methods using a wide range of risk assessment and data analysis tools and expert analysis.

The Internal Control Policy (2014) sets out a full range of measures to ensure compliance with not only regulatory requirements but also best international practice.

Center-invest Bank refrains from operations that would have a negative impact on local communities. In a timely manner, the bank communicates its anti-corruption policy and procedures to local communities and informs them of the impact of external risks. In accordance with Russian legislation, the bank informs law enforcement agencies of any incidents of corruption and breaches of the law.

Self-assessment summary

Does the CEO or other C-suite officers have regular oversight over the implementation of the Principles through the bank's governance system?

☒ Yes ☐ No

Does the governance system entail structures to oversee PRB implementation (e.g. incl. impact analysis and target setting, actions to achieve these targets and processes of remedial action in the event targets/milestones are not achieved or unexpected neg. impacts are detected)?

☒ Yes ☐ No

Does your bank have measures in place to promote a culture of sustainability among employees (as described in 5.2)?

☒ Yes ☐ In progress ☐ No

Principle 6: Transparency & Accountability



We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

6.1 Assurance

Has this publicly disclosed information on your PRB commitments been assured by an independent assurer?

☒ Yes ☐ Partially ☐ No

If applicable, please include the link or description of the assurance statement.

Independent Auditors Assurance report

https://www.centriinvest.ru/media/documents/independent_auditors_assurance_report.pdf

6.2 Reporting on other frameworks

Does your bank disclose sustainability information in any of the listed below standards and frameworks?

- ☒ GRI
☐ SASB
☐ CDP
☐ IFRS Sustainability Disclosure Standards (to be published)
☒ TCFD
☐ Other:

We use the standards in the Bank's ESG-report

https://centriinvest.com/media/files/ESG_2022_ENG.pdf

6.3 Outlook

What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis¹⁵, target setting¹⁶ and governance structure for implementing the PRB)? Please describe briefly.

We will continue to analyzing and monitoring the implementation of our targets and are going to form a new strategy till 2030 taking into account the recommendations of the regulator and PRB requirements.

¹⁵ For example outlining plans for increasing the scope by including areas that have not yet been covered, or planned steps in terms of portfolio composition, context and performance measurement

¹⁶ For example outlining plans for baseline measurement, developing targets for (more) impact areas, setting interim targets, developing action plans etc.

In the future, there may be restrictions on the issuance of loans in houses of certain energy efficiency classes (minimum energy level) – this issue will be worked out separately. The main criterion for agricultural production can also be the reduction of annual emissions per 1Ha of fibabced loans and the establishment of restrictive limits on the most inefficient technologies.

6.4 Challenges

Here is a short section to find out about challenges your bank is possibly facing regarding the implementation of the Principles for Responsible Banking. Your feedback will be helpful to contextualise the collective progress of PRB signatory banks.

What challenges have you prioritized to address when implementing the Principles for Responsible Banking? Please choose what you consider the top three challenges your bank has prioritized to address in the last 12 months (optional question).

If desired, you can elaborate on challenges and how you are tackling these:

- | | |
|--|--|
| <input type="checkbox"/> Embedding PRB oversight into governance | <input checked="" type="checkbox"/> Customer engagement |
| <input type="checkbox"/> Gaining or maintaining momentum in the bank | <input type="checkbox"/> Stakeholder engagement |
| <input type="checkbox"/> Getting started: where to start and what to focus on in the beginning | <input type="checkbox"/> Data availability |
| <input checked="" type="checkbox"/> Conducting an impact analysis | <input checked="" type="checkbox"/> Data quality |
| <input type="checkbox"/> Assessing negative environmental and social impacts | <input type="checkbox"/> Access to resources |
| <input type="checkbox"/> Choosing the right performance measurement methodology/ies | <input type="checkbox"/> Reporting |
| <input type="checkbox"/> Setting targets | <input type="checkbox"/> Assurance |
| <input type="checkbox"/> Other: ... | <input type="checkbox"/> Prioritizing actions internally |

If desired, you can elaborate on challenges and how you are tackling these:

