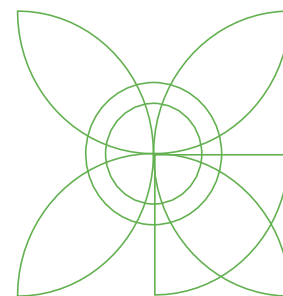


ESG Report 2022



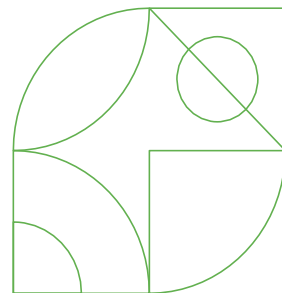
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Preamble by the Chairman of the Board of Directors

ESG Bank for Structural Transformation

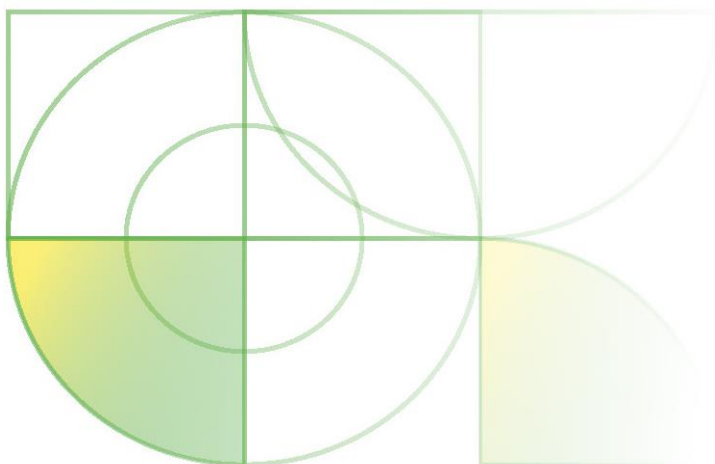


The year 2022 broke a lot of external connections, destroyed the existing supply chains and interaction channels, but once again it reaffirmed the rule of Center-Invest Bank in the economy of transformation: this is not the first and not the last, but yet another crisis, which ends once you establish your own post-crisis development strategy.

Our southern temperament makes us see every economic slowdown and crisis as an impulse, an opportunity, a chance for a new leap forward and strategic sustainable development. There is always room to see the unobvious, do the incredible and achieve the impossible, together with like-minded people.

The Bank has continued its work in the area of agriculture modernisation, development of women, youth and social entrepreneurship, business transformation, lending to energy efficient projects and renovation of apartment buildings, to improve the quality of life for people living in Southern Russia. With its huge experience in the financing market, the bank has strengthened its efforts connected with improvement of financial literacy among population and businesses and raising the new generation of entrepreneurs.

The experience of Center-Invest Bank in localisation of ESG banking, as well as the created software and established methodology, turned out to be in high demand for building the taxonomy of projects aimed at technological sovereignty and structural adaptation of Russian economy.



We communicate our responsible business model to our customers, and it helps us to form a high quality loan portfolio comprising the best borrowers. Such strategy has a positive impact on our lending quality indicators: the share of overdue loans at Center-Invest is significantly lower than the Russian average.

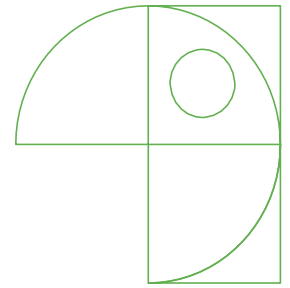
Knowledge, experience and competence of Center-Invest Bank gained over 30 years of transformations convincingly show that the old Cossack principle of “always being up to date, in the forefront and on full alert” is the optimal strategy, and that the principle of “Give Assignment — Teach — Supervise — Do It Yourself” does remain absolutely relevant.



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

Preamble by Chairman of the Management Board

Caring About Business and Life

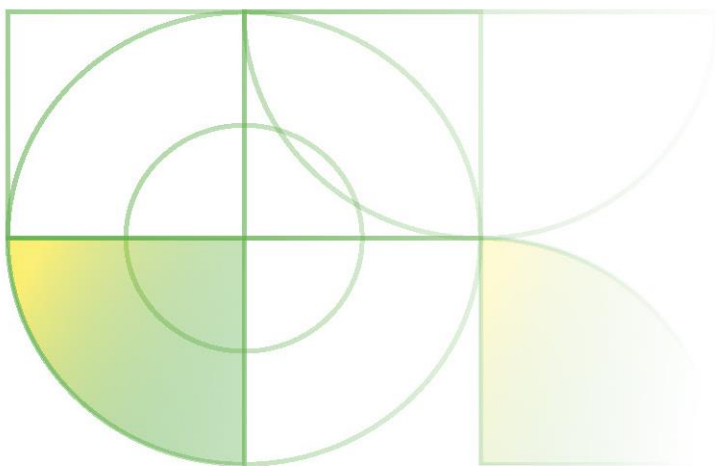


The year 2022 has once again shown the advantages of the ESG bank business model: building of honest and responsible relations through which the customers gain additional competitive advantages ensuring the stability of both their business and the bank's operation.

We have continued to develop our Transformation Strategy, searched for and found unconventional approaches to accomplish the most difficult tasks. Center-Invest Bank at any time and under any circumstances supports its customers by offering favorable terms on all of its products. In spring 2022, the bank has developed and implemented a whole range of business support measures. Our rates were below the market, and terms of the existing and approved loans remained unchanged.

We increased the investments in digitalisation in order to improve our services and attract new customers. Today our products hold leading positions on the Russian largest rating sites: number three among the best mortgage programmes with state support according to vbr.ru portal rating, and number one according to the banking service customer ratings on Sravni.ru.

The bank continuously implemented ESG products and socio-educational projects. In 2022, our Business Loans for Women special-terms lending programme celebrated its 10th anniversary. The difficult economic situation affirmed the female entrepreneurs' readiness to take the management of business upon themselves: in 2022 the number of loans extended to female entrepreneurs has grown by 34%.



We've seen the 20th Smart Scholarship contest annually held by the bank among students aspiring to develop their own business. The contest attracted the record-breaking 9,000 applications.

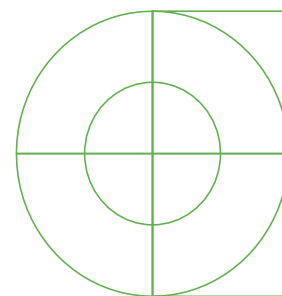
Finally, Center-Invest Bank celebrated its 30th birthday. I thank the bank's team for the hard work and dedication. Strong-spirited professionals, one common mission, passion for the profession and the endeavor to remain the best regional bank: all this helps us not only to handle the crises, but also to find new vectors for development.



*Lidia Simonova
Chairperson of the
Management Board*

About Us

30 Years of Supporting Talents and Dreams



In 2022, Center-Invest Bank celebrated its 30th jubilee. We are happy to remember how it all started and to share the history of the bank which over the years has become a reliable partner and assistant for more than 1.5 million customers.

Center-Invest Bank came into being as a product of mentorship. In 1991, Russia started its transition to market economy: privatisation, free prices, freedom from top-down orders, and great hopes for the grassroots initiative.

A group of high-potential young scientists headed by Vasily Vysokov established Center for Economic Assistance in Transition to Free Market at the Rostov Regional Council of People's Deputies to help the authorities, the population and the business to endure and gain success under the new conditions and rules.

The first office and facilities of the Center for Economic Assistance in Transition to Free Market



The future Center-Invest Bank team helped the enterprises and state structures of Southern Russia in the process of privatisation and held trainings for managers with the help of the scientific potential of Rostov universities.

“In the year of 30th anniversary of Center-Invest Bank, I am pleased to remember how I put together the “Market Transition Program” innovative learning game at the Center for Economic Assistance under the Rostov Regional Council of People's Deputies. This development happened to be in high demand not only in the Don region, but also in Krasnodar, Stavropol and Volgograd. We were invited to hold that game at the Academy of National Economy under the Council of Ministers of the USSR for re-training and education of management personnel for various economy branches. It was one of the last cohorts of managers under the Soviet Union-wide Ministries and departments who in the course of the game had to build their own programme of transition to the market. Our team worked for two days in a row. At the end, rector of the Academy A.G. Aganbegian was drawing conclusions and writing the opinions of participants on the blackboard. Among many kind words, one phrase I remembered for life: “Rostov has once again proven to be the FATHER of Russian cities!”

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

Establishing of Center-Invest Bank

Gradually it became clear that it was becoming more and more difficult for privatised enterprises to work with state-owned banks, and there came the idea to create a modern bank. Thus, in 1992, teachers of Rostov universities and the first privatised enterprises of Southern Russia founded Center-Invest Bank, the labouratory of economic reforms in the south of Russia.

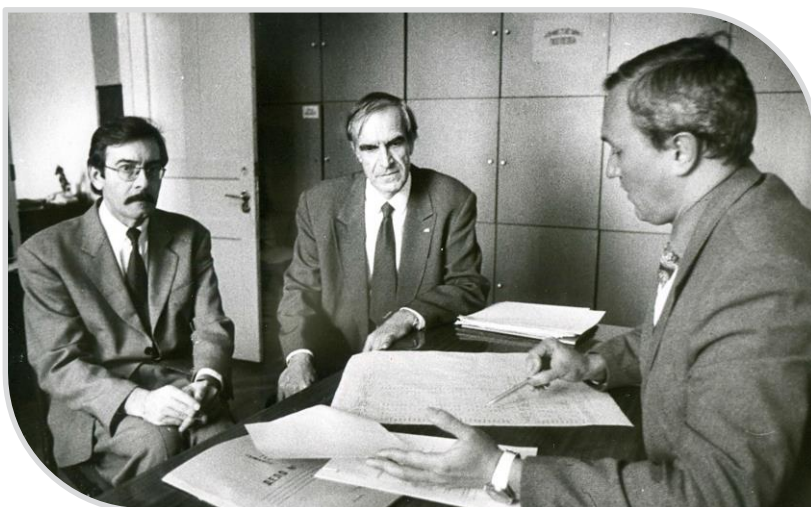
“It was a very difficult time. In the absence of regulatory base, we always had to be up to date, in the forefront, and fully alert — to anything at all, at that.”

Bank Founders
Vasily and Tatiana Vysokov



At all stages of reforms, the bank was a leader in solving problems: digitalisation of privatisation processes, advising managers and employee teams, foundations of corporate management, resolution of problems with payment defaults, service of promissory notes circulation, deposits and foreign exchange transactions.

In order to be competitive in the economy of transformations, one should “be jealous not of the neighbor, but of Copernicus”. The bank’s specialists actively studied and implemented the world’s best practices, being guided by international standards.



