



ANNUAL REPORT 2022

**Greeting Message
from the Chairman of the Board
of Directors, Professor, Doctor
of Science (Economics)
Vasily Vysokov**



Dear shareholders, customers, partners, and colleagues,

2022 was a year of new challenges, new trials, new decisions, and new sustainability confirmations of the business model of Center-Invest Bank.

The experience of operating in the conditions of continuous changes and unceasing crises, accumulated during 30 years, allowed the bank to solve arising problems in a smooth and confident manner.

As quick as in March, the bank published a post-crisis [development](#) concept and the concept of creative identity of the [region](#), in May — the analysis of the anti-crisis [transformation programme for customers' businesses](#), in June, the bank presented a [digital assets development strategy for the Don region](#), in August — [talent](#) management methods and the assessment of the [region](#) potential, in September — [the digitalisation programme](#) for independent [ESG banking](#), in October — the [region](#) scientific potential development, in November — the first [transformation](#) economics problem book.

The bank experts did not only give recommendations, but together with customers were searching for mechanisms to reduce risks due to sanctions, implement imports phase-out, organise new logistic chains, and introduce new techniques.

The bank was trying to sustain crediting rates for customers, got quickly involved in all the state support programmes for residents and businesses, and helped key customers successfully transform their businesses.

Center-Invest Bank has always operated in the actual economy and therefore has not had any losses on foreign-exchange holdings or securities. Customers' discipline and responsibility has increased: credit facilities were paid timely and thus it did not require additional provisions.

The bank continued on digitalising its operations.

The bank developed the independent ESG banking concept based on fundamental energy saving processes, digital model of strategic development and risk management, and started its practical work with small business ESG ratings. We consider the global competitiveness as the supreme form of sovereignty. We are satisfied to know that our [suggestions](#) were taken into account at the development of the taxonomy of technological sovereignty and structural adaptation. Our bank will continue its work in the economy transformation.

While celebrating the 30th anniversary of the bank, new talents of our employees were discovered, new customers appeared, and [talent](#) management opportunities were increased. The bank increased contributions to endowment fund Education and Science of the Southern Federal District and endowment funds of universities in the South of Russia to 200 RUB million. Our bank prepared transformation economics textbooks and guidance manuals for students, held webinars, lectures, meetings, competitions, and hackathons for the development of new projects in business activities by young adults and in structural transformation.

The year 2022 confirmed that it was not the first or the last crisis but just another one, so the main anti-crisis measure is an effective strategy for the post-crisis development.

V. V. Vysokov,
*Chairman of the Board of Directors,
Professor, Doctor of Economics*

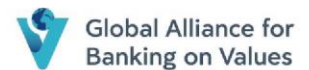
Company Profile

Center-Invest Bank is located in the South of Russia. It is a bank for entrepreneurs and private customers, which successfully applies the business model of sustainable banking. Customer-oriented approach, a wide range of banking products, easy credit policy, the focus on innovation, and producibility allow the bank to have a strong presence in the financial market.

Center-Invest Bank operates in 7 regions of the Russian Federation: the Rostov Region, the Volgograd Region, the Krasnodar Territory, the Republic of Adygeya, the Stavropol Territory, the Nizhny Novgorod Region, and the city of Moscow. The bank branch network includes 108 offices. The bank team consists of 1,546 members.

The international shareholding structure, unique ESG positioning, sustainable growth of the financial performance have allowed Center-Invest Bank to introduce the best world practice of green investments and implementation of Environmental, Social and Corporate Governance principles (ESG).

Competitive Positions:



GABV membership



Credit ratings

ACRA - A(ru) (consistent prognosis)



ESG rankings

17/76 (Europe)



Signer

SUSTAINABLE BANKING PRINCIPLES



Банк России

Центральный банк Российской Федерации

1 of 22 key credit institutions in the payment service market



Bank rating by mortgage portfolio volume year-end 2022

10th by mortgage portfolio



РЕЙТИНГОВОЕ АГЕНТСТВО

Ranking of the largest banks providing loans for SME in 2022–2023

7th by volume of loans issued in 2022

13th by SME loan portfolio

Выберу

3rd by the best mortgage programme with state support

4th by the best debit card 2022



1st by the bank service customers ratings

In accordance with the full licence from the Bank of Russia No. 2225 of 26 January 1992, updated on 26 August 2016, Center-Invest Bank performs the following banking business and services:

- Taking household and corporate funds on deposit (demand or fixed term deposits)
- Distribution of taken on deposit (demand or fixed term deposits) household and corporate funds on its own behalf or for its own account
- Opening and keeping of bank accounts of individuals and entities
- Fund transfer by order of individuals and entities, including authorised correspondent banks and foreign banks, between their bank accounts
- Collection of cash, promissory notes, payment and accounting documents, and cash servicing of individuals and entities
- Security bond issue
- Fund transfer without bank account opening, including electronic funds (except for mail payment)

Center-Invest Bank is recorded in the Uniform Government Register of Legal Entities (Certificate series 61 No. 002690018 of 26 August 2002. Primary state registration number — 1026100001949).

Center-Invest Bank is recorded in the register of banks participating in the obligatory insurance scheme (Certificate No. 283 of 9 December 2004).

Center-Invest Bank has licences of a professional participant of the securities market: No. 060-03407-001000 for carrying out activity in managing securities of 29 November 2000; No. 060-03332-010000 for carrying out dealer activity in managing securities of 29 November 2000; No. 060-04118-000100 for carrying out depository activity of 20 December 2000; No. 060-03243-100000 for carrying out broker activity of 29 November 2000.

Center-Invest Bank has the sole intellectual property right for Center-Invest Bank trademark (Certificate of the Public Register of Trademarks and Service Marks of the Russian Federation Nos. 627491, 628301, 628300, 628298, 628299 of 24 August 2017).

Center-Invest Commercial Bank Public Joint Stock Company.

Bank head office address: 62 Prospekt Sokolova, 344000 Rostov-on-Don, Russia.

Call centre: +7 (863) 2-000-000, 8(800) 200-99-29.

Email: welcome@centrinvest.ru.

Official webpage: www.centrinvest.ru, центринвест.рф.

Key Events of 2022

Center-Invest Bank opened an office in a new region of presence: the Republic of Adygeya

Center-Invest Bank launched the world's first ESG task book
An ESG rating system has been introduced for the bank's customers: small and medium-sized enterprises

Center-Invest Bank supported the launching of two statistical digests:
[Digitalisation Indicators Across the Don Region 2022](#) and [Scientific Potential of the Don Region: 2022](#) — prepared by Rostovstat

Center-Invest Bank opened an office for small businesses in Moscow and became a partner of the Moscow Regional Guarantee Fund

Two free online accelerators for import commodities sale and effective work at market places have been launched

Center-Invest Bank has opened the Student Entrepreneurship Centre in Krasnodar. Education and Science of the Southern Federal District fund capital has increased to 207 RUB mln.

Center-Invest Bank has launched [the Green Mortgage programme](#)

A new mobile app for business customers has been released
Center-Invest Bank presented *The Green Vector* new media magazine

Center-Invest Bank is the first partner bank of Banki.ru in the financial platform status and has helped issue the first loan to a marketplace user

The research and practical manual Economics of Transformations by Vasily Vysokov, Chairman of the Board of Directors of the bank, Professor, Doctor of Economics

The bank was the first in Russia to ensure interaction with the Single Window state information system in the field of foreign trade

Received the title Socially Oriented Entrepreneur of the Rostov Region

Became the winner of the National Banking Award and one of the best companies in the financial and IT sectors

Region Summary

Southern Russia: 2022

Center-Invest Bank presents the economic development results of the regions of operation at year-end 2022: the Rostov Region (RR), the Krasnodar Territory (KT), the Volgograd region (VR), the Republic of Adygeya (RA), the Stavropol Territory (ST), the Nizhny Novgorod Region (NNR), — as compared with the Russian Federation data (RF), Southern Federal District (SFD) and North Caucasian Federal District (NCFD) data on the basis of the analysed information from the Federal State [Statistics](#) Service. In 2022, the economy of the South of Russia has adapted to the rapidly changing external conditions and socio-economic environment. In the fields of construction, industrial production and agriculture, an increase in indicators was recorded, caused by an effective investment policy and the implementation of import substitution potential in the regions of the bank's operation.

| Growth Rate Volumes in 2022 as % of 2021 Producer prices in 12.2022 as % of 12.2021 | | RF | SFD | NCFD | RR | KK | VR | RA | SK | NN |
|---|-----------------|------|------|------|-------|------|-------|-------|-------|------|
| Industry | Volumes | -0.6 | 2.5 | 2.7 | 7.8 | 0.8 | 3.8 | 12.5 | -0.9 | 0.1 |
| | Producer prices | -3.3 | -1.9 | -1.2 | 9.8 | 7.2 | -5.0 | 11.9 | -4.4 | 9.5 |
| Agriculture | Volumes | 10.2 | 10.7 | 1.7 | 10.1 | 9.9 | 16.6 | -2.9 | 3.3 | 12.0 |
| | Producer prices | -4.1 | -5.6 | -4.1 | -10.4 | -1.7 | -16.2 | -12.3 | -5.7 | -1.9 |
| Construction | Volumes | 5.2 | 0.51 | 4.4 | 1.9 | -9.5 | 18.2 | 41.7 | 12.1 | 29.1 |
| | Producer prices | 14.7 | 3.5 | 11.8 | 15.5 | 14.0 | 12.4 | 16.6 | 13.4 | 17.7 |
| Trade | Volumes | -6.7 | -3.5 | -1.5 | -2.0 | -3.9 | -2.3 | -4.9 | -10.7 | -5.4 |
| | Consumer prices | 11.9 | 11.7 | 11.6 | 12.1 | 11.0 | 11.4 | 11.9 | 11.2 | 11.5 |

Industry

The industry products in the South of Russia has demonstrated the positive dynamics. It was the result of investments used for the advancement and development of manufacturing enterprises with the purpose of strengthening the commercial energy industry as well as import substitution potential implementation. Industrial manufacturing growth dynamics was positive in the majority of operations throughout 2022 and was accompanied by the improvement of other indicators, including profit growth and average monthly salary increase among industrial complex enterprises.

Agriculture

The production of wheat, sunflower, and potatoes was increased as a result of crop acreage expansion and using of new technology.

Construction

Investments in the construction industry have grown because the South of Russia is popular and attractive for residential construction companies, including individual builders. Throughout 2022, the favourable mortgage programme trend was maintained which was stimulating the residential construction. The construction volume growth was also caused by the implementation of the resort potential in the regions of the bank operation since recreation abroad became less available.

Transport

Logistic sector market has gone through serious issues due to geopolitical changes. Transport vehicle use expenses have grown significantly and supply chains have changed. During 2022, the transport industry in the South of Russia witnessed the transformation of logistics, business processes and resource distribution.

Trade

Logistical changes and broken supply chains alongside the inflation led to growing prices for food and non-food products, which adversely affected the consumer demand.

Population

The natural population decline in the South of Russia decreased compared to 2021, but its values are still negative and exceeding the average indicators in Russia.

Population Income and Expenditure

The Volgograd and Rostov regions have seen insignificant growth. In general, the dynamics of real income of people is decreased compared to the previous year.

Enterprise Finances and Investments

At year-end 2022, the South of Russian witnessed insignificant growth of enterprise financial results. The economies of the most regions of the bank operation have their considerable portion in agriculture which substantially effects the region development. Investment resources are budgetary funds as well as loans from banks. The high level of economy diversification in the regions of the bank operation and the fact that the economy is not oriented to energy export make the regions less sensitive to the pressure of sanctions and geopolitical turbulence.