Annex

A set of indicators has been produced for the impact areas of climate mitigation and financial health & inclusion. These indicators will support you in your reporting and in showing progress against PRB implementation. Banks are expected to set targets that address minimum two areas of most significant impact within the first four years after signing the PRB. That means that Banks should ultimately set targets using impact indicators. Acknowledging the fact that banks are in different stages of implementation and on different levels of maturity and therefore might not be able to report on impact from the beginning, a Theory of Change approach has been used to develop the set of indicators below.¹⁷ The Theory of Change shows the **pathway to impact** and considers the relationship between inputs, actions, outputs, and outcomes in order to achieve impact. The Theory of Change for climate mitigation can be found [here](#), the Theory of Change for financial health & inclusion can be found [here](#).

How to use: Both practice (action, outcome and output) and impact performance need to be understood because practice is the conduit for achieving desired impacts (including targets). The Theory of Change allows to identify metrics and set targets which align with a bank's maturity. The indicators below are all connected to a bank's impact and can be considered as steps towards measuring impact. Some of the practice indicators (on the action, output, and outcome levels respectively) are connected to portfolio composition and financial targets¹⁸ (highlighted in **green**) or to client engagement¹⁹ targets (highlighted in **blue**), which enable your overall target. If your bank has prioritized climate mitigation and/or financial health & inclusion as (one of) your most significant impact areas, it is strongly recommended to report on the indicators in the Annex to measure your performance and baseline.²⁰ Once you have set the target, you can use the indicators as guidance for your action plan as well as defining Key Performance Indicators (KPIs) which you can then use to measure progress against the set targets.

¹⁷ It is not required from banks to work with the Theory of Change concept internally. In fact, the Theory of Change has been used to structure the requirements of setting SMART targets using relevant indicators.

¹⁸ Financial targets also aim for real economy outcomes but are not directly expressed as such. Instead, they are expressed with financial indicators and metrics, e.g., to redirect flows of lending and investments to sectors, activities or projects aligned with SDGs and/or related to the selected impact area. Banks can also set financial targets related to specific types of customers e.g., low-income customers or female entrepreneurs.

¹⁹ Client engagement targets involve engaging relevant clients and customers to enable your overall target. The purpose of client engagement is to support clients towards transitioning their business models in line with sustainability goals by strategically accompanying them through a variety of customer relationship channels.

²⁰ You might not be able to report on all indicators and/or levels of practice (i.e. from left to right), in which case you should report on all applicable indicators on the respective level of practice no matter if it is an action, output or outcome indicator.

- **For Signatories of the Net-Zero Banking Alliance:** please report on the climate targets set as required in the [Guidelines for Climate Target Setting](#). As a member of the Alliance, you are required to publish first 2030 targets for priority sectors within 18 months and further sectoral targets within 36 months after signing. You can use the PRB template to disclose the required climate target information if its publication date is in line with the committed NZBA timeframe.
- **For Signatories of the Collective Commitment to Financial Health & Inclusion:** please report on financial health and/or financial inclusion targets set as required in the [Financial Health and Inclusion Commitment Statement](#). As a signatory to the Commitment, you have agreed to set a SMART ambitious target within 18 months after signing. To facilitate your process, please refer to the [Guidance on Target Setting for Financial Health and Inclusion](#) and the [Core Indicators](#) to measure financial health and inclusion. Keep in mind that signatories of the Commitment are encouraged to measure as many indicators as possible from the Core Set or their equivalent to be able to set a SMART impact driven target.