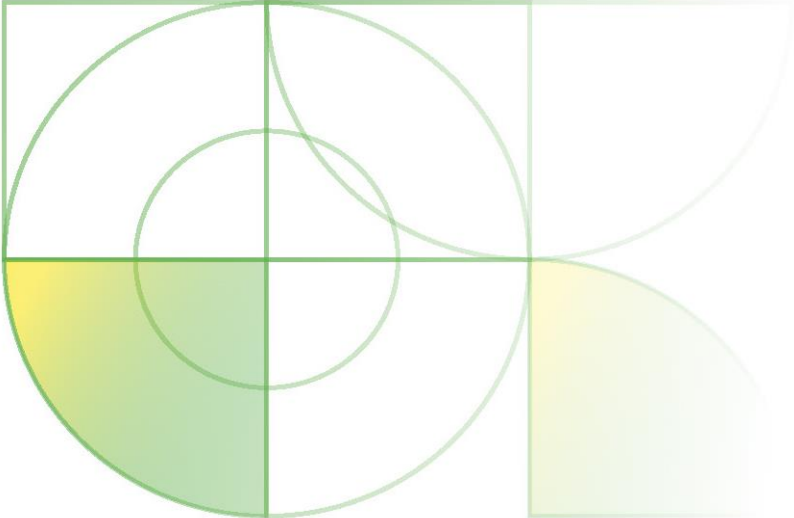
Conclusion of contract with CESAR consulting company on implementation of French experience in the support of SME

The Center-Invest Bank team has developed plans for privatisation of more than 300 enterprises, issued educational materials, helped resolve the problem with payment defaults of the Don region enterprises in the amount of 20 RUB billion with the help of the bank's promissory note programmes.



The Bank's Historic Promissory Note

As of today, Center-Invest Bank not only shows financial indicators of success, but also possesses authority among the securities market participants both in Russia and abroad.



Over 30 years, transparent work of the bank made it possible to attract capital to the economy of southern Russia in the amount exceeding 1 billion dollar and 1 trillion ruble both from the Russian and from the world market.



Bank's participation in international projects

Knowledge for Development

Over 30 years, Center-Invest Bank has been carefully studying, imaginatively applying, multiplying and advancing the best practices of creative management in the south of Russia and establishing conditions for development of talents in the region, as well as for their global competitiveness.

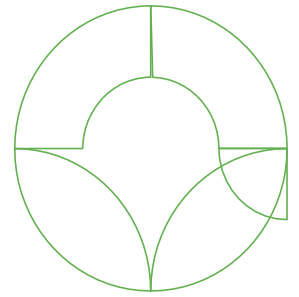
Thanks to such approach, Center-Invest Bank is a leader in lending to domestic small and medium-sized businesses, modernisation of enterprises, development of women, youth, and social entrepreneurship.



Presentation of Success and Achievements of the Bank

The bank's invincible team manages constant changes in the conditions of continuous crises and, with southern optimism, finds new creative, socially responsible solutions for the benefit of the present and future generations.





Key Events 2022

- The world's first [ESG task book "Sustainable Development Goals"](#) issued.
- An ESG rating system has been introduced for the bank's customers: small and medium-sized enterprises.
- Student contests for the "Sustainable Development Goals" tasks fulfillment and preparation of project proposals on the topic of "Transformation of the Rostov Region Economy in Changing Environment".
- P.A. Stolypin Award in the Popularisation of ESG Banking nomination.
- Capital of the Education and Science of the South Federal District Endowment Fund increased to 207 RUB million.
- Presentation of statistics digests: [Digitalisation indicators across the Don Region: 2022](#) and [Scientific Potential of the Don Region: 2022](#).
- New media: [The Green Vector](#) magazine, on topics related to environmental friendliness and consciousness.
- Publication of the scientific and practical manual [Economics of Transformations](#) by Vasily Vysokov, Chairman of the Board of Directors of Center-Invest Bank, Professor, Doctor of Economics.
- The bank's own mortgage programme for IT specialists and IT educators implemented.
- New programme: [Green Mortgage](#) for acquisition of real estate with improved energy efficiency class.
- The Bank received the title "Socially Oriented Entrepreneur of the Rostov Region".

About the Report

Report Boundaries

102-48, 102-49, 102-50, 102-51, 102-52

The report describes the activities and results that contributed to the company's sustainability and reflect the progress in implementation of the best corporate and social responsibility practices at Center-Invest Bank.

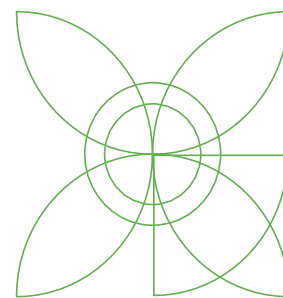
We aim to improve corporate social responsibility in close and open dialog with our stakeholders.

Center-Invest Bank adheres to the principles of sustainable development from the day of its foundation, promoting economic development of the region and quality of life improvement for its residents. Since 2019, the bank's approach to sustainable development has been transformed into the ESG strategy. We integrated the taxonomy of the UN Sustainable Development Goals (SDGs) and Russia's National Projects into our reporting for a comprehensive analysis of the bank's role in their implementation.

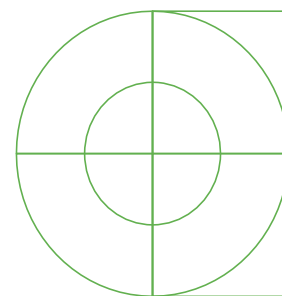
The Sustainable Development Report is the main channel for informing all the stakeholders about the results of Center-Invest Bank on the way to sustainable development. This report comprises the results of the bank's activities in 2022 as part of implementation of a business model based on ESG principles in accordance with the main version of the Global Reporting Initiative (GRI) Standard and recommendations of the special Task Force on Climate-Related Financial Disclosures (TCFD).

In accordance with the policy of openness and transparency, this report contains information on the strategy of Center-Invest Bank, key events and results of work, and also discusses a wide range of issues on the working principles in the field of social responsibility and sustainable development, on the impact of the bank's activities on the economy, society and the environment.

The terms "PJSC CB Center-Invest", "bank" and "Center-Invest" used in the report denote Center-Invest Commercial Bank PJSC. The word "we" herein means the team, the management of Center-Invest Bank.



Basic Principles



Implementation of ESG Banking

102-42, 102-43, 102-44, 102-47

Implementing ESG business model, Center-Invest Bank adheres to 6 principles that ensure effective development and reproduction of all capital types (financial, investment, human, social, natural, informational, etc.).

These principles have become the basis of the corporate culture of Center-Invest Bank, the focus of relations with customers and partners, and the mechanism for successful business even in times of crisis.

1. Voluntariness. Shareholders, management, and employees of Center-Invest Bank voluntarily assumed obligations and carry out their activities on the basis of ESG (Environmental, Social and Governance) principles built on the environment protection, creation of favorable social conditions, conscientious relationships with employees and customers, and good corporate governance.

2. Global Vision. We support the provisions of international agreements and documents on sustainable development and consistently implement them in practice:

- we implement special products and programmes to resolve social issues
- we make the sustainable development guidelines available to our customers, partners, public authorities and social communities
- we voluntarily reflect the results of our activities in the areas of sustainable development based on international recommendations
- we monitor the best world practices and pursue compliance; we promote the development of international contacts of partner banks, entrepreneurs and youth.

3. **Social responsibility and efficiency of the bank are** manifested in the increase of its profit that:

- is long-term instead of momentary
- considers risks and ensures safety
- prevents conflicts and infringement of interests of other parties
- ensures the development of social benefits and services
- contributes to effective social transformations.

We use the world's best practices to improve work efficiency:

- transparent decision-making procedures; unambiguous code of conduct and corporate culture; independence of risk management and internal control
- transparent and accessible reporting according to national and international standards
- modern, constantly developing information system
- liquidity management procedures that respond quickly to changes in market conditions
- innovative development of technologies, operations and products.

4. **Risk management in the context of transformations.** Transformations are a new economic reality that requires the management of constant changes in the face of continuous crises, the adoption of creative and socially responsible decisions in the interests of present and future generations based on the best world practice, technical, financial, and social engineering. ESG banking is not about buying and selling, but about risk management.

ESG risk management provides for:

- balance of profitability, organic growth and risk; focus on long-term profit
- knowledge of target markets and regional risks to avoid taking excessive risks
- rejection of speculative operations and priority development of lending to the real sector
- customer cultivation and active risk management based on a detailed analysis of the borrowers' business
- regular reassessment of risks and coverage of accepted risks with an adequate amount of reserves and capital
- risk minimisation through the diversification of funding sources and priority lending to small businesses and population in the regions of operation
- continuous improvement of the risk management system, a combination of formal and substantive risk assessment procedures, transparency of transactions and operations
- stimulation of the demand for credit products by improving the financial literacy of the population and free business consultations
- reducing the level of criminal, social, and environmental defaults through stimulating interest rates
- continuous innovation to meet new challenges.

Implementation of ESG risk management strategy relies on recommendations and requirements of the Bank of Russia, recommendations of the Basel Committee, the best international practices and recommendations of shareholders, as well as on the experience of Center-Invest Bank in management of regional risks and overcoming of crises.

5. Bank Ecosystem Development

The bank takes into account the long-term development of main components of the bank's ecosystem:

Economic component is the reproduction of all the types of capital based on:

- rational combination of pace and proportions
- profitability and risks; localisation of the world's best practices.

Environmental component:

- procedures and actions for the protection, reproduction of natural resources
- reduction of harmful emissions and waste; preservation of biological diversity
- use of the world's best practices in technology and organisational solutions for improvement of the population's living standard and competitiveness of the customers.

Social component:

- prevention of social conflicts and inequality
- maintaining efficient social differentiation
- development of social benefits and services
- transformation of social structures and relations
- corporate culture and ethics of ecosystem participants
- implementation of social and educational projects.

The informational component represents effective analysis of growing volumes of information based on:

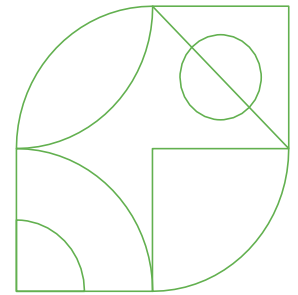
- modern methods and technologies
- management of information risks
- transparent reporting and information policy
- new forms and channels for provision of information.

6. Cultivation of Personnel. The Bank provides continuous training of its employees in new areas in the banking business based on ESG banking business model. It forms a corporate culture based on creative atmosphere, responsibility, and confidence in the success of implementation of the strategy to achieve new results in sustainable development of the bank and our customers.