| Growth rate in 2022 as % of 2021 | RF | SFD | NCFD | RR | KK | VR | RA | SK | NN |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Mining Operations | 0.8 | -4.4 | -1.9 | -5.5 | -12.0 | -19.1 | 0.7 | -4.8 | -5.9 |
| Manufacturing | -1.3 | 5.7 | 3.1 | 10.5 | 2.4 | 6.6 | 14.3 | -0.7 | -0.1 |
| Electricity, gas, steam and air conditioning supply | 0.1 | 3.2 | 0.8 | 7.9 | 1.2 | 6.4 | -2.0 | -1.0 | 4.4 |
| Water supply, sewerage, waste management and remediation activities | -6.1 | -8.7 | 6.3 | -3.3 | -12.7 | 7.3 | 5.8 | -2.2 | -4.4 |
| Production of electricity | 0.6 | 5.1 | -1.4 | 8.9 | 0.4 | 5.2 | 10.5 | -1.8 | -4.1 |
| Grains | 26.7 | 15.7 | -4.0 | 10.8 | 4.3 | 69.7 | -5.9 | -0.4 | 43.7 |
| Sugar beet | 1.2 | 6.6 | 1.4 | | 7.3 | | | 3.9 | 0.6 |
| Sunflower | -7.5 | -1.6 | 5.0 | -7.4 | 21.8 | -14.0 | 2.2 | -2.2 | 0.0 |
| Potatoes | 4.3 | 13.4 | -4.2 | 15.8 | 19.6 | 3.5 | 13.3 | 9.9 | 14.3 |
| Vegetables | -0.1 | 2.8 | -2.5 | -0.5 | -10.0 | 0.5 | -16.2 | -13.0 | 1.6 |
| Butcher livestock and poultry (live weight) | 2.9 | 2.2 | 0.3 | 20.8 | -0.1 | 1.8 | -7.9 | -1.6 | 0.8 |
| Milk | 2.0 | 3.1 | 4.0 | 0.3 | 6.6 | 2.1 | 0.8 | 5.9 | 2.2 |
| Eggs | 2.7 | 14.9 | -0.4 | 20.9 | 9.5 | 2.0 | 4.2 | -2.7 | -4.4 |
| Construction of residential buildings | 11.0 | 14.7 | 26.5 | 0.7 | 20.8 | 0.2 | 52.4 | 10.9 | 7.0 |
| Of these, individual builders | 16.5 | 25.4 | 33.7 | -1.7 | 36.6 | 31.0 | 71.8 | 9.9 | -2.6 |
| Residential property price indices: | | | | | | | | | |
| Primary market, Q4 2022 as % of Q4 2021 | 21.0 | 14.0 | 16.6 | 29.9 | 7.7 | 26.2 | 33.5 | 16.2 | 29.6 |
| Secondary market, Q4 2022 as % of Q4 2021 | 11.8 | 11.5 | 7.0 | 16.1 | 6.2 | 14.6 | -3.9 | 21.1 | 14.3 |
| Road haulage | 0.2 | 6.31 | 3.4 | 8.6 | 15.0 | 10.0 | -24.5 | 7.5 | 28.6 |
| Cargo turnover by motor vehicles | 1.1 | 1.01 | -5.8 | 7.3 | 16.1 | 7.4 | 3.2 | -6.8 | -1.9 |
| Indices of cargo transportation tariffs in 12.2022 as % of 12.2021 | 28.4 | 5.1 | 11.9 | 22.7 | 4.1 | 46.2 | 6.1 | 3.3 | 39.1 |
| Food trade turnover | -1.5 | -0.4 | -1.2 | -3.2 | 1.3 | 4.0 | 8.5 | -8.1 | -1.7 |
| Non-food trade turnover | -11.1 | -6.3 | -1.8 | -0.9 | -8.4 | -7.4 | -12.8 | -13.1 | -8.9 |
| Volume of chargeable services to the public | 3.2 | 2.3 | 3.9 | 4.7 | 3.1 | 5.6 | -5.5 | 2.9 | 2.6 |
| Wholesale turnover | -14.5 | 2.5 | -1.4 | -1.5 | 3.8 | -5.1 | 120.0 | -4.2 | -15.3 |
| Consumer prices | | | | | | | | | |
| Food products in 12.2022 as % of 12.2021 | 10.3 | 10.5 | 10.8 | 11.5 | 9.5 | 10.1 | 8.4 | 9.8 | 9.8 |
| Non-food products in 12.2022 as % of 12.2021 | 12.7 | 12.6 | 12.6 | 13.0 | 10.2 | 14.3 | 14.7 | 11.1 | 13.0 |
| Services in 12.2022 as % of 12.2021 | 13.2 | 12.5 | 11.8 | 11.8 | 14.7 | 9.3 | 13.6 | 12.8 | 11.8 |
| Housing and communal services (heating, water supply, water disposal) in 12.2022 as % of 12.2021 | 10.7 | 11.4 | 9.4 | 12.2 | 11.5 | 10.4 | 11.8 | 9.0 | 9.0 |
| Real cash income dynamics | -1.4 | -0.7 | -1.9 | 0.7 | -0.6 | 0.7 | -3.4 | -3.1 | -1.2 |
| Monetary income | 12.4 | 13.0 | 11.7 | 14.9 | 12.4 | 14.2 | 10.3 | 9.9 | 12.5 |
| Consumer expenditure | 8.91 | 10.5 | 13.6 | 13.9 | 7.5 | 15.5 | 1.4 | 4.5 | 10.3 |
| Average monthly salary in 12.2022 as % of 12.2021 | 2.6 | 13.7 | 9.4 | 16.1 | 11.6 | 18.2 | 17.4 | 8.6 | 13.1 |
| Financial results | -12.8 | 2.8 | 7.1 | -5.7 | -6.9 | 57.7 | -11.3 | 7.7 | 20.4 |
| Share of profit-making businesses and organisations | 73.9 | 74.5 | 75.8 | 77.9 | 77.7 | 72.1 | 71.9 | 79.5 | 79.5 |
| Accounts payable | 17.1 | 15.6 | 6.3 | 30.9 | 16.5 | 5.3 | 11.6 | 4.94 | 11.4 |
| Accounts receivable | 17.3 | 26.6 | 23.2 | 40.3 | 13.6 | 19.4 | 9.2 | 3.3 | 7.1 |
| Number of business entities | -1.8 | -3.4 | -1.9 | -6.2 | -2.3 | -4.8 | -1.5 | -5.0 | -3.5 |
| Number of entrepreneurs | 4.0 | 2.3 | 3.0 | 3.0 | 4.0 | 1.6 | -3.0 | 1.2 | 3.0 |
| Indebtedness under credits to individuals | | | | | | | | | |
| RUB | 9.9 | 12.6 | 11.1 | 9.4 | 16.6 | 7.3 | 13.5 | 8.9 | 6.4 |
| Including residential loans | 17.7 | 25.2 | 23.6 | 18.6 | 33.7 | 15.7 | 31.5 | 20.4 | 12.2 |
| Of these, residential mortgage loans | 17.7 | 25.3 | 23.7 | 18.6 | 33.7 | 15.7 | 31.6 | 20.4 | 12.2 |
| In a foreign currency | -53.5 | -46.5 | -39.2 | -40.9 | -51.1 | -39.7 | -55.6 | -46.4 | -39.3 |
| Including residential loans | -56.0 | -41.6 | -52.3 | -26.7 | -50.7 | -47.6 | — | -51.7 | -43.2 |
| Of these, residential mortgage loans | -56.9 | -42.6 | -54.7 | -27.1 | -50.7 | -47.6 | — | -52.0 | -43.2 |
| Natural increase (+), decrease (-) | -4.1 | -5.4 | 4.9 | -6.8 | -4.4 | -6.9 | -3.9 | -3.1 | -7.6 |

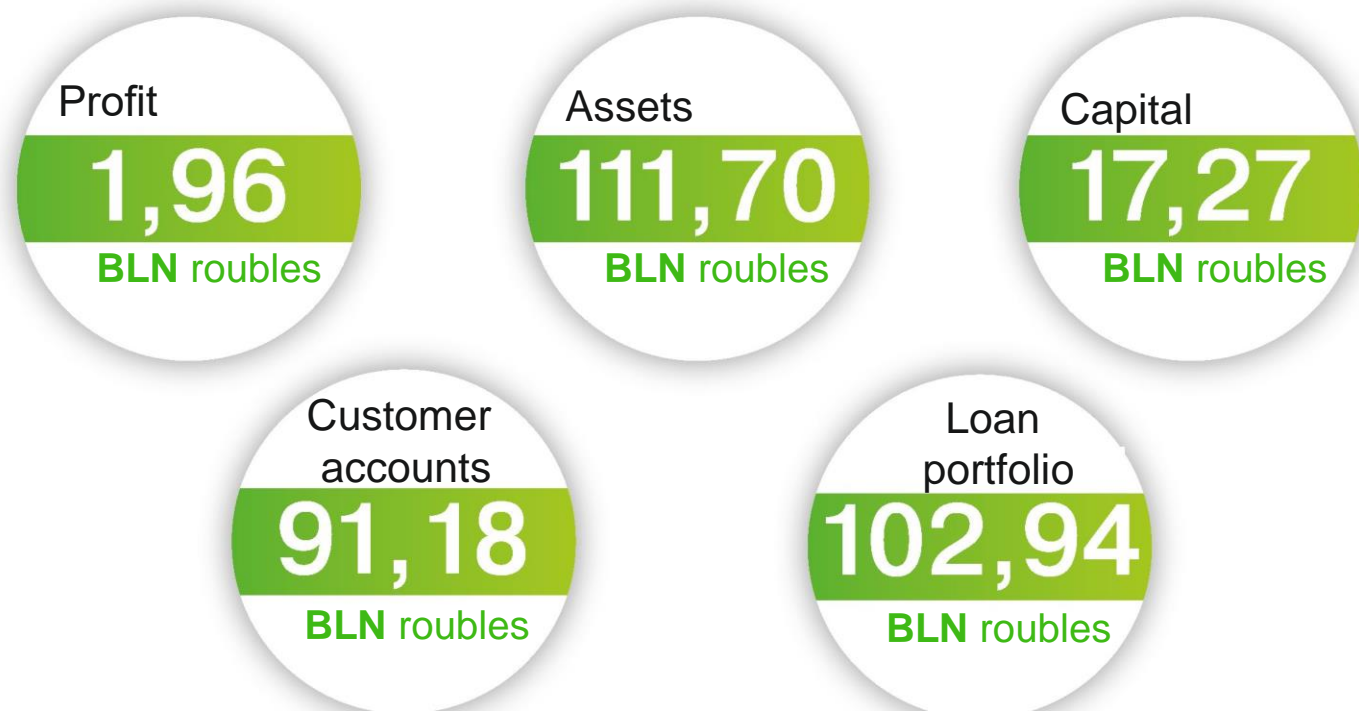
Bank Financial Highlights*

At the year-end 2022, the profit margin of Center-Invest Bank by RAS was 1.96 RUB bln (+122%).

The bank funds have increased to 17.27 RUB bln (+13%), return on equity was 12.04%, return on assets was 1.69%. The bank Internal funds according to Basel III standards reached 16.84 RUB bln (+11%), the bank capital adequacy according to Basel III standards was 14.17%, the capital adequacy was 12.91%.

The size of bank assets was 111.70 RUB bln (-7%), net lending receivables assessed by depreciable cost were 97.79 RUB bln (-6%). The loan portfolio increased to 102.94 RUB bln (+4%).

Customer funds were 91.18 RUB bln (-10%).



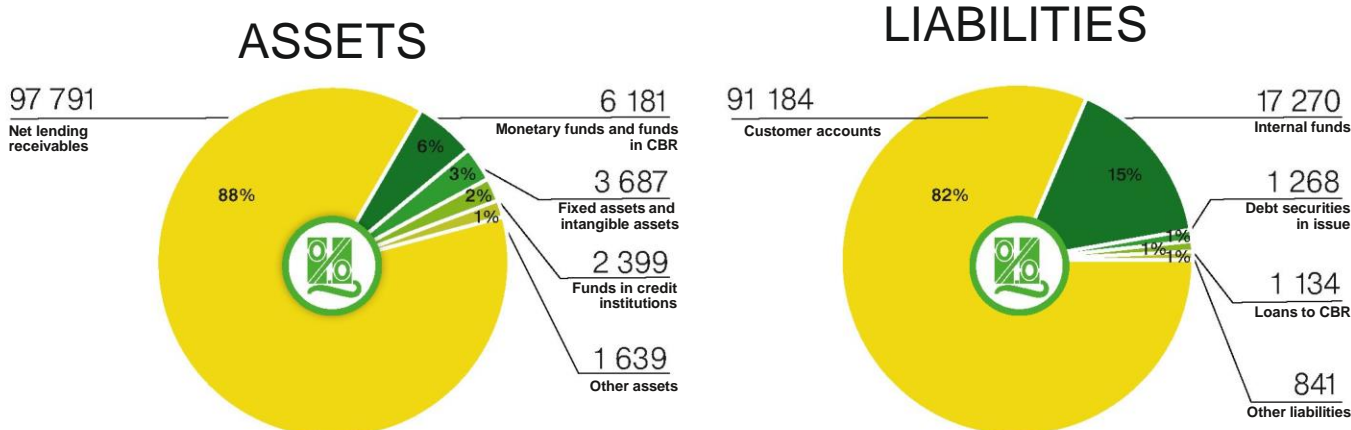
* In this report, all the financial indicators are given in accordance with the Russian Accounting Standards.

Financial highlights, RUB bln

| As of 31 December of the corresponding year, RUB bln | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|-------|-------|-------|-------|-------|-------|
| Internal funds | 11.4 | 11.8 | 14.4 | 14.9 | 15.3 | 17.3 |
| Assets | 101.4 | 110.8 | 119.5 | 118.9 | 120.0 | 111.7 |
| Net lending receivables | 87.2 | 96.3 | 102.5 | 100.8 | 104.0 | 97.8 |
| Loan portfolio | 84.6 | 93.7 | 93.2 | 91.8 | 99.2 | 102.9 |
| Customer accounts | 86.7 | 97.0 | 102.1 | 101.1 | 101.7 | 91.2 |
| Profit | 0.68 | 1.15 | 3.34 | 0.86 | 0.88 | 1.96 |
| H1.0 | 11.2 | 10.7 | 11.1 | 13.1 | 12.6 | 14.2 |
| H1.1 | 9.6 | 9.5 | 9.4 | 9.7 | 11.2 | 12.9 |
| H1.2 | 9.6 | 9.5 | 9.4 | 9.7 | 11.2 | 12.9 |
| Return on assets, % | 0.69 | 1.08 | 2.90 | 0.72 | 0.74 | 1.69 |
| Return on funds, % | 6.08 | 9.91 | 25.55 | 5.84 | 5.85 | 12.04 |

The bank asset and liability structure at the year-end 2022 remained stable and oriented to the real sector of economy and the entire range of consumer and small business loans and lending facilities. The share of net lending receivables in the asset structure was 88%.

The bank asset and liability structure as of 31 December 2022, RUB mln



The bank funding structure is diversified with firmly predominant deposit facilities in private and corporate customers' accounts. The amount of funds in customers' accounts during the year 2022 decreased by 10% and was 91.2 RUB bln as of 31 December 2022. And the share of the population funds was 65%.

During 2022, the net lending receivables, including deposit facilities in the Bank of Russia, decreased by 5.9% and were 97.8 RUB bln as of 31 December 2022.

The bank loan portfolio increased by 3.7% and reached 102.9 RUB bln as of 31 December 2022.



Small and Medium-Sized Businesses under Sanctions

In the first half of 2022, demand decrease was observed in the credit market caused by the introduced sanction measures and increased CBR key interest rate.

Due to the change of the global economic situation, many enterprises had to organise new supply chains and establish new financing systems in order to increase the internal efficiency. Many companies have changed their business strategies by adapting them to the new conditions.

Already in the second half of 2022, businesses had to employ funds for transformation expenses as a result of the quick business adaptation to the new conditions.

Through receiving various support, enterprises could find new market niches, new market channels and work out new offers. Due to sanctions, many Russian companies within a short time became competent in the fields where only recently they used to fall behind. Today, the bank is developing technologically thanks to its in-house solutions which allow Russian manufacturers to enter into strong competition with western companies and rapidly implement the import substitution policy. Practically all the fields have been transformed, and now we can be sure that local businesses are ready to further transform in the continuously changing market.

The diversified structure of the bank loan portfolio in the corporate segment with the firmly predominant agricultural-industrial sector reflects the regional sectoral composition of the economy and allows the bank to lower risks related to corporate debt financing in the South of Russia. A high share of collateralised liquid assets in the loan portfolio allows to lower lending risks.



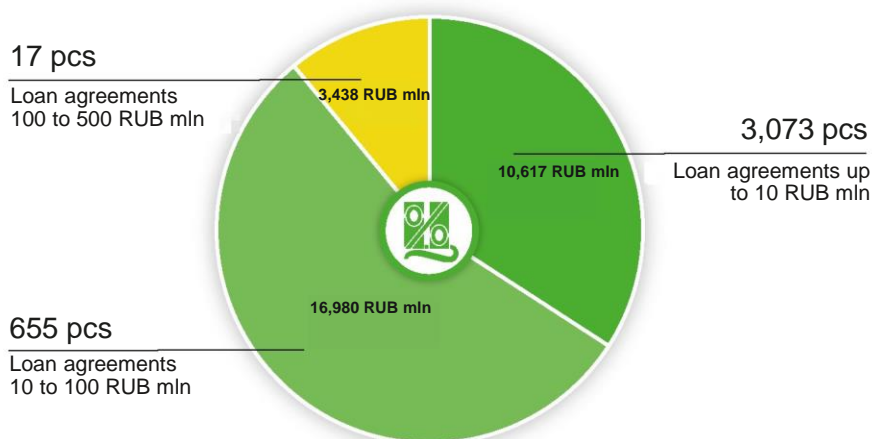
During 2022, the state supported the credit activities in an unprecedented manner, which included soft loans to agricultural-industrial sector, soft loans to IT companies, soft loans to small businesses under credit encouragement programmes for SMEs developed by the SME Corporation together with the Ministry of Economic Development and Trade of the Russian Federation and the Bank of Russia, soft loans to importers, Industrial Mortgage soft loan programme, and umbrella guarantee programme. Bank experts have consulted customers a lot, actively participated in the development and implementation of business support mechanisms supported by the state as well as under in-house programmes.

The accumulated anti-crisis management experience of the bank confirms that we are especially lucky to be present in the South of Russia because the diversified economy, entrepreneurial feel, and southern people's traditions of the creativity-oriented approach to life as well as to business always allow finding new solutions for new challenges. Particularly remarkable is borrowers' responsible conduct, as well as consistent loan monitoring which allowed to avoid past-due indebtedness growth.