Impact area	Practice ²¹ (pathway to impact)									Impact ²²		
	1. Action indicators			2. Output indicators			3. Outcome indicators			4. Impact indicators		
	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics
A. Climate change mitigation	A.1.1	Climate strategy: Does your bank have a climate strategy in place?	Yes / In progress / No	A.2.1	Client engagement process: Is your bank in an engagement process with clients regarding their strategy towards a low(er)-carbon business model (<i>for business clients</i>), or towards low(er)-carbon practices (<i>for retail clients</i>)?	Yes / Setting it up / No; <i>If yes:</i> Please specify for which clients (types of clients, sectors, geography, number of clients etc.)	A.3.1	Financial volume of green assets/low-carbon technologies: How much does your bank lend to/invest in green assets / loans and low-carbon activities and technologies?	bln/mn USD or local currency, and/or % of portfolio; <i>please specify</i> the definition of green assets and low-carbon technologies used	A.4.1	Reduction of GHG emissions: how much have the GHG emissions financed been reduced?	% over time; baseline and tracking GHG emissions in kg of CO ₂ e (or applicable metrics) ²³
	A.1.2	Paris alignment target: Has your bank set a long-term portfolio-wide Paris-alignment target? To become net zero by when?	Yes / In progress / No; <i>If yes:</i> - please specify: to become net zero by when? - Emissions baseline / base year: What is the emissions baseline / base	A.2.2	Absolute financed emissions: What are your absolute emissions (financed emissions = scope 3, category 15) in your lending and/or	Total GHG emissions or CO ₂ e <i>(please also disclose what is excluded for now and why)</i>	A.3.2	Financial volume lent to / invested in carbon intensive sectors and activities and transition finance: How much does your bank lend to / invest in carbon-	bln/mn USD or local currency, and/or % of portfolio	A.4.2	Portfolio alignment: How much of your bank's portfolio is aligned with Paris (depending on the target set [A.1.2] either 1.5 or 2 degrees)?	% of portfolio (<i>please specify which portfolio; for corporate and business clients: % of sectors financed</i>)

²¹ Practice: the bank's portfolio composition in terms of key sectors, its client engagement, and its relevant policies and processes, and, if applicable, its advocacy practices

²² Impact: the actual impact of the bank's portfolio

²³ If possible and/or necessary, please contextualize the progress: Greenhouse gas emissions might even increase initially because the scope of measurements is extended and financed emissions from a growing proportion of the portfolio are measured, emission factors are updated etc. Emission reductions made by the clients should over time lead to a decrease in GHG emissions financed.

			year for your target? - Climate scenario used: What climate scenario(s) aligned with the Paris climate goals has your bank used?		investment portfolio?			intensive sectors and activities ²⁴ ? How much does your bank invest in transition finance ²⁵ ?				
	A.1.3	Policy and process for client relationships: has your bank put in place rules and processes for client relationships (both new clients and existing clients), to work together towards the goal of transitioning the clients' activities and business model?	Yes / In progress / No	A.2.3	Sector-specific emission intensity (per clients' physical outputs or per financial performance): What is the emission intensity within the relevant sector?	Please specify which sector (<i>depending on the sector and/or chosen metric</i>): kg of CO ₂ e/ kWh, CO ₂ e / m ² ; kg of CO ₂ e/USD invested, or kg of CO ₂ e/revenue or profit						
	A.1.4	Portfolio analysis: Has your bank analyzed (parts of) its lending and/or investment portfolio in terms of financed emissions (Scope 3, category 15); technology mix or carbon-intensive sectors in the portfolio?	Yes / In progress / No; <i>If yes:</i> please specify which parts of the lending and investment portfolio you have analyzed	A.2.4	Proportion of financed emissions covered by a decarbonization target: What proportion of your bank's financed emissions is covered by a decarbonization target, i.e. stem from clients with	% (<i>denominator: financed emissions in scope of the target set</i>)						

²⁴ A list of carbon-intensive sectors can be found in the [Guidelines for Climate Target Setting](#).

²⁵ Transition finance is defined as financing the transition towards a low-carbon future in alignment with the Paris climate goals. It entails any form of financial support for non-pure play green activities to become greener and reduce emissions.