Holiday concert for residents of Rostov in honor of the bank's 30th anniversary

Sustainable Banking and Business Strategy



ESG Development: Year 2022 in Review

102-14

In 2022, the bank commenced the implementation of ESG Digitalisation 2.0 Strategy 2022-2024. The economic crisis caused by the current geopolitical situation did not impact the bank's commitment to the chosen path: digitalisation of bank products for population and services for small business, application of ESG principles in all aspects of the bank's activities, as well as achievement of the Sustainable Development Goals and implementation of National Projects for the benefit of the present and future generations. In response to new challenges, the bank has adjusted its post-crisis sustainable development strategy in the new conditions based on digital technologies, innovations and talent management.

In early 2022, Center-Invest Bank conducted a survey of entrepreneurs in order to establish the current state of the regional economy, the points of growth and space for structural transformations of business in the southern Russia. Review of 1,000 questionnaires filled in by customers has shown that small business of the southern Russia is prepared for implementation of this strategy. Reaction of entrepreneurs upon the new reality has once again affirmed the success formula for the small business: you have to know your business, your markets and your advantages on these markets, and be armed with your own development strategy. The survey results were used for adjustment of regional strategies of the Rostov Region and Krasnodar Territory.

Anti-Sanction Realism of the Small Business

The results of survey conducted among the business customers on the topics of business transformation in the new realities (in one year and in three years)

Own Business. The entrepreneurs are confident in the success of their business, only 3% in the nearest years and 5% within 3 years are planning to change the area of their activity, while self-employed individuals and private entrepreneurs are confident that they will transition to an LLC.

Own Markets. The entrepreneurs will retain their focus on local suppliers, but are ready to increase the share of deliveries from other regions (+4%) and friendly countries (+5%). In a similar way, the role of the local buyers is retained, but the importance of customers from other regions (+3%) and from friendly countries (+3%) does grow.

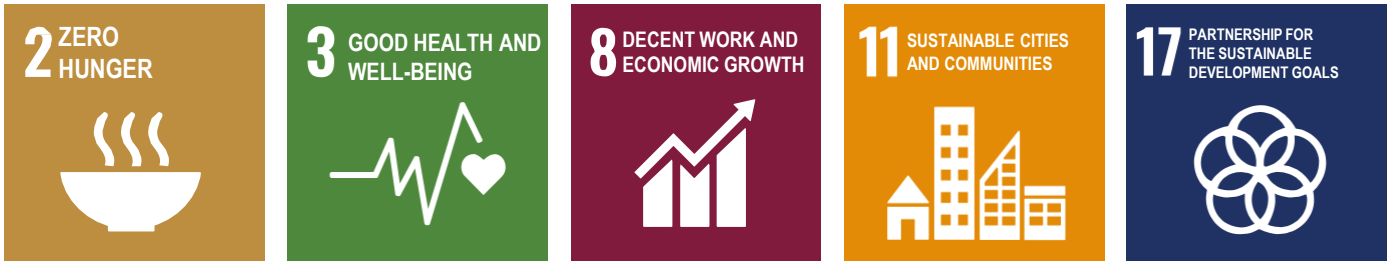
Wholesale transactions will remain the key channels (39%), the share of retail sales will be reduced (from 35% to 31%), and the marketplaces will be playing a more important part (+3%). The research results have shown that small business works with the market prices (54% answers), but also is able to work with prices of bids (8%), prices of competitors (15%), and hopes for reduction of the regulated prices role (from 19% to 16%).

Own Advantages. The accumulated experience and knowledge make it possible to count on growth of proceeds (+7% in the first year and +14% by 2025), with more economic expenditure of labour remuneration funds (+6% and +12%), gradual reduction of tangible costs (+10% и +13%), modest growth of profits (+7% and +12%), and even more modest growth of personnel number (+3% and +7%).

Development Strategy. The **investment capital** will be formed on account of own funds (62–59%) and borrowings (35–31%), with hopes for attraction of investors, exchange listing, and with the help of crowdfunding platforms. **Productive capital** of small business will remain unchanged: land (20%), buildings and structures (17%), machines and equipment (27%), feedstock and materials (27%). **Intellectual capital** will be based on skills (49%) and knowledge (39–36%), complemented by the patent and associated rights. **Social capital** is based on relations with employees (33–32%), customers (36–34%), partners (21–23%), universities, NGOs and other communities (7%). **Information capital** leans on own (41–38%) and open data (38–32%), paid data and research (11–12%), models for data processing (4%) and management decisions (6%). As for the hardware and software, own developments (32–31%) are used, there will be a growing role of national suppliers (34–37%) and suppliers from friendly countries (19–21%), the share of HW and SW supplies from unfriendly countries will decrease from 16% to 11%.

Natural capital. In its day-to-day work, small business strives to reduce generation of solid waste (36–33%), harmful emissions in the atmosphere (32–29%), pollution of water resources (21–19%), consumption of energy resources (41–39%), depletion of soil resources (26–25%), and any harm to natural surroundings (34–32%). Inconsiderable reduction of importance in each of these areas over the 3-year horizon reflects the confidence of small business in successful resolution of environmental problems in the nearest future.

Center-Invest Bank supports and recognises the importance of the UN 17 Sustainable Development Goals aimed at addressing critical environmental, economic and social issues around the world. As part of its activities, the bank seeks to contribute to the achievement of all the SDGs, but due to the specifics of business and regional representation, five goals are priority for the bank:



In its activities in the field of sustainable development management, Center-Invest Bank is guided by the following standards and principles:

- UN Sustainable Development Goals and National Projects of Russia
- Standards and the Membership Code of the Global Alliance for Banking on Values
- Principles for Responsible Banking of the Finance Initiative of the United Nations Environment Programme (UNEP FI)
- International codes of conduct and principles enshrined in international standards in the field of sustainable development, corporate social performance and environment protection: ISO 26000, AA1000, ISO 14000.

ESG Development: Year 2022 in Review

In 2022, based on the results of applying the ESG business model, the bank demonstrated:

- balanced growth of financial and non-financial indicators
- high competitiveness and assessment by national rating agencies: ACRA A(RU) (stable forecast)
- new achievements: top-7 of SME lending leaders in Russia (as rated by Expert RA), number three in Russia among the best state-supported mortgage programmes according to vbr.ru, and number one according to the banking service customer ratings on Sravni.ru
- well-deserved recognition: the bank won the National Banking Award and was nominated socially oriented entrepreneur of the Rostov Region.

Center-Invest Bank successfully implements special loan programmes for small businesses, investing in energy efficiency projects, youth entrepreneurship, women businesses, and social responsibility. As of 01.01.2023, the total volume of funding of the bank's ESG loans amounted to 32 RUB billion.

In 2022, specialists of Center-Invest Bank developed a unique methodology of the customers' ESG metrics analysis and implemented it in the lending process. Therefore, all customers of the bank obtain an ESG rating under one of 7 ESG categories from A to G, depending on the degree of environmental, social and governance considerations they incorporate into their activities. The ratings reflects a company's commitment to sustainability and determines the loan interest rate: the higher the rating, the lower the rate.

With support of the bank, the territorial body of the Federal State Statistics Service for the Rostov Region (Rostovstat) released the statistical digest titled "[Digitalisation indicators across the Don Region: 2022](#)", in which statistical data on the development of IT industry for 2016–2021 is presented, as well as the digest titled "[Scientific potential of the Don Region: 2022](#)", which includes data on fifteen-year dynamic of science and technology development in the Rostov Region.

Acting for the benefit of the present and future generations, the bank strives to support talented youth and actively popularises the Sustainable Development Goals, thanks to which, together with the Don State Technical University, in 2022 the bank published the first “Sustainable Development Goals” (SDG) task book, which provides an overview of the ESG agenda and an introduction to modern information technologies.

On the basis of the task book, Center-Invest Bank held a contest among young scientists of Southern Russia for the best solution of ESG-tasks with a prize pool of 300,000 rubles. The contest participants used big data and modern digital technologies to research the ESG problematics and develop the proposals on joint sustainable development of the world.

The bank also held a contest of project proposals titled “Transformation of the Rostov Region Economy in Changing Environment” for students of the Rostov State University of Economics. Top five projects in the area of agriculture support, unemployment control, improvement of the quality of life, environmental monitoring, and ESG education development each received the winner’s diplomas and funding.



The project proposals contest winners award ceremony

For 30 years, Center-invest Bank has been successfully implementing social and educational projects aimed at developing the current and future generations, and has been supporting programmes to develop youth initiatives and to improve the quality of education in Russia. Due to that, in 2022 the bank made a decision to increase the capital of the “Education and Science of the South Federal District” Endowment Fund up to 207 RUB million and to increase the funds of the largest universities of Southern Russia by 3 RUB million each (Southern Federal University, Rostov State University of Economics, Don State Technical University). The endowment fund accumulates capital to generate income that will be used to resolve socially important issues related to development of education and science in Southern Russia.

In order to preserve the IT potential of Southern Russia and within the framework of cooperation with the Rostov Region Government, Center-Invest Bank presented its own mortgage programme for IT specialists. Later on, Center-Invest Bank expanded the terms of eligibility for the concessional IT-mortgage programme and provided an opportunity to buy housing at a concessional rate to all specialists involved in education in the area of information technologies.

Center-Invest Bank has launched a Green Mortgage Programme which allows the customers to get a concessional rate when buying real estate with improved energy efficiency class. The Green Mortgage is a continuation of energy efficiency financing programmes for population and business.

In 2022, Center-Invest Bank presented new electronic media, the Green Vector magazine. The main topic of the magazine is environmentally friendly and conscious lifestyle. The Green Vector will be useful for everyone who is interested in the environmentally friendly and conscious lifestyle and wants to be more actively engaged in the ecological movement.

Center-Invest Bank was honored with a laureate diploma of the XVIII Annual International Stolypin Economics and Finance Award in the nomination of “ESG Banking Popularisation”.

Center-Invest Bank is actively engaged in shaping ESG agenda in Russia. Mr. Vasily Vysokov, Chairman of the Board of Directors of Center-Invest Bank, Professor, Doctor of Economics, is one of the most distinguished experts in ESG banking and since 2020 has been leading the ESG-Banking project group of the Association of Banks of Russia.

In 2022, a new research and practical guide titled [Economics of Transformations](#) by Professor Vysokov was published. The guide deals with the problem of economic transformation and includes a problem book for hackathons and competitions for students of economic universities. The book is intended for a wide range of academic and research experts: researchers, heads of companies and organisations, university professors, and post-graduate and undergraduate students.

In the course of 4 academic hours, the Center-Invest Bank team presented its experience in ESG transformation of business at the Russian Academy of National Economy and Public Administration under the President of the Russian Federation (RANEPA).

The competence development programme of RANEPA titled “ESG Transformation of Business: Practice and Tools” joined the leading experts and practical specialists to obtain a complete picture of the best practices for implementation of ESG changes.

Experts of Center-Invest Bank spoke at the “Regulation, Tools and Mechanisms of ESG Transformation” section and shared the unique experience of a regional bank in implementation of the ESG business model.

