

ANNUAL REPORT 2023



Sustainable Development in the Economics of Transformations

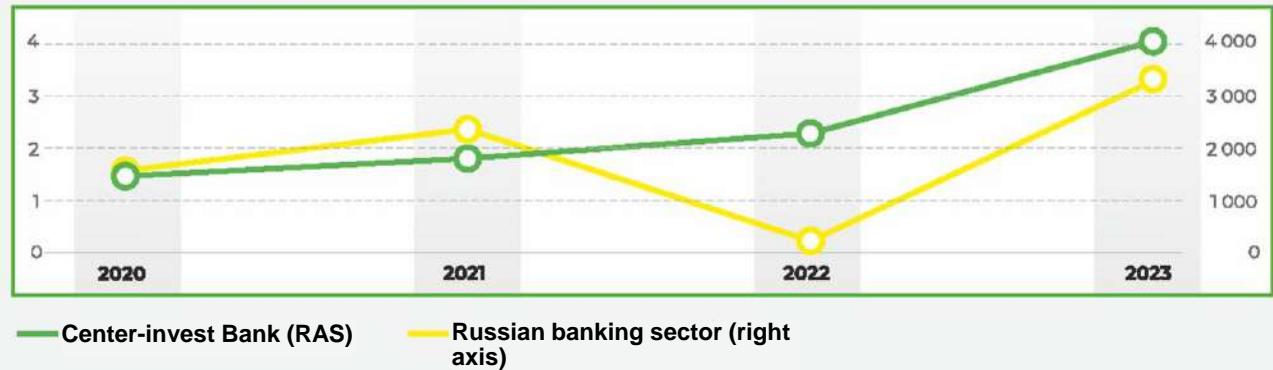
Dear Shareholders, Clients, Partners and Colleagues,

In 2023, Center-invest Bank has continued sustainable development in the Economics of Transformations. As opposed to the trends observed on speculative markets, the bank demonstrates stable dynamic for all indicators and ensures high quality of services for its clients.

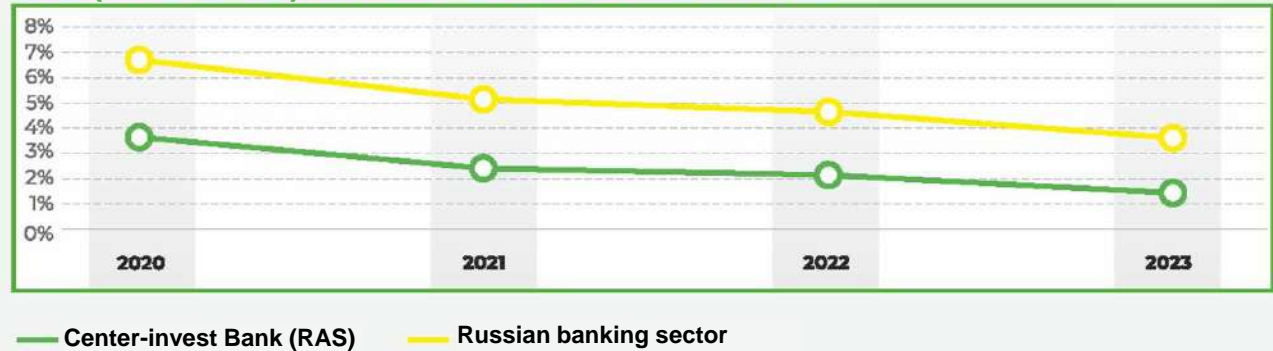
The amount of client funds constituted **RUB 102.2bn (+12%)**.



Profit dynamics (2020–2023), RUBbn



NPL (2020–2023), %



Business model of sustainable, value-based banking¹ guides the bank towards work with true values: in the real sector of economy, for the benefit of the present and future generations, to meet the needs of business and population, on the basis of the best global practices, being transparent in its relations with the regulator, clients and partners, not for the sake of formal rules, but as a foundation of corporate culture.

The Economics of transformations (constant changes in the conditions of continuous crises) expands the scope and horizon of risks for all market participants, and creates new opportunities and new conditions for achievement of new objectives on new markets based on new methods and new technologies.

¹<https://www.gabv.org/banking-on-values/>

Development of the bank and its clients was based on continuous training of employees, population, business and authorities. The bank has prepared scientific and methodological manuals for university students on economics of transformations, held webinars, lectures, meetings, contests and hackathons devoted to the development of projects in the area of youth entrepreneurship and structural transformations in the new conditions based on information technologies, participated in training of specialists in digitalization at universities, colleges, as well as during events at the regional and federal level.

The bank has been trying to sustain client lending rates, quickly got engaged in all the state support programs for individuals and businesses, offered its inclusive programs, and helped key clients with successful transformation of their businesses. The clients performed their obligations to the bank

in a good-faith and responsible manner.

The bank continued the work on digitalization of its operations, formation of small business ESG rating, implementation of technological sovereignty and structural adaptation programs.

The year 2023 confirmed that it was not the first or the last crisis but just another one, so the main anti-crisis measure is an effective post-crisis development strategy.

Vasily Vysokov, Chairman of the Board of Directors, Professor, Doctor of Economics

Company Profile

Center-invest Bank is the bank for corporate and private clients that holds leading positions on Russia's financial market. Its responsible business model, innovative approach and sustainable growth of financial performance allowed Center-invest Bank to introduce the best world practice of green investments and implementation of Environmental, Social and Corporate Governance (ESG) principles.

The bank was established in 1992 by executives of the first privatized enterprises and a team of university professors from the South of Russia, and since its creation it has been developing as a universal financial institution assisting its clients during all stages of Russian reforms, continuously implementing the world's best practices in its operations.

Today the network of Center-invest Bank branches consists of 98 offices in 7 regions of the Russian Federation: Rostov Region, Volgograd Region, Krasnodar Territory, Republic of Adygea, Stavropol Territory, Nizhny Novgorod Region, and the city of Moscow. The bank team consists of 1,452 members.

Competitive Positions:



Credit ratings
ACRA – A(ru) (Stable)




ESG rankings
vigeo eiris 17/76 (Europe)



Signatory
PRINCIPLES FOR RESPONSIBLE BANKING




Global Alliance for Banking on Values
Member of GABV




Банк России
Центральный банк Российской Федерации

1 of 22 key credit institutions in the payment service market




Expert РЕЙТИНГОВОЕ АГЕНТСТВО

46 in reliability




banki.ru 01.01.2024

- 29** Loans to individuals
- 33** Loan portfolio
- 36** Issued bonds and promissory notes
- 36** Loans to companies and organizations
- 37** Deposits of individuals
- 53** Net profit
- 56** Net assets



Бробанк 01.01.2024

29 in the rating of Russia’s largest banks on social media



сравни 01.01.2024

5 bank rating by clients based on the number and quality of reviews

In accordance with the full banking license No. 2225 of 26 January 1992 granted by the Bank of Russia and updated on 26 August 2016, Center-invest Bank performs the following banking operations 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;
- transfer of funds by order of individuals and entities, including authorized 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;
- transfer of funds without bank account opening, including electronic funds (except for mail payment).

Center-invest Bank is included in the Uniform State Register of Legal Entities (Certificate series 61 No. 002690018 dated 26 August 2002. Primary state registration number 1026100001949).

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

Center-invest Bank is a licensed professional participant of the securities market, license No. 060-03407-001000 for carrying out the securities management activities dated 29 November 2000;

No. 060-03332-010000 for carrying out dealer activities in managing securities dated 29 November 2000; No. 060-04118-000100 for carrying out depository activities dated 20 December 2000; No. 060-03243-100000 for carrying out broker activities dated 29 November 2000.

Center-invest Bank has an exclusive intellectual property right for Center-invest Bank trademark (Certificates of the Public Register of Trademarks and Service Marks of the Russian Federation dated 24 August 2017 under Nos. 627491, 628301, 628300, 628298, and 628299).

Public Joint Stock Company Commercial Bank Center-invest.

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

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

Email: welcome@centrinvest.ru.

Official webpage: www.centrinvest.ru.

Key Events in 2023

Center-invest Bank entered into partnership with the FinTech Association

Tatiana Vysokova, member of the bank's Board of Directors, Associate Professor and Master of Economic Science, received an Award from Head of the Rostov City Administration for contribution to development of the Don capital.

The bank has held the *Economics of Transformations* international students contest which gathered participants representing 95 universities from 49 regions of Russia as well as from cities of Kazakhstan, Belarus and People's Republic of China.

Vasily Vysokov, Chairman of Center-invest Bank's Board of Directors, Professor and Doctor of Economics, published a book titled *Regional Bank in the Sovereign Economy*, which is devoted to the role of regional banks in the Russian banking system and economic development of the regions.

The bank introduced a methodology to estimate the carbon footprint of mortgage loans.

Center-invest Bank was among winners of the Leaders of Russian Business: Dynamics, Responsibility, Sustainability — 2022 All-Russian Contest organized by the Russian Union of Industrialists and Entrepreneurs in the following two nominations: Best Practice of Interaction Between Large Business and SMEs and Best Digitalization Project.

The Resort Business of the South of Russia program of Center-invest Bank won the Best SME Banking Program-2023 contest held by the Chamber of Commerce and Industry of the Russian Federation.

V. V. Vysokov, Chairman of the bank's Board of Directors, Professor and Doctor of Economics, was awarded the "For Merit" medal of the Russian Union of Industrialists and Entrepreneurs.

Center-invest Bank became a finalist in the first Green Eurasia international climate competition and won 2nd place in the Green Finance category.

With the bank's support, Rostovstat has published the third digest titled *Rostov Region: Movement Toward the Sustainable Development Goals: 2016–2022*.

ESG evaluation and cashback for current accounts have been implemented.

Chairman of the Board of Directors of Center-invest Bank, Professor and Doctor of Economics Vasily Vysokov was awarded the Badge of Honor of the All-Russian Public Organization "Russian Association of Statisticians" for contribution to the development of statistics.

The bank took part in the Legislative Work of the Region in Economics of Transformations strategic session of the Don Parliament.

Center-invest Bank became a member of the Bank of Russia's Digital Ruble Platform.

The teams of Center-invest Bank came second and third in the hackathon held within the framework of the FINOPOLIS Forum.

Center-invest Bank issued its first digital financial assets at the Moscow Exchange.

Regional Overview



The mission of Center-invest Bank is sustainable development of the regions where its subdivisions operate:

Rostov Region **(RR)**, Krasnodar Territory **(KT)**, Volgograd Region **(VR)**, Republic of Adygea **(RA)**, Stavropol Territory **(ST)**, Nizhny Novgorod Region **(NNR)**. The analysis of indicators for the mentioned regions in comparison to the Russia-wide (RF) data based on the information from the Federal Service for State Statistics (www.gks.ru) is provided **below**.

In 2023, the regions continued to adapt to sustainable development in the new conditions of sanctions, state support measures, digitalization of business processes and client behavior.

Regions of the South of Russia use their competitive advantages for efficient growth: production volumes grow faster and consumer prices increase slower compared to the national average.



Industry. Processing industry branches connected with performance of defense-related orders and processing of agricultural products grew at an accelerated pace. Mining industry experienced a production drop, while infrastructure-related branches have increased their volumes.



Agriculture. The South remains a key supplier of agricultural products, but climatic conditions are becoming an increasingly important factor for sustainable development of the agricultural complex.



Construction. The branch was developing at accelerated pace on account of implementing infrastructural projects related to residential housing construction and due to demand for residential facilities in the South of Russia.



Transport. Motor transport successfully catered to the growing demands for haulage in the South of Russia.



Trade. The growth of population contributed to an increase in the sales of food products and stocks of non-food items, as well as to the growth of wholesale and service turnover.



Loans to Individuals. The state support programs have rapidly increased the demand for mortgage loans, and the regions of the South of Russia (except for the Volgograd Region) were no exception.



Investments. Accelerated growth of investments in the regions is connected with implementation of predominantly state projects related to infrastructure renewal and import replacement on account of federal budget funds (Rostov Region), own funds (Krasnodar Territory), investments of parent companies (Volgograd Region), and bank loans (Krasnodar Territory).



Financial Results. Successful operation of enterprises in the South of Russia has led to an advancing growth of profit and increase in the share of profitable companies, as well as to reduction in overdue payables and receivables.



Monetary Income of the Population.

While the salary growth rate was equal to that of other regions, monetary income and expenses of the population in the the South of Russia were increasing at accelerated pace due to an increase in the number of newly arriving people. Despite higher growth of prices on food products, it has also led to growth of real income of the population in the South of Russia.



Employment. The unemployment (including registered unemployment) level in the South of Russia is traditionally lower than the national average (the South of Russian mentality does not allow a person to be without work).



Institutional Structure.

Adaptation to the new conditions necessitated a more intensive transformation and reduction in the number of functioning entities in the South of Russia. Entrepreneurial activity of the population found the solution in the growth of private entrepreneur numbers and increase of small business efficiency.



Population. Birth and death rates have decreased in line with the Russia-wide trends. The South of Russia character manifests itself in higher marriage and divorce number indices among population per 1,000 people. The growth in the number of migrants is reducing in all regions except for the Krasnodar Territory.

Index growth rate as % of 2022	RF	RR	KT	VR	RA	ST	NNR
Production volume	3.5	2.0	4.3	2.0	6.1	2.2	10.6
Manufacturers price index	19.2	7.8	8.9	14.6	7.6	18.2	5.5
Production volumes by types of activity							
Mining Operations	-1.3	-17.0	-22.5	-18.2	-15.3	-5.4	-24.7
Manufacturing	7.5	3.5	5.2	4.3	8.1	2.5	10.9
Electricity, gas, steam and air conditioning supply	0.2	-2.5	2.9	-1.6	-4.1	1.4	8.8
Water supply, sewerage, waste management and remediation activities	-2.5	1.3	6.7	7.4	-6.4	2.3	12.5
Production of electricity	0.7	-2.1	0.5	-2.7	-5.3	2.6	0.1

Agriculture	RF	RR	KT	VR	RA	ST	NNR
Production volume	-0.3	6.5	-4.0	-0.6	0.4	-0.6	10.3
Manufacturers price indices	9.1	2.4	8.2	6.6	9.9	4.7	10.2
Manufacture of specific products							
Grain	-9.5	5.6	-9.6			-2.4	21.3
Sugar beet	-5.0		-11.9	-10.4	-9.6	-11.1	43.8
Sunflower	2.0	25.5	1.1	10.5	0.2	5.1	-31.2
Potatoes	8.7	3.4	-4.2	0.3	-3.4	9.1	51.8
Vegetables	1.3	11.2	-6.7	4.2	4.3	-17.4	2.7
Butcher livestock and poultry (live weight)	2.0	0.0	1.1	0.1	13.9	4.8	19.7
Milk	2.5	0.2	5.1	0.4	3.1	5.2	2.9
Eggs	1.2	-2.9	-4.3	1.1	3.1	11.9	6.0

Construction	RF	RR	KT	VR	RA	ST	NNR
Volume of work for the <i>Construction</i> activity type	7.9	17.4	-0.7	14.8	21.3	14.2	27.6
Construction products price indices	10.1	13.5	13.8	13.1	8.4	12.6	11.6
Construction of residential buildings	7.5	9.6	0.6	19.1	20.5	9.2	9.3
Of these, individual builders	2.6	21.9	-4.9	0.3	9.4	9.5	1.4
Residential property price indices							
Primary market	9.7	8.0	4.5	13.2	6.6	-0.2	13.3
Secondary market	8.5	9.5	6.5	9.7	4.6	13.6	16.7

Cargo transportation	RF	RR	KT	VR	RA	ST	NNR
Road haulage	0.4	3.3	-1.5	-22.3	-18.6	-0.1	6.5
Road transport cargo turnover	8.3	13.5	3.7	14.8	5.7	24.7	23.9
Indices of cargo transportation tariffs	16.5	21.2	11.1	-22.0	9.1	14.0	-0.1

Trade	RF	RR	KT	VR	RA	ST	NNR
Retail turnover	6.4	9.9	6.1	9.2	13.3	14.3	8.1
Food trade turnover	3.3	9.0	3.1	0.7	11.2	7.8	4.0
Non-food trade turnover	9.5	10.8	8.9	17.0	14.0	20.4	12.3
Volume of paid services provided to the public	4.4	4.5	1.6	2.3	8.2	4.4	4.5
Wholesale turnover	10.9	24.5	21.2	19.6	26.6	26.6	20.5

Consumer price and tariff index	RF	RR	KT	VR	RA	ST	NNR
Goods and services	7.4	7.2	8.4	7.1	7.4	8.5	6.9
Food products	8.2	9.3	10.8	8.6	10.6	10.0	8.0
Non-food products	6.0	4.7	5.6	5.3	5.6	7.5	6.8
Services	8.3	7.4	8.3	7.2	6.5	7.8	5.6
Housing and utility services (heating, water supply, water disposal)	4.8	1.5	2.8	1.5	4.3	6.0	2.7

Indebtedness under loans to individuals	RF	RR	KT	VR	RA	ST	NNR
RUB	23.4	28.9	33.9	21.7	33.5	27.8	24.2
Including those on housing loans	30.1	40.4	48.4	29.9	55.0	40.9	30.4
Including those on mortgage loans	30.2	40.4	48.5	29.9	55.1	40.9	30.5
In foreign currency	-6.7	-13.2	4.0	-4.5	0.0	-6.0	10.8
Including those on housing loans	-6.9	-15.2	12.7	-45.5	-	7.1	4.8
Including those on mortgage loans	-7.0	-9.7	11.3	-45.5	-	12.5	4.8

Investments	RF	RR	KT	VR	RA	ST	NNR
Volume of fixed capital investments	9.8	23.3	2.4	21.1	22.4	6.2	36.6
Structure of investments by funding sources (in % to the investment amount)							
Internal funds	55.6	34.1	55.1	49.6	38.7	48.3	45.2
Attracted funds	44.4	65.9	44.9	50.4	61.3	51.7	54.8
Including budget funds:	19.6	50.3	21.9	19.2	42.2	17.8	37.9
- from Federal budget	9.4	40.8	11.0	10.7	23.8	9.7	28.2
- from budgets of constituent entities	9.1	8.1	8.2	6.9	10.5	6.6	8.2
- from local budgets	1.1	1.4	2.7	1.5	8.0	1.5	1.5
bank loans	8.7	4.1	12.0	3.8	0.7	17.0	10.6
other sources	16.1	11.5	11.0	27.4	18.4	16.9	6.3

Enterprise finances	RF	RR	KT	VR	RA	ST	NNR
Financial results	35.2	111.9	72.8	42.7	-5.3	34.1	52.9
Share of profit-making companies and organizations (exclusive of small businesses)	75.3	80.0	77.5	74.5	71.4	82.8	81.3
Accounts payable	22.7	5.1	33.5	2.8	14.9	9.0	11.8
including overdue payables	3.3	-27.2	-26.5	21.4	-73.9	-33.5	38.8
Accounts receivable	21.4	0.3	31.8	-1.2	11.2	-15.5	24.1
including overdue receivables	19.6	3.5	-17.5	-20.6	4.8	-46.6	1.4