The bank continues to effectively use remote service based interaction with its customers. Throughout 2022, more than **3,300** loan applications for business financing were received at the bank website, the online application share exceeded **50%**. Since the loan underwriting process is maximally digitalised (from the application filing to the loan amount issue and loan settlement), the bank increases its volume of lending to small businesses, which allows to diversify loan portfolio risks due to the decrease of corporate customer lending proportion.



Loan agreements concluded during 2022



In the modern conditions, decision making promptness, loan servicing ease, and individual selection of a loan programme with the account of the regional character of the conduct of business are very important.

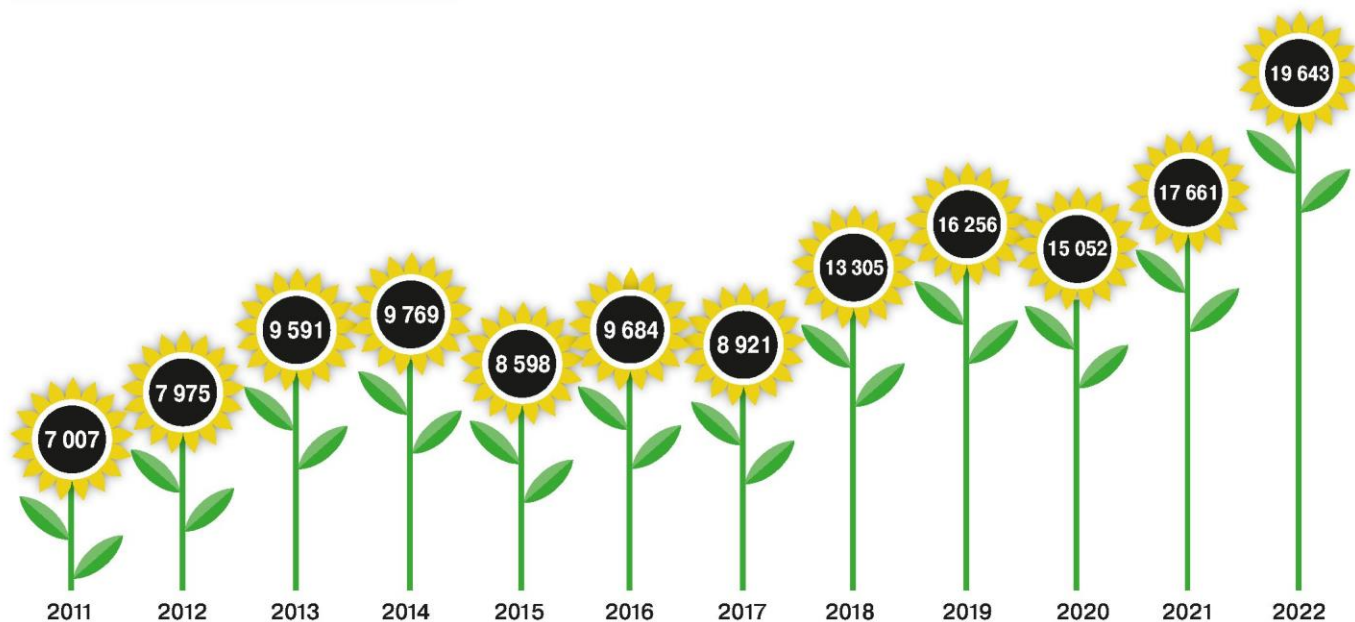
Despite the introduced sanctions and the economic situation, the bank is continuing to develop according to ESG principles and sustainable development goals. For 30 years so far, Center-Invest Bank has been working on the agriculture modernisation, development of women/young adult/social entrepreneurship, business transformation, energy efficient project lending, renovation of apartment buildings, as well as taking care of people's happiness in the South of Russia. With its huge experience in the financing market, the bank continuously helps to increase the financial capability of the population and businesses, and to train a new generation of entrepreneurs.

The loan portfolio for entities remains focused on agribusiness. The agribusiness loan portfolio volume is **19.6** RUB bln. **1,491** AIC enterprises from southern Russia are borrowers of the bank.

Due to its climatic characteristics, the South of Russia has a strong presence in the AIC sector, thus working with AIC is a priority for our bank. The AIC loan portfolio is more than **50%** of the entire business lending portfolio.

In 2022, prices for agricultural products were lowered. Timely loan settlement by agricultural enterprises demonstrates the customers' responsible attitude to their business, partners, and employees.

Value of AIC loan portfolio, RUB mln



The bank has continued its active participation in soft loan programmes of the Ministry of Agriculture of the Russian Federation. During 2022, customers of the bank received **8.2** RUB bln as soft loans for their business development.

Retail Lending

Mortgage lending is still the leader of retail loan products. The volume of issued mortgage loans at the end of 2022 was 12.5 RUB bln. The living conditions of 4,029 families were enhanced with loans from the bank.

Center-Invest Bank offers in-house mortgage programmes. The set of the programmes and their content can meet the needs of any customer. Center-Invest Bank participates in the implementation of all the state initiatives increasing mortgage lending availability and offers unique ESG loans for healthcare professionals and the Green Mortgage programme.

The portion of state supported mortgage programmes is 22% by quantity and 21.4% by the total amount of loans issued during 2022. In-house mortgage lending programmes allow to accommodate customers' interests and cover various lending goals.

In total, 12 Russian credit institutions, including Center-Invest Bank, participate **in the state programme for real estate acquisition in rural areas** (Decree of the Government of the Russian Federation No. 1567). Under this programme, the bank has continued to provide loans at the minimised rate of interest up to 2.75% per annum. In 2022, 507 loans were provided with the amount of 1.3 RUB bln, which is 13.1% by quantity and 11.2% by amount of mortgage loans provided by the bank.

Center-Invest Bank continues to participate in **the 6% for real estate acquisition/construction state programme** (Decree of the Government of the Russian Federation No. 566). In 2022, 264 agreements were concluded with the amount of 0.9 RUB bln, which is 6.8% by quantity and 7.4% by amount of mortgage loans provided by the bank.

Center-Invest Bank continues to implement **the 5.5% of real estate acquisition/construction for families with children state programme** (Decree of the Government of the Russian Federation No. 1711). In 2022, 105 loans were provided with the amount of 393 RUB mln, which is 2.7% by quantity and 3.2% by amount of mortgage loans provided by the bank. Under this programme, Center-Invest Bank not only provides loans, but also reduces rates of interest for existing loans — in 2022, Center-Invest reduced the rate of interest for 57 agreements by the indebtedness amount of 84.1 RUB mln.

Center-Invest Bank started implementing **the 4.8% Mortgage for IT Specialists state programme** (Decree of the Government of the Russian Federation No. 805) for real estate acquisition/construction. In 2022, 6 agreements were concluded with the amount of 0.04 RUB bln, which is 0.2% by quantity and 0.4% by amount of mortgage loans provided by the bank.

The bank decided to develop and distribute its own programme **of mortgage loan provision for specialists and teachers from IT industry**. Under this programme, customers were offered with the minimum interest rate of 5.4% per annum. In 2022, 230 loans were provided with the amount of 1.1 RUB bln, which is 5.9% by quantity and 8.8% by amount of mortgage loans provided by the bank.

Center-Invest Bank has prolonged the special terms of 2021 under the in-house lending programme for the **support of healthcare professionals**. Doctors, female and male nurses may apply for a new loan, refinance an existing loan regardless of its type and purpose with special terms, and get a reduced rate for already existing loan agreements. In 2022, the bank concluded 1,002 agreements with healthcare professionals with the amount of more than 881 RUB mln, which is 5.11% by quantity and 4.22% by amount of loans provided by the bank. With this programme, the bank expresses gratitude to customer healthcare professionals for their work.

In 2022, Center-Invest Bank provided the first in Russia consumer loan online at Banki.ru platform and became the first bank in Russia which was simultaneously integrated with two marketplaces (Finuslugi and Banki.ru). By using the marketplaces, the bank has additionally received for consideration in total more than 8,000 applications for the total amount of 4.5 RUB bln from 46 constituent entities of the Russian Federation. Banki.ru is the most popular rating platform in Russia. The possibility to apply for a loan online at this platform can make a bank brand more recognisable and trustworthy, expand the operations area and increase sales. The average monthly traffic of the platform is 60 mln users, 40% of which are interested in consumer loans.



Bank Cards

Center-Invest Bank is one of the largest regional players in the bank card market and is recognised by the Bank of Russia as a significant bank in the payment services market. As of 1 January 2023, 396 thousand cards issued by Center-Invest Bank are in circulation, including 313 thousand cards of Mir national payment system. The bank's terminal network has grown during the year to 610 ATMs, 502 payment terminals and 9,093 POS terminals.

During the year, customers performed 23.2 mln of card account operations for the amount of 62.9 RUB bln. All the bank card transactions are performed through the own processing centre. Three card personalisation centres (in Rostov-on-Don, Volgograd, and Krasnodar) issued 89,628 cards in payment systems Visa, MasterCard and Mir during 2022. The remaining balance on card accounts of individuals was 8.6 RUB bln.

The customer activity is growing in Online Bank and Mobile Banking services. The amount of Online Bank and Mobile Banking unique users increased during 2022 by 21% and was 144,078 customers. The user amount of the new Mobile Banking increased by 216% and exceeded 87.5 thousand users.

The total payment volume through these services grew by 16.7%, to 5.83 RUB bln, the number of payments grew by 4.9% to 907.7 thousand.

Within the new Mobile Banking development process, c2b transfers through the Faster Payments System ("SBP") were added and cross-border payments by card number became possible. Transfer volume through the Faster Payment System exceeded 12 RUB bln during 2022. Being socially responsible, the bank prolonged the commission cancellation period for utility payments in services Online Bank and Mobile Banking.

In 2022, the bank extended the line of its card products with a new Advanced Card product with free service, cashback payment for all purchases, and interest accrual to the account balance, renewed the Children's Card issue terms and the service terms of Pension Card and other card products.

Even more customers benefited from Pension Card by Center-Invest Bank in 2022. More than 4,200 Pension Cards were issued, and the total amount of users of this product exceeded 14,000. The remaining balance on Pension Cards is consistently growing from the spring of the current year. As of the end 2022, the remaining balance exceeded 1.2 RUB bln.

Customers can apply for pension transfer to Center-Invest Bank cards without visiting the Pension Fund of Russia: a special function was developed for customers' convenience which can process and send applications to the Pension Fund of Russia directly from the bank office.

In October 2022, Pension Card by Center-Invest Bank entered the rating of ten profitable pension debit cards in data portal Bankiros.ru.

Center-Invest Bank got the 1st place in Best Mir Debit Cards rating of vbr.ru analytical service. Mir universal card by Center-Invest Bank is leading the rating of the best cards in Russia among top 51–100 banks by assets.

The feature of charging raised interest on the account balance is implemented for customers who participate in salary projects. The interest depends on the volume of purchasing with the card or crediting the salary to the account.

As part of the sale of fan cards for Rostov-Don handball club and Chaika football club, the issue of cards in 2022 exceeded 3,200 cards. The remaining balance volume on these cards grew by 46% during the year.

Center-Invest Bank and Chaika football club are continuing to develop their interaction under the partner agreement. A set of benefits is available now for Chaika football club players and employees, provided by Center-Invest Bank with Supreme premium cards of Mir payment system.

During 2022, the bank paid to customers the total of 64.6 RUB mln under the cashback programme.



Deposits

During the accounting year, the geographical spread of depositors who concluded agreements through Moscow Exchange marketplace Finuslugi became more than 3 times bigger.

| Region | Locality |
|--------------------------------|---------------------|
| Krasnoyarsk Territory | Krasnoyarsk |
| Moscow | Moscow |
| Novosibirsk Region | Novosibirsk |
| Samara Region | Tolyatti |
| Saint Petersburg | Saint Petersburg |
| Tatarstan | Kazan |
| Tula Region | Tula |
| Khabarovsk Territory | Khabarovsk |
| Khanty-Mansi Autonomous Okrug | Nizhnevartovsk |
| Yamalo-Nenets Autonomous Okrug | Tazovsky Settlement |
| Bashkortostan | Yumatovo Village |
| Vladimir Region | Vyazniki |
| Irkutsk Region | Mishelevka |
| Kostroma Region | Fanernik Settlement |
| Krasnodar Territory | Krasnodar |
| Krasnodar Territory | Armavir |
| Krasnodar Territory | Yeysk |
| Kursk Region | Kursk |
| Karachay-Cherkess Republic | Cherkessk |
| Moscow Region | Domodedovo |
| Moscow Region | Dolgoprudny |
| Moscow Region | Mozhaysk |
| Moscow Region | Pavlovsky Posad |
| Moscow Region | Balashikha |

| Region | Locality |
|-------------------------------|-------------------------------|
| Moscow Region | Krasnogorsk |
| Moscow Region | Khimki |
| Moscow Region | Klin |
| Moscow Region | Istra |
| Moscow Region | Lyubertsy |
| Nizhny Novgorod Region | Nizhny Novgorod |
| Oryol Region | Oryol |
| Rostov Region | Rostov-on-Don |
| Rostov Region | Pigarevsky Hamlet |
| Rostov Region | Aksai |
| Rostov Region | Kagalnitskaya Stanitsa |
| Samara Region | Samara |
| Saratov Region | Engels |
| Saratov Region | Balakovo |
| Saratov Region | Saratov |
| Sverdlovsk Region | Ekaterinburg |
| Sverdlovsk Region | Nizhnyaya Tura |
| Smolensk Region | Smolensk |
| Tatarstan | Bugulma |
| Tyumen Region | Tobolsk |

 — new regions

The policy of phasing out of foreign currency in the private deposit portfolio, pursued by the bank during the last years, accelerated in 2022. The remaining foreign currency balance dropped by 41% by the end of the year. At the beginning of 2023, the portion of foreign currency deposits was less than 2%.

Legal Entity Settlements and Payments

The bank has launched a new RBS for Entities mobile application where customers can conduct transactions in accordance with agreed limits.

Center-Invest Bank has introduced a new simpler user interface oriented to the small business segment and individual entrepreneurs. The following key benefits are remarkable: smart search, autosuggest of beneficiary details, check of contractors and pricing plan management.

The bank acquiring network has grown from 8,188 to 9,093 POS terminals. The gain is 11%.

From April to September 2022, the bank fulfilled CBR requirements and restricted the maximal acquiring rate to 1% for enterprises selling socially significant goods and rendering such services.

Center-Invest Bank became the first bank in Russia to integrate the Single Window state information system for foreign trade activities (My Export digital platform), which is hosted by the Russian Export Centre. This new service established a convenient payment environment for the bank customers who are participants of foreign economic activities.

My Export digital platform provides online access to government and business services that provide support for the companies' export-oriented efforts. The services of this platform offer solutions for the key tasks at every stage of the export cycle.

The new service builds a seamless digital environment for the potential exporters and entrepreneurs through implementation of the complete procedure for obtaining paid services in the area of foreign trade.

The bank participated in FTD auctions in the Volgograd Region and gained the right to process FTD cash provision accounts up to 2025.