	A.1.5	Business opportunities and financial products: Has your bank developed financial products tailored to support clients' and customers' reduction in GHG emissions (such as energy efficient mortgages, green loans, green bonds, green securitisations etc.)?	Yes / In progress / No; Please specify which ones, and what financial volume and/or % of the portfolio they account for		a transition plan in place?							
B. Financial health	B.1.1	# of products and services in the portfolio with a focus on financial health	Internal data based. Measures how many of the products and services in the portfolio have a financial health focus. We deem a product or service to have this focus when it facilitates decision making and supports financial health increase based on our definition of financial health. This covers products and services embedded with nudges to simplify decision making, round-up, high yield savings accounts, easy investment tools, etc.	B.2.1	# of individuals supported with dedicated and effective financial and/or digital education initiatives	Based on internal data. Measures the number of users (customers and non customers) of financial and/or digital skills-building initiatives offered by the bank. An initiative encompasses courses, programs, training videos, articles, SMS education campaigns, etc. Dedicated means that the initiative was specially created for a defined group of individuals (in many cases a prioritized group). Effective	B.3.1	% of individuals with a good and/or very good level of financial skills	Assessment based. Measures the percentage of individuals with a good and/or very good level of financial skills according to the assessment chosen by the financial institution. Should be measured on individuals benefitting from the bank's financial education initiatives.	B.4.1	% of customers with a high level of financial health	Survey and/or transactional data based. Measures the percentage of customers with a high level of financial health according to the score chosen by the financial institution.

						means that the bank has measured if the initiative is successful in generating the desired results of stronger financial skills, and thus, any individual that is supported with the initiative will achieve the desired results. A bank can't count a click as an individual so we encourage that the data is presented as # of individuals for deanonymized users and # of interactions for anonymized users.						
	B.1.2	% of relevant employees supported with effective training on financial inclusion, responsible credit and/or financial health	Based on internal data. Measures the percentage of relevant employees supported with effective training on financial inclusion, responsible credit and/or financial health. Including training to attend the needs of prioritized groups. Effective means that the bank has measured if the initiative is successful in generating the desired results of	B.2.2	% of customers actively using the online/mobile banking platform/tools	Transactional data based. Measures the percentage of customers logging in, at least once a month, to one of the following digital platforms (measure those applicable for your bank): Online internet banking and/or mobile phone banking and/or digital tools (including	B.3.2	% of customers who use the bank's services to create a financial action plan with the bank	Transactional and/or survey data based. Measures the percentage of customers who create a financial action plan with the bank using the bank's services. A financial action plan is anything that helps the customer build financial resilience. It is done "with the bank" if the bank can visualize,	B.4.2	% of customers for which spending exceeded 90% of inflows for more than 6 months last year	Survey and/or transactional data based. Measures the percentage of customers with a transaction account and/or savings/investment accounts for which spending exceeded 90% of inflows for more than 6 months in the year within the reporting period compared to the total of customers within PRB scope. Focus on main

			stronger skills, and thus, any individual that is supported with the initiative will achieve the desired results. Relevant employees are those the bank prioritizes in the training program due to their direct impact on the customers' financial health			financial health tools)			through the transactions of the customer, the results of the plan.			financial institution customers.
	B.1.3	# of partnerships active to achieve financial health and inclusion targets	Based on internal data. Measures the number of partnerships currently active to achieve financial health and inclusion targets. By active we mean that are currently undergoing actions and generating results. We suggest disclosing the results of the partnerships in the commentary of the reports.				B.3.3	% of customers using overdraft regularly	Transactional data based. Measures the percentage of customers using the overdraft option in their accounts or credit cards, regularly. Overdraft can be used to handle unexpected emergencies but more than 1/3 of the year (banks may deviate if proper reasons are provided) denotes regularity and a precursor to lower financial health	B.4.3	% of customers that feel confident about their financial situation in the next 12 months	Survey based data. Measures the percentage of customers that answered positively to feeling confident about their financial situation in the next 12 months compared to the total number of customers surveyed. By confident we mean not feeling worried about their financial situation.
							B.3.4	% of customers with a non-performing loan	Transactional data based. Measures the percentage of customers with past-due loans ("past due"	B.4.4	% of customers with products connected to long-term saving and investment plans	Transactional and/or survey data based. Measures the percentage of customers with products

									defined by policies at each bank) compared to the total amount of customers with loans in the bank's lending portfolio.			connected to long-term saving and investment plans. "Long-term" will depend on each bank's definition.
							B.3.5	% of customers showing an increase or stable amounts in savings, deposit and/or investment account balances, quarter on quarter.	Transactional data based. Measures the percentage of customers showing an increase or stable amounts in savings and/or deposit AND/OR investment accounts balances, quarter on quarter.	B.4.5	% of customers that would struggle to raise emergency funds or cover with insurance a major unexpected expense	Survey based data. Measures the percentage of customers that would struggle to raise emergency funds or cover with insurance a major unexpected expense. We consider a major unexpected expense, one that the customer hadn't planned for and would require them to spend more than what they have available for secondary expenses in their monthly budget or 1/20th of the country's Gross National Income (banks may deviate if proper reasons are provided). A good example is: unforeseen medical bills, large appliance malfunctioning, car repair, etc. Survey based