Alexander Dolganov, Ph.D. in Economics, Deputy Chairman of Center-Invest Bank's Management Board, became a member of the Expert Council for Sustainable Development and Green Finance of the State Duma Committee for Financial Market.

“Center-Invest Bank is the visionary of sustainable development in Russia. Our many years of experience in implementation of sustainable banking and lending to energy efficient projects, work related to placement of the first green bonds and development of practical recommendations for implementation of ESG principles find further development in the new expert body and will help in implementation of the best practices.”

Alexander Dolganov, Deputy Chairman of Management Board

In 2022, specialists of Center-Invest Bank headed the Committee for Sustainable Development at the Rostov Region Chamber of Commerce and Industry. The Committee consists of representatives of the Chamber of Commerce and Industry of the Rostov Region, representatives of business, nonprofit and educational organisations.

Center-Invest Bank pays membership fees and participates in the following associations:

- Global Alliance for Banking of Value
- Association of European Businesses (AEB)
- Russian-German Chamber of Commerce (Deutsch-Russische Auslandshandelskammer)
- German-Russian Forum (Deutsch-Russisches Forum)
- Signatory of the Principles for Responsible Banking of the Finance Initiative of the United Nations Environment Programme (UNEP FI)
- Association of Russian Banks (V. V. Vysokov is a member of the Presidium and Council of the Association, head of the ESG Banking project group, chairman of the Committee for SME)
- Financial Literacy Development Association (V. V. Vysokov is a member of the Supervisory Board of the Association)
- National Financial Market Council; National Financial Association; Green Brands League
- Chamber of Commerce and Industry of the Rostov Region (V. V. Vysokov is a member of the Chamber's Management Board); Chambers of Commerce and Industry of Krasnodar Territory, Stavropol Territory, Volgograd and Nizhny Novgorod Regions
- Russian Union of Industrialists and Entrepreneurs, Union of Employers of the Rostov Region (RSPP)
- Council of IT System Designers of the Rostov Region (Yu. Yu. Bogdanov is a member of the Council)
- All-Russian Assembly of Female Executives

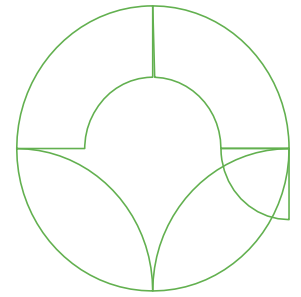
- National Association of Stock Market Participants
- ROSSWIFT
- Association of Employers “Council of Directors and Organisations of Rostov-on-Don”
- Stavropol Territorial Association of Peasant Farming Operations
- FinTech Association.

Bank employees are elected members of the following public management bodies:

- Boards of Trustees of Southern Federal University, Don State Technical University, South-Russian Technical University (NPI), Rostov State University of Economics (RSUE), Rostov College of Mechanical Engineering Technologies (RKTМ) (V. V. Vysokov is a member of these Boards)
- Boards of Trustees of Endowment Funds Education and Science of the Southern Federal District (V. V. Vysokov — Chairman of the Board of Trustees, T. N. Vysokova — member of the Board), Southern Federal University (T. N. Vysokova — Chairwoman of the Board of Trustees), Don State Technical University (V. V. Vysokov — member of the Board)
- Alliance Française-Rostov Regional Cultural and Educational Public Organisation (V. V. Vysokov is a member of the Administrative Council).

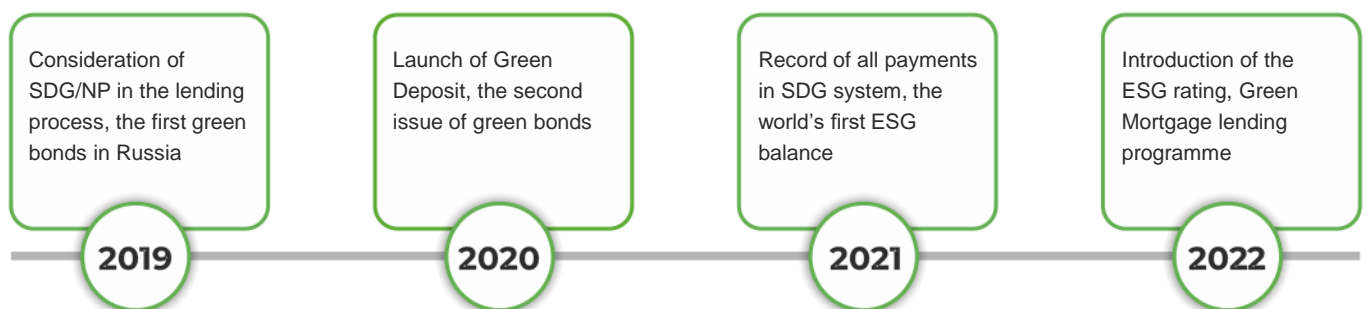
In addition to membership, the bank interacts and participates in the work of: Interdepartmental Coordinating Council for Improving Financial Literacy in the Rostov Region, Association of Municipalities of the Rostov Region, Association of Homeowners’ Communities of the Rostov Region, Board of Directors of the city of Rostov-on-Don.

ESG Products



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

The bank consistently implements steps toward sustainable development:



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

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

30 лет БАНК ЦЕНТР-ИНВЕСТ

СЕРТИФИКАТ ESG-РЕЙТИНГА КРЕДИТА

На основании Методики ESG-рейтинга заемщиков* банка «Центр-инвест» кредиту вашего предприятия присвоен рейтинг ESG-A «Наивысшая оценка в области экологии, социальной ответственности и управления. Вопросы экологии, социальной ответственности и управления являются приоритетными в деятельности»

Рейтинг ESG-A позволяет оформить кредит в Банке со скидкой.

Благодарим вас за ответственное ведение бизнеса и информируем о результатах нашей совместной работы

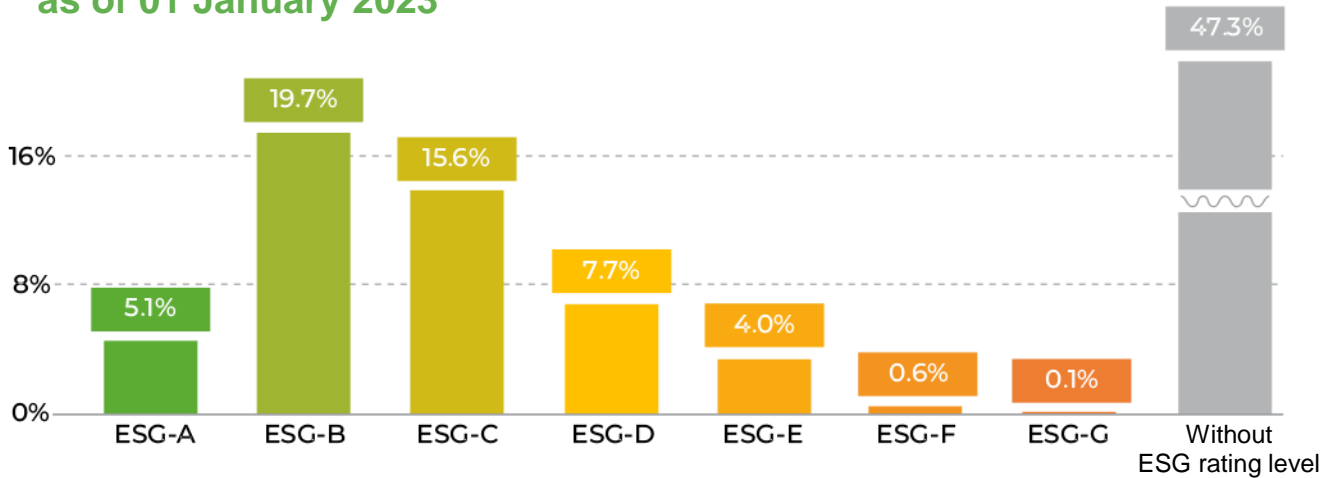
Распределение кредитного портфеля юридических лиц на 01.01.2023г.

2	ликвидация ГОЛОДА	52,26%
8	доходы в экологически чистых	17,86%
9	сокращение выбросов CO2	10,69%
11	Автоматизация	4,88%
12	сокращение отходов	0,89%

* Методика ESG-рейтинга заемщиков Банка «Центр-инвест»

ESG-отчет Банка «Центр-инвест» 2022

Distribution of ESG rating levels among bank customers as of 01 January 2023



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

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

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

Lending to female entrepreneurs implements the principle of gender equality and uses the lower tendency of women entrepreneurs towards taking risks. In 2012, Center-Invest Bank introduced a special programme to support women entrepreneurs that was used by 1,578 female customers for a total of 3.9 RUB billion (as of 01 January 2023).

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

“Center-invest Bank has always worked for the benefit of the present and future generations. We invest in social and educational projects, encourage talented youth, and actively promote SDGs, thus inspiring customers, partners, and the community to embark on a sustainable development path.”

Yury Bogdanov, Director for Innovations

Social entrepreneurship in Russia is one of the crucial goals in the modern society. Center-Invest Bank pays special attention to the development of social entrepreneurship in the South of Russia and since 2017 has been implementing a special loan programme called Social Responsibility. This loan programme is implemented with the aim of developing the business of social entrepreneurs in the fields of education, healthcare, culture and ecology. As of 01 January 2023, the bank has funded 151 projects under this programme for the amount of 447 RUB million. The bank offers a preferential interest rate on a loan, as well as a media platform for cooperation of social initiatives in the regions.

“Social entrepreneurship is business activity aimed at alleviation or solution of social problems and characterised by application of new unique approaches, break-even performance and financial sustainability, increase of the social enterprise operating scale (both at the national and international level) and spreading of the experience (model) in order to increase the social impact. Activities of a social entrepreneur must be effective and useful. Effectiveness is assured by innovation, scalability and replicability, and usefulness is attained through social impact and entrepreneurial approach.”

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

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

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

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

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

Center-Invest Bank has developed a comprehensive programme to support Rostov Special Economic Zone SME residents. The programme offers favorable conditions for borrowing, leasing, cash management services and payroll projects. The territory of the operating Novocherkassk Industrial Park is the development site for the Rostov SEZ. The Rostov SEZ offers preferential operating regime, free customs zone procedure, tax benefits and accelerated depreciation schedule.