Monetary income (per capita)	RF	RR	KT	VR	RA	ST	NNR
Real monetary incomes	4.6	7.6	6.0	5.3	8.9	5.9	8.9
Consumer (monetary) incomes	10.9	14.8	12.9	11.5	14.2	13.9	15.2
Consumer expenditures	11.5	17.9	11.9	16.4	19.8	21.1	15.4
Average monthly salary	16.6	16.9	15.7	15.0	21.5	16.1	14.1

Employment	RF	RR	KT	VR	RA	ST	NNR
Level of unemployment	-0.6	-0.6	-0.2	-0.4	-0.9	-0.5	-1.0
Level of registered unemployment	-0.2	-0.1	-0.2	-0.1	-0.3	-0.1	-0.1

Number of business entities	RF	RR	KT	VR	RA	ST	NNR
Number of organizations	-0.6	-1.4	-2.2	-3.9	-0.6	-0.5	-1.0
Number of private entrepreneurs	8.1	6.6	7.9	6.5	6.7	7.0	7.4
Turnover of small businesses	15.2	17.1	12.6	14.1	0.7	9.9	24.3
Number of small enterprise employees	0.3	-1.4	-0.4	1.1	-8.6	-8.1	1.9

Rates of birth, death and natural growth of population (per 1,000 people)		RF	RR	KT	VR	RA	ST	NNR
Born	2023	8.7	7.8	9.1	6.8	8.7	8.5	7.5
	2022	8.9	7.8	9.3	7.1	8.8	8.7	7.8
Deceased	2023	12.0	13.0	12.4	12.8	10.6	10.8	14.5
	2022	13.0	14.5	13.6	13.9	12.5	11.7	15.5
Natural increase (+), decrease (-)	2023	-3.3	-5.2	-3.3	-6.0	-1.9	-2.3	-7.0
	2022	-4.1	-6.7	-4.3	-6.8	-3.7	-3.0	-7.7
Number of children who died at the age under 1 year (per 1,000 born children)	2023	4.2	4.1	3.9	4.3	3.2	4.3	3.9
	2022	4.5	4.9	4.0	4.8	4.3	4.7	4.7

Number of marriages and divorces (per 1,000 people)		RF	RR	KT	VR	RA	ST	NNR
Marriages	2023	6.5	6.8	7.9	5.7	4.8	5.4	6.4
	2022	7.2	7.0	8.1	6.2	5.4	5.7	6.9
Divorces	2023	4.7	4.8	5.3	4.3	4.4	4.4	4.2
	2022	4.7	4.8	5.1	4.4	4.2	4.4	4.2

General results of population migration (per 10,000 people)		RF	RR	KT	VR	RA	ST	NNR
Migration increase (+), decrease (-).	2023	13.9	23.8	55.8	-5.4	70.6	5.2	0.5
	2022	4.2	-0.5	20.4	-24.9	30.1	-9.9	-10.3

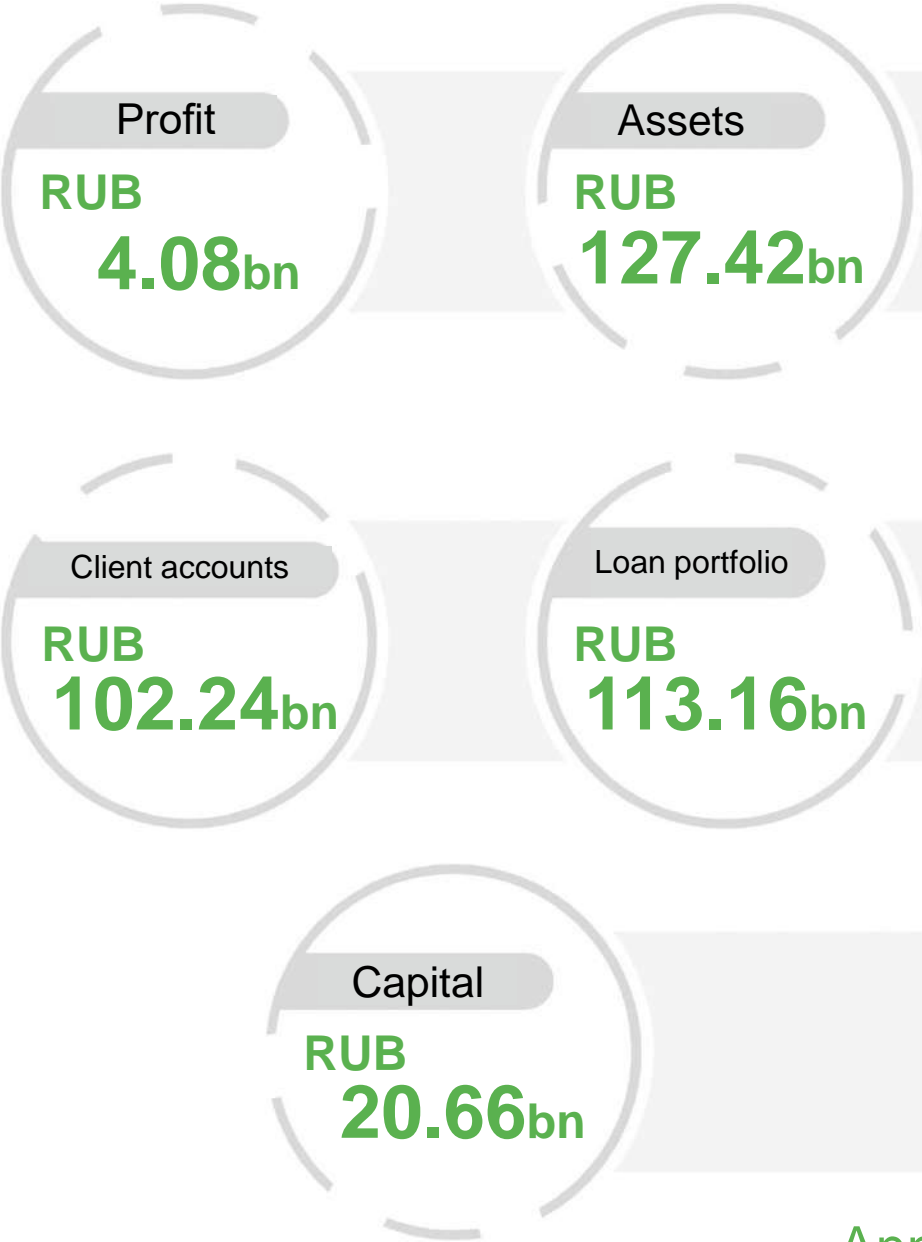
Bank financial highlights*

At the year-end 2023, net profit of Center-invest Bank by RAS constituted RUB 4.08bn (+108%).

The bank's capital have increased to RUB 20.7bn (+20%), return on equity constituted 21.50%, return on assets constituted 3.41%. The bank's Internal funds capital according to Basel III standards reached RUB 19.11bn (+13%), the bank capital adequacy according to Basel III standards constituted 13.95%, the base capital adequacy constituted 12.91%.

The amount of bank assets constituted RUB 127.4bn (+14%), net lending receivables assessed by depreciable cost constituted RUB 112.1bn (+15%). The loan portfolio increased to RUB 113.2bn rubles (+10%).

The client funds amount constituted RUB 102.2bn rubles (+12%).



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

Financial highlights, RNB bn

As at 31 December	2017	2018	2019	2020	2021	2022	2023
Capital	11.4	11.8	14.4	14.9	15.3	17.3	20.7
Assets	101.4	110.8	119.5	118.9	120.0	111.7	127.4
Net loans and leasing	87.2	96.3	102.5	100.8	104.0	97.8	112.1
Loan portfolio	84.6	93.7	93.2	91.8	99.2	102.9	113.2
Customer accounts	86.7	97.0	102.1	101.1	101.7	91.2	102.2
Profit	0.68	1.15	3.34	0.86	0.88	1.96	4.08
N1.0	11.2	10.7	11.1	13.1	12.6	14.2	13.9
N1.1	9.6	9.5	9.4	9.7	11.2	12.9	12.9
N1.2	9.6	9.5	9.4	9.7	11.2	12.9	12.9
ROAA, %	0.69	1.08	2.90	0.72	0.74	1.69	3.41
ROAE, %	6.08	9.91	25.55	5.84	5.85	12.04	21.5

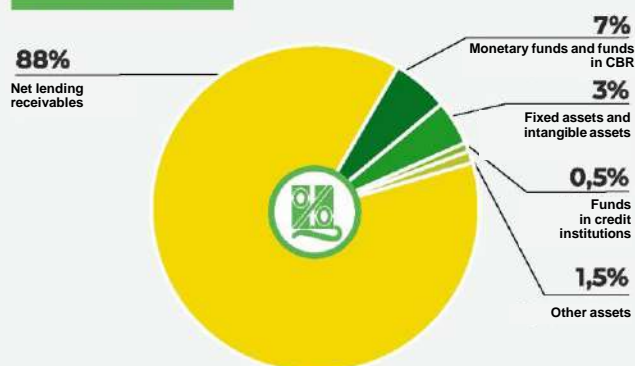
The bank asset and liability structure at the year-end 2023 remained stable and oriented towards the real sector of economy and the entire range of consumer and small business loans and lending facilities. The share of net loans and leasing the asset structure was 88%.

Bank asset and liability structure, RUB m

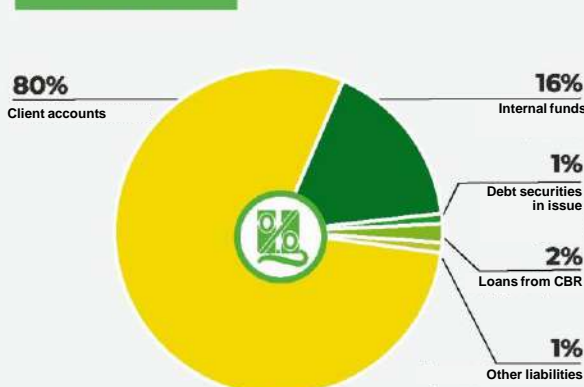
Assets	31 December 2023	%
Net loans and leasing	112,094	88%
Cash and mandatory reserves with Bank of Russia	8,891	7%
Fixed assets and intangible assets	3,893	3%
Other assets	1,934	1.5%
Due from other banks	605	0.5%
Total:	127,417	100%

Liabilities	31 December 2023	%
Customer accounts	102,244	80%
Total shareholders equity	20,662	16%
Borrowings from the Bank of Russia	2,539	2%
Other liabilities	1,093	1%
Debt securities in issue	879	1%
Total:	127,417	100%

Assets



Liabilities



The bank funding structure is diversified with firm predominance of deposit facilities in private and corporate customer accounts. The amount of funds in client accounts during the year 2023 decreased by 12% and constituted RUB 102.2bn as of 31 December 2023. With that, the share of funds deposited by individuals constituted 63%.

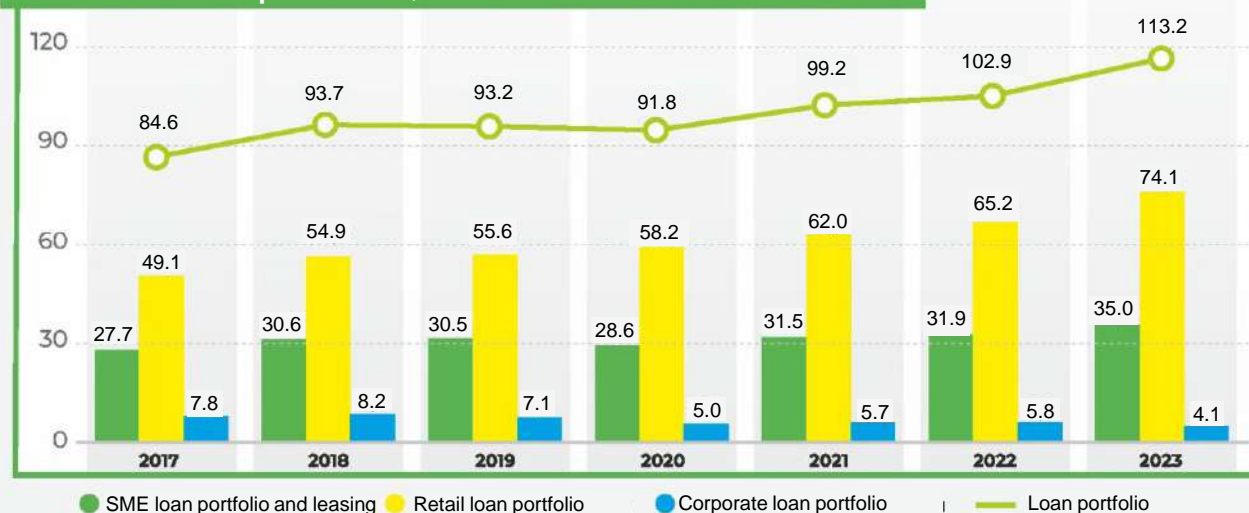
Structure of the bank's customer funds, RUB bn

	31 December 2023	31 December 2022	%
Funds of legal entities	21.94	18.66	17.58
Funds of individuals and private entrepreneurs	78.51	71.03	10.53%
including funds of individuals	64.67	59.38	8.91
Attracted funds of international organizations	1.79	1.49	20.13
Total:	102.24	91.18	12.13%

During 2023, the net lending receivables, including deposit facilities in the Bank of Russia, increased by 15% and constituted 112.1 bn rubles as of 31 December 2023.

The bank loan portfolio increased by 10% and reached RUB 113.2bn as of 31 December 2023. Share of retail lending in the bank's overall loan portfolio constituted 65%, share of the SME loan portfolio is equal to 31%, and share of the corporate loan segment is 4%.

Bank's loan portfolio, RUB bn



Loan portfolio, RUB bn

	31 December 2023	%
Loans to SME	35.0	31%
Retail loan portfolio	74.1	65%
Corporate loan portfolio	4.1	4%
Total loan portfolio	113.2	100%

Small and Medium-Sized Business Under Sanctions

The corporate loan portfolio demonstrated growth despite the unprecedented sanction pressure, and constituted RUB 39.1bn as of 31 December 2023.

The year 2023 may be characterized as a period of active adaptation of Russian enterprises to the changed economic situation. Many companies revised their business strategies, built new chains for supply of raw materials and sale of finished products, and continued the investment phase. Therefore, the business actively attracted borrowed funds to cover its transformation costs.

Through receiving various support, enterprises could find new market niches, new market channels and work out new offers.

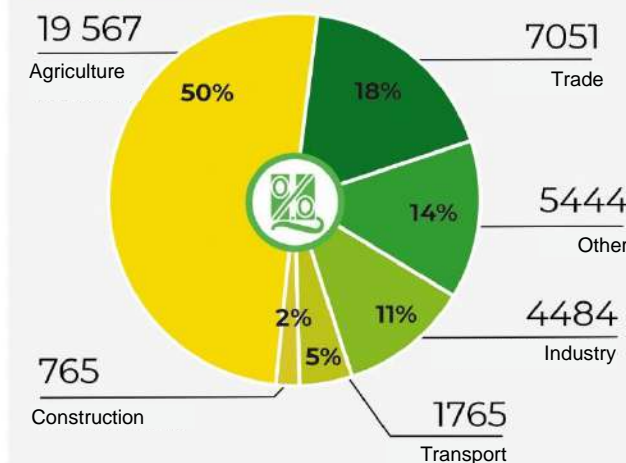
Due to sanctions, many Russian companies within a short time became competent in the fields where only recently they used to fall behind. Today we are much less dependent on the western technologies thanks to the in-house solutions which allow our manufacturers to enter into strong competition with western companies and rapidly implement the import substitution policy. Transformations took place in virtually all fields, and now we can state with confidence that local businesses are ready for further transformation in the continuously changing market.

In 2023, Center-invest Bank issued loans to its clients towards the development of their business for the amount of RUB 103bn, which is RUB 15bn or 17% more than in 2022. 83% out of this volume was granted to clients from the SME segment.

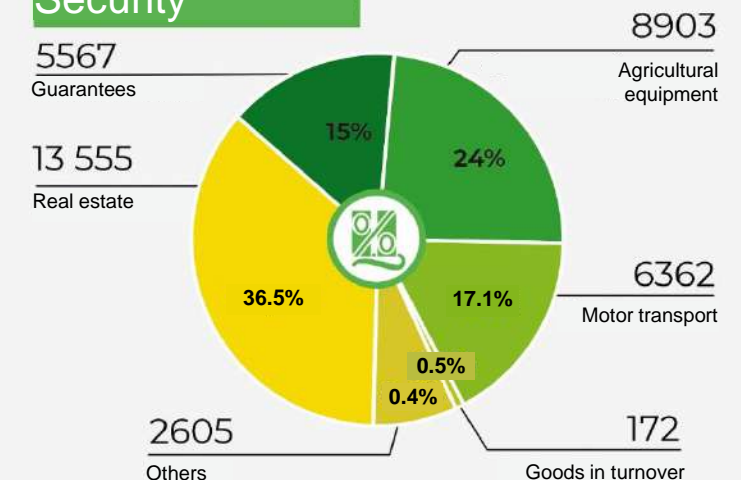
The diversified structure of the bank's loan portfolio in the corporate segment with the firmly predominant agricultural-industrial sector reflects the regional sectoral composition of the economy and allows the bank to lower risks related to corporate debt financing in the South of Russia. A high share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

Structure of the bank's loan portfolio by Industries and security types as of 31 December 2023, RUB m

Branches



Security

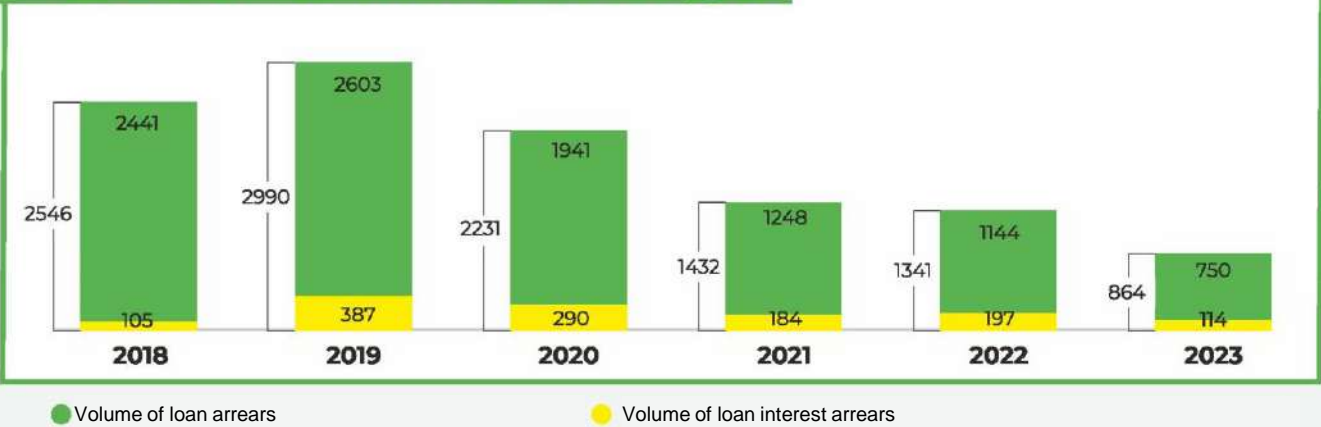


During 2023, the state has provided serious support for lending activities, which included concessional loans to agricultural-industrial sector, concessional loans to small businesses under credit encouragement programs for SMEs developed by the SME Corporation together with the Russian Ministry of Economic Development and Trade and the Bank of Russia, concessional loans to importers, Industrial Mortgage concessional loan program, and umbrella guarantee program. Bank experts have consulted customers a lot, actively participated in the implementation of business support mechanisms, both offered by the state and in-house.