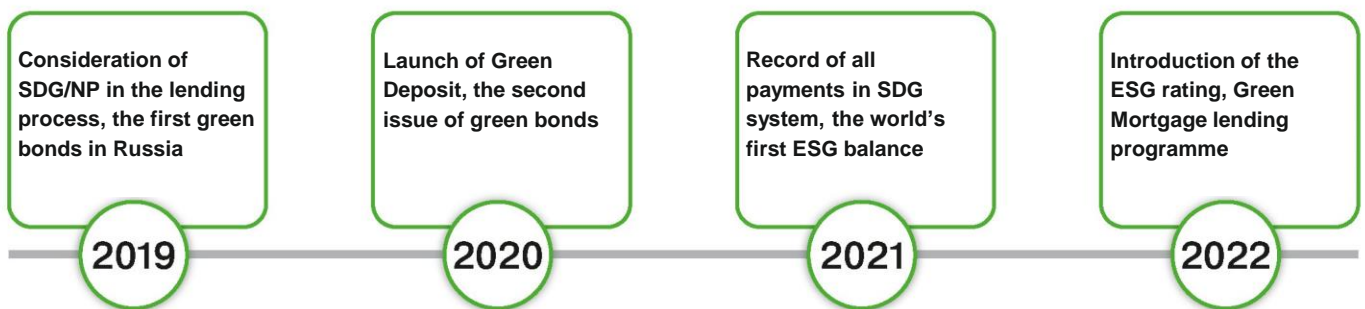
The amount of ATM accepting cash for self-encashment is rising annually.

| 150 ATMs in total: | 31.12.2022 (gain during 2022) | |
|---------------------------|--|------------|
| Rostov-on-Don | 51 | +11 |
| Rostov Region | 52 | +9 |
| Krasnodar Territory | 27 | +3 |
| The Republic of Adygeya | 3 | +1 |
| Stavropol Territory | 7 | |
| Volgograd Region | 6 | |
| Moscow | 1 | |
| Nizhny Novgorod | 3 | +1 |

ESG Products

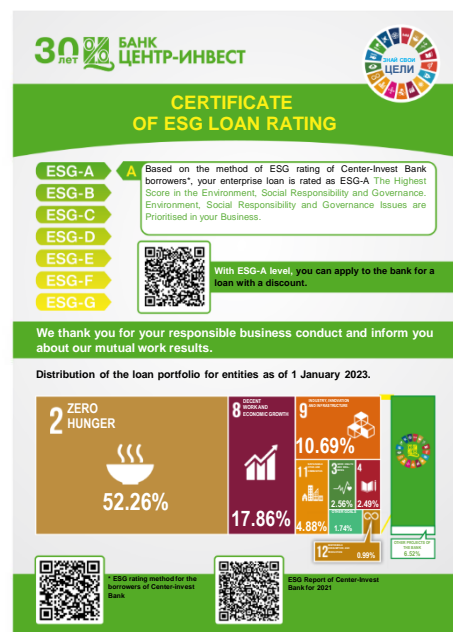
Center-Invest Bank is an example of the successful implementation of ESG banking in Russia. It is important to evaluate the effect on the society, environment, ecosystem development, and business corporate standards using ESG principles.

The bank consistently implements the steps toward the sustainable development:

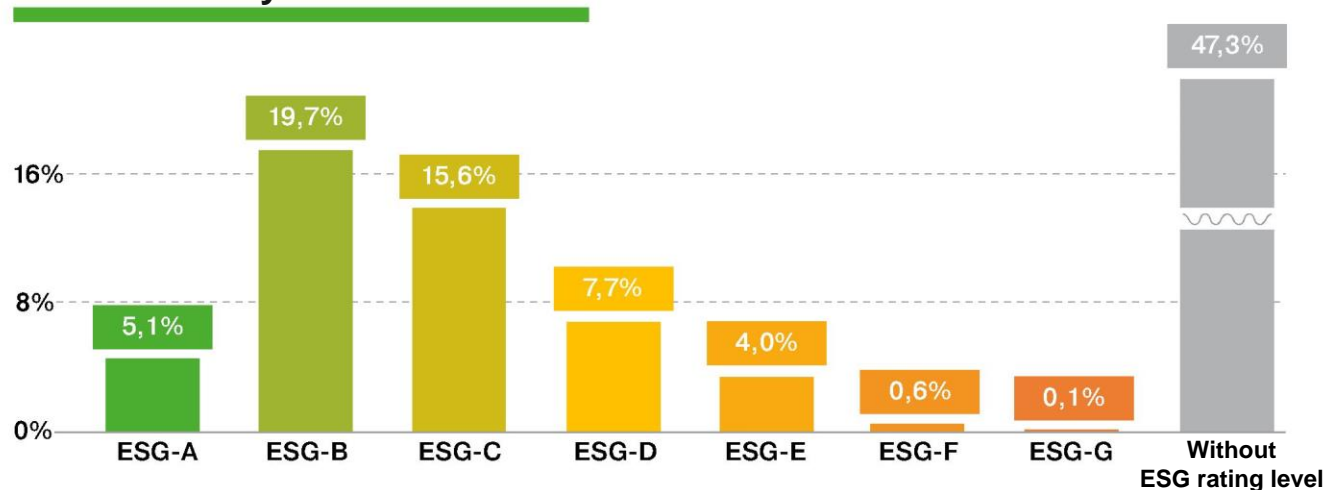


In 2022, a new methodology was established for the assessment of ESG risks for entrepreneur borrowers, which allows to consider more lending risks. The upgraded methodology has made the credit rating parameter list significantly longer, and the overall score defines one of the seven levels of the overall rating from the highest ESG-A to the lowest ESG-G.

At the year-end 2022, 3,117 loans with the total amount of 19.5 RUB billion entered the non-financial rating, which is 52.7% of the entire corporate loan portfolio. In this respect, 47% of all the rated loans got a high level (ESG-A/B), which indicates bank customers' high environmental, social, and corporate responsibility. Customers with ESG-A/B/C rating levels receive gratitude certificates for the responsible conduct of business. Moreover, the borrowers may apply for overdraft with a discount depending on ESG rating level (the higher the level, the bigger the discount). This way the bank is shaping the loyalty system and encourages entrepreneurs to conduct their business with responsibility.



Distribution of ESG rating levels among bank customers as of 1 January 2023



In 2022, the bank still offered Green Deposit which had been launched in March 2020. The main feature of this deposit is that the funds borrowed from depositors are used only for the projects allowing to reach certain UN Sustainable Development Goals (SDG). At the year-end 2022, 1,486 deposits were applied for in the amount of 760 RUB million. The deposit is issued for a period of 17 months, which corresponds to the number of SDGs.

In the small business sector, there are different groups; for each of them, special products are developed within the ESG banking system that take into account the specifics of ESG goals and lending risks.

Lending to female entrepreneurs implements the principle of gender equality and uses the lower risk appetite of women entrepreneurs. In 2012, Center-Invest Bank introduced a special programme to support women entrepreneurs that was used by 1,578 female customers for a total of 3.9 RUB billion (as of 1 January 2023).

Youth business aims to implement the creative ideas of the next generation within the framework of existing rules and barriers to entrepreneurial activity. For this purpose, the bank conducts training for startup entrepreneurs, provides benefits for cash management services and lending to startups, organises free consultations and mentoring based on its own accelerator. As of 1 January 2023, 889 startup projects were implemented for the total of 1.1 RUB billion.

Social entrepreneurship in Russia is one of the crucial goals in the modern society. Center-Invest Bank pays special attention to the development of social entrepreneurship in the South of Russia and since 2017 has been implementing a special loan programme called Social Responsibility. This loan programme is implemented with the aim of developing the business of social entrepreneurs in the fields of education, healthcare, culture and ecology. As of 1 January 2023, the bank has funded 151 projects under this programme for the amount of 447 RUB million. The bank offers a preferential interest rate on a loan, as well as a media platform for cooperation of social initiatives in the regions.

Since 2009, Center-Invest Bank has been providing loans for renovation of apartment buildings. By the end of 2022, the bank issued 222 loans to Homeowners' Communities for the overhaul of apartment buildings for the total amount of 458 RUB million. The borrowers do not incur any additional expenses. The main source of repayment of the loan are the mandatory monthly fees of housing owners for the overhaul of the building.

The bank's customers from Rostov and Volgograd Regions, Krasnodar Territory, Stavropol Territory, Moscow and Nizhny Novgorod took the loans. The programme is aimed at installing metering systems (general house meters for heat, water, and electricity), insulation and repair of walls and roofs, repair of pipelines, installation of energy-saving windows, modernisation and repair of lighting systems, installation of various automation and other measures to improve the energy efficiency of apartment buildings.


In spring 2020, the bank offered entrepreneurs the unique Business Transformation programme for them to adapt to the new economy. Using the total loan amount of 4.5 RUB bln, 1,566 customers developed and launched online applications, created remote services, digitalised and optimised business processes, and found their places at new markets due to using the programme which includes concessional financing, beneficial settlement and cash services, acquiring, and the provision of online cash register for free.

At the end of 2022, the Green Mortgage lending programme was launched which allowed individuals and entrepreneurs to acquire real estate with energy efficiency class A or higher for lower rates. In 2022, the first loans were provided under this programme. The bank will continue its implementation in the years to come.

 **STARTUP**

889
PROJECTS
FOR THE
AMOUNT OF
1 144
MILLION ROUBLES

- ✓ For startup entrepreneurs
- ✓ Up to 3 years
- ✓ Maximum 3 RUB mln
- ✓ Consultant services
- ✓ Personal mentor

 **BUSINESS LOANS FOR WOMEN**

1 578
PROJECTS
FOR THE
AMOUNT OF
3 908
MILLION ROUBLES

- ✓ For female entrepreneurs, managers or owners
- ✓ Production or sales of goods for women
- ✓ Visiting business events

 **TRANSFORMATION**

1 566
PROJECTS
FOR THE
AMOUNT OF
4 536
MILLION ROUBLES

- ✓ Response to COVID-19 pandemic
- ✓ Online application
- ✓ Quick decision
- ✓ Programme start from 2020

 **SOCIAL RESPONSIBILITY**

151
PROJECT
FOR THE
AMOUNT OF
447
MILLION ROUBLES

- ✓ Educational services
- ✓ Revival of cultural values
- ✓ Programme start from 2017

Energy efficient projects are a part of ESG. Center-Invest Bank has been implementing an energy efficiency programme since 2005, providing targeted loans to businesses and households to promote modern technologies and measures aimed at energy consumption reduction. Over this time, the bank has funded 23,409 projects worth 21.5 RUB billion. The environmental effect of this work is equal to the annual reduction of CO₂ emissions into the atmosphere by 259,140 tons.

Estimated CO₂ emission reduction values in various equivalents



In December 2021, the bank approved the ESG Digitalisation 2.0 Development Strategy 2022–2024. It continues the Strategy 2019–2021 and combines global UN Sustainable Development Goals 2030, the priorities of Russia’s National Projects 2024, and development goals under the Bank of Russia programmes. This nexus makes the bank more competitive and enables it to present itself on the banking services market as a pilot project, a success story, and an example to follow.

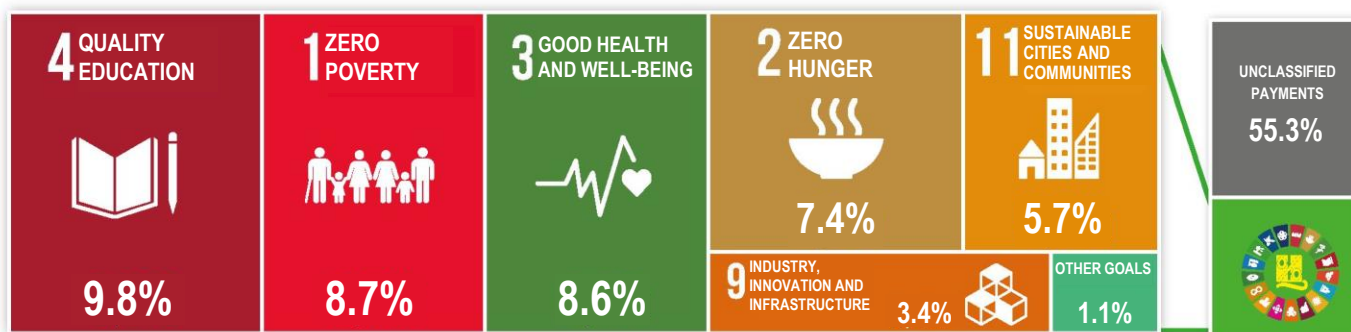
As of 1 January 2023, Center-Invest Bank’s investments in achieving global goals amounted to 395.6 RUB bln, the bank invested 384.3 RUB bln in national projects. For each depositor, the bank provides information on its participation in funding of the SDGs and National projects. This distribution clearly shows how each depositor of the bank participates in the sustainable development of the region, the country, the world.

Household payments are more closely (44.7%) linked to the SDGs, including:

SDG 4 (Quality Education), SDG 1 (Zero Poverty), SDG 3 (Good Health and Education): 8–10% of household payments for each

SDG 2 (Zero Hunger) and SDG 11 (Sustainable Cities and Communities) use 5–8%, and SDG 9 (Industry, Innovation and Infrastructure): 3.4% of all the household payments

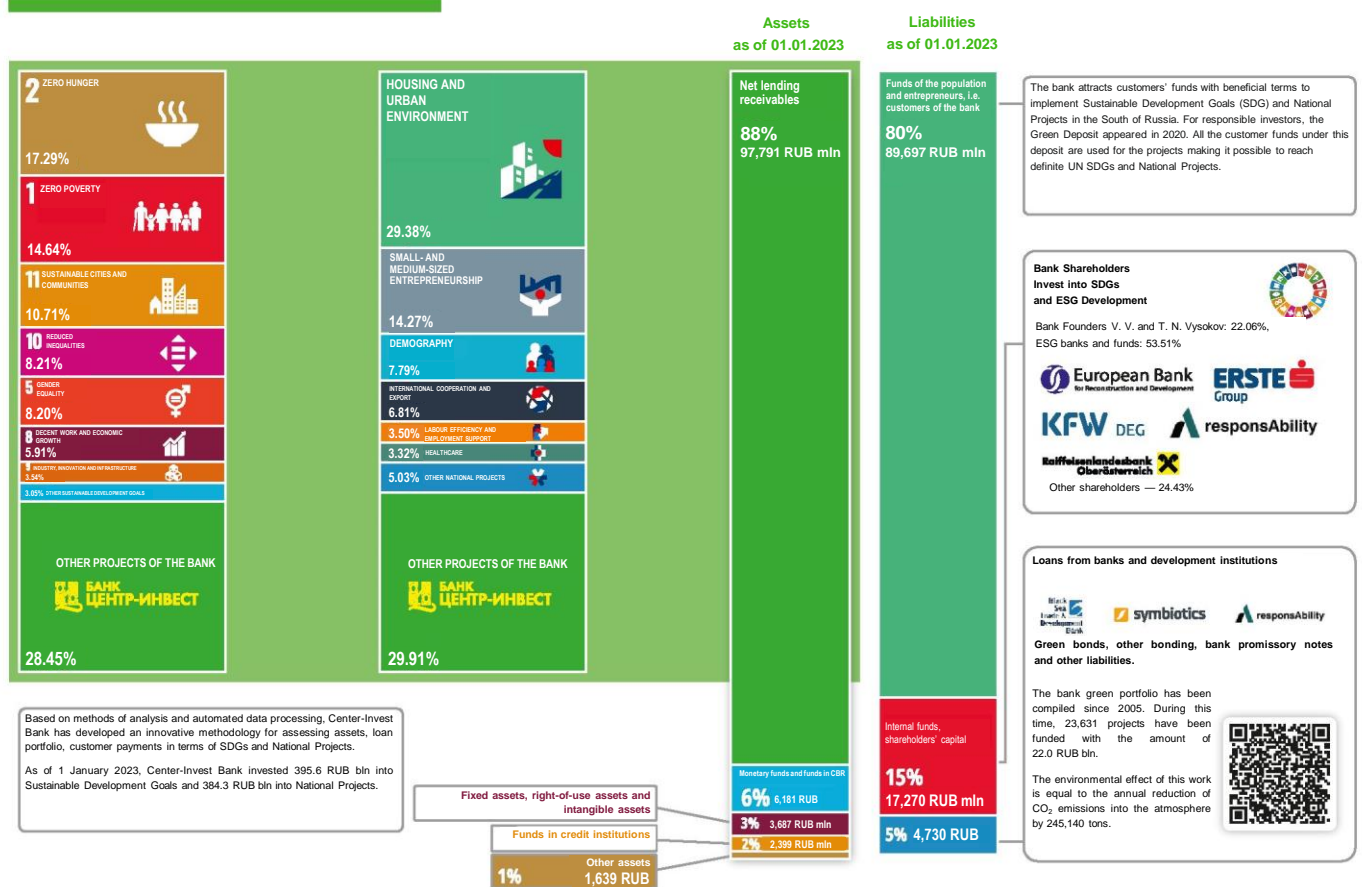
Distribution of payments of individuals in accordance with the SDGs as of 1 January 2023



The bank's ESG balance sheet makes it possible to assess the effectiveness of the ESG business model in achieving the SDGs. Center-Invest Bank multiplies the funds of shareholders (15% of liabilities) who have invested in the bank to implement the ESG principles, and attracts funds from other ESG investors (5% of liabilities) to transform the funds of customers (80% of liabilities) — the population and entrepreneurs of the South of Russia — in ESG projects, SDGs and National projects.