STARTUP

889

PROJECTS
FOR THE AMOUNT OF

1,144

MILLION RUBLES

- ✓ For startup entrepreneurs
- ✓ Up to 3 years
- ✓ Max. 3 RUB mln
- ✓ Consultancy services
- ✓ Personal mentor



BUSINESS LOANS FOR WOMEN

1,578

PROJECTS
FOR THE AMOUNT OF

3,908

MILLION RUBLES

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



TRANSFORMATION

1,566

PROJECTS
FOR THE AMOUNT OF

4,536

MILLION RUBLES

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



SOCIAL RESPONSIBILITY

151

PROJECTS
FOR THE AMOUNT OF

447

MILLION RUBLES

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

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

Estimated CO₂ emission reduction values in various equivalents



CO₂ — 259,140.0 tons



Petroleum — 740.4 thousand barrels



Motor vehicles — 151,544 pcs



Planted trees — 10,365,600 pcs



Flight Rostov-Moscow — 2,898,658 people

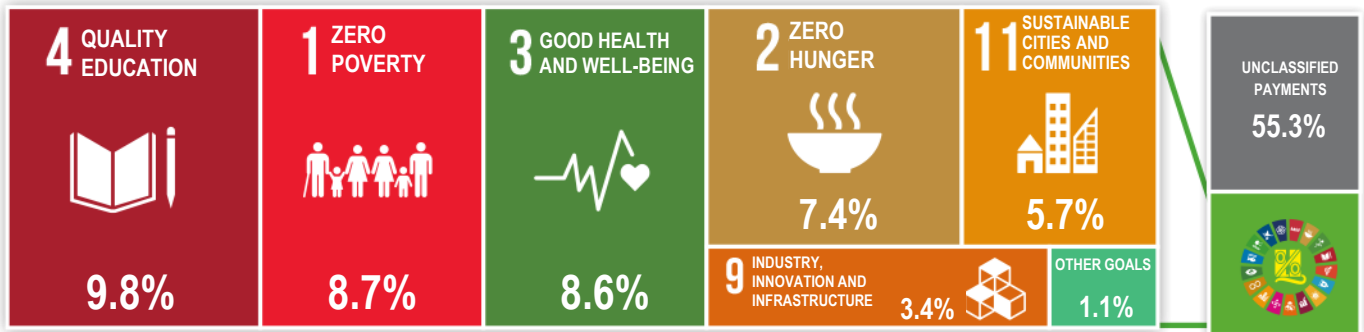
In December 2021, the bank approved the ESG Digitalisation 2.0 Development Strategy 2022–2024. It continues the Strategy 2019–2021 and combines global UN Sustainable Development Goals 2030, the priorities of Russia’s National Projects 2024, and development goals under the Bank of Russia programs. This 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 01 January 2023, Center-Invest Bank’s investments in achieving global goals constituted 395.6 RUB billion, and the bank’s investments in National Projects amounted to 384.3 RUB billion. For each depositor, the bank provides information on its participation in funding of the SDGs and National projects. This distribution clearly shows how each depositor of the bank participates in the sustainable development of the region, the country, the world.

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

- SDG 4 (Quality Education), SDG 1 (Zero Poverty), SDG 3 (Good Health and Education), 8–10% of household payments are used for each of these SDGs
- SDG 2 (Zero Hunger) and SDG 11 (Sustainable Cities and Communities) use 5–8%, and SDG 9 (Industry, Innovation and Infrastructure) — 3.4% of all household payments.

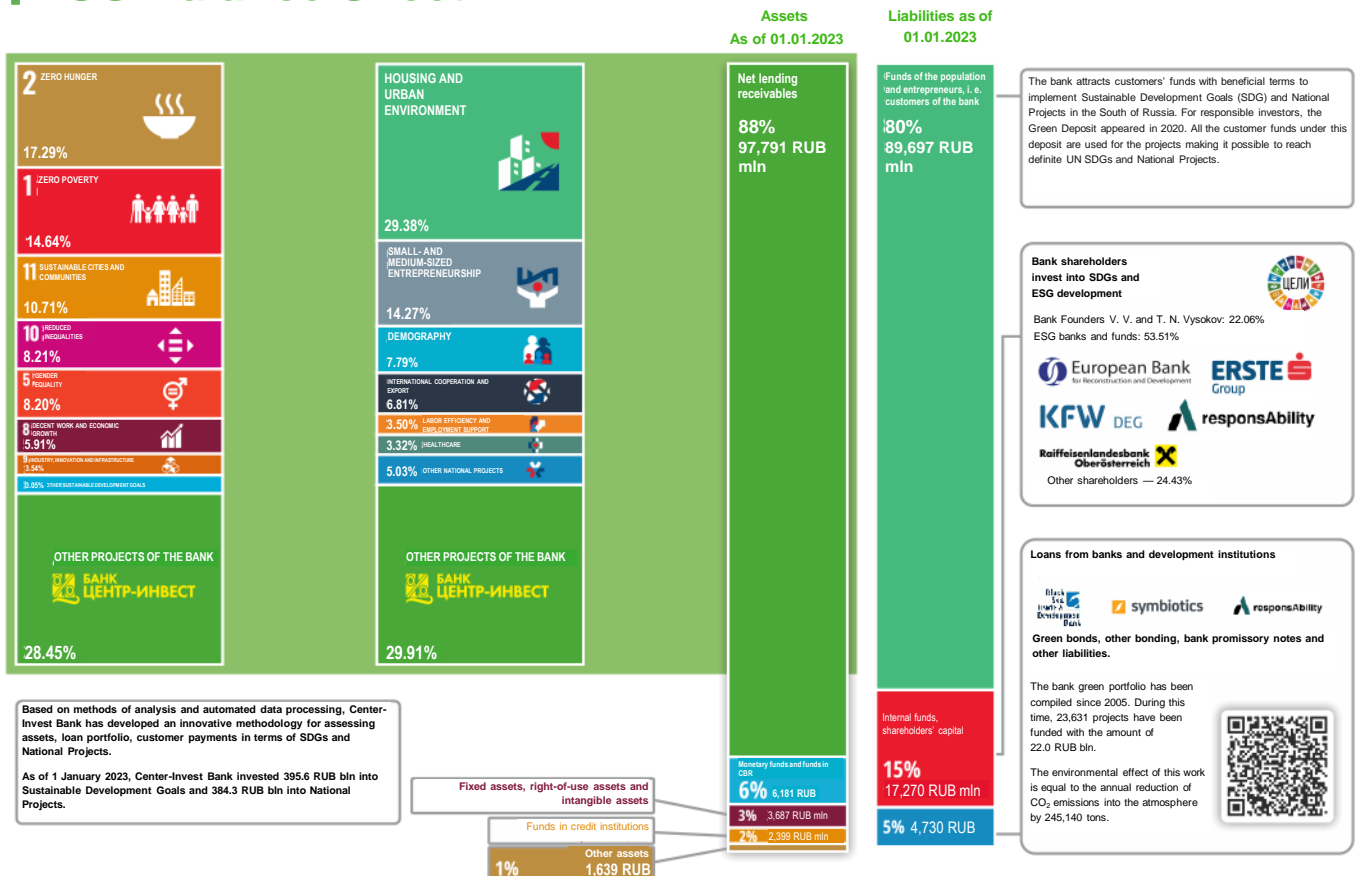
Distribution of payments of individuals in accordance with the SDGs as of 01 January 2023



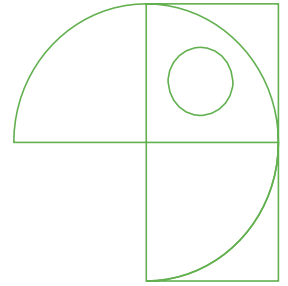
The bank's ESG balance sheet makes it possible to assess the effectiveness of the ESG business model in achieving the SDGs. Center-Invest Bank multiplies the funds of shareholders (15% of liabilities) who have invested in the bank to implement the ESG principles, and attracts funds from other ESG investors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

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.

ESG Balance Sheet



Partnership with Stakeholders



102-40

Center-Invest Bank is the largest private regional bank in the South of Russia and a positive example of corporate social responsibility based on the ESG banking business model. The bank is committed to long-term partnership with all the stakeholders and sustainable development for the benefit of current and future generations. In the process of relations with stakeholders, the bank is guided by the norms of Russian legislation and high standards of business ethics.

Center-Invest uses various forms of interaction with stakeholders to effectively implement joint projects and achieve the Sustainable Development Goals.

Shareholders and Investors

Ensuring the interests of investors and shareholders, increasing capitalisation, transparency of activities, and sustainable development are priorities of the bank and part of its corporate responsibility:

- openness and timeliness of disclosure of information on the activities of the bank
- disclosure of information on ESG risk management
- holding the General Meeting of Shareholders and meetings of the Board of Directors to exercise the right of shareholders to participate in the management of the bank
- quarterly reporting on the results of the bank's work in comparison with the trends in the development of the Russian financial market and the best world practice.

Results of 2022:

- Laureate diploma of the XVIII Annual International Stolypin Economics and Finance Award in the nomination of ESG Banking Popularisation
- The bank has published its second report on implementation of Principles for Responsible Banking of the Finance Initiative of the United Nations Environment Programme

Customers

Our goal is to expand and develop our customer base through digitalisation of products and services, fair and transparent lending terms and development of financial literacy among the population and businesses.

- Development of new products, services, and instruments based on modern banking technologies and trends.
- Provision of services and consulting at the bank's offices and through digital channels.
- Quality control and examination of provided banking products, services, instruments.
- Collection, analysis, and processing of customer feedback across all the channels.
- Round-the-clock support service for bank cards and remote services.

Results of 2022:

- Sustainable customer ecosystem: 1.5 million retail customers.
- 52,000 entrepreneurs and customers from the SME segment.

Geography of the bank's presence has expanded: a new office was opened in Maikop (the Republic of Adygeya). The Bank boasts leading positions achieved in mortgage lending to the population, lending to small businesses, startups, female entrepreneurs and in lending to the housing owners' communities for performance of overhaul.

"We have always supported the development of our customers, and the periods of crisis are not an exception. Economic sustainability is achieved by mutual support and stable partnership relations. Hundreds of thousands of customers trust Center-Invest Bank, and we trust them, and are ready to implement the post-crisis development strategy together."

Lidia Simonova, Chairperson of the Management Board

Employees

Personnel is the bank's most important asset and the foundation of its competitiveness. We value the contribution of each employee to the growth and development of the bank:

- Openness of the bank's management and the Board of Directors for communication with each employee.
- Communication with employees through e-mail, social networks, and intra-corporate events.
- Training and upgrade of skills at the Personnel Training Center. Regular surveys of involvement and assessment of the atmosphere in teams.
- Creation of optimal and safe working conditions, as well as the expansion of voluntary insurance.

Results of 2022:

- 101,449 RUB thousand as an average monthly salary at the bank.
- Over 600 employees passed the annual qualification control.
- Over 1,900 training courses and programmes were completed by the bank's employees.
- 100% of employees covered by the voluntary medical insurance system.



Corporate party dedicated to the bank's 30th anniversary

State Authorities

The Bank interacts on an ongoing basis with representatives of the Bank of Russia, cooperates with state authorities, regional and municipal administrations in the regions of its presence as well as business associations.