The accumulated anti-crisis management experience of the bank makes it possible to conclude that we are especially lucky to be present in the South of Russia because the diversified economy and creativity-oriented approach of the people of the South to life as well as to business always make it possible to find new solutions for new challenges.

Responsible attitude of borrowers and loan monitoring make it possible to avoid growth of loan arrears.

Diagram of loan arrears within the corporate loan portfolio, RUB m



The bank continues to effectively use remote service based interaction with its customers. Throughout 2023, more than 3,747 loan applications for business financing were filed via the bank website, the share of online applications has increased and exceeded 54%.

Since the loan underwriting process is maximally digitalized (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.

Concessional loan portfolio as at 31 December 2023

	Amount, RUB m	%
Concessional loans for agricultural producers (RF Government Decree No. 1528)	15,378	39.32
Concessional loans for importers (RF Government Decree No. 895)	76	0.19
Concessional loans for SME (RF Government Decree No. 1764)	3,224	8.25
Concessional loans for SME against guarantee of SME Corporation JSC	2,095	5.36
Investment lending program: a combination of the program introduced by the Russian Ministry of Economic Development and the program of lending incentive against guarantee of SME Corporation JSC	724	1.85
Industrial Mortgage concessional loan program	78.5	0.21

Concluded loan agreements

	Loan agreements up to 10 RUB m	Loan agreements from 10 to 100 RUB m	Loan agreements 100 to 500 RUB m	Loan agreements: over 500 RUB m	TOTAL
Total amount of corporate loan agreements concluded in 2023, RUB m	11,008	21,425	4,548	800	37,781
Number of corporate loan agreements concluded in 2023	3,040	769	22	1	3,832

In the modern conditions, decision making promptness, loan servicing ease, and individual selection of a loan program 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, Center-invest Bank has been working on the agriculture modernisation, development of women's/ youth/social entrepreneurship,

business transformation, energy efficient project lending, and renovation of apartment buildings. 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.

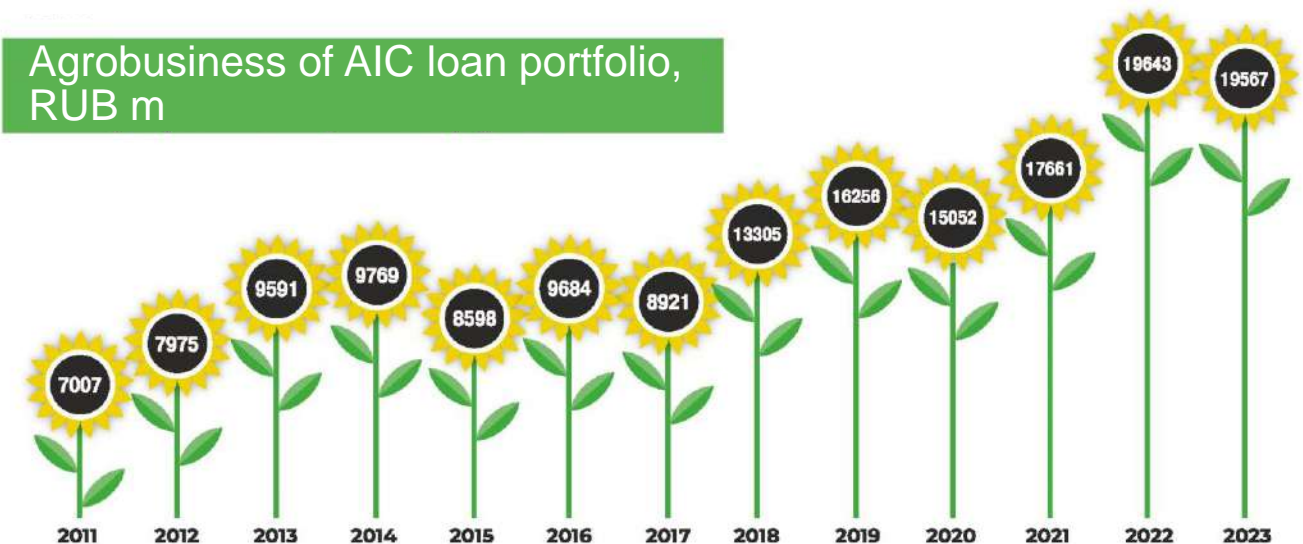
Agribusiness: lending to the agrobusiness is elimination of poverty and hunger, decent work for population in the regions, economic growth using the state support programs for agricultural producers

producers Due to its climatic characteristics, the southern of Russia has a strong presence in the agrobusiness, thus working with agrobusiness is a priority for our bank. The agrobusiness loan portfolio constitutes more than 50.1% of the entire business lending portfolio.

As of 31 December 2023, the agribusiness loan portfolio volume constitutes RUB 19.6bn. 1,488 AIC enterprises from the southern of Russia are borrowers of the bank.

The year 2023 was characterized by retention of low level of purchase prices on agricultural products with simultaneous growth of production cost. Timely loan settlement by agricultural enterprises demonstrates the customers' responsible attitude to their business, partners, and employees.

Agrobusiness of AIC loan portfolio, RUB m

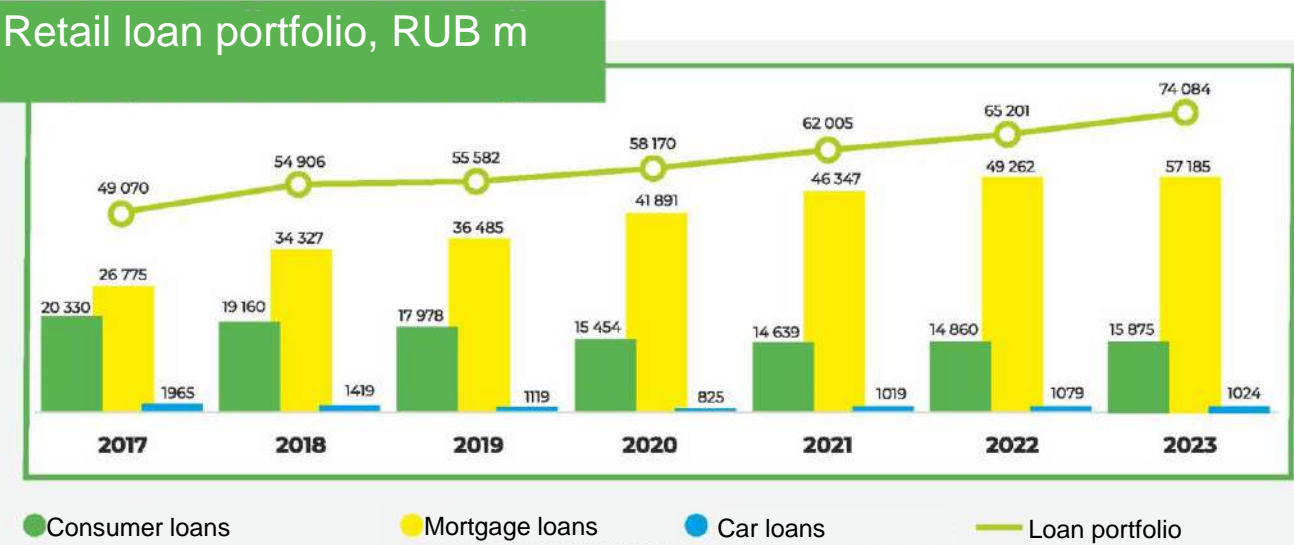


On 21 December 2023, Center-invest Bank made a successful placement of **digital financial assets (DFA)** at the Moscow Exchange. The purpose of this placement is fine-tuning of internal technological and methodological mechanisms to ensure broad application of the instrument.

Retail lending

Upon results of 2023, the volume of retail lending has grown by 13.6% and reached RUB 74.1bn, which is equal to 65.5% of the bank’s total loan portfolio. 20,686 clients were granted loans for the amount of 28.8 bn rubles.

Mortgage loans steadily retain the leading position among the bank’s loan products, which is an indicator of maturity of the bank’s individual loan portfolio. The volume of issued mortgage loans at the end of 2023 was RUB 19.3bn. The living conditions of 5,407 families were improved by means of the bank’s mortgage products.



Center-invest offers a broad range of **mortgage programs**, their scope and content make it possible to satisfy any need of the client, from the simplest to the most incredibly complicated one.

Center-invest participates in implementation of all state initiatives aimed at greater availability of mortgage loans. The bank offers unique ESG loans for healthcare workers, the Green Mortgage program, as well as in-house program of mortgage loan provision for specialists and teachers engaged in IT industry.

The share of state-supported mortgage programs constitutes 22% by quantity and 21.4% by amount of loans issued during 2023.

In-house mortgage lending programs allow to accommodate interests of the clients, cover various lending goals, and represent a core product in the individual loan portfolio. The most demanded in 2023 was the program for purchase of real estate (apartment, house with a land plot, land plot) on the secondary market, its share out of all granted mortgage loans constituted 52.4% by quantity and 47.7% by amount of concluded agreements.

In total, 12 Russian credit institutions, including Center-invest Bank, participate in the state program for real estate acquisition in rural areas (Russian Federation Government Decree No. 1567). Under this program, the bank has continued to provide loans at the lowest possible rate of interest, namely, at 2.75% per annum. In 2023, the bank issued 1,189 loans for the amount of 4.2 bn rubles, which is 22% by quantity and 21.9% by amount of mortgage loans granted by the bank, and is twice as much by the quantity of concluded agreements and three times as much by the amount thereof compared to the last year, which is the most significant indicator since the beginning of the bank’s work under this program (since 2019).

Center-invest Bank continues to participate in **the state program for acquisition/construction of real estate** (RF Government Decree No. 566). In 2023, 446 agreements were concluded for the amount of RUB 1.6bn, which is 8.2% by quantity and 8.5% by amount of mortgage loans granted by the bank, and almost twice as much in terms of quantity and amount of concluded agreements compared to the previous year.

Center-invest Bank continues to implement **the state program for acquisition/construction of real estate** by families with children (RF Government Decree No. 1711). In 2023, 216 agreements were concluded for the amount of RUB 0.9bn, which is 4% by quantity and 4.5% by amount of mortgage loans granted by the bank, and twice as much in terms of quantity and amount of concluded agreements compared to the previous year.

The bank is actively engaged in the **Mortgage for IT Specialists state program** for acquisition/construction of real estate (RF Government Decree No. 805). In 2023, 133 agreements were concluded for the amount of RUB 0.9bn, which constitutes 2.46% by quantity and 4.8% by amount of mortgage loans provided by the bank, and is multiply higher than the last year's indicators under this program.

The bank actively continues to distribute its own program of mortgage loan provision for specialists and teachers engaged in IT industry. In 2023, 198 loan agreements were concluded for the amount of RUB 1bn, which is 3.6% by quantity and 5.6% by amount of mortgage loans granted by the bank, which fully repeats the last year's indicators under this program. There is great interest in this program, and the average rate upon results of the year constituted 5.4% per annum, which made the program unique on the market.

To support healthcare workers, the bank extended the application of special lending terms which have been used since 2021. Doctors, female and male nurses may apply for a new loan, refinance an existing loan regardless of its type and purpose on special terms, and get a reduced rate for already existing loan agreements. In 2023, the bank concluded 1,143 agreements with healthcare professionals for the total amount of over RUB 1,3bn, which is 5.5% by quantity and 4.7% by amount of loans granted by the bank. By this program, the bank expresses gratitude to its clients working in healthcare for their work.

The bank performed a tremendous amount of work to implement **electronic document management in the individual lending** process, namely: Part 1: submission of important documents by the clients via the State Services Portal (USIA). When the client submits an application for individual loan, he/she undergoes identification on the State Services Portal (USIA), and thereafter submits the required set of documents with the help of functionality available on the Portal. The bank receives all documents from a trusted source in electronic form. This functionality made it possible to reduce the minimum number of necessary visits of the bank offices by the client from 3 to 1, and improved the reliability and quality of documentation being submitted.

Part 2: functionality for electronic exchange of important documents with the client has been launched. When submitting an application, or at any convenient time after submission of application to the bank, any party to an individual loan application may submit the whole set of necessary documents using the functionality available on the bank's website: submission of documents takes place after identification of the client via the State Services Portal (USIA), which also made it possible to reduce the minimum number of necessary visits of the bank offices by the client from 3 to 1, and improved the reliability and quality of documentation being submitted.

The bank has completed the modernization and activation process for application of the letter of credit settlement method in mortgage transactions, which will enable the bank to offer its clients yet another settlement method for transactions with real estate and ensure its maximum safety and transparency for parties to a mortgage transaction.

The bank has implemented e-mortgage. With the help of this tool, the bank can close transactions without inviting the parties to the office or in case the parties are located in different cities or countries. The title passing/security registration time frame is reduced to a minimum, and constitutes 24 hours.

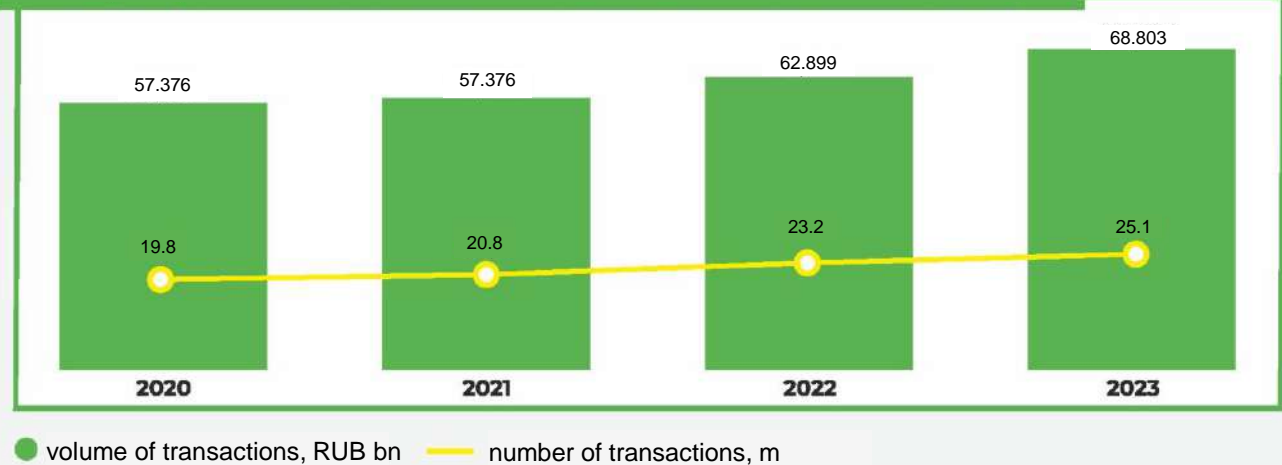
Bank cards

Center-invest Bank is one of the largest regional players in the bank card market and is recognized by the Bank of Russia as a significant bank in the payment services market.

As of 1 January 2024, 432 thousand cards issued by Center-invest Bank were in circulation, including 350 thousand cards of Mir national payment system. The bank’s terminal network has grown during the year to 614 ATMs and self-encashment devices, 513 payment terminals and 10,698 POS terminals.

During the year, clients performed 25.1 million card account transactions for the amount of RUB 68.8bn. All the bank card transactions are performed through the bank’s own processing center. Three card personalization centers (in Rostov-on-Don, Volgograd and Krasnodar) issued 80,874 cards of Visa, MasterCard and Mir payment systems during 2023. The remaining balance on card accounts of individuals constituted RUB 9.58bn.

Bank card transactions



The client activity in the Online Bank and Mobile Bank services continues to grow. The number of Online Bank and Mobile Bank unique users increased during 2023 by 15% and constituted 165,952 clients. The number of Mobile Bank users increased by 49.96% and exceeded 131.2 thousand.

The total payment volume through these services has grown by 109.23%, to RUB 12.2bn, and the number of payments has grown by 30.13% to 1,181.2 thousand.

Within the Mobile Bank development framework, the clients received the opportunity to open deposits online. 3,380 deposits for the amount of RUB 2.7bn have been opened online in 2023. The bank has implemented push notifications to ensure free of charge communication with clients in order to keep them informed and to promote its products.

The clients highly appreciated the update of financial terms for such card products as the Children’s Card and the Pension Card introduced in 2022, as well as the bank’s new product, the Advanced Card.

In 2023, balances of the Pension Card accounts have grown by 19.62%, and balances of the Children's Card accounts by 205%.

According to vbr.ru information portal, these products were rated among the top 10 debit cards offered by Russian banks. The Pension Card ranked sixth, and the Children's Card ranked second.

The number of the Advanced Card holders increased by 127%, account balances of these cards have grown by 117%.

In the premium segment, MirPass service by Mir payment system and its partners was launched. The service allows the **holders of Mir Supreme and Mir Supreme+ cards can relax before a journey in the business lounges of airports and train stations in and outside Russia.**

6 new universities and colleges in 4 regions of the bank's operation have become clients of the bank. And especially for winners of the annual *Smart Scholarship* contest,

carried out by Center-invest Bank together with the *Education and Science of the Southern Federal District* Endowment Fund, the bank came up with a card product without annual service fee, offering increased cashback and accrual of interest on the account balance.

Payment stickers that can be attached to the smartphone back panel are now available to the clients used to the tap-and-go system to continue to pay for their purchases in a convenient way.

A payment sticker is managed just as easily as a regular card, via the Center-invest Bank's mobile app. The client can set limits on transactions, restrict online transactions on the Internet, and block the sticker in case of its loss.

In 2023, in order to develop loyalty programs and make the bank's card products more attractive, joint promotional campaigns were held with Gorod Kofe (Coffee City), Flowwow, and other companies.

During 2023, the bank paid out the total of RUB 83.2m to its clients as a reward under the cashback program. The funds of individuals are the bank's key resource and an effective management tool for people's savings. The share of deposits opened by individuals in the total amount of client funds in the bank accounts constitutes 53.6%.

In 2023, the volume of deposits has increased by 8.2%, which speaks of high level of trust in the bank on the part of its clients. At the same time, the share of foreign exchange deposits continues to decrease: in 2023 their balances have gone down by almost 30%.

Center-invest Bank has implemented the remote deposit making feature in the Mobile Bank. The new functionality has become available to all clients who concluded an Agreement for the Full Package of Banking Services. As of the end of 2023, remote deposit agreements were concluded by around 4 thousand clients for the amount of RUB 3.1bn.