Thus, each rouble of investments of ESG shareholders is transformed into 5 roubles of investments for the SDGs and national projects. 88% of the bank's funds work in the real sector of economy.

ESG balance sheet



The customer service work of the bank product teams is not only focused on the feature expansion of the RBS main system, which is Center-Invest Business Online web application, but also on the provision of certain easy tools popular among small businesses. In line with this strategy, the bank launched in 2022 a new customer-friendly mobile app with a payment service and a new simplified web interface.

Bank Ecosystem Digitalisation

Information technologies and financial and technical innovations are an inherent factor of long-term success. We are witnessing the global tendency of accelerated bank field digitalisation and implementing various projects which will allow us to master new advanced technology, increase the market share, and raise the bank profit.

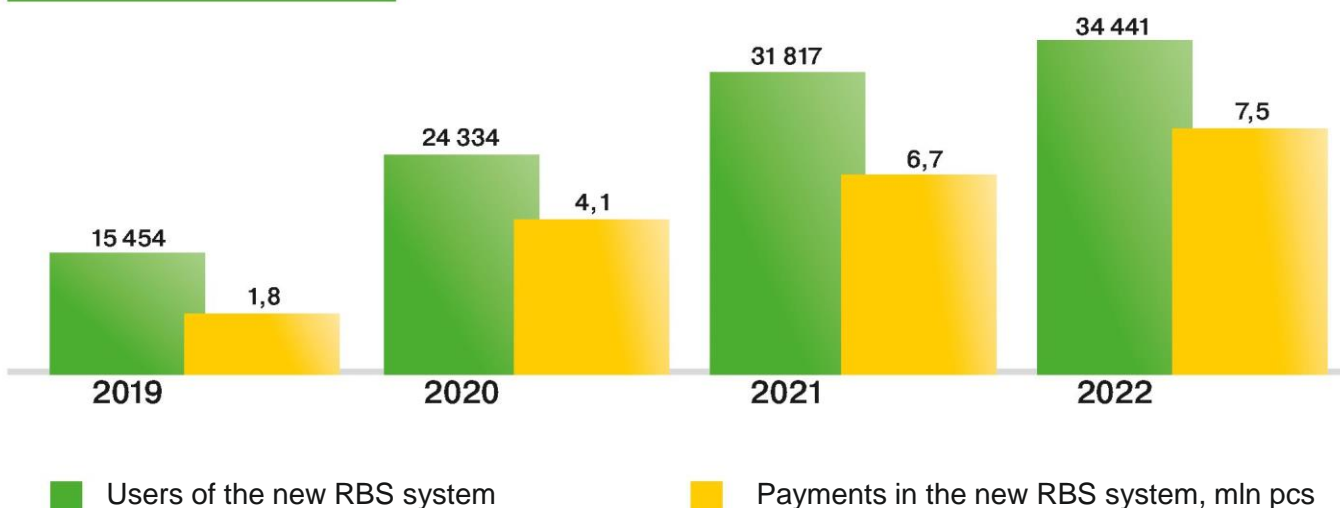
With the new normal, the information security and infrastructure sustainability became much more significant, higher reliability and import substitution are in focus. The sustainability-based IT strategy of the bank and greater attention to security made it possible to pass the turbulence.

The highlights of IT activities in 2022 were the following: working on the optimisation of technological and business processes, accelerated development of remote service channels, introduction of new technology with the account of higher security requirements.

Remote Services for Business

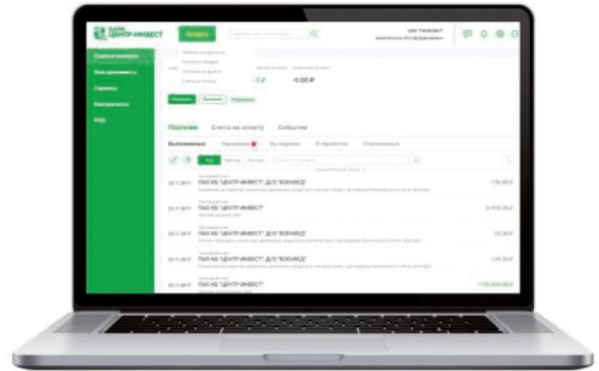
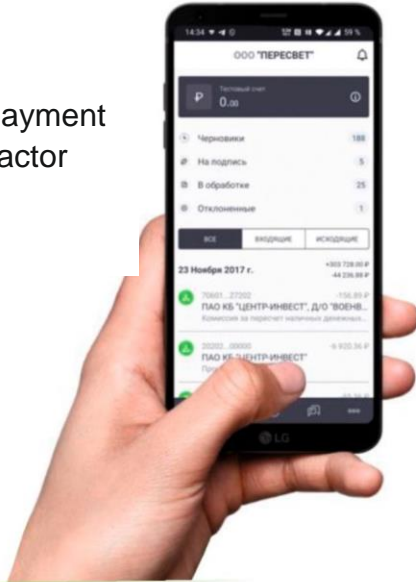
The upward advancement of the new RBS system of the bank for SME and entrepreneurs as well as the expansion of useful services result in a growing number of active users of the new RBS system and growing payments.

New RBS system



New RBS for entities

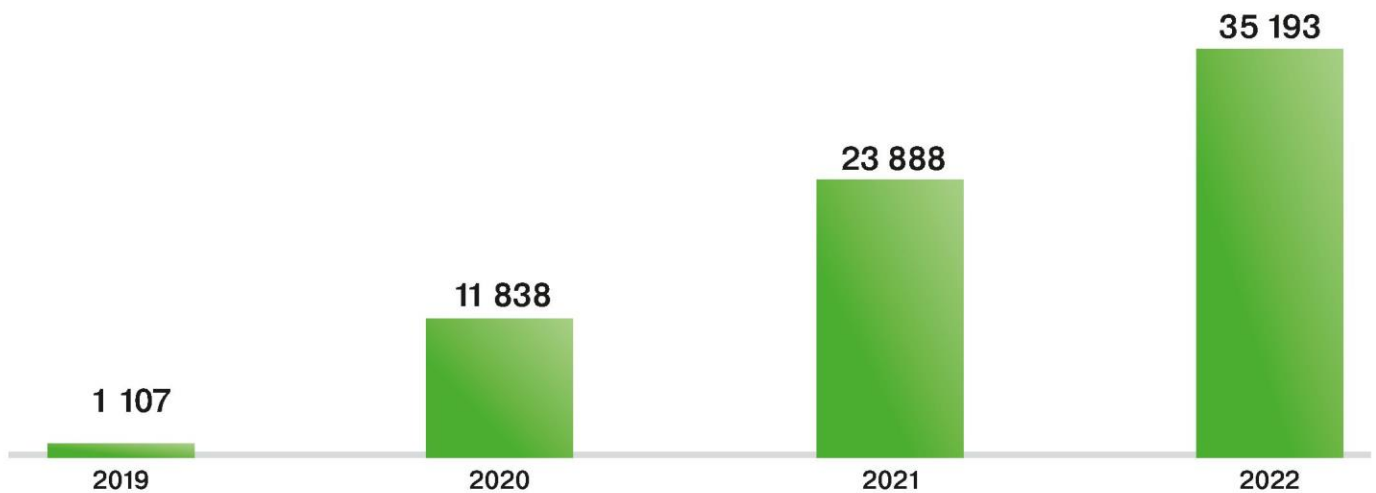
Mobile app with a payment service and a contractor check service



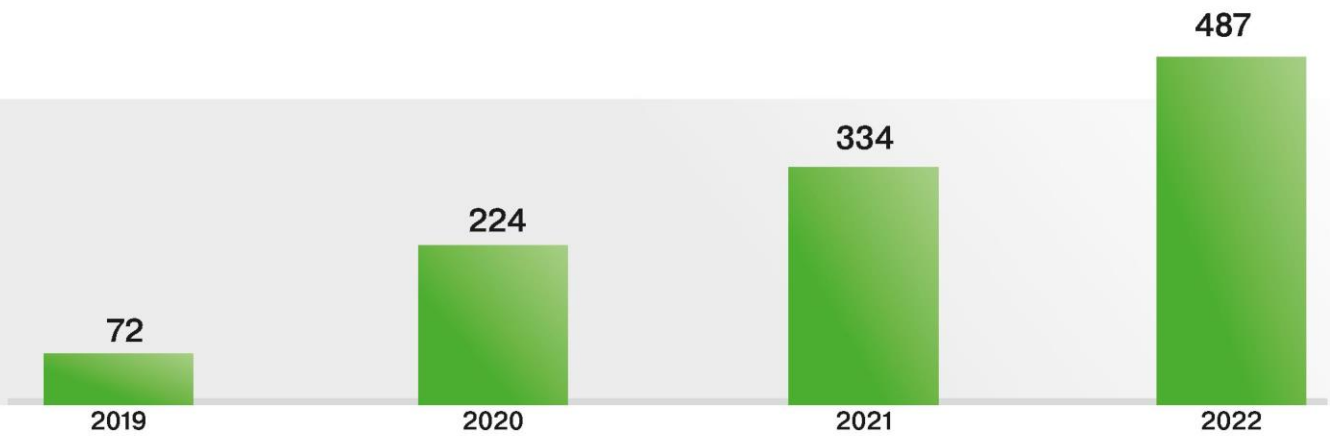
New convenient simplified interface with a module for issuing invoices and acts to contractors

The implementation of a convenient service for salary projects managed by customers in RBS led to a rising number of processed salary registries and of companies paying salary to their employees through the RBS of the bank.

Number of processed Payroll documents in RBS for entities



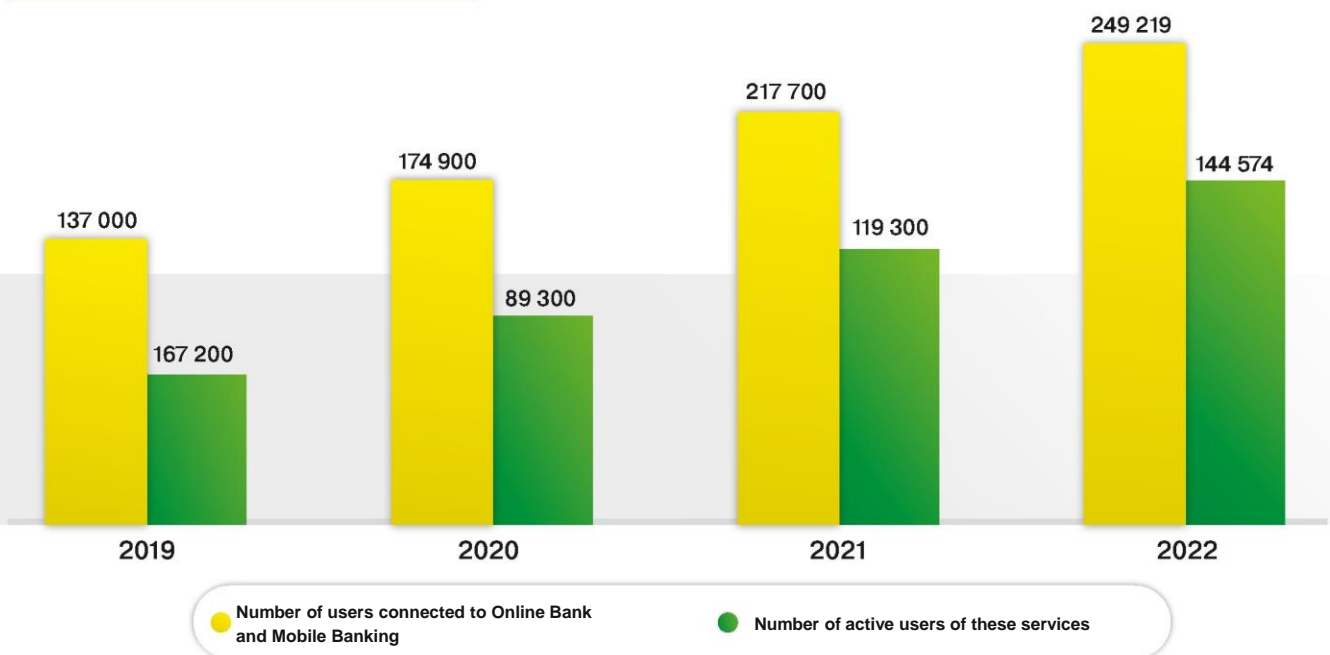
Number of companies participating in a salary project in RBS for entities



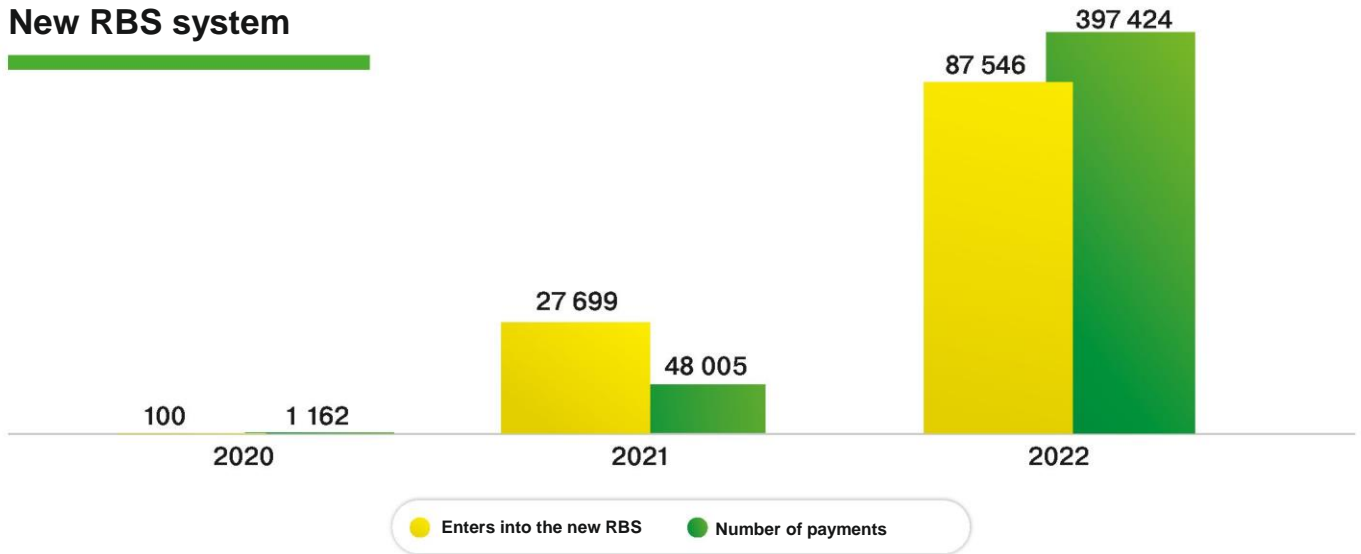
The bank has promptly plugged into the National Financial Messaging System (FMS), which will allow outgoing payments between credit institutions within and beyond the country, no matter the geopolitical situation.