- Disclosure of information about the bank's activities in accordance with the law, the requirements of the Bank of Russia.
- Monitoring and compliance with official regulations of the Bank of Russia, the Government of the Russian Federation, regional and local authorities.
- Expertise and professional communication within working groups with the regulator and authorities, preparation of comments on draft regulations, advisory reports and other analytical materials.
- Formation of the bank's position and interaction with federal authorities, the Bank of Russia and the banking association on pressing issues of banking regulation.

Results of 2022:

- 1.5 RUB billion: the total amount of taxes, fees and duties paid.
- Presence in 7 regions of Russia.
- The experts of Center-Invest presented a course on the unique experience of the regional bank in implementation of ESG business model for the state authorities.

Mass Media

Ensuring a high level of information transparency, efficiency, and reliability are key priorities in relation to the bank's interaction with the media.

- Active presence in the media environment, daily monitoring of media and social networks, brand reputation management.
- Publication of information, reporting, public opinions and response statements on the website and in social media accounts.
- Informing the public about the impact of the bank's activities on the economy, environment and social sphere in all the regions of presence.

Results of 2022:

- More than 200 news and press releases were published providing 6,165 publications in the media at various levels.
- Active participation of the bank's experts in round tables, forums, and discussions on sustainable development issues.
- Center-Invest Bank's social media accounts have 60,000 subscribers and are regularly included in the lists of the largest and most active in Russia.

Коммерсантъ®

The Banker

ЭКСПЕРТ



ВЕДОМОСТИ

Forbes

Regions of Presence, Local Communities and Public Organisations

Active participation in the development of the social sphere, constructive communication with local communities, non-profit organisations for development of the regions where employees, customers and partners of the bank live and work is an important task for building an effective system of interaction.

- Creation of jobs and participation in development of the regions of presence
- Interaction with professional associations and unions
- Implementation of its own socially significant, environmental, and charitable projects (educational, cultural, sports, environmental) in regions of operation, as well as in partnership with NGOs, charitable foundations and public organisations
- Sponsorship and holding of its own business events.



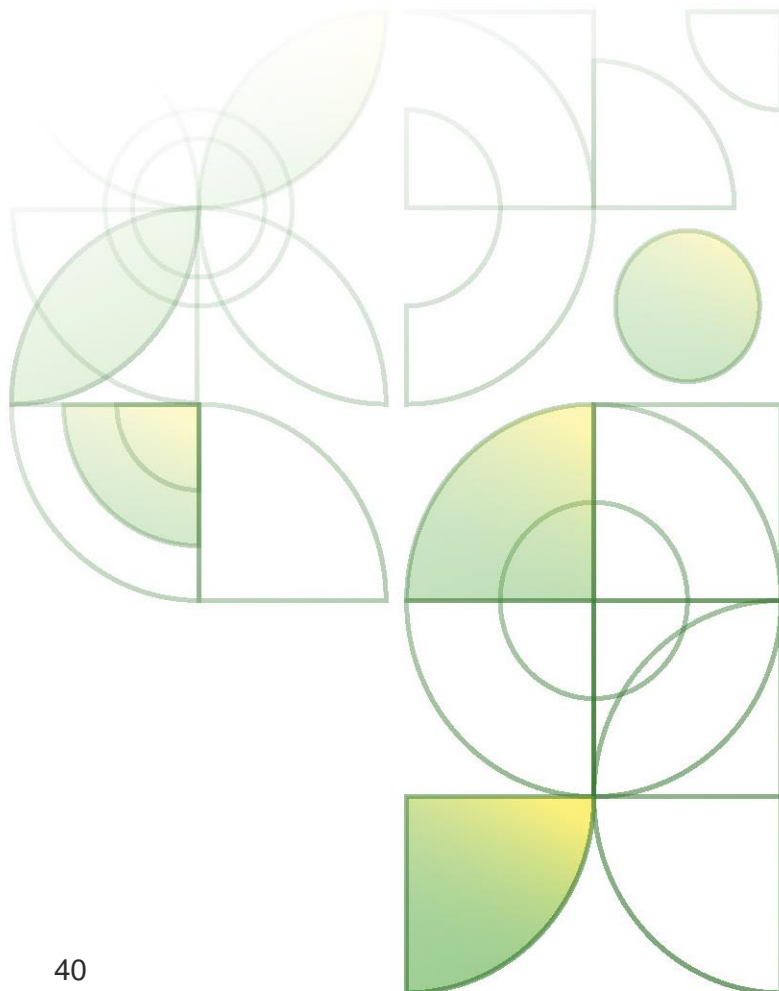
The bank's booth at Finopolis

Results of 2022:

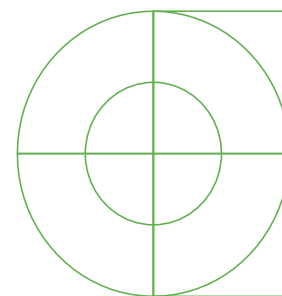
- 32.4 RUB million allocated for sponsorship and implementation of CSR projects
- The bank manages the largest endowment funds in Southern Russia with the total capital amount of 287.6 RUB million.

Center-Invest Bank annually holds meetings with stakeholders in key regions of its operations. The events proceed in the format of round tables, seminars, masterminds and conferences.

The participants include representatives of partners and customers, public organisations, educational institutions, media, as well as supervisory authorities, state and municipal authorities. The topics on the agenda of meetings traditionally include discussion of the bank's activities and role in the socio-economic development of the respective region, discussion of implementation of the Sustainable Development Goals by the bank and its customers, panel sessions and exchange of opinions with the stakeholders. In total, more than 300 events were held in the regions of the bank's operations in 2022.



Development of the Bank's Human Capital



102-8, 103-1

The main priorities for the bank are to ensure compliance of all the HR actions with the laws of the Russian Federation, development and updating of relevant local regulations, development of knowledge, skills, and potential of employees and managers of the bank, improvement of the incentives system.

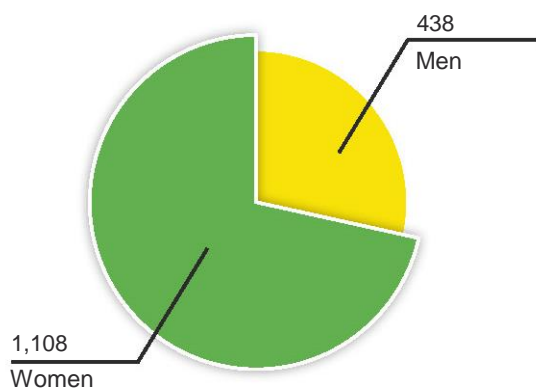
401-1

Total manpower and number of hired employees

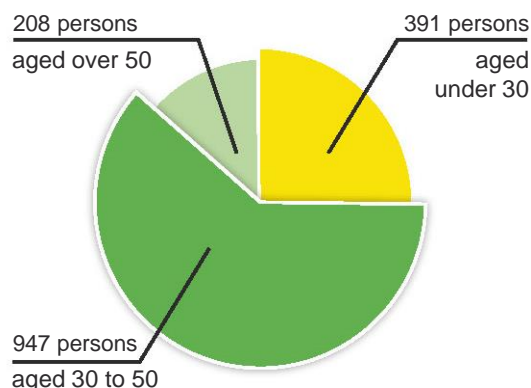
	Number of employees as of 31.12.2022	Number of employees as of 31.12.2021	Number of newly hired employees in 2022	Number of employees dismissed in 2022	Staff turnover in 2022
Total	1,546	1,588	141	183	13.0
By gender					
Men	438	452	49	62	4.4
Women	1,108	1,136	92	121	8.6
By age groups					
aged under 30	391	403	90	49	3.5
aged 30 to 50	947	952	47	106	7.5
aged over 50	208	233	4	28	2.0

405-1

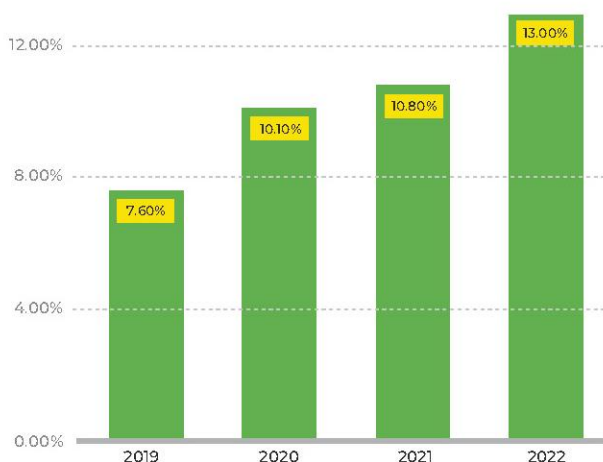
The bank's personnel composition by gender criterion, people



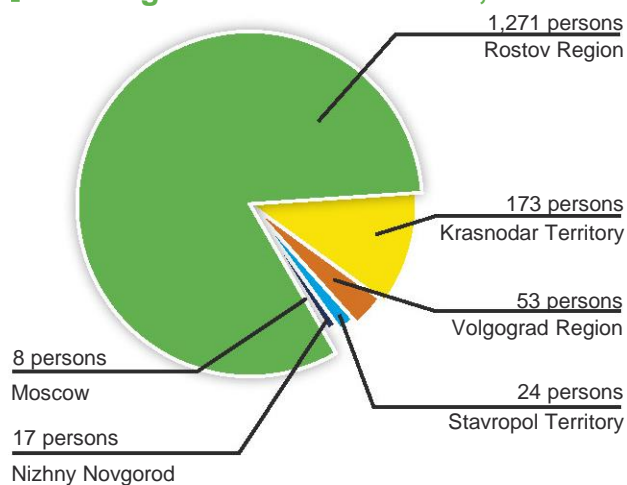
The bank's personnel composition by age criterion, people



Staff turnover, %



Distribution of employees over regions as of 01.01.2023, %



Employees with 10 and 20 years of job experience



Since 2012, the bank has a tradition of annual awarding of members of the 10-15-20-25 Club (25 years gradation was added in 2017). Bank employees who have worked for the corresponding number of years receive a letter of gratitude and a commemorative badge from the management of Center-Invest.



10-15-20-25 Club Members Award Ceremony

102-41

The bank's existing corporate conduct and corporate ethics standards comply with the requirements of the laws of the Russian Federation, fully protect the interests of employees and do not require the use of collective labour agreements.

Center-Invest Bank pays great attention to the preparation of its personnel reserve in order to develop, promote, and retain employees with high potential, as well as to ensure efficient replacement of vacated or newly created management positions.

In accordance with Russian legislation, national traditions and established practice, all bank employees have equal rights, equal conditions, and equal opportunities for career growth.

The share of women among bank employees remained almost unchanged and amounted to 71.7% in 2022 (71.5% in 2021). The proportion of women among executives at business units and branch network offices in the reporting year was 70.3%.