Settlement and cash services

The bank participated in FTD auctions in the Krasnodar Territory. and gained the right to process FTD cash provision accounts up to 2027.

Thanks to establishing the payment processing center, payments are forwarded to the cash settlement center every 3–5 minutes.

The process of accepting cash from the clients is undergoing improvement. Automatic cash deposit machines can now be used instead of ATMs.

A number of campaigns to attract clients were held:

- client attraction program for resort areas of the Krasnodar and Stavropol Territories;
- *Bring a Business Partner* campaign;
- *Zeroing the Commissions* campaign.

Acquiring

The bank's acquiring network has grown from 9,093 to 10,496 POS terminals. Growth by 15%. The acquiring network turnover exceeded RUB 35bn.

The bank launched a payment by QR code service for its clients. More than 2,000 points of sale were connected to the Faster Payments System C2B service.

The bank has developed a new personal account for acquiring in RBSS for legal entities (RBSS LE).

The client path for subscription to the acquiring service has been optimized.

A new order with the acquiring tariffs was launched in 2023. The previous order included 12 categories of trade and service enterprises (utility services, fast food, hospitals, car sales, pharmacies, educational courses, grocery stores, petrol stations, clothing stores, construction and timber materials, car spare parts, furniture stores), while the new extended version included 37 categories of trade and service enterprises (in addition to those listed above, now there are restaurants, hotels, shoe stores, tourist agencies, passenger transportation, home appliances, jewelry, orthopedic goods, goods for pets, household goods, stationery, vending machines, etc.).

The bank launched its own internet acquiring.

Implemented a project for acceptance of card payments from applicants at the Multifunctional Centers in Nizhny Novgorod:

Center-invest Bank is successfully developing its project for acceptance of bank card payments from applicants at Multifunctional Centers. The project was implemented in the Rostov Region, Stavropol Territory and Republic of Adygea. Multifunctional Centers of Nizhny Novgorod acceded to the solution in 2023. Applicants can pay with a bank card for provision of state and municipal services directly at the Multifunctional Center window.

Remote

As of 31 December 2023, 36,173 clients (legal entities and private entrepreneurs) were registered in the RBS system.

2,306 clients were connected to the RBS system (growth by 6.8%).

The number of mobile application users increased by 2.8 times and equaled to 6,885 clients (growth by 283%).

Over 2023, 7,026,546 payment orders for the total amount of 870,640,241,530 rubles were received and executed via the RBS system.

Key tasks implemented in 2023:

1. Cashback for cash settlement service fees based on ESG rating, a new functionality for RBS clients, was implemented in June 2023. The processes of reviewing the client's ESG questionnaire, allocation of ESG rating, calculation of cashback amount and its refund to the client's current account have been fully automated. This functionality was used by more than 800 clients, 887 questionnaires have been processed.

2. A loan application feature has been implemented in RBSS LE: clients may file loan applications via RBSS LE, and 318 loans for the amount of 1.4 bn rubles were issued on applications filed out of RBSS LE in 2023.

3. The new Invoices and Acts functionality was made available to all clients. Now the clients may create invoices using a payment QR code and forward them to an email address directly from RBSS.

4. A settlement and cash services plan selection and activation feature has been implemented in the RBSS LE mobile application: the clients are given the opportunity to use different settlement and cash service plans offered by the bank via the RBSS LE mobile app. Extension of the RBSS LE mobile application.

5. Refund requests on acquiring transactions in the personal account for acquiring in RBSS LE. The process of filing an application by the client in RBSS LE is fully automated, just as its subsequent processing by the TWO system without involvement of bank employees, the bank employee resource is optimized due to elimination of manual application processing and manual entry of data in the TWO system. This feature reduces workload of bank employees by 90% in the refund process, and expands functionality of the acquiring personal account for the clients.

Foreign

In 2023, the volume of foreign trade transactions under export and import contracts of the bank's clients was as follows:

- 57 million US dollars;
- 19 thousand Euro;
- 87 million Turkish liras;
- 187 thousand Azerbaijani manat;
- 1 billion CNY;
- 17 billion rubles.

A considerable growth of import transactions in Chinese yuan from 401 million in 2022 to 1 billion in 2023 has been observed.

In 2023, the share of settlements in US dollars and Euros has reduced due to transition of the bank's clients to settlement in currencies of friendly countries under foreign trade contracts.

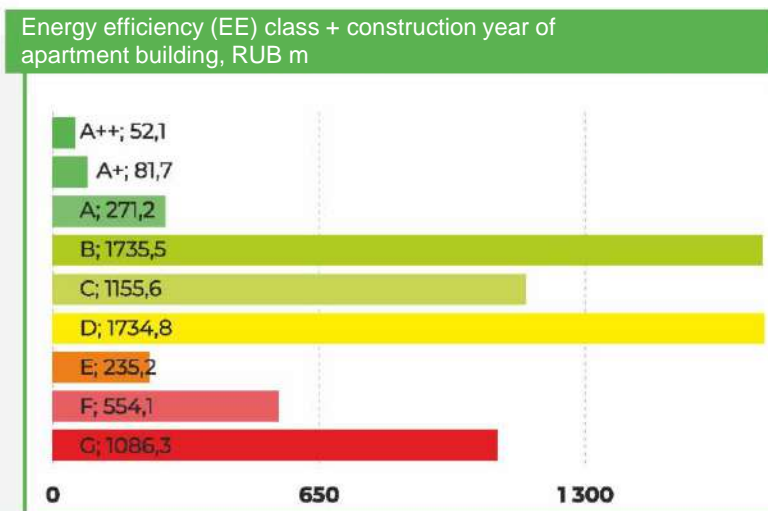
ESG Products

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 while implementing ESG principles.



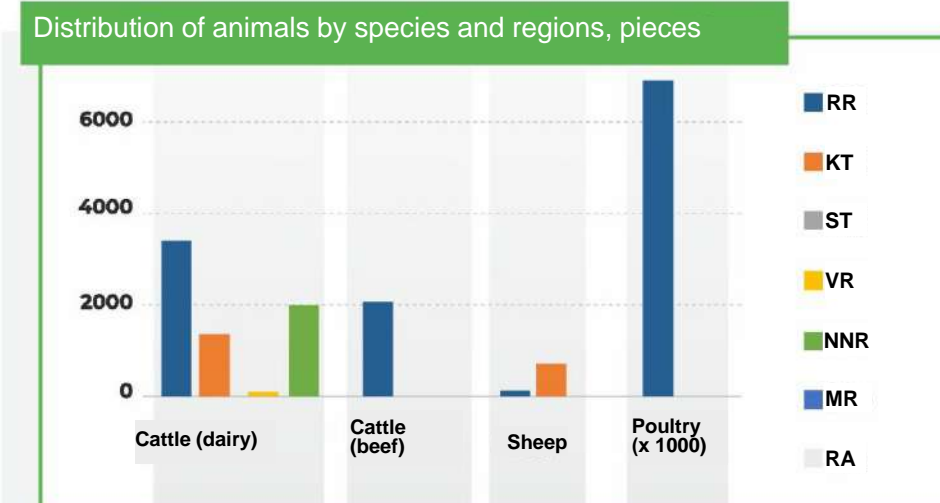
In 2023, the bank began to assess carbon footprint of all new mortgage loans and loans for branches of agriculture. Thus, 70% of all newly issued loans are assessed from the viewpoint of greenhouse gas emissions and impact on the environment. The carbon footprint calculation methodologies are based on the best international practices and the bank's 30-year experience of lending to clients in the South of Russia.

Carbon footprint of a mortgage represents projected consumption of all energy resources in regard to the apartment being purchased in an apartment building, such consumption reflecting the total specific annual intake of heat energy for heating, ventilation, hot water supply and general household needs of the apartment building.



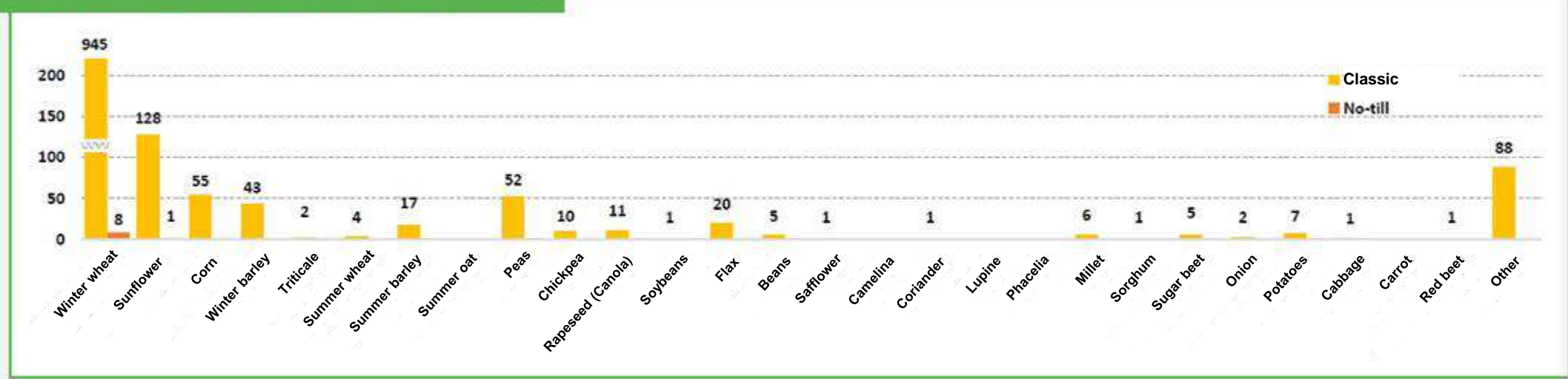
To calculate this index, the bank uses parameters of an apartment building (energy efficiency class, year of construction, number of stories), parameters of the apartment being purchased (area) and the region of apartment purchase in order to understand how much energy needs to be spent on heating of such apartment, depending on severity of climate conditions (degree-days of the heating period).

In 2023, the bank evaluated 2,240 mortgage loans for the amount of RUB 6.9bn. The total carbon footprint assessment value constituted 5,432 tons of CO₂ equivalent (46.6 kg of CO₂/mg/year), and the total amount of loans with such assessment constituted 12.2% of the bank's total mortgage loan volume.



As from July 2023, the bank launched carbon footprint assessment for branches of agriculture, both crop growing and animal husbandry. As of the end of 2023, 860 loans for the total amount of RUB 7.9bn have been assessed. The total area of assessed land plots amounted to 849 thousand hectares.

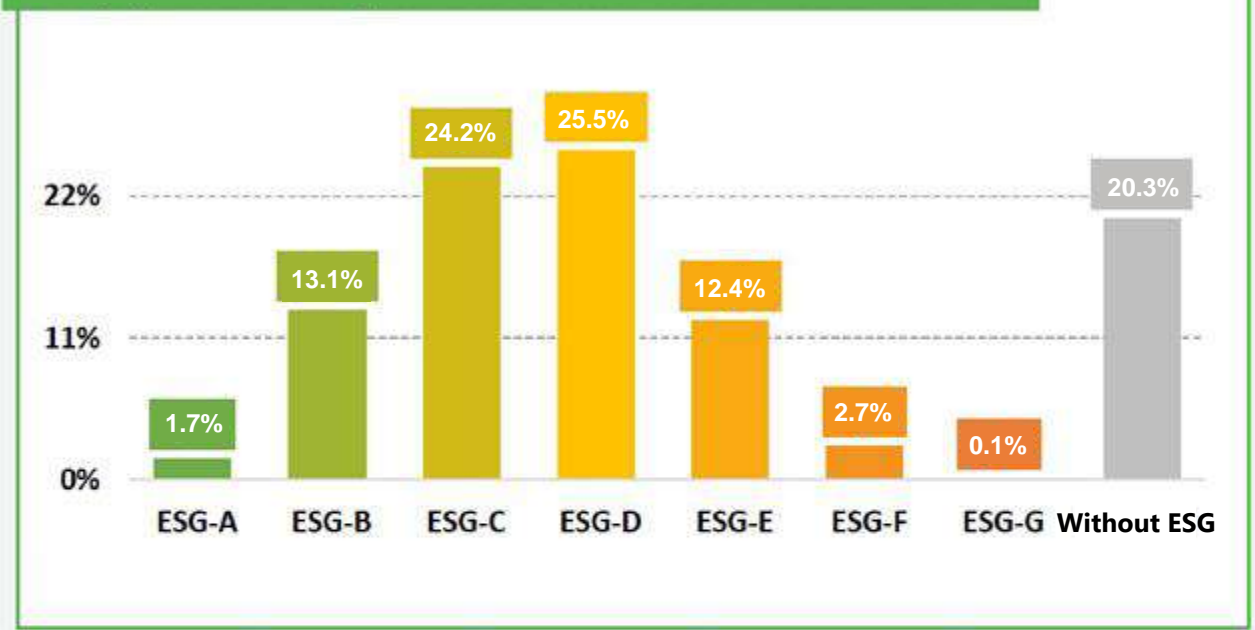
Distribution of sown areas by type of crop and technology used



In assessment of carbon footprint, the bank takes into account the types of crops being grown, volume of per-hectare growing costs for each crop, planted area, crop growing technology being used, number and breed of animals, volume of per-head costs for each animal type, and the region of business operation, which determines various additional fermentation factors, etc.

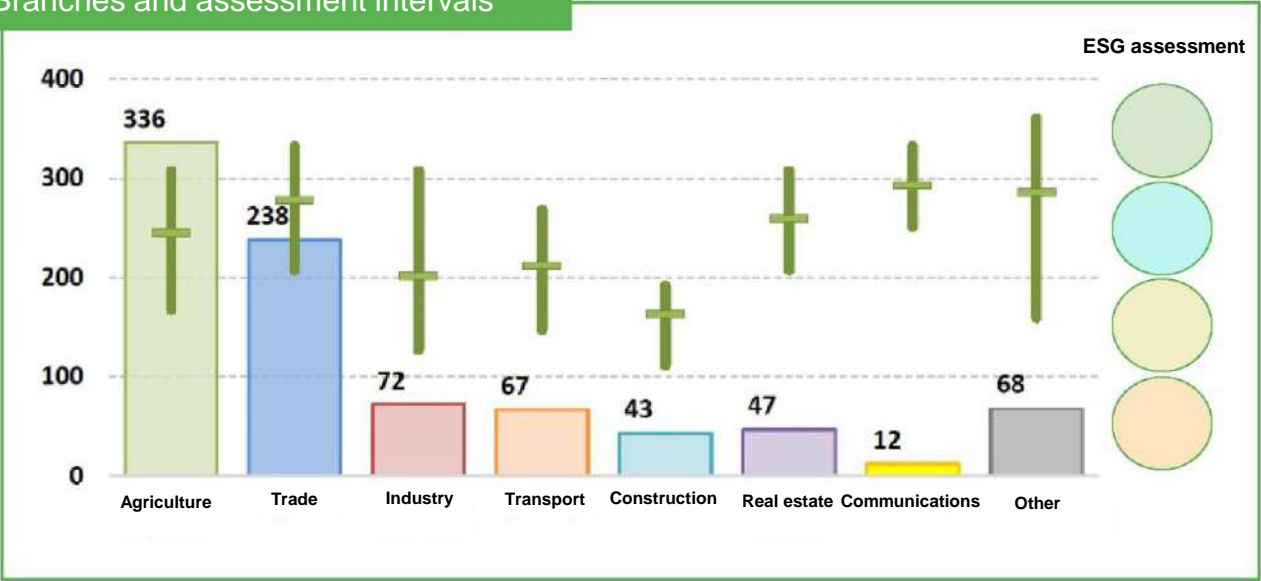
Since 2022, the bank is using a new methodology for the assessment of ESG risks for entrepreneur borrowers, which makes it possible to take more lending risks into account. By the year-end 2023, 4393 loans for the total amount of RUB 31.1bn rubles have undergone non-financial rating, which constitutes 80% of the entire corporate loan portfolio. The bank's clients with A/B/C ESG rating levels receive certificates of gratitude for responsible conduct of business. Moreover, the borrowers get an opportunity to obtain an overdraft at a discount that depends on their ESG rating (the higher the rating, the greater the discount). This way the bank is shaping a loyalty system and encourages entrepreneurs to conduct their business responsibly.

Distribution of ESG rating among bank clients as of 01 January 2024



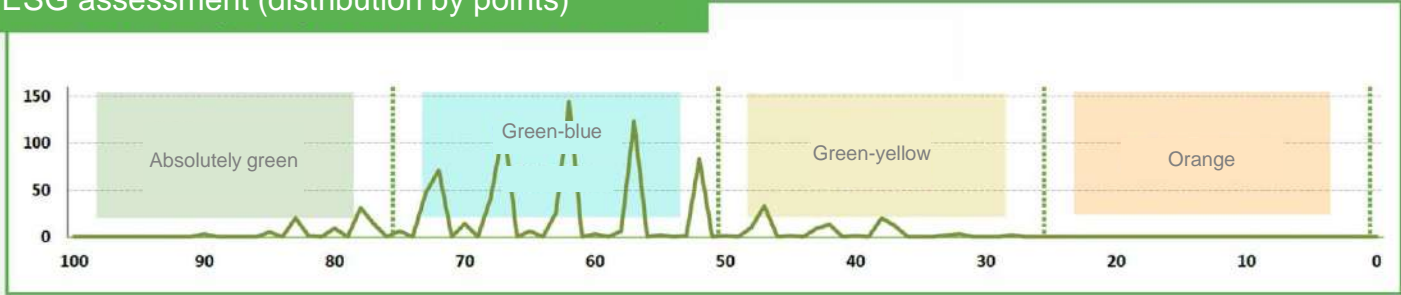
In 2023, the bank continued to offer to the clients a Green Deposit launched in March 2020. The main feature of this deposit is that the funds borrowed from depositors are used only for the projects allowing to reach certain UN Sustainable Development Goals (SDG).

Branches and assessment intervals



In 2023, the bank offered all its corporate and private entrepreneur clients having current accounts therewith to undergo an ESG assessment and establish their ESG development level. The methodology includes 4 assessment levels, from absolutely green to orange. As of the end of 2023, 883 clients of the bank, most of which work in the area of agriculture or trade, have undergone the ESG assessment.

ESG assessment (distribution by points)



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 specific features of lending risks. At the end of 2022, the Green Mortgage lending program has been launched which allows individuals and businesses to acquire real estate with energy efficiency class A or higher at lower rates.

Since 2012, the Green Mortgage lending program was launched which allows individuals and businesses to acquire real estate with energy efficiency class A or higher at lower rates.

Lending to female entrepreneurs implements the principle of gender equality and takes into consideration the lower risk appetite of female entrepreneurs.

Youth business is called upon 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, organizes free consultations and mentoring based on its own Accelerator. As of 1 January 2024, 919 startup projects were implemented for the total amount of RUB 1.2bn.

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 program **called Social Responsibility**. This loan program is being implemented with the aim of developing the business of social entrepreneurs in the fields of education, healthcare, culture and environment protection.

As of 01 January 2024, the bank has funded 184 projects under this program for the amount of RUB 665m. The bank offers a preferential interest rate on a loan, as well as a media platform for cooperation of social initiatives in the regions.