The bank started 2022 with a new app for retail customers of Mobile Banking, which was developing gradually throughout the year, new services encouraged the customer base growth and increased customer activity.

Remote service usage by customers



New RBS system



Continuously developing mobile apps and available transfers through the Faster Payments System make switching to payments through remote channels more and more popular among users.

Portion of payments through remote channels (%)



To reinforce RBS security under foreign sanctions, the bank experts implemented the support of domestic certificates providing for the safe connection with servers of the bank.

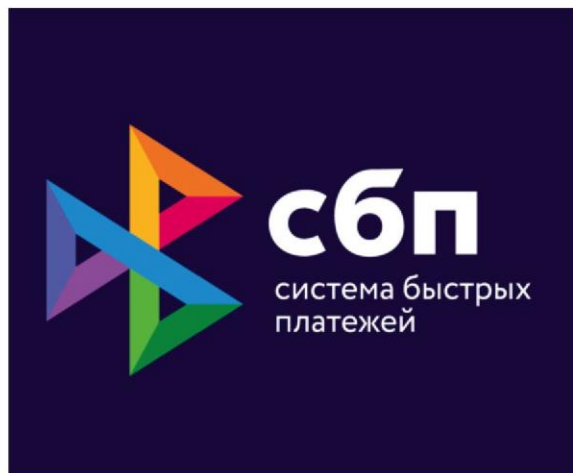
Under foreign sanctions in 2022, our IT specialists made it possible to download the mobile app from domestic app stores — RuStore and NASHSTORE, as well as from Huawei AppGallery.



AppGallery



Extending Payment Functionality



In 2022, the pilot operation of SBP c2b service and SBPay app started.

The payment functionality is extended within the implemented project for individuals as well as for points of sale served by the bank.

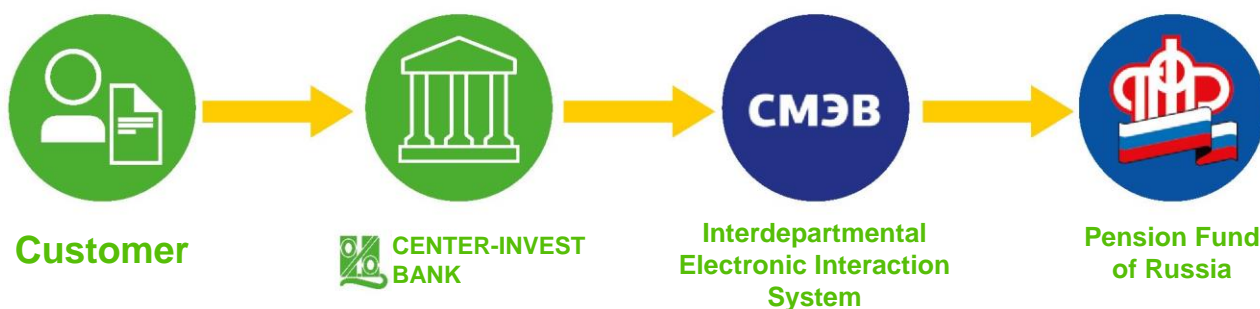
It is now available for individual customers to pay for goods by QR code through the bank mobile app or SBPay app. QR code payment features for points of sale are provided for entities and entrepreneurs.

A project between the bank and NSPK for the development of non-financial bank services in payment app MirPay has made it possible to use a smartphone with MirPay as an identifier in ACS and other infrastructure of the largest university in the South of Russia — the Southern Federal University (SFU). For NSPK and Center-Invest Bank the objective of the project was to promote non-financial services of the MirPay payment app in order to increase the range of functions offered and enhance the financial transaction-related activity of the customers. The project took the first place in the GlobalCIO regional IT project competition.



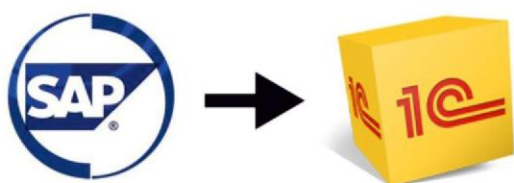
Integration with State Services

Within the tendency of developing integration with state services, it is now possible for customers to apply to the Pension Fund of Russia for the transfer of pension savings to the account under a deposit agreement or a plastic card of Center-Invest Bank.



The service introduction has significantly shortened the time of service provision to customers since it was no longer necessary to visit an office of Multifunctional Centre/Pension Fund of Russia.

In 2022, an unprecedented number of goals were implemented to prevent cyberthreats, provide for safety, import substitution, and to increase reliability of the bank IT infrastructure. Among others, the work for using domestic protection for communication channels according to GOST standards was promptly implemented, data exchange channels with Moscow Exchange and Banki.ru marketplace were protected, bank services were provided with certificates from Russian certification authorities. The data exchange between bank offices was additionally protected with GOST VPN coding.



During the process of switching to domestic software, several projects were being implemented on a very tight schedule, for example, thanks to the bank team dedication it was possible to switch to a payroll calculation solution and personnel record keeping from companies 1C and Antegra in only 4 months.

Full Package of Services

In 2022, Center-Invest Bank suggested to individual customers to conclude agreements for full package of banking services (DKBO). Now after signing once the DKBO with the bank, customers no longer had to sign separate agreements for each deposit, card, loan or account and deal with too much of paperwork. The customer now has the access to all the bank products, and submitting an application for a certain product is sufficient. Furthermore, DKBO lets get any bank product without leaving home, by submitting a relevant application through the mobile app or Online Bank. With DKBO, the bank can demonstrate its devotion to ESG principles. DKBO also provides customers with new convenient services.

Sale Digital Channels

In 2022, Center-Invest Bank expanded its presence in the regions of Russian Federation by opening an office in the Republic of Adygeya. As of 1 January 2023, the bank branch network consists of 108 internal structural units in seven regions of Russia.

The developed branch network allows to repeat unique products and solutions of Center-Invest Bank, which are competitive in all the regions of presence.

| RUB bln | Assets | Loan portfolio and leasing | Funds of individual customers | Funds of corporate customers |
|--|--------------|----------------------------|-------------------------------|------------------------------|
| Rostov Region (without the Head Office) | 52.68 | 52.39 | 34.14 | 19.89 |
| Krasnodar Territory | 22.37 | 22.59 | 3.20 | 3.78 |
| Volgograd Region | 5.17 | 5.18 | 0.55 | 1.00 |
| Stavropol Territory | 2.50 | 2.48 | 0.39 | 0.34 |
| Moscow and Nizhny Novgorod | 5.39 | 5.34 | 0.18 | 0.18 |
| Total | 88.11 | 87.97 | 38.47 | 25.19 |
| Branch network portion in the overall bank balance | 78.88% | 85.46% | 64.79% | 79.21% |

To optimise the branch network, twin offices were combined as well as offices limited in their potential to provide services to the public and entrepreneurs. Office combining takes place in parallel with the upgrading of bank sales channels, their reshaping to a single modern format, and expanding digital sales channels.

The following sales channels have been reshaped to new modern formats, their addresses were changed to better locations: Selmash supplementary office и supplementary office on Sotsialisticheskaya street (Rostov-on-Don), Nizhny Novgorod supplementary office (Nizhny Novgorod Region), Armavir supplementary office (Krasnodar Territory). Simultaneously, 7 bank offices renovated their exterior and upgraded their equipment.

In 2022, the trend for the expansion of interaction with Multifunctional Centres was continued (Multifunctional Centres for Provision of State and Municipal Services) which shows positive response from customers, as well as for active development of sales channels with additional functions. The last year, Multifunctional Centre employees were added in Novocherkassk and Nizhny Novgorod Branch No. 8 supplementary offices. This service is already available in 14 offices of the bank.

Distribution of P100 deposits of bank customers as of 1 January 2023



In 2021, the bank has developed a system for classifying customer payments for compliance with the UN Sustainable Development Goals with the use of the in-house methodology.

So far, it is possible to unambiguously establish the correspondence between the destination of corporate customer payments and the SDGs only for 31.4% of calculations that are aimed at achieving:

— SDG 2 (Zero hunger): 24.5% of all the payments are connected, since legal entities as customers of the bank work in the agro-industrial complex, production and sale of food products

— SDG 1 (Zero poverty): 2.0% of payments are related to the implementation of social support programmes for low-income families

— SDG 9 (Industry, Innovation and Infrastructure), SDG 3 (Good Health and Well-Being), SDG 4 (Quality Education), SDG 8 (Decent Work and Economic Growth), SDG 6 (Clean Water and Sanitation), SDG 13 (Combating Climate Change) account for from 0.5% to 1.3% of all the corporate payments each, which corresponds to the roles of these SDGs in the enterprise activities

Distribution of payments of entities in accordance with the SDGs as of 1 January 2023

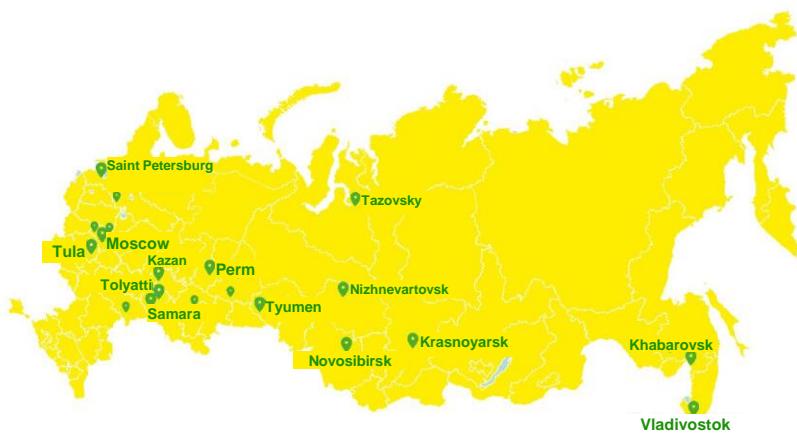


Marketplaces

In 2022, Center-Invest Bank continued to actively participate in the creation and development of financial marketplace infrastructure.

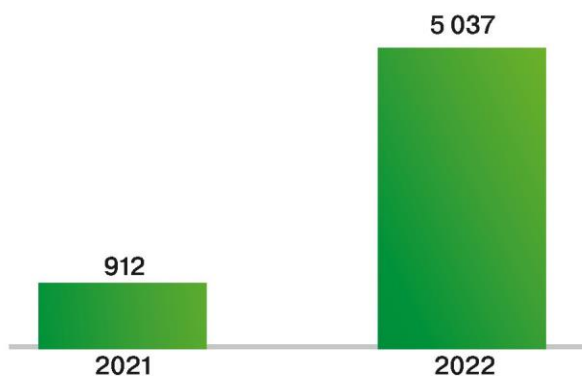


Already in 2020, Center-Invest became the first bank to open a deposit by application received from a deposit marketplace, and at the end of 2021, the bank provided the first in Russia loan by application received from the loan marketplace of Moscow Exchange (Finuslugi). At the end of 2022, Center-Invest became the first bank to provide the first online loan by application received from the loan marketplace banki.ru. Banki.ru is the most popular rating platform in Russia. The possibility to apply for a loan online at this platform can make a bank brand more recognisable and trustworthy, expand the operations area and increase sales. The average monthly traffic of the platform is 60 mln users, 40% of which are interested in consumer loans. Portal Banki.ru is visited daily by millions of users from all over Russia. They can use the best loan products of Center-Invest Bank without leaving home in the completely remote format.



Center-Invest bank received more than 5,000 applications for loans with the total amount of more than 2.6 RUB bln from marketplaces Banki.ru and Finuslugi in 2022. The applications would come from different regions of Russia, including those which are not regions of the bank presence: the Khanty-Mansiysk Autonomous District, the Yamalo-Nenets Autonomous District, the Kamchatka Territory, the Khabarovsk Territory, the Primorsky Territory, the Republic of Tatarstan, the Republic of Karelia, Kostroma Region, Vologda Region, and others.

Number of applications for loans through marketplaces



In the end of 2022, Center-Invest Bank launched a pilot scoring platform on the basis of the machine learning technology. The solution has demonstrated good validation results and its commercial operation is planned for 2023. It will allow to more promptly make decisions concerning consumer loan applications and reduce loan officers' workload.

A new strategy of processing customers' feedback and ratings was also implemented within the framework of interaction with the largest rating platforms Banki.ru and Sravni.ru. Our customer service resulted in leading positions in these platforms, as well as better bank recognition, higher customer loyalty, and higher corporate spirit of our employees. The number of transitions to the bank website increased by 20% after the bank entered the Top 15 at Banki.ru and the Top 3 at Sravni.ru. That said, the interest in products within the platform increased by 40% after they took from the 1st to the 3rd places in regions of the bank operation.

New Website

In May 2022, the bank launched an upgraded version of its website. A reliable platform, modern interface, convenient menu, key product highlights and simplified application forms are expected to attract new customers, ensure convenient interaction with them, and boost sales. The website was highly evaluated among expert publications and entered the Top 25 of the best bank websites in Russia according to brobank.ru. The upgraded website has been visited by more than 850,000 new users.

An important part of the upgraded website is a new unique ESG section reflecting all key activities of the bank in this respect and presenting green products. It duly underlines the bank concept and its green image and provides a handy tool for employees to make presentations and work with partners.

The Green Vector Magazine

The bank was the first in Russia to publish a digital banking ESG magazine: *The Green Vector*. The magazine content covers the whole range of ESG issues, assists in the quality integration of the green products and highlights the bank's image.

Such big platforms as plus-one and rabota.ru also started cooperating with us. Magazine articles are distributed in social media and forums covering up to 200,000 users with one publication. The magazine subject matter attracts new customers who also value ESG principles.