												using the question: "If a major unexpected expense arises, how can you cover it right now?" and give the multiple choice options of insurance, emergency funds, loan, credit card, family/friends, etc.
C. Financial Inclusion	C.1.1 *	# of products and services in the portfolio with a focus on financial inclusion	Internal data based. Measures how many of the products and services in the portfolio have a financial inclusion focus. We deem a product or service to have this focus when its design facilitates the access and usage by the prioritized customer. For example, no-fee savings account, low interest microloan, offline access or sim-based banking apps, etc	C.2.1	# of individuals supported with dedicated and effective financial and/or digital education initiatives	Based on internal data. Measures the number of users (customers and non customers) of financial and/or digital skills-building initiatives offered by the bank. An initiative encompasses courses, programs, training videos, articles, SMS education campaigns, etc. Dedicated means that the initiative was specially created for a defined group of individuals (in many cases a prioritized group). Effective means that the bank has measured if the initiative is	C.3.1 *	% of individuals with a good and/or very good level of financial skills	Assessment based. Measures the percentage of individuals with a good and/or very good level of financial skills according to the assessment chosen by the financial institution. Should be measured on individuals benefitting from the bank's financial education initiatives.	C.4.1	% of customers with 2 or more active financial products, from different categories, with the bank	Transactional data based. Measures the percentage of customers with 2 or more active financial products, from different categories, with the bank. By active we mean there's at least one usage per month. By category we mean credit/debt, savings/deposit/payment, insurance, investment, etc. Once a target has been set for this indicator, we encourage banks to ensure responsible selling policies or other initiatives so that the target doesn't become a toxic incentive.

					successful in generating the desired results of stronger financial skills, and thus, any individual that is supported with the initiative will achieve the desired results. A bank can't count a click as an individual so we encourage that the data is presented as # of individuals for deanonymized users and # of interactions for anonymized users.						
	C.1.2	% of relevant employees supported with effective training on financial inclusion, responsible credit and/or financial health	Based on internal data. Measures the percentage of relevant employees supported with effective training on financial inclusion, responsible credit and/or financial health. Including training to attend the needs of prioritized groups. Effective means that the bank has measured if the initiative is successful in generating the desired results of stronger skills, and thus, any individual that is supported with the initiative	C.2.2	% of customers with effective access to a basic banking product	Transactional data based. Measures the percentage of customers with effective access to a basic banking product. By effective we mean the usage beyond first access. Basic banking products vary by bank. Good examples are: checking accounts, payment accounts, credit cards, saving accounts, deposit accounts, e-	C.3.2	% of customers supported with dedicated customer journey/advisory services	"Transactional data based. Where dedicated customer journey/advisory services are in place for prioritized groups , this indicator measures the percentage of customers using such services. Depending on size of bank, either number or percentage can be the unit of measure.		

			will achieve the desired results. Relevant employees are those the bank prioritizes in the training program due to their direct impact on the customers' financial health			money accounts, etc.						
	C.1.3	# of partnerships active to achieve financial health and inclusion targets	Based on internal data. Measures the number of partnerships currently active to achieve financial health and inclusion targets. By active we mean that are currently undergoing actions and generating results. We suggest disclosing the results of the partnerships in the commentary of the reports.	C.2.3	# of new customers per month	Transactional data based. Measures the number of new customers per month. Once the bank sets a target, this indicator can become a KPI to measure the percentage of new customers from the prioritized groups, per month.	C.3.3	% of customers actively using the online/mobile banking platform/tools	Transactional data based. Measures the percentage of customers logging in, at least once a month, to one of the following digital platforms (measure those applicable for your bank): Online internet banking and/or mobile phone banking and/or digital tools (including financial health tools, if applicable)			