At present, Center-invest Bank is the only bank in Russia that knows how to provide lending for overhauls and has been successfully doing it since 2009. By the end of 2023, the bank has issued 259 loans to Homeowners' Communities for the overhaul of apartment buildings for the total amount of 549 mln rubles. The borrowers do not incur any additional expenses. The main source of loan repayment are the mandatory monthly fees of homeowners for the overhaul of the building.

The bank's clients from Rostov and Volgograd Regions, Krasnodar Territory, Stavropol Territory, Moscow and Nizhny Novgorod took advantage of such loans. The program is focused on 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, modernization and repair of lighting systems, installation of various automation, and other measures aimed at improvement of energy efficiency of apartment buildings.

In spring 2020, the bank offered entrepreneurs the unique **Business Transformation program for them to adapt to the new economy**. Using the total loan amount of 6.4 bn rubles, 1,961 clients developed and launched online applications, created remote services, digitalized and optimized business processes, and found their place on the new markets thanks to using the program which includes concessional financing, economically advantageous cash management services, acquiring, and a free online cash register.



STARTUP

919

PROJECTS

FOR THE AMOUNT OF

1,239

MILLION RUBLES

- ✓ For startup entrepreneurs
- ✓ Up to 3 years
- ✓ maximum 3 mln rubles
- ✓ consultancy services
- ✓ personal mentor



TRANSFORMATION

1,961

PROJECTS

FOR THE AMOUNT OF

6,442

MILLION RUBLES

- ✓ response to COVID-19 pandemic
- ✓ online application
- ✓ fast decision
- ✓ Program start from 2020



BUSINESS LOANS FOR WOMEN

1974

PROJECTS

FOR THE AMOUNT OF

5,315

MILLION RUBLES

- ✓ For female entrepreneurs, managers or owners
- ✓ production or sale of goods for women
- ✓ attendance of business events



SOCIAL RESPONSIBILITY

184

PROJECTS

FOR THE AMOUNT OF

665

MILLION RUBLES

- ✓ educational services
- ✓ revival of cultural values
- ✓ Program start from 2017

Energy efficient projects are a part of ESG. Center-invest Bank has been implementing an energy efficiency program since 2005, providing targeted loans to businesses and individuals to promote modern technologies and measures aimed at energy consumption reduction. Over this time, the bank has funded 24,440 projects for the amount of RUB 23.2bn. The environmental effect of this work is equal to the annual reduction of CO₂ emissions into the atmosphere by 274,514 tons.

Estimated CO₂ emission reduction values in various equivalents



In December 2021, the bank approved the ESG Digitalization 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 programs. 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 2024, Center-invest Bank’s investments in achieving global goals amounted to RUB 508.9bn, the bank invested RUB 450.9bn in national projects.

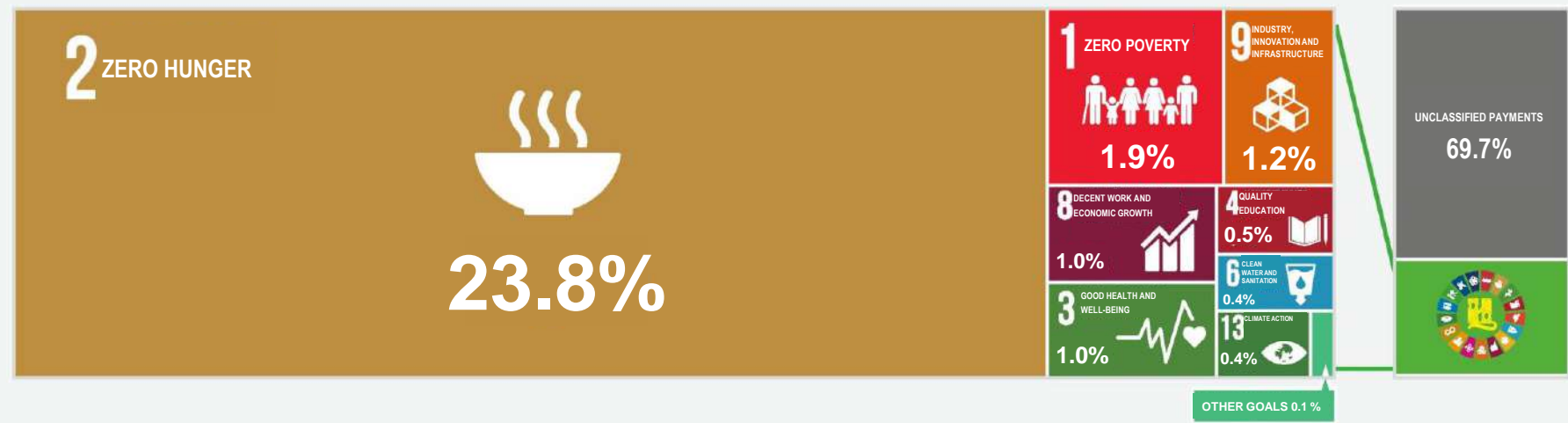
For each depositor, the bank provides information on its participation in funding of the SDGs and National projects. This distribution clearly shows how each depositor of the bank participates in the sustainable development of the region, the country, and the world.

Distribution of a 100-ruble deposit of bank clients as of 01 January 2024:



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

Distribution of payments of legal entities in accordance with the SDGs as of 01 January 2024



Payments of individuals are more closely (44.3 %) linked to the SDGs, including:

- SDG 4 (Quality Education), SDG 3 (Good Health and Education), SDG 1 (Zero Poverty): 8–10% of payments by individuals are used toward each of these SDGs;
- SDG 2 (Zero Hunger) and SDG 11 (Sustainable Cities and Communities) are in the range of 5–8%, and 3.7% of all the payments by individuals are allocated towards SDG 9 (Industry, Innovation and Infrastructure).

Distribution of payments of individuals in accordance with the SDGs as of 01 January 2024



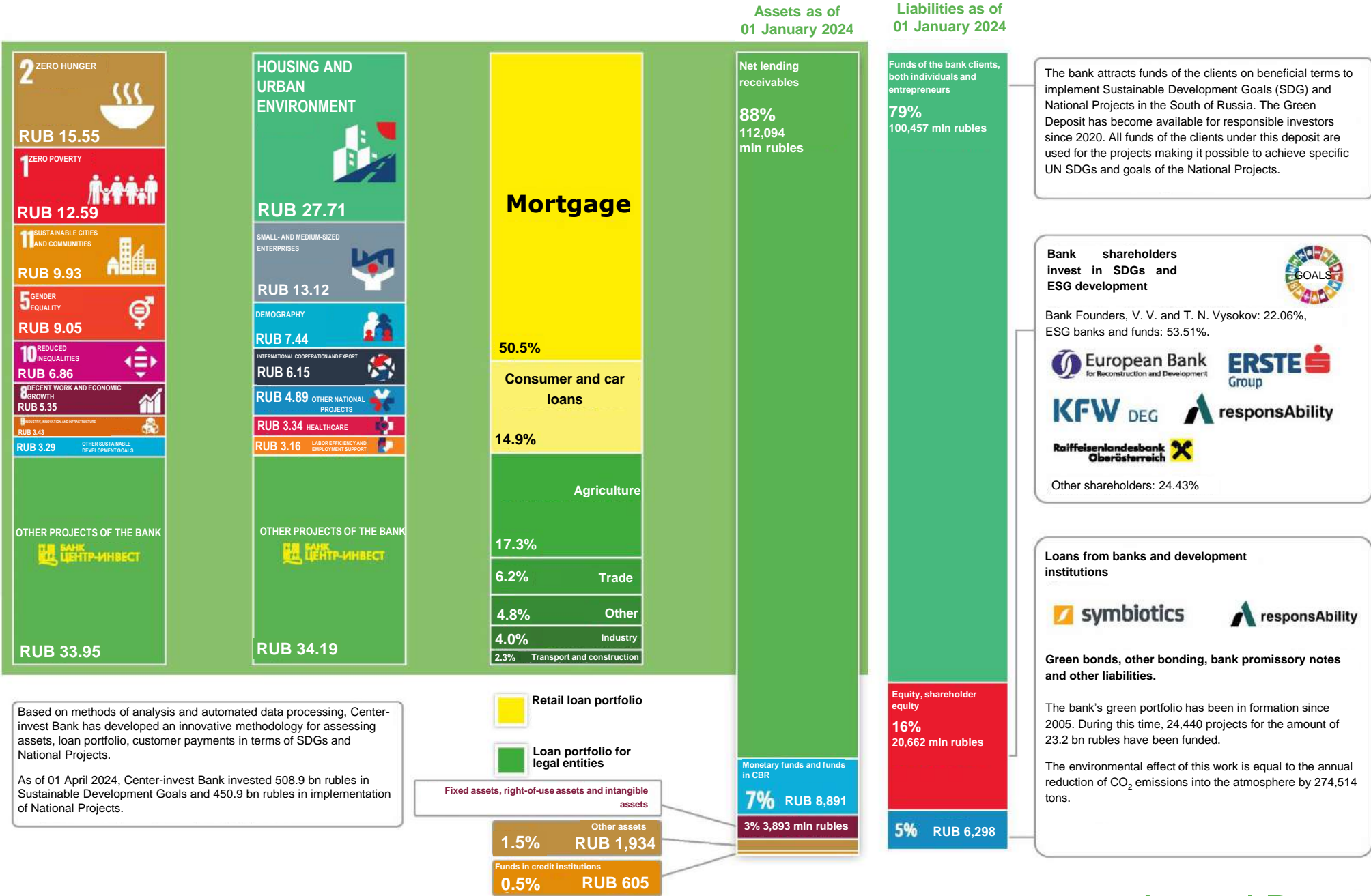
The bank’s ESG balance sheet makes it possible to assess the effectiveness of the ESG business model in achieving the SDGs. Center-invest Bank multiplies the funds of shareholders (16% of liabilities) who have invested in the bank to implement the ESG principles, as well as the funds of clients (80% of liabilities), individuals and entrepreneurs of the South of Russia, in ESG projects, SDGs and National projects.

ESG Balance Sheet

Thus, each ruble of investments of ESG shareholders is transformed into 5 rubles of investments for the SDGs and National Projects. 88% of the bank’s funds work in the real sector of economy in order to:

improve the standard of living of the population through mortgages (51% of the loan portfolio), consumer and car loans (15%);

develop the agroindustrial complex (17% of the loan portfolio), trade (6%), industry (4%), transport, construction, and other branches.



Events aimed at improvement of financial literacy of the population, investments in talent development in the regions

In 2023, the bank continued its active financial education work.

Experts from the Financial Literacy Center continued participating in the Bank of Russia's Online Financial Literacy Lessons for School Students 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 2023, 57 lessons for 279 thousand people were conducted. During the participation period, the bank employees have conducted more than 285 online lessons for more than 1,545 thousand people.

Besides, the Financial Literacy Centers are engaged in implementation of Center-invest Bank's acceleration program created for successful startup of new entrepreneurs and growth of existing businesses (acc.centrinvest.ru).

Center-invest Bank holds acceleration programs 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 courses are taught by more than 150 professionals and experts from different regions. The entrepreneurs who have completed this course increase their proceeds by an average of 20 %. During 2023, 803 entrepreneurs completed the course.

During 2023, experts and volunteers:

- trained more than 338 thousand attendees;
- arranged 563 events;
- consulted 21 thousand people on personal finance management;
- trained 998 financial literacy volunteers for replication of the lessons throughout Russia and beyond.

During their work for over 10 years, FLC experts and volunteers have:

- trained more than 2,147,000 attendees;
- arranged 6,000 events;
- provided advice to 160,000 people on personal finance management;
- trained 5,200 financial literacy volunteers for replication of the lessons throughout Russia and beyond.
- helped 913 startups to start their businesses.

Financial Literacy Center performance indicators

Date	01 January 2022	01 January 2023	01 January 2024
Total students of the Center	1,144,488	1,808,594	2,147, 570
Number of individuals having completed the training course	5,693	7,941	9,742
entrepreneurs in the Accelerator invited for preferential servicing	270	590	819
students having completed the banking course	3,257	4,280	5,278
Number of consultations	125,453	139,714	160,783
Participants of seminars and webinars	1,013,424	1,660,939	1,977,045
Total events held, incl.	4,853	5,458	6,021
lectures delivered by bank employees	1,966	2,235	2,343
lectures and seminars delivered by partners of the Center	1,577	1,714	1,853
external events	1,310	1,509	1,825

Lidia Simonova, Chairman of the Management Board of Center-invest Bank, and Vladislav Solyony, Head of the Financial Literacy Center 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 organizations 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 Program in the Rostov Region and development of new forms of improving the financial literacy of the population.

In addition to implementing its own programs, Center-invest Bank takes part in 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, Doctor of Economics, Chairman of the Center-invest Bank's Board of Directors, is a member of the Supervisory Board and participates in strategic decision making. As part of this Federal project, the bank provides financial and organizational 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-government associations and public authorities for the purpose of improving the financial literacy, supporting the science and technology, and contributing to the development of talents and training of much-needed IT professionals.

In 2023, Center-invest Bank became the main partner of the first interregional qualifying stage of the Phygital Live Games held at the Don State Technical University which was won by the team of DSTU. At the all-Russian stage of the phygital sports championship in Kazan, select team of DSTU sponsored by the bank also won the first place and the right to take part in the Games of the Future international multi-sports tournament. Phygital sport is a unique innovative trend that combines the best skills of e-sportsmen in virtual and augmented reality with physical activity. The participants competed in disciplines that combine physical

competitions and interaction with virtual and augmented reality.

In 2023, Center-invest Bank joined the **Multifunctional Center — Public Reception Offices of Authorities and Organizations project**. On April 19, an agreement for participation in the *Multifunctional Center— Public Reception Offices of Authorities and Organizations* project was signed at the Legislative Assembly of the Rostov Region by Center-invest Bank, the Southern Federal University and the Multifunctional Center. The bank was the first commercial organization to join the project. As part of the agreement, residents of the Rostov region will be able to receive online consultations from state authorities at the Financial Literacy Center, a joint project of Center-invest Bank and the Southern Federal University. The new project will help to improve the accessibility of advisory services to individuals, including those living in remote areas

of the region, and to promote financial literacy among people.

Center-invest Bank together with the Financial Literacy Center implemented a **new ESG Universal Education** training program which represents an interactive course of lectures on ESG principles. Attendees will get to know the concept of ESG, find out how to manage ESG risks and minimize the environmental impact. Animated video lectures delivered by the experts of Center-invest Bank, cases and test assignments on the topic of ESG will help in putting the gained knowledge into practice. The course is composed on the basis of Center-invest Bank's 30-year experience. One can undergo training and get a certificate on Bceo6y4.pф website.

In 2007, shareholders and clients 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 2023, the capital of the *Education and Science of the Southern Federal District* Fund amounted to 207 mln rubles, making it the largest endowment fund in the South of Russia today. Every year, the FCC holds a scholarship contest among the best students, issues grants to young scientists, and helps talented inventors.

During 2023, 5,200 people from 22 leading universities of the Krasnodar Territory, the Rostov Region, Volgograd, Astrakhan, Nizhny Novgorod, and the Republic of Adygeya took part in the contest.

During the 20 years of existence of the Smart Scholarship contest, more than 35,000 people participated and 6,050 students were awarded with the scholarship.

Center-invest Bank and the *Education and Science of the Southern Federal District* Endowment Fund established the Smart Scholarship contest winners club. The first club meeting took place within the framework of the XIV Science Festival of the South of Russia.

The idea to create the club came into being after holding of a survey among winners of the Smart Scholarship contest. 80% of respondents pointed out that the Smart Scholarship contest enabled them to obtain necessary financial support for development of their business idea, achieve the set goals, and gain confidence in their strengths and abilities.

Together with the stakeholders, the bank organizes forums, hackathons and contests.

Center-invest Bank took part in strategy session of the Don Parliament. The **parliament hackathon *Regional Legislative Activity in the Economics of Transformations* was held at the Boiling Point coworking space.**

The hackathon was organized by the Legislative Assembly of the Rostov Region and Center-invest Bank. The strategy session was attended by members of the Don Parliament of the new, 7th, convocation. At the parliament hackathon, the parliament members developed law-making initiatives to address existing economic and social problems in the region.

The members of the Don Parliament have shown high readiness for the transformation of business, small enterprises, investment, work of regulatory authorities, matters pertaining to the development strategy and economic mechanisms.