Social Media and New Sales Channels

In 2022, a new strategy of social media management was implemented. The Bank employees answer subscribers' questions and share their useful expertise in the publications. Moreover, loyal customers are getting engaged in generation of the content. This highlights the concept of a flexible open bank with a human face. The communication effectiveness, activity of the audience and its number continue to grow. More and more applications for products are submitted through these channels.

As of today, the bank social networking brings together 60,000 subscribers and regularly enters the lists of the largest and the most active social networks in Russia. The audience growth over a year amounted to 43%.

It is noted that the high level of service in digital channels and messengers and the positive dynamics of involvement in the social networks confirm the openness of the company, the effectiveness and balance of the chosen communication strategy in interaction with all the interested parties that includes digital and offline channels.



In 2022, the bank continued the optimisation of business processes in the call centre. Due to employees' work automation, the bank reached its goals of improving customer service quality, reducing the workload and optimising customer service in different remote channels. The introduction of a new service — chat bot — made it possible to automate the customer service in messengers to 21%.

Thus, Center-Invest Bank continues its active digital development by improving the quality of its services and products and ensuring the high level of service in digital channels and messengers.

Digital Transformation of HR Processes

In 2022, implementation of the Mirapolis innovative digital HCM environment for employees and leaders has been started. Mirapolis software vendor is a leader in Russian solutions for digital transformation of HR processes.

The introduction of the software will help raise the speed and quality of taking management decisions on the basis of end-to-end analytics data.

The platform assists in managing employees' training and development throughout the entire work time cycle, connects the processes of development, career pathing and succession, and ensures the digitalisation of internal communications.

The bank concluded an agreement to implement the following system modules: training, adaptation and development, evaluation, skill pool, and performance management.

The training and evaluation modules are implemented at the first stage of the project. Module installation and primary setting have been performed using test fixtures of the bank.

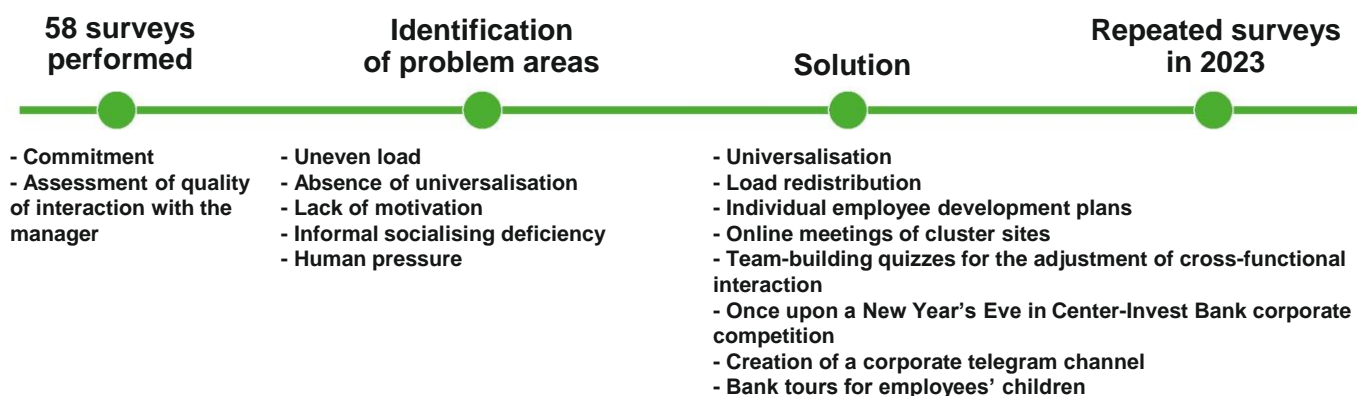
Development of Corporate Culture

The bank pays much attention to the commitment and loyalty of its personnel, thus it continues to actively use surveys as an effective diagnostic tool for essential changes and internal communication development.

Surveys help to promptly focus efforts on the current issues, keep the team strong, reduce the personnel turnover, and discover talents. Moreover, surveys help acknowledge the value of the employees: they see that their opinion is important and significant for the bank. On the basis of the information received from employees, the necessary changes are initiated in processes and communications.

Development of corporate culture

Employee Surveys



Team building quizzes are made in various formats — online for regional offices and offline for head offices and units in Rostov. Quizzes bring people together through socialising and improve the team communication.

For competition “Once upon a New Year’s Eve in Center-Invest Bank”, 38 teams presented their competition projects. 60% of employees were involved in the process — they reviewed the competition projects and actively supported the participants. The event helped to strengthen the corporate spirit, create the positive environment and build the team.

A corporate channel in telegram as a tool for the corporate culture development can convey key values and reinforce the HR-brand of the bank.

The Telegram channel operates as a platform for socialising and facilitating the interaction between employees from different units and offices. It is also effective for onboarding, because it helps newcomers to quickly delve into the bank environment and get closer with colleagues.

Corporate events for families — bank tours for employees’ children — have a positive effect on employees’ loyalty and motivation.

The children have the opportunity to see where their parents work, to get bright impressions and memorable gifts, and share emotions with their parents.

In parallel, employees become proud of the company, they feel they have chosen the right place of work, where they and their families are appreciated, family values are supported, and the work-life balance is respected.

In 2022, family tours for children were transformed into a non-financial service for customers, that is tours for school children and students as an opportunity for vocational guidance and introduction to advanced banking technology.

This non-financial service has given good results in terms of strengthening relations with existing customers and as a tool to build relations with potential customers. Moreover, children’s tours are used as a sales channel for children cards — the conversion has amounted to 37%.

Internal banking innovations

In 2022, the bank continued on stimulating innovations. During 2022, the following was received:

- 79 improvement suggestions
- 12 were approved
- 1 was implemented

Events with the Purpose to Raise the Public Financial Literacy, Investments into Talent Sustainability in the Regions

In 2022, the bank continued its active financial education work. Experts from the Financial Literacy Centre went on participating in the Central Bank's Online Financial Literacy Lessons project. The goal of the Online Financial Literacy Lessons all-Russian project is to promote responsible financial conduct of school students, brief them on current financial products and services, and alert them to risks. Throughout 2022, 102 lessons were conducted for 608 thousand people. During the participation period, bank employees have conducted more than 220 online lessons for more than 1,260 thousand people.

Apart from that, 2022 witnessed the implementation of Financial Literacy School project: the joint initiative of the bank and the legislative assembly of the Rostov region, which focused on socially active youth. More than 200 people from different cities of Southern Russia and Moscow took part in two teaching streams.

Besides, in the Financial Literacy Centres, Center-Invest Bank implements its acceleration programme created for successful startup of new entrepreneurs and growth of existing businesses (acc.centrinvest.ru).

Center-Invest Bank has acceleration programmes in seven areas: for starting and already active entrepreneurs, self-employed persons, teachers, marketplace participants, Don State Technical University engineering students and participants of foreign economic activities. The classes are taught by more than 150 professionals and experts from different regions. On average, the entrepreneurs who have taken this track, increase their revenue by 20%. During 2022, 975 entrepreneurs passed the course.

During 2022, experts and volunteers:

- Trained more than 664 thousand students
- Arranged 605 events
- Advised 14 thousand people on personal finance management
- Prepared 1,023 financial literacy volunteers for replication of the lessons throughout Russia and beyond

Over 9 years of operation, FLC experts and volunteers of the Centre have:

- Trained more than 1,800,000 students
- Arranged 5,400 events
- Advised 139,000 people on personal finance management
- Prepared 4,200 financial literacy volunteers for replication of the lessons throughout Russia and beyond
- Helped 830 startups to start their businesses

| Date | As of 1 January 2021 | As of 1 January 2022 | As of 1 January 2023 |
|--|----------------------|----------------------|----------------------|
| Total students of the Centre | 563,818 | 1,144,488 | 1,808,594 |
| Number of students who completed the training course: | 3,875 | 5,693 | 7,941 |
| Entrepreneurs in the Accelerator invited to preferential servicing | 168 | 270 | 590 |
| School and university teachers | 1,154 | 1,574 | 1,824 |
| Students attended a course in banking | 2,553 | 3,257 | 4,280 |
| Number of consultations | 115,009 | 125,453 | 139,714 |
| Participants of seminars and webinars | 444,934 | 1,013,424 | 1,660,939 |
| Total events held, incl. | 4,164 | 4,853 | 5,458 |
| Lectures from bank employees | 1,724 | 1,966 | 2,235 |
| Lectures and seminars from partners of the Centre | 1,417 | 1,577 | 1,714 |
| External events | 1,023 | 1,310 | 1,509 |

Lidiya Simonova, Chairperson of the Management Board of Center-Invest Bank, and Vladislav Solyonyi, Head of the Financial Literacy Centre of Center-Invest Bank, joined the Interdepartmental Coordinating Council for Financial Literacy Improvement in the Rostov Region.

The Council was created to coordinate the activities of executive authorities, the Bank of Russia, financial and educational organisations as part of the implementation of measures to improve the financial literacy of the population in the Don Region.

The main tasks of the Council are the update of Financial Literacy Programme in the Rostov Region and development of new forms of improving the financial literacy of the population.

In addition to implementing its own programmes, Center-Invest Bank joined the initiatives of the Bank of Russia in partnership with the Financial Literacy Development Association. FLC specialists participate in the expert work of the Association, and Professor V. V. Vysokov, Chairman of the Board of Directors of Center-Invest Bank, is a member of the Supervisory Board and participates in strategic decision making. As part of this Federal project, the bank provides financial and organisational support to private and public initiatives in the field of financial education of the Russian population, and also promotes the development of a volunteer movement in the field of financial literacy.

Center-Invest Bank supports the student e-sports league and All-Russian e-sports competitions. The bank regularly supports modern innovation projects for the youth, cooperates with universities, non-governmental associations, and public authorities with the purpose of improving the financial literacy, sustaining the science and technology. The bank also helps to develop talents and prepare much-needed IT professionals.

In 2007, the shareholders and customers of Center-Invest Bank created the first endowment fund in the region, Education and Science of the Southern Federal District. This is a real and effective financial instrument for targeted support of education and science in the South of Russia. In 2022, Center-Invest Bank increased the Education and Science of the Southern Federal District Endowment Fund capital up to 207 RUB million, making it the largest endowment fund in Southern Russia today. Every year, the endowment fund holds a scholarship competition among the best students, issues grants to young scientists, and helps talented inventors.

During 2022, 9,000 people from 17 key universities of the Krasnodar Territory, the Rostov Region, Volgograd, Astrakhan, Nizhny Novgorod, and the Republic of Adygeya took part in the competition.

During the 20 years of the Smart Scholarship competition's existence, more than 30,000 people participated and 5,800 students were awarded with the scholarship.

The bank organises hackathons and competitions together with universities. For example, in 2022, the bank assisted in organising and conducting Hackathon Spring 2022 in the Don State Technical University (450 participants), Hackathon Autumn 2022 (500 participants), Economics of Transformations hackathon for the students of RSUE (RINH) (150 participants), Humanhack hackathon in IMBL (150 participants), RinhHack hackathon in RSUE (RINH) (400 participants), Rostov Region Economy Transformation in the New Conditions competition for the students of RSUE (RINH) (120 participants), Sustainable Development Goals problem solving competition for students in Russia (100 participants). The bank is an official partner of the Youth Programme by Finopolis innovation technology forum.



Corporate Governance

Center-Invest Bank corporate governance is focused on protection of rights and interests of its shareholders, is aimed at the effective management and transparent relations between shareholders, the board of directors, and executive bodies of the bank. Its purpose is the long term enhancement of the bank stock value.

The governance is performed in accordance with the requirements of the law of the Russian Federation and the Bank of Russia, it takes into account the best global practice and is based on the guidelines of international organisations, in particular the Basel Committee on Banking Supervision.

Since 2004, the bank follows corporate governance rules and procedures which include Corporate Code of Conduct and Ethics and policies in certain business areas.

Principles of Corporate Governance

Accountability. The Code of Corporate Conduct provides for accountability of the Board of Directors of the bank to its shareholders and serves as a guide for the Board of Directors in strategy development, operations management and monitoring the activities of executive bodies of the bank.

Justice. The bank undertakes to protect the rights of shareholders and ensure equal treatment of all the shareholders, including minority shareholders. The Board of Directors of the bank provides all the shareholders with the opportunity to receive effective protection in case of violation of their rights.

Transparency. The bank ensures timely and reliable disclosure of information about all the material facts relating to the activities of the bank, including its financial position, operation results, ownership and management structure of the bank, as well as free access to such information for all the interested parties.

Responsibility. The Bank recognises the rights of other interested parties in accordance with the requirements of the law and other regulations.

Center-Invest Bank corporate governance system includes regulatory documents, corporate culture procedures captured in them, monitoring, and records of their execution. In 2022, the Method of ESG rating of Center-Invest Bank borrowers was established (as amendments and addenda to the Environmental and Social Policy); Risk Management Policy of CB Center-Invest PJSC, CB Center-Invest PJSC Key Indicators of Risk Appetite (Risk Appetite Statement), Information Security Policy of CB Center-Invest PJSC, Business Continuity Policy of CB Center-Invest PJSC, Business Continuity and Recovery Plan of CB Center-Invest PJSC (in terms of ensuring the functioning of the bank's information system), Business Continuity and Recovery Plan of CB Center-Invest PJSC (in terms of ensuring the bank's infrastructure security and people safety) were approved as amended; the Credit Policy was amended.