The bank's personnel composition by gender criterion, people

Heads of structural subdivisions/offices	Rostov Region	Krasnodar Territory	Stavropol Territory	Volgograd Region	Nizhny Novgorod	Moscow
Women	21	12			1	0
Men	11				0	1

Number of employees in management bodies as of 31.12.2022

	Total	Aged under 30	30–50 years	Aged over 50
Board of Directors				
Total	7		2	5
Including				
women			1	3
men			1	2
Management Board				
Total	7		6	1
Including				
women	3		2	1
men	4		4	

The reproduction of human capital continues to be one of important priorities in the implementation of ESG strategy. The bank provides ample opportunities for professional and career growth, through its Personnel Training Center.

The Personnel Training Center performs selection, adaptation, training and development of personnel, regularly performs the assessment of qualification and level of engagement, develops non-financial tools for increase of motivation, is responsible for the development of corporate culture and HR branding.

In 2022, more than 600 employees have passed the annual qualification control. Over 1,900 training courses and programmes were completed by the bank's employees.

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.

Over 2022, 18 employees have been trained for managerial positions, from line to top managers, and 46 line employees were rotated with promotion to higher positions, change of location and functions.

Each employee is given the opportunity to choose their own learning path using the intrabank marketplace of training programmes.



Training master class for employees of the bank

The training system has a step design, i.e. each module is based on the knowledge received in the course of the preceding stage. This way, an employee understands what steps he or she needs to take for further professional development.

Existence of mechanism for receiving feedback from employees on the training programmes and courses makes it possible to ensure prompt improvement of the training process and strengthen the continuous education culture.

The Personnel Training Center actively engages experienced specialists with high qualification level in the internal training processes, which ensures the continuity of professional generations and helps prevent the burnout of experienced specialists on account of diversity of the task scope and gaining of additional recognition of their value both on the part of young professionals and the bank management.

The bank continues to encourage internal innovation: in 2022, 79 rational proposals were received from employees. The offers concern both the optimisation of processes within the bank and the improvements and introduction of new services for customers.

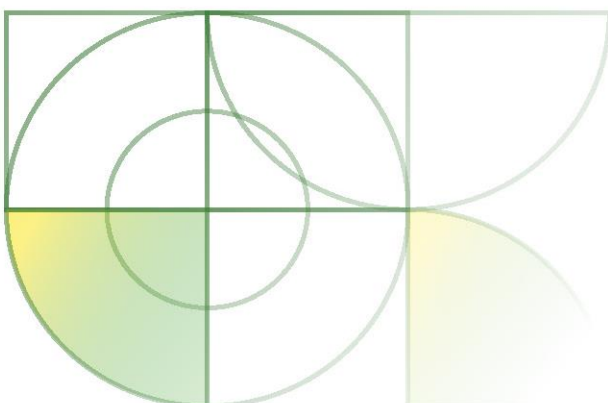
Intrabank Innovations: Rational Proposals

79 proposals, of which:

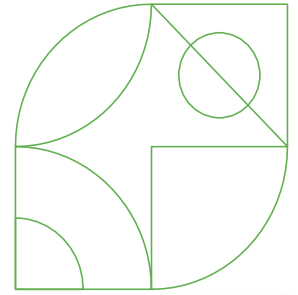
12 were approved

The bank pays great attention to the commitment and loyalty of its personnel, thus in 2022 it continued to actively use surveys as an effective diagnostic tool for essential changes and internal communication development.

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



Development of Corporate Culture



Conducting Employee Surveys

58 surveys

- commitment
- assessment of quality of interaction with the manager

identification of problem areas

- uneven load
- absence of universalisation
- lack of motivation
- deficiency of informal communication

Solution

- universalisation
- load redistribution
- individual employee development plans
- online meetings of cluster sites
- team building quizzes for improvement of communication between employees

Repeated surveys

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



Holding of a team building quiz



The bank's new canteen

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

In 2022, the bank remodeled the canteen at its head office. The new space with plenty of light is decorated with plants and has light-colored convenient furniture.

In 2022, a corporate Telegram channel was created as a tool for the corporate culture development that conveys key values and reinforce the HR-brand of the bank.

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

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

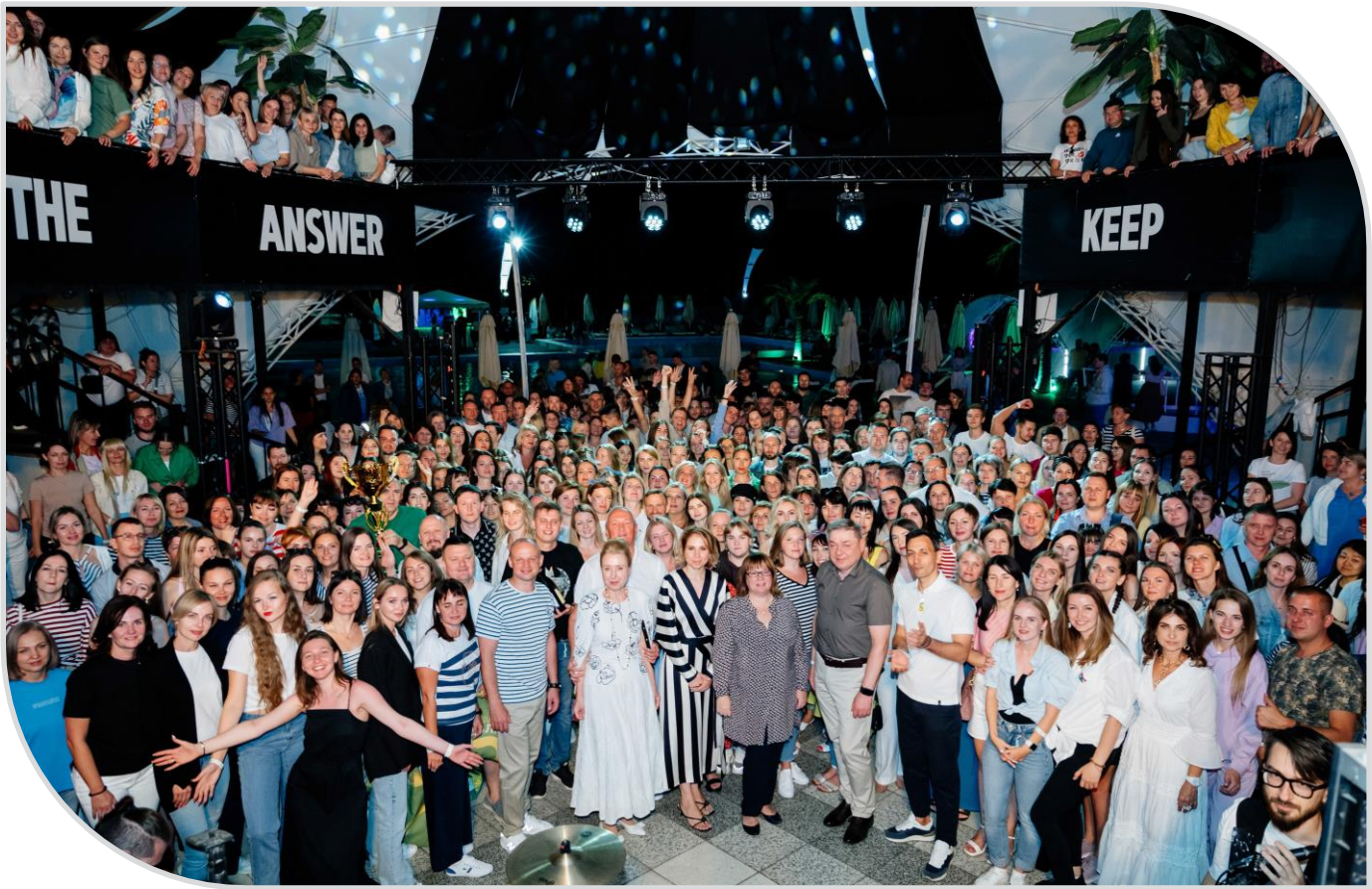
The children have the opportunity to see where their parents work, to get bright impressions and memorable gifts, and share emotions with their parents. In parallel, employees become proud of the company, they feel they have chosen the right place of work, where they and their families are appreciated, family values are supported, and the work-life balance is respected.

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

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

102-23

The bank constantly seeks to ensure a balance between the implementation of work function and personal life, maximizing the marginal utility and satisfaction of each employee. The bank sees great potential in the development of charity and volunteer programmes among employees.



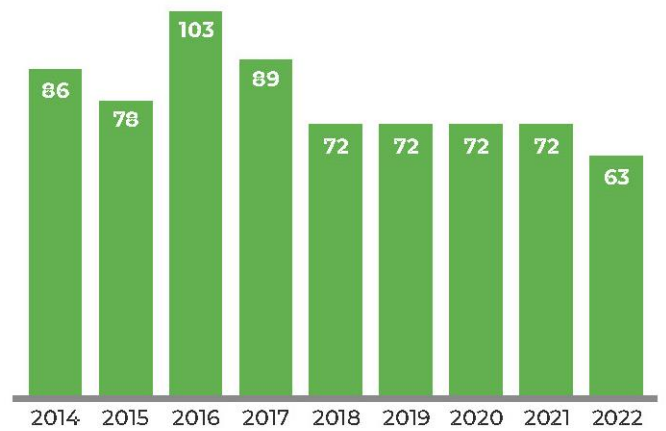
401-3

Care, attention, and respect for motherhood are reflected in the fact that the birth rate in the families of bank employees is 4 (four!) times higher than the average for the Russian Federation.

Each employee is aware of his/her right to address any question to any level of management and receive a full and comprehensive answer. This is not only a rule, but also a part of the culture of relationships in an ESG bank.

In 2022, all 63 employees exercised their right to maternity/paternity leave. All the employees who previously went on maternity leave continued to work in the bank in the same or similar positions.

Number of children born to the bank's employees



403

The bank seeks to develop communication channels with employees, takes into account their opinion and respects the right of employees to access the information they need. The bank builds loyalty and increases the motivation of employees by providing a competitive level of remuneration, comprehensive social support, safe and comfortable working conditions, training, and realisation of the career potential of employees.

404-2

The bank makes all necessary efforts to preserve health and life of its employees, ensure their workplace safety. There are no jobs in the bank that are associated with injuries or a high risk of morbidity, and there were no cases of workplace injuries in 2022.

For many years, the bank has been voluntarily providing medical insurance to employees at its own expense, implementing measures to prevent acute respiratory viral infections, including offering to voluntarily undergo the appropriate vaccination.