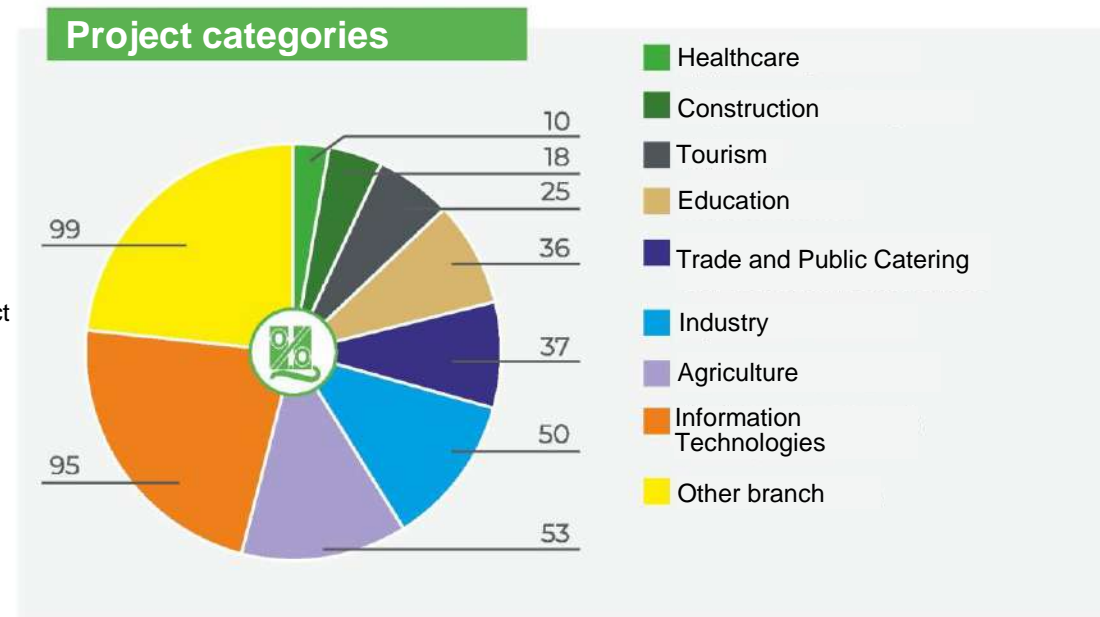
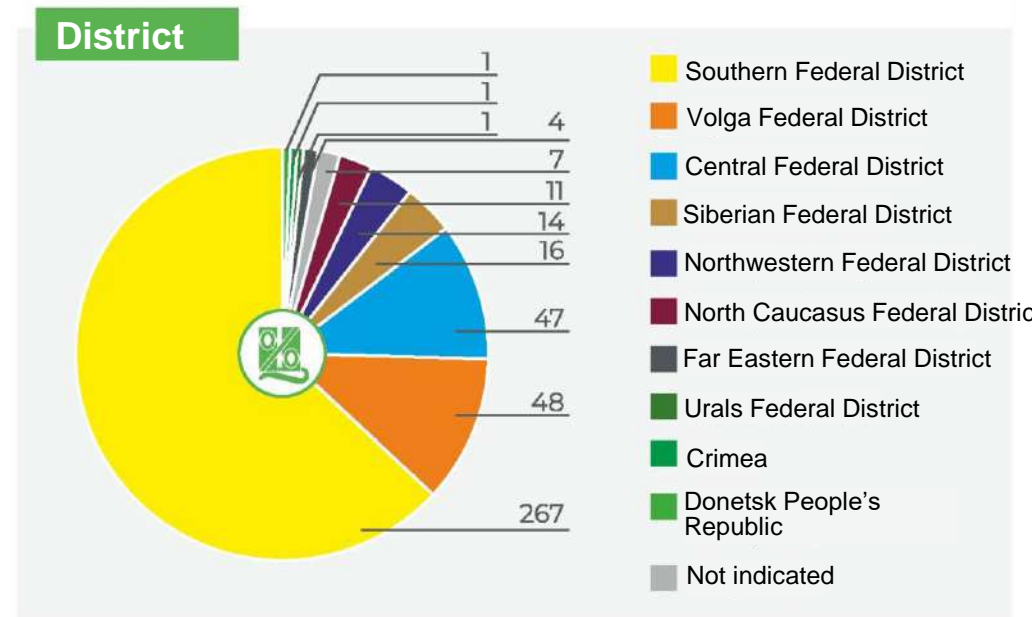
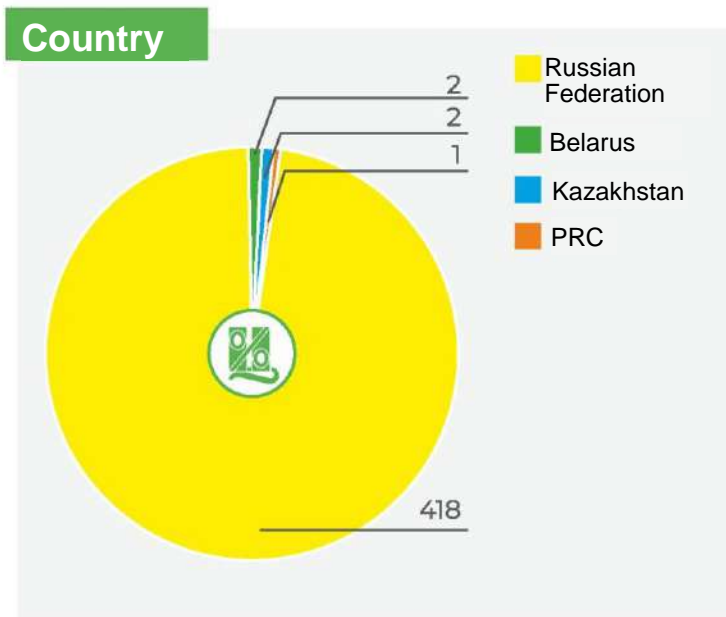


The first Southern Information Technology Forum took place at DSTU in 2023. Center-invest Bank organized the event and acted as its general sponsor.

The forum brought together promising IT companies, regional educational institutions and young IT professionals. Experts of Center-invest Bank shared their experiences and discussed the prospects for developing digital competencies.

In 2023, Center-invest Bank held the *Economics of Transformations international student project contest* with a prize fund of RUB 3m. In total, the contest received 423 applications from 95 universities. The contest was held among young people from Russian and foreign universities to develop social, economic, environmental and infrastructure projects. The applications for participation in the *Economics of Transformations* contest were received from 53 Russian cities, as well as from cities of Kazakhstan, Belarus and the People's Republic of China. Applications were submitted in 149 different areas focused on the economy transformation. Among winners are projects aimed at creation of new materials for industry, development of innovative technologies in the area of medicine and biotechnologies, as well as projects connected with improvement of ecology in the cities.

“Each economy transformation strategy is unique, it helps us understand what problems exist in the regions and how they can be solved. We are convinced that the projects presented will become a catalyst for the development of enterprises, regions and industry branches in the coming years,” commented Vasily Vysokov.



Center-invest Bank acted as partner of FICHA All-Russian Forum of IT Technologies and presented cases for the contest with the prize fund of 300,000 rubles for awarding the winners of the hackathon held within the framework of the Forum. The FICHA Forum is the venue of professional and technological opportunities for students and young IT professionals. The hackathon brought together 19 teams which were under care of the Center-invest Bank's technical experts. The solutions were evaluated under several criteria, such as development level of the idea, quality of implementation, scope of performed work, and quality of presentation. Avenir team won in the *Tourist Map* case, while PLEXeT team was the best in the case titled *Platform for Digital Currencies*. Both teams received the first prize of 150,000 rubles. Employees of Center-invest Bank consulted the forum participants on matters related to financial literacy, and presented the concept of a smart ATM which is capable of using biometrics and helps to combat telephone scammers.

Within the framework of the SFU-2020 standard, Southern Federal University is implementing the concept of university academic mobility modules (UAMM). Each semester the students select a course from a large cross-disciplinary list in their personal accounts on the SFU website, attend lectures and take credit tests in such subjects alongside with other courses from their educational program. Upon completion of the course, a student may fill in a questionnaire and point out the pros and cons of the studied subject.

The bank employees together with SFU professors conduct practical training sessions for the students within the framework of lectures.



Center-invest Bank is a long-standing partner of the Cyber Garden Hackathon held at the Southern Federal University. 70 teams from different cities of Russia took part in this IT contest in 2023. The contest was held in two age categories: Cyber Garden (developers and students over 18 years of age) and Cyber Garden School (students of schools, lyceums and vocational colleges under 18 years of age).



The Cyber Garden School teams worked on an innovative online service for school community uniting students, teachers and parents, and participants of Cyber Garden were developing a neural network using algorithms for anonymization of client data, which makes it possible to automate data transfer by the bank to third party auditors.

Every year the bank acts as a partner of the DSTU-based software developers forum organized by the Youth Affairs Department of Rostov-on-Don City Administration. XII Hackathon Spring 2023 Forum and XIII Autumn 2023 Software Developers Forum with participation of teams from the Rostov Region and Russia took place in 2023. Experts from Center-invest Bank worked hard both at the event venue and online, consulted the participants and helped the teams to find the appropriate technical solutions.



The bank is an official partner of the Youth Program by FINOPOLIS annual innovation technology forum. FINOPOLIS is the leading venue for discussions and innovations in financial technologies. Traditionally, the Forum includes a youth program and a hackathon to attract young professionals to the financial technology industry and hone their professional skills.

In 2023, two teams in a row mentored by the bank's experts came 1st and 3rd in the final startup project prototype contest held within the framework of the forum.

A *Digital Development and the Regions* round table discussion took place within the framework of the FINOPOLIS Forum on 09 November 2023 in Moscow. Yury Bogdanov, Deputy Chairman of the Board of Directors and Director for Innovations of Center-invest Bank, moderated the round table discussion and shared the experience of a bank in the South of Russia.



Among the round table discussion participants were Minister of Digital Development and Communications of Novosibirsk Region Sergey Sergeevich Tsukar, Chairman of the Board of JSCB Almazergienbank Nikolay Nikolaevich Dolgunov, Development Director of VK Tech Andrey Alekseevich Goryainov, Director for Banking Sector Business Development of ICL Techno LLC, Republic of Tatarstan, Viktor Vyacheslavovich Karpukhin.

At the round table, the participants discussed the key issues, features and competitive advantages of successful development of financial mechanisms and digital environment in the regions. The experts shared the opinion that for sustainable development of Russian regions it is necessary to encourage early inclusion of youth in the target professions and industries, provide practical training and the opportunity to get to know the future area of professional engagement.

Establishing of close interaction between regional enterprises and educational institutions will make it possible to adjust educational programs according to needs of the labor market, ensure high quality training of specialists.



Within the framework of FINOPOLIS Innovative Technologies Forum, the Bank of Russia and Center-invest Bank signed an agreement on cooperation in development of educational programs for the Fintech Hub. Fintech Hub is the venue for implementation of the Bank of Russia's educational and training programs in the area of financial technologies and cybersecurity where the experts

share experience and knowledge with school and university students, as well as with already practicing specialists. Center-invest Bank will take part in joint educational events in the area of digitalization and application of modern technologies, and will share its expertise and experience in training of highly demanded IT specialists.

In 2023, the bank took part in organizing and holding of the following events: Humanhack 2023 Hackathon (Southern University (IMBL)), Fintech Hackathon within the framework of the Innovative Startups Funnel, *Sustainable Development of Southern Russian Territories According to the ESG Principles* Hackathon (Volgograd State University), *Economy of Transformations* lecture/hackathon (Rostov State University of Economics (RSUE), All-Russian Contest

science and technology projects for high school and university students *Big Challenges 2023* (Fintech Hub of the Bank of Russia), regional stage of All-Russian Professional Skills Championship Movement *Professionals 2023* in the Rostov Region (Rostov College of Communications and Informatics).

ESG Digitalization of the Bank

The consistent development of remote banking services, including mobile applications, which corresponds to the general trend in the banking sector, continued in 2023. Digitalization is penetrating virtually all spheres of banking activities, forms habits and needs of the clients, determines the direction of prospective development.

Following the ESG principles also determines a certain part of tasks accomplished in 2023, including calculation of ESG rating and carbon footprint.

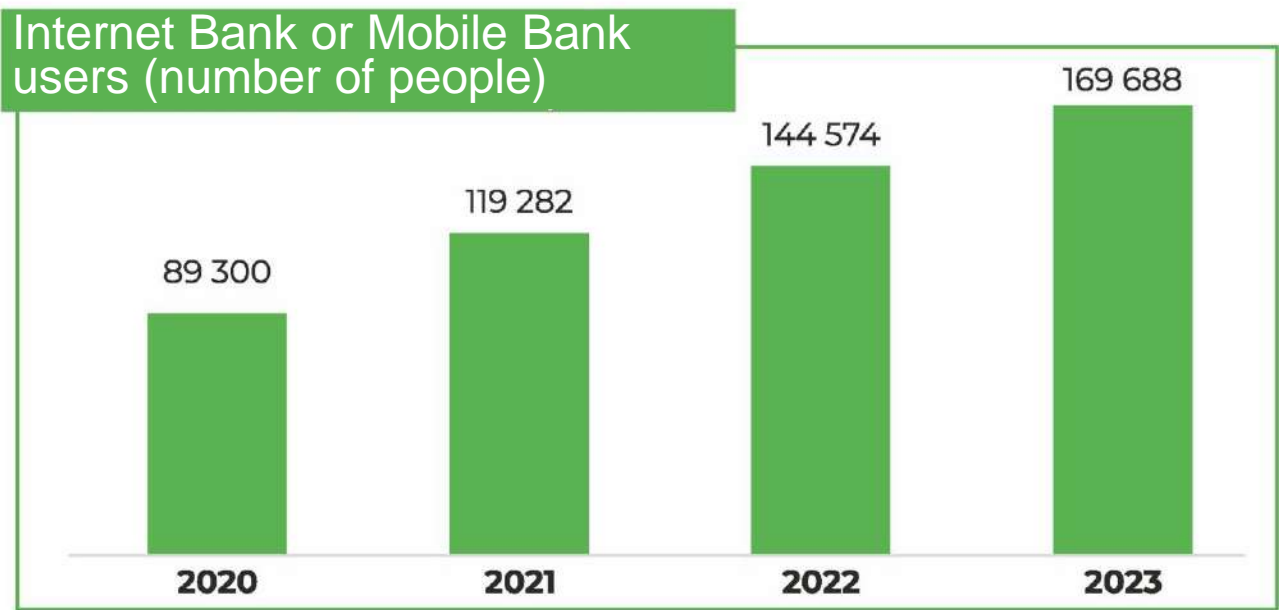
Modern banking business is unthinkable without use of AI technologies, the bank has been engaged in implementation of such technologies, and that is why in 2023 it successfully completed a number of projects with application of computer vision, big data analysis and machine learning.

The bank traditionally participates in pilot projects and fintech innovations and therefore took part in the testing of the digital ruble platform, issue of digital financial assets, and work in the FinTech Association.

Due to external circumstances, importance of information security and stable operation of infrastructure has sharply increased, therefore considerable efforts of the bank were aimed at increase of reliability of banking services and resolution of issues connected with import replacement.

Remote and Payment Services for Retail Clients

In 2023, the bank continued active development of **its mobile app for retail clients**.



Within the framework of consistent development of this crucially important service channel, a set of tasks related both to compliance with the requirements of legislation, technical requirements (in order to improve performance) and, most certainly, requirements connected with launch of new services, has been completed.

Implementation of the complex approach made it possible to attract new users of the bank’s RBSS and increase overall client activity.

One of the new features offered to the clients is **the possibility to open deposits online** via the bank’s mobile app. Opening of a deposit via mobile application eliminates the need to visit the bank by its existing clients to perform the transaction, considerably saves time and takes just a few minutes. The clients do not have to sign hard copy documents — a contribution to protection of the environment.

In 2023, development of projects connected with payments via the Faster Payments System (FPS) has been continued: C2B and incoming cross-border transfers.

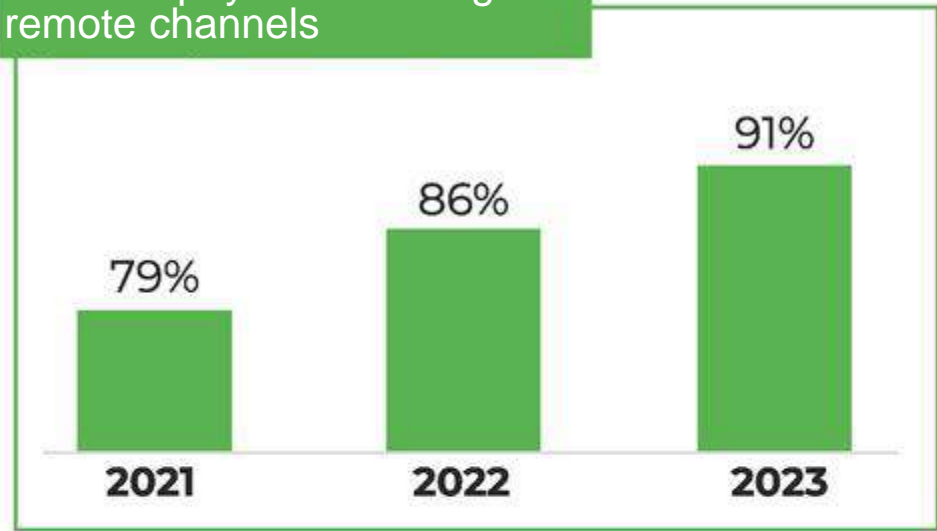
A **C2B FPS service was put into full-scale operation**. The service makes it possible to transfer payments for goods and services from individuals to businesses in a fast and convenient way using a QR code by means of the mobile app.

The payment can be transferred using either a static QR code printed out by a store salesperson or a dynamic QR code generated by the POS terminal. This method is convenient for both parties: the clients do not have to carry plastic cards, and corporate clients secure an additional, modern method of payment.

C2B transfers happened to be in high demand: in the course of 2023 the number of transactions with our cards at third party retail and service outlets reached the level of 156.8 thousand.

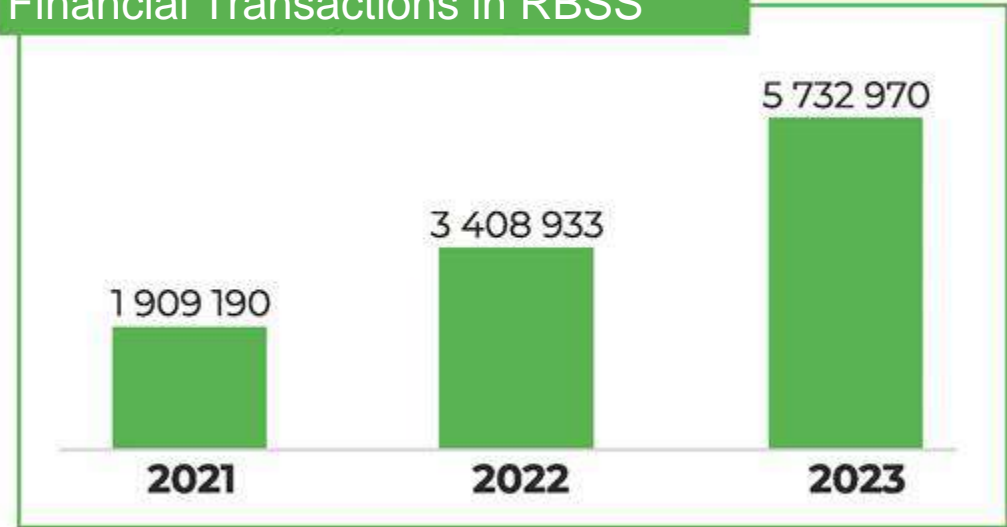
The launch of **incoming cross-border money transfers** via FPS makes it possible for clients to receive funds from abroad directly to their bank accounts. This service allows the clients to receive money transfers nearly instantly, while the sender only needs to know the recipient's mobile number. The service is especially useful for CIS countries nationals living in Russia and for those who send money to their business partners.

Share of payments through remote channels

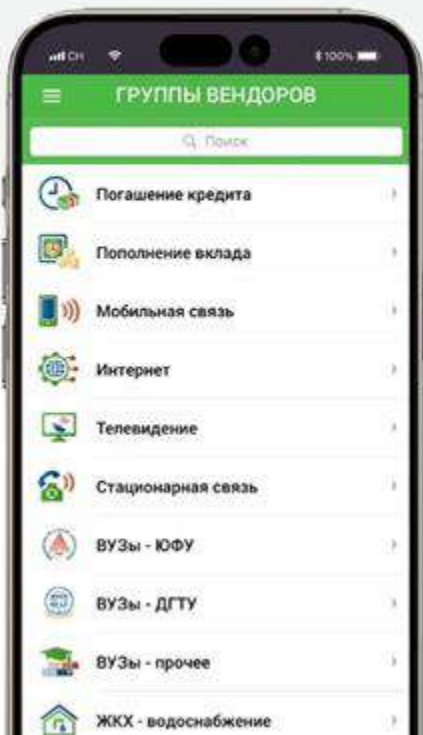


Continued development of the mobile app and availability of transfers via the Faster Payments System make switching to payments through remote channels more and more popular among users. By the end of 2023, the share of retail client payments via remote channels reached 90.59%.

Financial Transactions in RBSS



With that, the number of financial transactions in RBSS grows at an accelerated pace.





Due to the introduced restrictions on use of Apple Pay, the bank developed and issued its own payment sticker which gives access to the bank account in the same way as the plastic card. The sticker is compact and may be attached to any surface, e.g., to the smartphone back panel.