Document name and year of approval

Charter (2016, as amended in 2017, 2018, 2019)

Regulations on the General Meeting of Shareholders (2016)

Regulations on the Board of Directors (2016)

Regulations on the Management Board (2016)

Regulations on Chairman of the Management Board (2016)

Code of Corporate Conduct (2004)

Code of Corporate Ethics (2004)

Regulations on the Dividend Policy (2017)

Information Policy (2007)

Risk Management Policy (2022)

Key Indicators of Risk Appetite (2022)

Credit Policy (2018, as amended in 2019, 2020, 2021, 2022)

Internal Control Policy (2021)

Environmental and Social Policy (2010, as amended in 2011, 2012, 2014, 2019, 2021, 2022)

Liquidity Management and Control Policy (2022)

Action Plan in the Event of a Liquidity Crisis (2020)

Digitalisation Strategy (2018)

ESG Digitalisation 2.0 Strategy 2022–2024 (2021)

Personnel Policy (2013)

Labour Remuneration System Policy (2021)

Information Security Policy (2022)

Accounting Policy of the Bank, Accounting Policy for IFRS and RAS Reporting, as well as Accounting Policy for Tax Purposes (2022)

CB Center-Invest PJSC Anti-Corruption and Anti-Fraud Policy (2020)

CB Center-Invest PJSC Sanction Policy (2020)

CB Center-Invest PJSC Business Continuity Policy (2022)

Business Continuity and Recovery Plan of CB Center-Invest PJSC (in Terms of Ensuring the Bank's Infrastructure Security and People Safety) (2022)

CB Center-Invest PJSC Business Continuity and Recovery Plan (Ensuring the Functioning of the Bank's Information System) (2022)

CB Center-Invest PJSC Business Continuity and Recovery Plan for Critical Biosecurity Threats (2020)

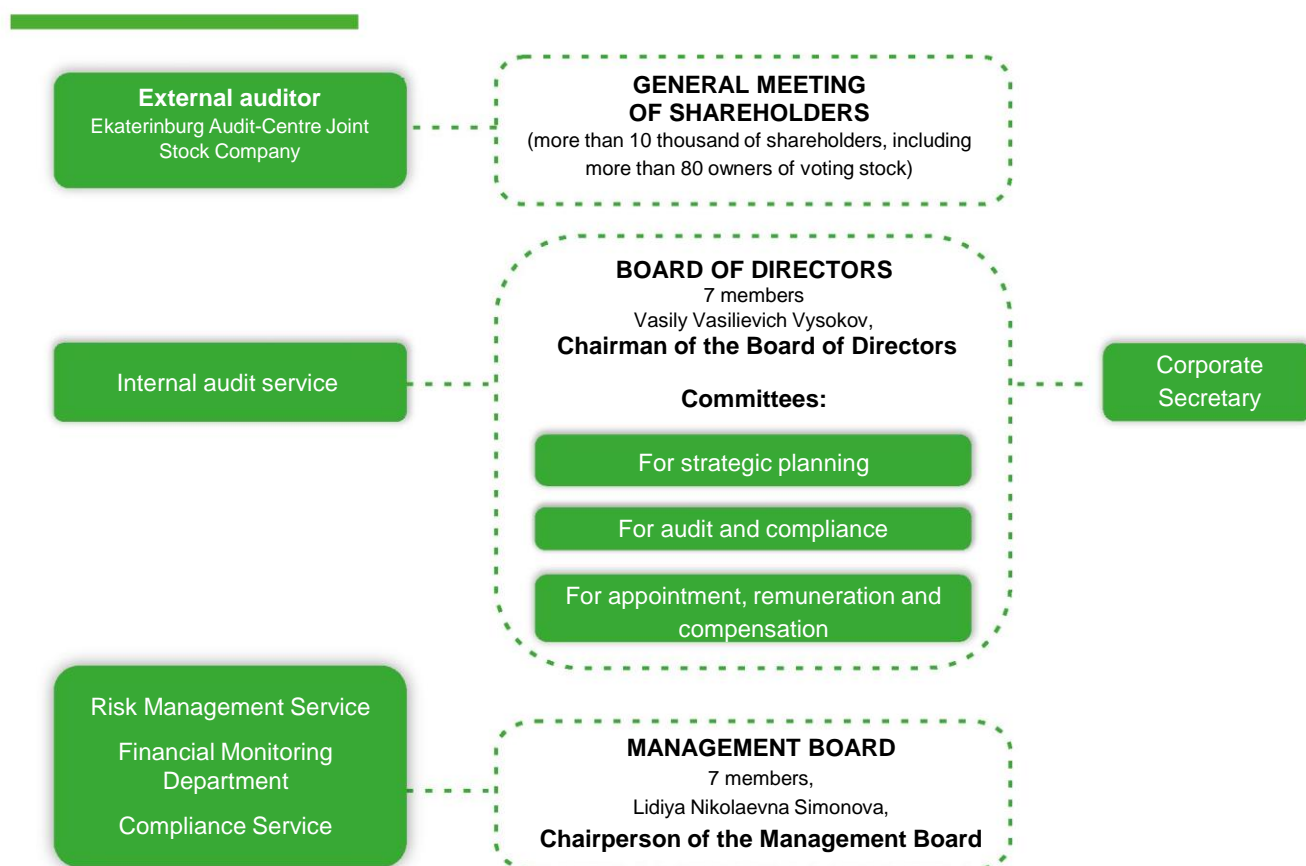
Conditions for Transactions with Financial Instruments by Persons Included in the List of Insiders of CB Center-Invest PJSC and their Related Persons (2021)

The bank, its officials and all the employees are guided in their activities by the norms of the current legislation, as well as the ethical standards adopted in business community, in accordance with the definitions of the Code of Corporate Conduct and the Code of Corporate Ethics.

The bank complies with a significant part of the principles and recommendations of the Corporate Governance Code approved by the Bank of Russia (Letter of the Bank of Russia No. 06-52/2463 On the Corporate Governance Code of 10 April 2014).

The process of developing and improving corporate governance practices in accordance with the recommendations of the Corporate Governance Code will be continued by the bank in the future, taking into account the analysis of the possibility of applying new practices in the bank.

Structure of Corporate Governance in the Bank



Within the corporate governance, the general management of Center-Invest Bank is performed by the General Meeting of Shareholders which elect the Board of Directors. The Board of Directors defines the bank strategy: primary activities, allowable risk level, total costs, expected financial results, and productive work incentive system. It also approves the composition of the Board and single-member executive body: the Chairman of the Management Board.

The Management Board manages the day-to-day activities of the bank aimed at fulfilling the goals and purposes determined by the General Meeting of shareholders and the Board of Directors.

To perform the internal control of all the activities and to assist the management bodies in ensuring effective work, the Board of Directors has created the Internal Audit Service which is independent of executive bodies. Generating and operating procedures of the Internal Audit Service, requirements to its employees, their rights and duties, and the procedure of reporting to the management bodies are determined by the current laws of the Russian Federation, regulatory documents of the Bank of Russia, Charter of the bank, and Regulations On the Internal Audit Service approved by the Board of Directors.

The Board of Directors approves operating plans of the Internal Audit Service and reviews corresponding progress reports. During the external audit, the Internal Audit Service interacts with the external auditor and analyses the data and conclusions obtained during the audit.

A separate unit, Financial Monitoring Department, was established in order for the bank to follow internal supervision rules with the purpose to prevent legitimisation (laundering) of proceeds of crime, terrorism funding and weapons of mass destruction proliferation financing, including the fulfilment of the requirements of the law for the identification of customers, their representatives, beneficiaries, beneficiary owners, for the determination of transactions subject to mandatory control and other operations involving monetary resources or other assets, related to legitimisation (laundering) of proceeds of crime and terrorism funding, for the evaluation of degree (level) of risk of suspicious transactions by customers as well as for the attribution of customers to suspicious transaction risk groups, for documenting of data (information) and their presentation to authorised bodies, for document and information storage, and for personnel training and instruction. The department is directed by a responsible employee of the bank, an officer assigned and operating in accordance with the current laws of the Russian Federation. The responsible employee is accountable to the Chairman of the Management Board, accounts monthly to the Chairman of the Management Board and annually — to the Board of Directors.

A Compliance Service is created in the bank for the detection, monitoring, and management of compliance risks. The manager of the Compliance Service is accountable to the Chairman of the Management Board, accounts annually to the Management Board, the Chairman of the Management Board, and the Board of Directors.

The risk management system operates to ensure the sustainability and consistency of the bank activities. It allows to timely detect, assess and restrict risks accepted by the bank. The Risk Management Service monitors the entire range of banking risks, the development and implementation of risk management measures, the preparation of reports of banking risks and internal capital adequacy management procedures. The service is an independent unit under the direct charge of the Chairman of the Management Board and is entitled to report directly to the Management Board and the Board of Directors concerning banking risk issues.

The external auditor of the bank performs the audit of the financial and operational activities in accordance with the current laws of the Russian Federation on the basis of the agreement concluded with the auditor.

The corporate secretary of the bank ensures that the management bodies comply with the requirements of internal regulations and external regulations, facilitates the effective exchange of information between the management bodies and acts as an advisor to members of the Board of Directors and senior management.

Share Capital

As of 1 January 2023, the authorised capital of the bank amounted to 933,567,570 roubles and consisted of the nominal amount of 84,307,507 ordinary shares with the nominal amount of 10 roubles each, 123,125 preference shares with the specified dividend with the nominal amount of 4 roubles each and 90,000 preference shares with the specified dividend with the nominal amount of 1,000 roubles each.



The General Meeting of Shareholders is the highest management body of the bank. The General Meeting of Shareholders of the bank carries out its activities in accordance with the current law of the Russian Federation, the bank's Charter, and the Regulations on the General Meeting of Shareholders.

In 2022, the annual General Meeting of shareholders (where the issues brought up for discussion included approval of the annual report and the annual financial statements, profit distribution, the election of the Board of Directors, and auditor approval) was conducted on 30 June 2022 in the form of absentee balloting in accordance with a temporary order established by Federal Law No. 25-FZ On Amending the Federal Law On Joint-Stock Companies and on the Suspension of Particular Provisions of Legislative Acts of the Russian Federation dated 25 February 2022 and Federal Law № 46-FZ On Amending Particular Legislative Acts of the Russian Federation dated 8 March 2022. The meeting was attended by shareholders with a total share of voting stock of 51.65%.

The decision was taken to pay dividends for 2021 on preference shares (the dividend rate is defined by the Charter and amounts to 20% of the nominal amount of shares) in the amount of 18.1 RUB million, and not to pay dividends on ordinary shares. The Board of Directors was elected, **Ekaterinburg Audit-Centre Joint-Stock Company** was approved as the bank's external auditor.



Board of Directors

The bank's Board of Directors carries out general management of activities, with the exception of resolving issues referred by the current law of the Russian Federation and the Charter of the bank adopted in accordance therewith, to the competence of the General Meeting of Shareholders.

In 2022, The Board of Directors of Center-Invest Bank conducted 13 meetings, including 11 meetings by personal attendance, where not only current issues were discussed, such as quarter reports of the Management Board and the Internal Control Service, issues from the annual meeting of shareholders, issues related to the business plan of the bank, but also the exchange bond placement, transactions for affiliate shares disposition, and personnel issues. In accordance with regulatory requirements, the amended Bank's Policies were approved, incl. risk management, information security and business continuity and changes were made to the credit policy, environmental and social policies.

The bank's Board of Directors has established the following committees:

- Audit and Compliance Committee
- Strategic Planning Committee
- Appointment, Remuneration and Compensation Committee

The Committees consider in advance and in more detail the issues of the bank's activities in order to prepare recommendations to the Board of Directors. In order to better inform the members of the Board of Directors, the meetings of the Committees are held mainly in an open form with invitation of all the members of the Board of Directors. At meetings of the Board of Directors, members of the Board are regularly informed on the results of work for the previous period.

Activities of the Committees are controlled by the relevant regulations approved by the Board of Directors. Composition of the Committees is established by open voting at the first meeting of the Board of Directors after its election by the recurrent General Meeting of Shareholders.

Audit and Compliance Committee is formed to assist the Board of Directors in fulfilling their obligations to monitor and control the completeness and reliability of accounting (financial) statements, the reliability and efficiency of the risk management system, internal control and corporate governance, the independence of external and internal audit, and the process of ensuring compliance with the law.

In 2022, the Committee held 4 meetings. The Committee discussed the following main issues: approval of the accounting policies (according to IFRS, RAS, for tax purposes) of the bank for 2022, write-off of uncollectible debt from the bank's balance sheet, review of the Internal Audit Service operation plan for 2022, reports of the Internal Audit Service, the Financial Monitoring Department, the Compliance Service, etc.

The Strategic Planning Committee is formed to assist the Board of Directors in determining priority areas, developing the sustainable development and corporate governance improvement strategy, developing recommendations on dividend policy, evaluating efficiency and monitoring the bank's activities.

In 2022, the Committee held 3 meetings. The Committee discussed the following main issues: quarterly reports of the Management Board, execution of the business plan and budget of the bank, the business plan for 2023.

The Appointment, Remuneration and Compensation Committee was established for preliminary consideration of issues of personnel planning (succession planning), professional composition, work efficiency, and transparent practice of remuneration of the Board of Directors and executive bodies of the bank.

In 2022, the Committee held 6 meetings. The Committee considered such main issues as the remuneration and bonuses for employees of the Internal Audit Service, the Compliance Service and the Financial Monitoring Department of the bank, reviewed reports on the assessment of organisation and functioning of the labour remuneration system at CB Center-Invest PJSC based on the results of 2021, determined the amount of remuneration for the executive bodies of the bank, and considered personnel issues.



Management Board

The Management Board is a collegial executive body of the bank and under the leadership of the sole executive body, Chairman of the Management Board, it organises the implementation of decisions of the General Meeting of the bank's shareholders and the Board of Directors.

The Management Board manages the day-to-day activities of the bank aimed at fulfilling the goals and purposes of the bank and the strategy, business plan and budget during the period between general meetings of shareholders and meetings of the Board of Directors.

The Management Board of the bank is headed by the Chairman of the Management Board elected by the Board of Directors and acting on the basis of the Charter of the bank and the regulations On the Chairman of the Management Board of Commercial Bank Center-Invest Public Joint Stock Company.

The quantitative composition of the Management Board of the bank is determined by the Board of Directors. The basis for the decision is the belief that the quality and composition of leaders' team matter more than the total number of the Management Board members.

In 2022, a restated version of the Distribution of Duties Between Chairman of the Management Board of CB Center-Invest PJSC and Members of the Management Board of CB Center-Invest PJSC was approved. The document defines the areas of responsibility of each Management Board member (business units supervised and coordinated by him/her).



The labour remuneration of the Board of Directors is controlled by the Regulation on the Board of Directors of CB Center-Invest PJSC, approved by the annual General Meeting of shareholders on 2 June 2016.

| Reporting period | Remuneration type (salary, bonuses, commissions, benefits and (or) reimbursement of expenses, other) | Amount of remuneration, roubles |
|-------------------|---|---------------------------------|
| 12 months of 2022 | Salary | 0 |
| | Bonuses | 0 |
| | Expenses related to the functions of members of the Board of Directors compensated by the credit institution, issuer, during the reporting period | 0 |
| | Other | 8,235,977 |

Remuneration of the Management Board is controlled by the Regulations on the Management Board and the Regulations on Chairman of the Management Board of CB Center-Invest PJSC Bank approved by the Annual General Meeting of Shareholders on 2 June 2016.

| Reporting period | Remuneration type (salary, bonuses, commissions, benefits and (or) reimbursement of expenses, other) | Amount of remuneration, roubles |
|-------------------|---|---------------------------------|
| 12 months of 2022 | Salary | 27,004,143 |
| | Bonuses | 52,400,000 |
| | Expenses related to the functions of members of the Management Board compensated by the credit institution, issuer, during the reporting period | 9,250 |
| | Other | 0 |



Corporate Code of Ethics

Middle managers are responsible to the Chairman of the Management Board and the Management Board of the bank for the implementation of requirements of the Code of Corporate Ethics in their subdivisions, ensuring that employees understand and comply with it.

The Chairman of the Management Board and the Management Board in their turn are accountable to the Board of Directors.

The Board of Directors protects the ethical views and values of the bank, sets a personal example, smooths out emerging interpersonal conflicts, maintains a reasonable balance between legal issues and the need for interaction with shareholders and other stakeholders, seeks to establish harmonious relations between managers and employees.

The Chairman of the Board of Directors serves as an official channel for informing the management of issues that raise concern of members of the Board of Directors, and contributes to increasing the responsibility of directors for making all the most important decisions affecting the bank's activities.

The Chairman of the Board of Directors is in the front line for taking decisions and making statements on behalf of the Board of Directors.

The main task of the bank bodies during the arrangement of corporate conflicts is to find a legal and justified solution which would serve the interests of the bank.

Principles and regulations of the Corporate Code of Ethics are involved in the internal control system of the bank. The strict and objective order of work evaluation, flaw detection and remedial actions in response to flaws is reviewed and upgraded on regular basis.

Ethical values shared by employees, customers, and partners of Center-Invest Bank are enshrined in the current Codes and Policies of the bank and in the corporate culture.