With the help of the sticker, the clients can make tap-and-go payments for their purchases at POS terminals, just like they did with the payment app. A sticker is secure, it bears no details, holder name, or CVC code. Unlike a plastic card, the risk of losing an attached sticker is much lower, and one does not have to be afraid of forgetting it when leaving the house.

Number of applications related to bank cards processed by operators of the contact center within the front office operations system



Currently the contact center is an important channel of remote work with the clients.

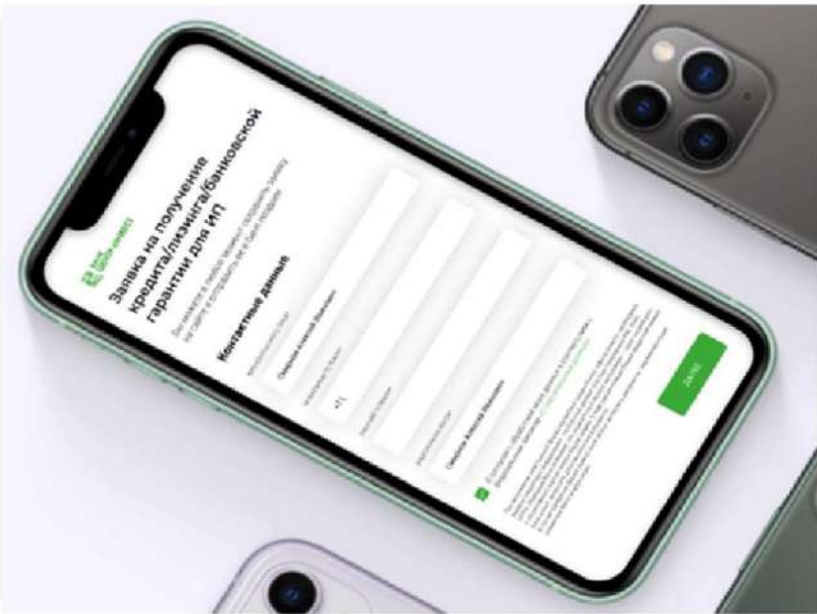
Implementation of the client bank card service, including processing of applications for issue, reissue and blocking of cards by contact center operators within the front office operations system, made it possible to simplify and reduce the application processing cycle and to minimize the number of applications to the bank office.

Several of the bank's projects are social in their nature. Performing its social function related to provision of services to persons entitled to benefits, the bank implemented the possibility to buy a concessionary municipal public transportation pass via its self-service kiosks to ensure the operation of the automated cashless public transportation fare payment system in Rostov-on-Don.

Remote Servicing of Corporate Clients

Throughout the year 2023, the bank was developing the most demanded services in the RBSS for legal entities, including issue of online loan applications, generation of invoices and acts, personal account for acquiring.

In February 2023, Center-invest Bank launched a new service for legal entities enabling them to file **online loan applications in the RBSS LE personal account**. In the course of 2023, clients of the bank filed 679 of such applications and received 364 loans for the amount of 1.76 bn rubles.

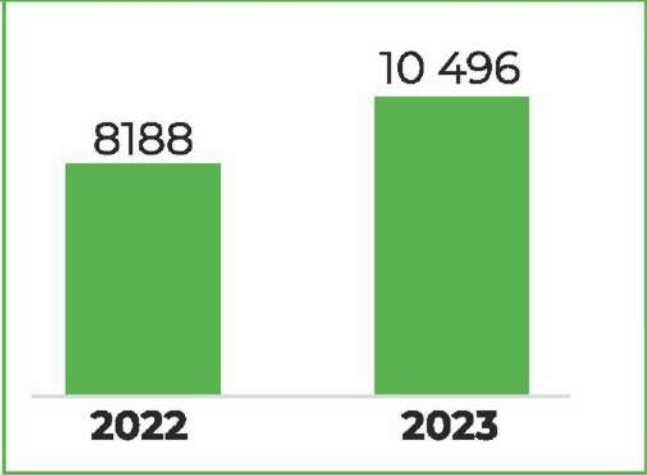


The invoice and act generation functionality was launched **within the framework of expanding the remote banking service capabilities**. Implementation of this functionality ensures a more efficient and transparent payment and accounting process for financial transactions of the bank’s clients with their counterparties, improves control over payments and increases the level of trust.



In 2023, Center-invest Bank launched the functionality of a personal account for acquiring in RBSS LE. In addition to reports on fixed-line acquiring payments and transactions, a report on FPS C2B transactions was added. Functionality related to filing applications for refund on the online acquiring transactions was added, which considerably expedited the funds return process. The bank is planning further extension of the acquiring personal account functionality.

The bank’s acquiring network, number of POS terminals



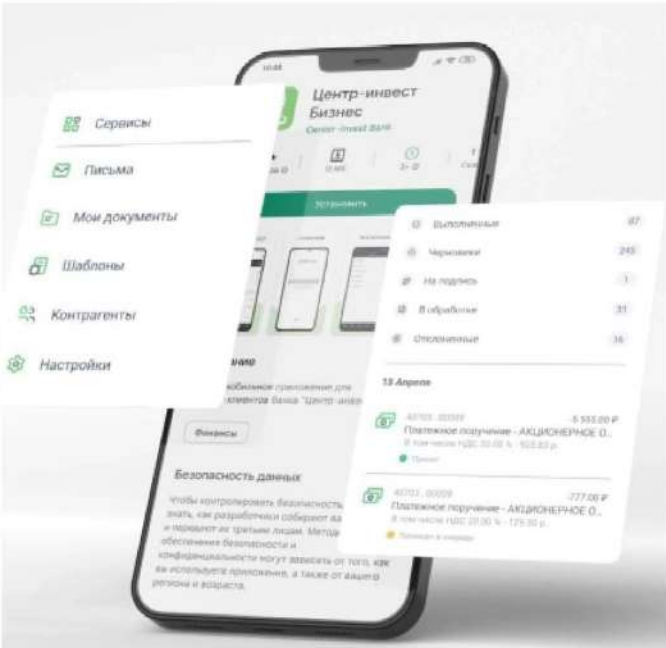
The consistent work aimed at the increase of attractiveness of Center-invest Bank’s services leads to expansion of the bank’s acquiring network.

In 2023, Center-invest Bank launched semi-commercial operation of **its own internet acquiring**: acceptance of bank cards and e-money for payment via the internet using a specially developed web interface that enables making settlements in online stores and payment for various services without installation of any equipment. The service will make it possible for the bank to attract new clients and increase loyalty of existing ones that are interested in such a service.

In 2024, the bank is planning to expand the service by adding new functionality: FPS, fiscalization, electronic certificates, support of e-wallets.

The bank team is actively working on the development of mobile application **for legal entities**: there is a clear trend towards the use of mobile applications for remote banking services.

Over the past year the number of active mobile app clients increased twofold, and amounted to 1,824 users.



To ensure uninterrupted exchange of interbank messages via the Bank of Russia's financial message transmission system (SPFS), our bank started to exchange financial messages in the SWIFT format via SPFS in 2023. In less than 4 months of 2023, the bank forwarded 1,388 payments for the amount of CNY 335,887,200. Essentially, SPFS is the channel for transmitting electronic messages on financial transactions (financial messages). SPFS guarantees uninterrupted transmission of financial messages both inside and outside the country. With that, settlements between credit institutions are made within the framework of correspondent banking.

In July 2023, Center-invest Bank successfully implemented the program of cashback for cash settlement service fees based on ESG rating.

A client questionnaire was realized in the RBSS for legal entities, based on which ESG rating in the form of the bank's electronic certificate is assigned to the client who fills it in. The size of cashback depends on the ESG rating level. The new program attracted increased attention of the clients: over 850 applications were processed in the course of 2023.



Digitalization of Retail Lending



Within the framework of lending process digitalization in 2023, Center-invest Bank implemented the so called digital mortgage project. Thanks to completion of a broad range of technical, organizational and legal tasks, interaction with the Federal Registration Service of the Russian Federation on mortgage transactions is now digitalized.

Now the bank's clients have the possibility to issue an enhanced qualified electronic signature in just a few minutes by means of their mobile phone, sign the set of mortgage loan documents with such signature, and forward them to the Russian Registration Authority.

As a result, the time frame for issue of a mortgage loan at the bank has reduced from 10 to 2 business days.



In 2023, Center-invest Bank offered its clients to forward the **set of individual loan application documents in online mode.**

Moreover, authorization via the State Services portal makes it possible to identify the client's personality and electronically obtain consent for the bank to make an inquiry regarding credit history of such client with the credit reference bureau.

This feature made it possible to reduce the time of consumer loan obtainment by 50%, as well as the number of necessary visits to offices of the bank.

More than 1,500 clients already took advantage of the new, convenient service.

Our bank is consistently implementing the strategy based on

ESG principles. Back in December 2021, the bank approved ESG Digitalization 2.0 Development Strategy for 2022–2024 which combines global UN Sustainable Development Goals for the period until 2030, priorities of Russia's National Projects for the period until 2024, and development goals under the Bank of Russia programs. 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.

In 2023, the bank began to calculate **the carbon footprint (CO₂ emissions)** using in-house methodology for items of real estate acquired within the help of mortgage loans granted by the bank to the clients, as well as for agricultural facilities (crop planting land, animals, etc.) financed on account of the bank's loans. Carbon footprint accounting for the loans is the bank's know-how in its movement towards carbon neutrality.

In 2023, Center-invest Bank created an electronic **dossier of corporate clients' loan documentation**. This new database is a solution with modern architecture making it possible to store, update and upload loan documentation of the bank's clients in a structured and centralized manner. This reduces the time frame required for review of loan applications and simplifies the loan agreement support process.

As a result of the loan documents digitalization, in 2023 the documents were converted to digital format, and more than 400 electronic dossiers on the largest borrowers were formed.

In 2023, Center-invest engaged in interaction with the Federal Tax Service in the area of **work with simplified property tax deductions**. Now the bank's clients can remotely file applications for tax deduction at any convenient time without leaving the house. The time of application review by the bank does not exceed 1–2 days, and time of review by FTS does not exceed 30 days.

In 2023, Center-invest Bank continued the improvement of business processes connected with servicing of its corporate clients.

Implementation of the unified client profile and automation of current account opening process upon client applications filed via the bank website at the **operations front office** represent the first stage of a large-scale project.

As the next step, the bank is planning to implement a unified history of interaction with the client, which would open broad opportunities for analysis of the client path and reduction of the service time.

In 2023, the bank transitioned to the **client passport validity checking service via the Unified Interdepartmental Electronic Interaction System** in accordance with recommendations issued by the Bank of Russia. The work was completed within the minimum possible time to ensure prompt obtainment of access to legally significant findings of the check and the possibility to directly receive up-to-date information during provision of services to the client.

The year 2023 saw the successful completion of several projects where artificial intelligence technologies were used for achievement of the bank's goals.

In 2023, a **note authentication** system with application of computer vision was implemented making it possible to promptly react on and control the legality of foreign exchange cash transactions at the bank's cash desks.

A platform employing the computer vision and data analysis technologies was developed for analysis of client receipts making it possible to form client profiles based on their purchases. Goods categories and brands are established with the help of machine learning algorithms. The model performance and data analysis results enable the business units to increase the precision of targeted client offers, simplify the client category establishing and partner searching processes.

Center-invest Bank is actively developing the artificial intelligence technologies area of application, and works on a number of promising projects that will yield result already in 2024.

The efforts of the bank's IT Development Directorate in the year 2023 were focused not only on development of services, but also on improvement of their quality for the clients.



It also helps in optimization of resources, identification of bottlenecks and taking reasonable decisions on the basis of obtained data.

In 2023, the bank's engineers have developed and implemented an integration cooperation **scheme minimizing the denial of service**. This solution made it possible to perform technical and administrative works without stopping the provision of services. The emphasis was made on development of the possibility to cluster the critical bank systems. Fail-safe schemes have been applied in the integration layer, bank systems and client services.

Improvement of fault tolerance and reliability made it possible to reduce the risks of idle time and failures, ensured continuous availability of services to users, increased the level of trust in the bank, and reduced loss of profits connected with the system operation problems. Requirements of the RF national standard GOST 57580-2018 on encryption of data exchanged between systems and isolation of systems involving payments from user segments of the information system have been complied with.



In 2023, the bank successfully passed the **audit for compliance with requirements of PCI DSS (payment card industry data security standard)**. Compliance with PCI DSS ensures the protection of confidential payment card data, reduces the risk of data theft and fraud, enhances trust on the part of clients and partners, and helps to avoid fines and reputational losses connected with the violation of security standards.

The successfully passed audit for compliance with the PCI DSS standard requirements ensured the bank's compliance with requirements of the payment systems, opened new opportunities for expansion of the bank's services connected with the use of client card data, due to which internet acquiring could be put into semi-commercial operation.

The scope of work in the area of import replacement is gradually increasing in the bank's IT sector. In 2023, within the framework of **import replacement** and improvement of the bank infrastructure reliability, migration of client database to a modern CRM system has been implemented.

Pilot Projects

In 2023, Center-invest Bank has become a participant of the **digital ruble platform**, and joined the group of banks that commenced the preparing of their systems and processes for testing digital ruble transactions.



Digital ruble is a new form of national currency that will be issued in addition to the existing cash and non-cash means of payment. The objective of the current stage of the pilot project is to make the necessary preparations for the bank's information systems, practice all the processes related to the new type of national currency, including opening an account, its replenishment, payment for goods in digital rubles and transfers between individuals on real users.

Participating in the digital ruble pilot project, the bank has an opportunity to be among the first to see all the benefits of using digital currencies, to influence the formation of future payment infrastructure, and to offer our clients new products and services.

It should be noted that for many years, Center-invest Bank has enjoyed fruitful cooperation with the Bank of Russia, and is also involved in pilot projects to develop Russian payment infrastructure.

In December 2022, Center-invest Bank joined the **Financial Technologies Development Association (FinTech-FTA)** established on the initiative of the Bank of Russia and key players of the Russian financial market to perform expert assessment of innovative technologies taking the international experience into account, and to develop the concepts of financial technologies and approaches to their implementation.



Throughout 2023, FTA actively worked on the areas of particular interest to the bank, including digital profile of individuals and legal entities, digital financial assets, digital mortgage, development of technological sovereignty of financial market participants, as well as payment services.

Joint work in the FinTech Association is a logical step for the bank, as we focus on the development of digital products and services, development of financial technologies and piloting of the most promising initiatives, and this is exactly what FTA is engaged in, being a unique venue for constructive dialog between the regulator and the business representatives.

1. Development of Market Analytics

Upon results of 2023, a system of end-to-end analytics for incoming applications and sales channels broken down by bank products was implemented on the basis of the SuperSet service. The system makes it possible to analyze the retail loan application receipt channels, quality of conversions and efficiency of stages within the business processes, which enables the bank to more efficiently influence the promotion and further sale of its products.

2. Results of marketing campaigns for attraction of retail lending applications:

29,619 leads on retail loans were obtained through advertising

10,387 retail loan applications were received from the leads obtained through advertising

1,628 retail loan applications from “advertising” leads were approved

1,487 retail loan agreements were concluded on the basis of applications received through advertising

13.2 bn rubles were requested under retail loan applications received through advertising

2.3 bn rubles worth of retail loans were approved under applications received through advertising

2.1 bn rubles was the amount of retail loan agreements concluded on the basis of applications received through advertising

These results of marketing campaigns efficiency are not exhaustive, as they only take into account the statistics for applications received via the bank’s website. If the user sees advertisement of the bank’s products, but files an application via mobile app or at the bank’s office, such statistics are currently referred to the organic, but not to the advertising results, because there is no digital trace in the receipt of such applications.

3. Research

A number of research activities among individuals and legal entities have been performed in order to identify the points of growth, retain the existing clients and increase sales, including quantitative research (mass surveying), qualitative research (interviews), as well as control purchases (by a “mystery shopper”).

Main results on individuals:

- Decision to discontinue mandatory issue of the paying-in books, which leads to considerable saving of funds and optimization of business processes.
- Testing of the new digital sites for product promotion.
- Commencement of work on an integration with *Sravni.ru* marketplace on deposits for individuals in order to boost sales in case the tactical measures for activation of additional channels are undertaken.

- A set of useful marketing data for real-time launch of the Mobile Deposit beta version.

Main results on legal entities:

- The form for acceptance of applications for settlement and cash services (SCS) has been improved.
- The process of faster handling of applications for settlement and cash services has been worked through.
- A training session on sales and interaction with the SCS clients has been scheduled.
- Tasks connected with improvement of RBSS LE have been reviewed on the basis of received feedback.

4. Development of sales channels

Marketplaces and Ratings.

- Gained a foothold in the rating of the country's top 5 banks in all bank services on *Sravni.ru* marketplace.
- Won the *Reliable Regional Partner of Sravni.ru* prize and became a No. 1 bank in the area of services for individuals.

Social Media and Website.

The total growth of the bank's social media channels over the year constituted 83%, which means 56,611 regular subscribers. In addition to that, we:

- Entered top 20 of the fastest growing banks in social media according to *Brobank.ru*.
- Entered top 30 of the largest banks in Russia in terms of the total audience on the permitted social media.

- Entered top 20 of the largest banks in Russia in terms of audience on *Odnoklassniki* social network.
- Entered top 30 of the country's best financial websites holding the 26th place.
- A set of useful marketing data for real-time launch of the Mobile Deposit beta version.

The Green Vector Media Project.

The Green Vector ESG magazine became the winner of the National Banking Award-2023, and achieved the following results:

- 7,243,242 views was the total coverage of the magazine in *Zen*.
- 268,829 readings and views of articles in *Zen*.
- The number of regular subscribers of the magazine's digital channels has grown from zero to 18,600 over the year.

5. Development of direct promotion tools

Digital advertising

In line with the strategic task of increasing the individual loan portfolio, we continued to implement new marketing tools and to improve the existing ones, namely:

- Tested the first advertising campaigns on *Avito*, *Sravni.ru*, *Banki.ru* and *Fermer.ru* sites.
- For the first time launched, and continued, targeted advertising in Telegram.
- Intensified our advertising on *Yandex*, *Mail.ru*, *OK*, *VK*, etc.
- Introduced regular posting of product-related articles in *Zen*, both via the bank's channel and via the *Green Vector* channel.

In the course of 2023, reached the audience coverage of 64,161,488 people via the regular promotion channels and around 10 million people via the test channels, which gave us 750,000 transitions to the bank website.

6. Other Results

- A comprehensive plan of further development of the marketing area was put together and proposed.
- Active support of cybersports events.
- Development of relations with new Federal partners, FlowWow and SimpleWine.
- Development of marketing cooperation with the Multifunctional Center in the area of integrating useful content and marketing materials, and with *Opora Russia* in the development and implementation of loyalty programs.

Digital Transformation of HR Processes

In 2023, implementation of the Mirapolis innovative digital HCM environment for employees and managers was continued. Mirapolis software vendor is a leader in domestic solutions for digital transformation of HR processes.

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 digitalization of internal communications.

Training management and personnel evaluation modules in accordance with the 360 method have been implemented. The platform features personal accounts for employees and managers.

An employee personal account enables personnel to independently register for training, undergo training programs, testing, and to view the results. A gallery of events and viewing of the bank newsfeed are also available.

A manager's personal account includes all features of the employee personal account and enables the manager to send his/her employees to the required courses and exercise real-time control of training results and grades.

The platform features a new personnel development tool: competence assessment using the 360 method. This tool makes it possible to identify strengths of the employees and their growth areas based on comparison of employee's self-assessment with regard to his/her competence matrix with evaluation of the relevant employee by managers and colleagues. The tool makes it possible to identify growth points of employees and employee teams, select the optimum development programs, has a positive effect on involvement and motivation of personnel.

2023: 972 active users of the system.

Internal banking innovations

In 2023, the bank continued to encourage innovations. During 2023, the following was received:

- 46 improvement suggestions;
- 17 were approved;
- 4 were implemented.



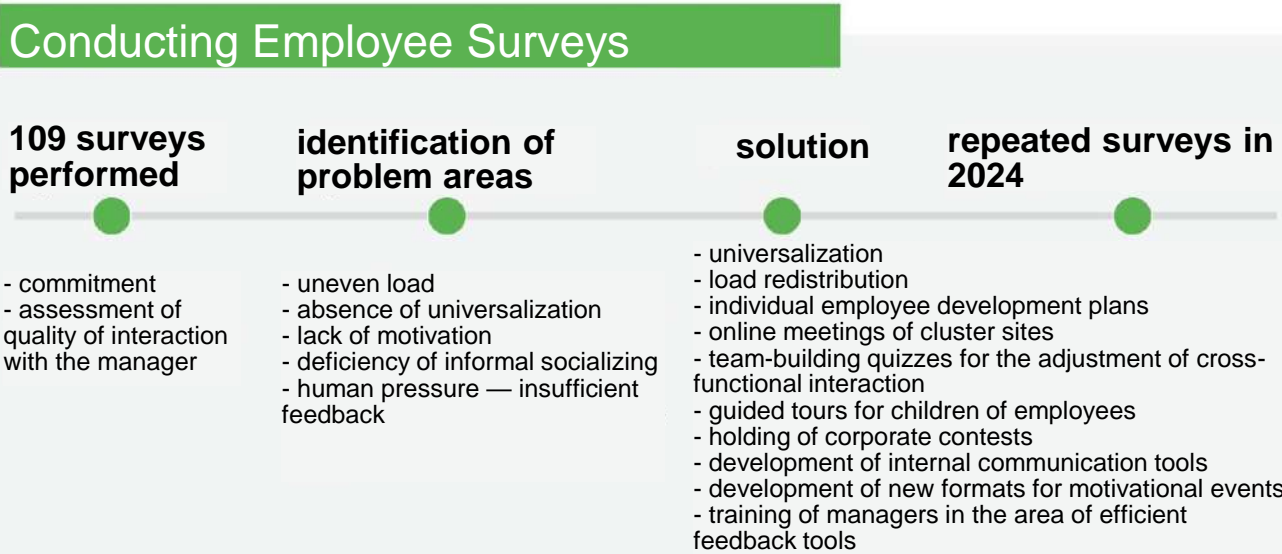
Training and development of employees

The bank’s main priority is development of knowledge, skills and potential of its employees and managers.

More than 1,600 training courses and programs were completed by the bank’s employees in 2023. Personnel training covers all the areas of business and categories of employees in order to maintain a high level of qualification and further develop professional competencies, and form a personnel reserve.

Development of Corporate Culture

The bank pays great attention to matters of personnel involvement and loyalty, actively uses employee surveys as an efficient tool to diagnose the necessary changes. Surveys help to promptly focus efforts on the current issues, keep the team strong, identify and retain talents, and contribute to the employee value recognition.



Within the framework of corporate culture development, the bank continuously works on the feedback tools efficiency increase. The relevant trainings for managers and employees are held on a regular basis. The corporate channel contains a *Feedback* section where the instruction videos on giving feedback with participation of the bank’s employees and managers are posted.

Scripts for the videos are created on the basis of actual operating situations, which makes their perception easier and increases the employees’ readiness to use feedback tools for development.

In 2023, new formats of corporate motivational events for employees were developed. 21 events in face-to-face and remote formats were held. Team building events contribute to the increase of cohesiveness, improvement of cross-functional communications, and ensure greater involvement and motivation.



The bank actively uses an intra-corporate Telegram channel as a tool for developing internal communications.

It is a venue for conveying key values of the bank, informal communication and establishing of interaction between employees from different business units and offices, holding of corporate contests, improvement of onboarding and adaptation of new employees on account of fast integration into the bank environment.

In 2023, 5 corporate contests for employees were held with participation of 91 teams:

- One day out of business unit's life.
- Working in the rhythm of the dance.
- Center-invest Bank of the future in the children's eyes.
- Neurogymnastics at workplace.
- The autumn motives.

The corporate contests contribute to strengthening of team spirit, creation of positive atmosphere, identification and development of talents.

Events in such a format make it possible to develop creative potential of both individual employees and teams. "Creativity" in this context means solving of tasks that do not have pre-arranged solving scenarios and algorithms. In this case, the participants develop creative thinking skills and learn to generate nonconventional ideas.

In 2023, the bank continued active development of family format for its corporate events. Guided tours for children of bank employees are arranged on a regular basis, which increases loyalty and motivation of personnel.

The children have the opportunity to see where their parents work, to get bright impressions and memorable gifts. The employees develop sense of belonging, the feeling of correct choice of their workplace: a company that supports family values and cares for its employees.

The guided tours are used for strengthening of relations with the current clients and partners. Tours for school and university students provide an excellent opportunity for career guidance and getting familiar with the advanced banking technologies.

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 organizations, 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 recognizes 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.

Internal documents regulating corporate governance of PJSC CB Center-invest Bank:

Document name and year of approval

Charter (2016, as amended in 2017, 2018, 2019)
Provision on the General Meeting of Shareholders (2016)
Provision on the Board of Directors (2016)
Provision on the Management Board (2016)
Provision on Chairman of the Management Board (2016)
Code of Corporate Conduct (2004)
Code of Corporate Ethics (2004)
Provision on the Dividend Policy (2017)
Information Policy (2007)
Risk Management Policy (2022)
Key indicators of risk appetite (2023)
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 (2020)
ESG Digitalization 2.0 Strategy 2022–2024 (2021)
Personnel Policy (2013)
Labor Remuneration System Policy (2023)
Information Security Policy (2022)

Document name and year of approval

Accounting Policy of the Bank, Accounting Policy for IFRS and RAS Reporting, as well as Accounting Policy for Tax Purposes (2023)
PJSC CB Center-invest Anti-Corruption and Anti-Fraud Policy (2020)
PJSC CB Center-invest Sanction Policy (2020)
PJSC CB Center-invest Business Continuity Policy (2022)
PJSC CB Center-invest Business Continuity and Recovery Plan (in terms of ensuring the bank’s infrastructure security and people safety) (2022)
PJSC CB Center-invest Business Continuity and Recovery Plan (ensuring the functioning of the bank’s information system) (2022)
PJSC CB Center-invest Business Continuity and Recovery Plan for Critical Biosecurity Threats (2023)
PJSC CB Center-invest Business Continuity and Recovery Plan for Liquidity Crisis (2023)
Conditions for Transactions with Financial Instruments by Persons Included in the List of Insiders of PJSC CB Center-invest and their Related Persons (2021)
Operational risk level control indicators and target indicators of operational reliability of PJSC CB Center-invest (2023)

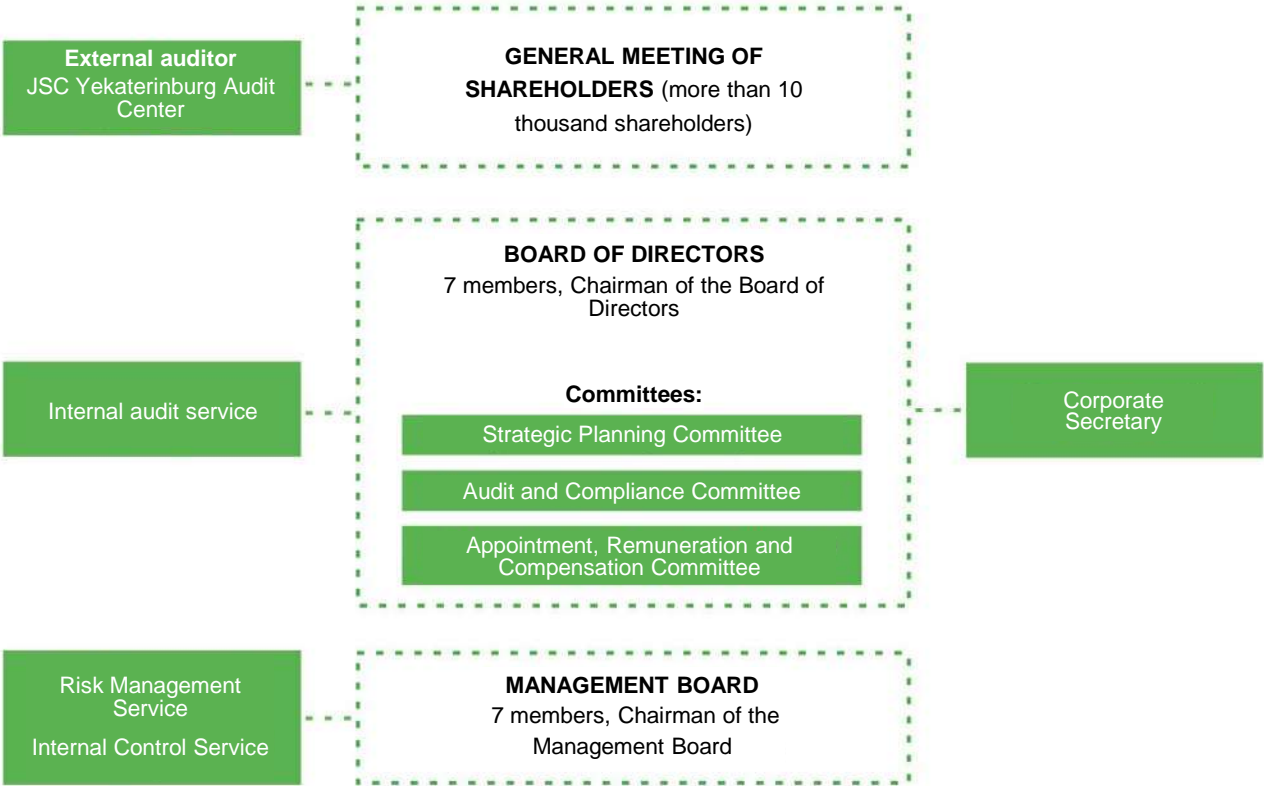
The following new document was approved in 2023: *Operational risk level control indicators and target indicators of operational reliability of PJSC CB Center-invest*, restated versions of the following documents were accepted: *Key Indicators of Risk Appetite of PJSC CB Center-invest (Risk Appetite Statement)*; *Labor Remuneration System Policy of PJSC CB Center-invest*; *PJSC CB Center-invest Business Continuity and Recovery Plan for Critical Biosecurity Threats*; *PJSC CB Center-invest Business Continuity and Recovery Plan for Liquidity Crisis*.

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 of 10 April 2014 “On the Corporate Governance Code”). PJSC CB Center-invest is not a listed company.

With that, 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.

Corporate Governance Structure of PJSC CB Center-invest



Within the corporate governance, general management of Center-invest Bank is performed by the General Meeting of Shareholders which elects 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: Chairman of the Management Board.

The Management Board manages day-to-day activities of the bank aimed at fulfilling the goals and objectives 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 current legislation of the Russian Federation, regulatory documents of the Bank of Russia, Charter of the bank, and Provision *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 created for performance of activities aimed at detection and prevention of attempted legalization (laundering) of proceeds of crime and financing of terrorism within the framework of internal control.** The department is managed by a responsible employee of the issuing credit institution: an officer appointed and operating in accordance with the Russian Federation current legislation.

A Compliance Service is created **at the bank for the detection, monitoring and management of compliance risks.** Head of the Compliance Service is accountable to Chairman of the Management Board, reports annually to the Management Board, Chairman of the Management Board, and the Board of Directors.

To ensure stable and efficient work, the bank has a functioning **Risk Management System**, which makes it possible to identify, assess and limit risks accepted by the bank in a timely manner, control their volume, structure, identify key factors influencing the degree of risk, and minimize the consequences in case the risks come into reality.

The risk management service is created for identification of risks, establishing their probable extent and consequences, developing and implementation of measures for prevention of risks or minimization of losses connected therewith, preparation of reports on operations with financial instruments.

The service reports directly to Chairman of the Management Board and has the right to inform the Board of Directors of matters connected with management of the banking risks.

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

The corporate secretary of the bank ensures the compliance of the management bodies with the requirements of internal regulations and external regulation, 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 01 January 2024, authorized capital of the bank amounted to 933,567,570 rubles and consisted of the nominal amount of 84,307,507 ordinary shares with par value of 10 rubles each, 123,125 preference shares with the specified dividend and with par value of 4 rubles each, and 90,000 preference shares with the specified dividend and with par value of 1,000 rubles each.

The General Meeting of Shareholders is the supreme 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 Provision on the General Meeting of Shareholders.

In 2023, the annual General Meeting of Shareholders, where the issues brought up for discussion included approval of the annual report and the annual accounting (financial) statements, profit distribution, election of the Board of Directors, and approval of the auditor was held on 30 June 2023 in the form of absentee balloting in accordance with temporary procedure established by Article 2(1) of Federal Law No. 25-FZ *On Amending the Federal Law 'On Joint-Stock Companies' and Suspension of Particular Provisions of Legislative Acts of the Russian Federation* dated 25 February 2022 (as amended by Federal Law No. 519-FZ dated 19 December 2022). The meeting was attended by shareholders with a total share of voting stock equal to 50.49%.

The following decisions were taken: to approve the annual report and annual accounting (financial) statements for 2022; approve distribution of profit for 2022, including payment of dividends on preference shares (the dividend rate is defined by the Charter and amounts to 20% of the shares par value) in the amount of 18.1 mln rubles, on ordinary shares in the amount of 621.7 mln rubles (71.6% to the shares par value); elect the bank's Board of Directors for the period until the third annual General Meeting of Shareholders as from the time of election pursuant to Federal Law No. 519-FZ *On Amending Particular Legislative Acts of the Russian Federation and Suspension of Particular Provisions of Legislative Acts of the Russian Federation* dated 19 December 2022;

Yekaterinburg Audit-Center Joint Stock Company is approved as 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 bank Shareholders General Meeting.

In 2023, the Board of Directors of Center-invest Bank conducted 17 meetings, including 13 meetings by personal attendance, which, in addition to the current issues, such as quarterly 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, included the review of issues related to carrying out the procedures of acquisition of own outstanding ordinary shares in accordance with Article 72(2) of Federal Law No. 208-FZ *On Joint Stock Companies* dated 26 December 1995 and Article 10 (10.2) of the Charter of PJSC CB Center-invest, as well as personnel matters.

Pursuant to the regulatory requirements, documents governing the procedures for capital adequacy assessment, establishing limits according to the regulatory capital adequacy ratios and considerable risks, their signal values, as well as internal documents regulating the procedures for assurance of information security, have been revised.

The current composition of the Board of Directors was elected by the annual General Meeting of Shareholders on 30 June 2022, and was fully reelected by the annual General Meeting of Shareholders on 30 June 2023.

Attendance at the Board of Directors meetings in 2023 was 100%.

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 matters related to 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 the Board of Directors meetings members of the Board are regularly informed on the performance results 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.

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

In 2023, the Committee held 5 meetings. The Committee discussed the following main issues: approval of the bank's Accounting Policies (according to IFRS, RAS, for tax purposes) for 2023, write-off of uncollectible debt from the bank's balance sheet, review of the Internal Audit Service operation plan for 2023, reports of the Internal Audit Service, Financial Monitoring Department, 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 2023, the Committee held 4 meetings. The main matters considered by the Committee were as follows: quarterly reports of the Management Board on performance of the bank's business plan and budget, consideration of the business plan for 2023, recommendations on dividends paid on ordinary and preference shares of PJSC CB Center-invest, and distribution of profit of PJSC CB Center-invest for 2022.

The Appointment, Remuneration and Compensation Committee was established for preliminary consideration of issues related to 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 2023, the Committee held 5 meetings. The main matters considered by the Committee were as follows: payment of bonuses to employees of the Internal Audit Service, Compliance Service and Financial Monitoring Department of the bank, review of internal and external reports on organizational efficiency and functioning assessment of labor remuneration system at PJSC CB Center-invest upon results of 2022, review of changes to the Policy in the area of labor remuneration system at PJSC CB Center-invest, establishing the amount of remuneration paid to the bank management bodies upon results of 2022, approval of methodology for performance efficiency assessment of the PJSC CB Center-invest Board of Directors, carrying out the performance assessment of the PJSC CB Center-invest Board of Directors, as well as personnel matters.

In 2023, performance efficiency assessment of the PJSC CB Center-invest Board of Directors was carried out in accordance with recommendations of the Bank of Russia on arrangement and carrying out the Board of Directors performance self-assessment at joint stock companies (information letter No. IN-06-28/41 dated 26 April 2019).

Performance self-assessment of the Board of Directors was carried out in the form of questionnaire. The final self-assessment results indicated that the Board of Directors performance efficiency was compliant with the requirements.

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 organizes 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 Chairman of the Management Board elected by the Board of Directors and acting on the basis of the bank's Charter and the provision "On Chairman of the Management Board of Public Joint Stock Company Commercial Bank Center-invest".

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 the executive team matter more than the total number of the Management Board members.

In 2023, a restated version of the Distribution of Duties Between Chairman of the Management Board of PJSC CB Center-invest and Members of the Management Board of PJSC CB Center-invest was approved. The document defines the areas of responsibility of each Management Board member (business units supervised and coordinated by him/her).

Remuneration of the Board of Directors is regulated by the Provision on the Board of Directors of PJSC CB Center-invest approved by the annual General Meeting of shareholders on 02 June 2016.

Reporting date	Remuneration type (salary, bonuses, commissions, benefits and/or reimbursement of expenses, other)	Amount of remuneration, rubles
01 January 2024 (reporting period: 12 months of 2023)	Salary	0
	Bonuses	76,000,000
	Expenses related to performance of functions of the Board of Directors members compensated by the issuing lending institution: issuer during the reporting period	51,460
	Other	9,990,312

Remuneration of the Management Board is controlled by the provision on the Management Board and the provision on Chairman of the Management Board of PJSC CB Center-invest approved by the Annual General Meeting of Shareholders on 02 June 2016.

Reporting date	Remuneration type (salary, bonuses, commissions, benefits and/or reimbursement of expenses, other)	Amount of remuneration, rubles
01 January 2024 (reporting period: 12 months of 2023)	Salary	49,187,945
	Bonuses	52,400,000
	Expenses related to performance of functions of the Board of Directors members compensated by the issuing lending institution: issuer during the reporting period	69,310
	Other	0