	2020	2021	2022
Number of insured employees	1,601	1,588	1,546
including women	1,163	1,136	1,108
Number of vaccinated employees	151	69	35
including women	94	31	19
Number of employees vaccinated against COVID-19		1,192	89
Including women		721	68

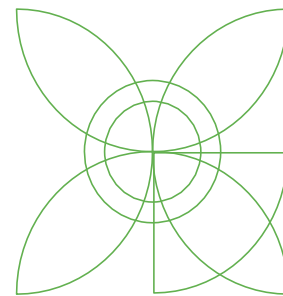
405-2

An annual study of the level of employees' salaries is carried out, as a result of which the Board of Directors and the Management Board of the bank decide on the possibility of indexation. Most of the income of the bank employees is formed out of the fixed salary. The variable part is determined by management in such a way as to create flexible conditions for increasing motivation, but not to generate additional risks for the system.

The variable remuneration policy is reviewed as necessary and communicated to all the employees. At the same time, KPI is formed in a balance between personal and team results, gross indicators and quality parameters of customer satisfaction (relevant for the front office).

	Total	Krasnodar Territory	Volgograd Region	Rostov Region	Stavropol Territory	Nizhny Novgorod
Average monthly nominal accrued wages in the constituent entities of the Russian Federation in 2021, RUB	57,244	43,510	39,031	39,291	37,387	41,369
Average monthly salary by bank subdivisions in 2021, RUB	84,890	80,569	77,585	85,746	74,647	99,222
Men	102,161	98,283	110,258	102,714	69,332	65,392
Men under 30	73,335	74,427	0	73,589	64,893	0
Women	77,417	79,029	75,357	76,830	76,210	101,638
Women under 30	61,587	57,094	75,399	61,780	51,795	71,330

Development of young specialists



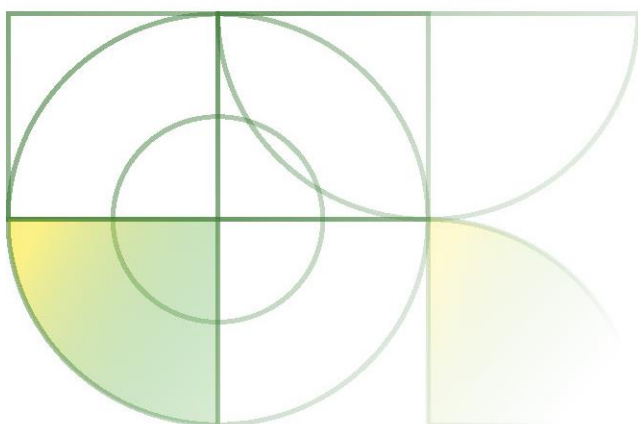
404-1

In its personnel policy, the bank does not use the headhunting method but forms its personnel reserve by inviting students from local universities for internship at the bank and teaching them. For 30 years, Center-Invest Bank has been running an internship and training programme for its personnel reserve. The entire instruction course for interns and students undergoing practical training is organised at the Financial Literacy Centers (FLC) in Rostov-on-Don, Krasnodar, and Volgograd. In 2022, 1,023 people completed training at the FLC in the Banking course, of which 74 best young specialists became employees of the bank.

In 2022, the bank actively continued to apply digital onboarding tools: new employees automatically receive links to digital resources for training and development, and the bank's own digital corporate guide was developed. Quick access to the digital assistant is provided through the use of a QR code system. The digital assistant is ready to answer employees' questions related to the bank's corporate culture, organisational issues, and the possibilities of vertical and horizontal rotations.

Besides, at onboarding a young specialist gets access to the corporate Telegram channel, which enables him or her to quickly immerse in the atmosphere of the bank and get to know its team better.

Projects of Center-Invest Bank aimed at formation of the educational ecosystem, within the framework of which training, mentoring, accelerator, volunteering and the marketplace of educational programmes are seamlessly used for growing of new personnel were presented at the [ESG Principles in Training and Adaptation of New Employees RAEX Sustainability webinar](#).





Digital Transformation of HR Processes

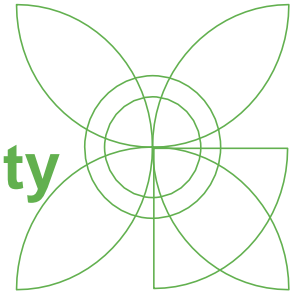
In 2022, implementation of the Mirapolis innovative digital HCM environment for employees and leaders has been started. Mirapolis software vendor is a leader in Russian solutions for digital transformation of HR processes.

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

The platform assists in managing employees' training and development throughout the entire work time cycle, connects the processes of development, career pathing and succession, and ensures the digitalisation of internal communications. A contract for implementation of the following system modules was concluded: Training, Adaptation and Development, Evaluation, Personnel Reserve and Performance Management. The Training and Evaluation modules are implemented at the first stage of the project. Module installation and primary setting have been performed using test fixtures of the bank.

Environmental Environmental Issues as a Priority

Environmental Impact



Our commitment to the environment, along with traditional banking products and services, is an integral part of our strategy, deeply built into our business and long-term priorities for sustainable development, responsible business conduct and responsible investment.

We strongly believe that a financial institution should participate in preservation of the environment, even if it is not a source of significant emissions into the atmosphere.

Center-Invest Bank strives to protect the environment, including by issuing green bonds, lending to energy efficiency projects, use of solar energy, efficient consumption of resources (electricity, paper, fuel, etc.), making great efforts to develop electronic products and services, and also supports conservation activities.

Environmental and Social Assessment of Funded Projects

301-1, 301-2

Center-Invest Bank recognises that the Bank's top priority lending activities are projects that contribute to economic, environmental, and social sustainability.

The bank's [Environmental and Social Policy](#) outlines voluntary commitments to promote environmentally sound and sustainable social development. Therefore, the bank's Environmental and Social Policy was agreed with key shareholders and partners of the bank and approved by the Board of Directors on 06.09.2010 (with amendments dated 01.02.2011, 11.09.2012, 23.04.2014, with approval in November 2019 and September 2021 of the Procedure and principles for placement of funds raised under the issuance of green, social and sustainable development bonds, and approval of the ESG Assessment Methodology in September 2022).

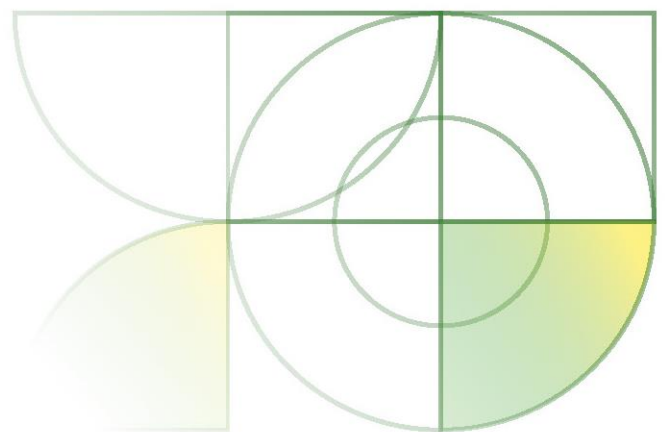
The Policy is an integral part of the bank's decision-making process related to the financing and approval of projects, as well as monitoring their implementation. The key purpose of the Policy is to describe the obligations and procedures that support the generally recognised principles of promoting environmentally sound and sustainable development in all the banking, investment, and technical cooperation activities of the bank as a fundamental aspect of sound business conduct.

The Policy defines methods for assessing and controlling environmental and social risks, evaluating the effect of their projects, and establishes minimum requirements for managing environmental and social impact and risks throughout the lifetime of financed projects. The Policy publication contains the Bank's Environmental and Social Exclusion List, the procedure for classifying projects depending on the level of environmental and social risks.

- Environmental and Social Assessment of Funded Projects (page 40)
- Funding of Energy Efficiency Projects (page 44)

The bank maintains statistics on cases of refusal to customers on environmental grounds, in particular due to actual or perceived non-compliance with the list of exceptions, cases of refusal on environmental grounds, non-compliance with health and safety laws, significant environmental issues associated with borrowers, as well as cases of bad debts arising from environmental problems. During the reporting period, the above-mentioned cases were not found in the bank.

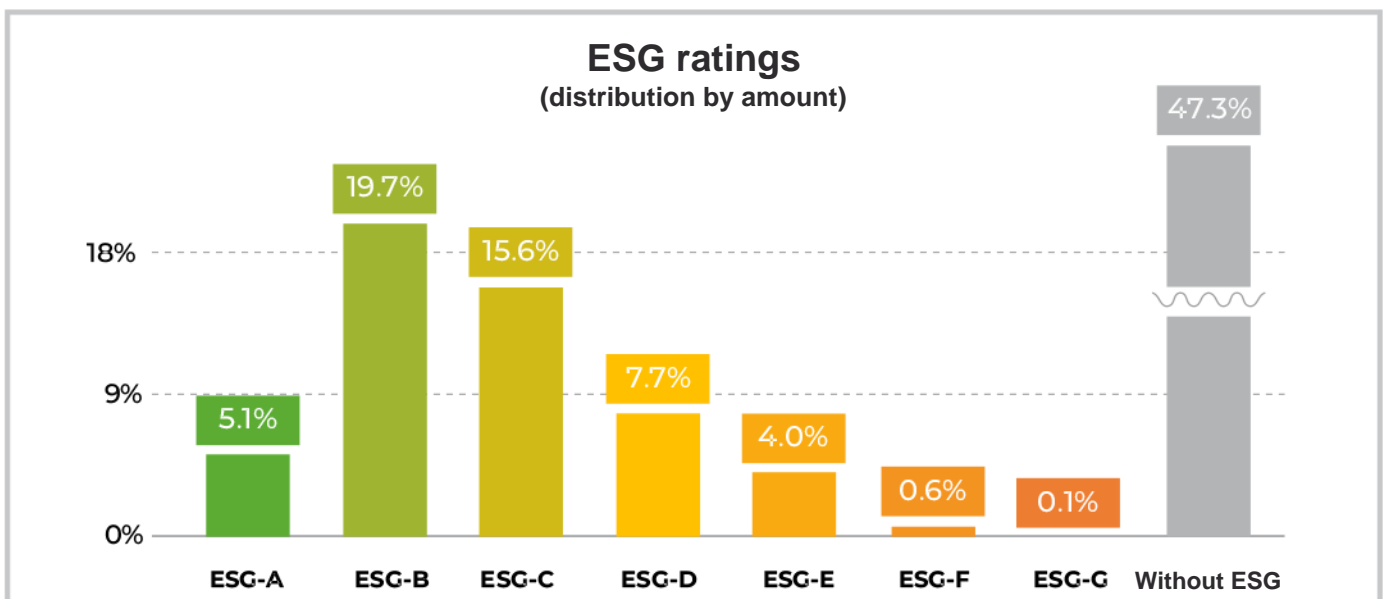
In 2022, a new methodology was established for the assessment of ESG risks for entrepreneur borrowers, which allows to consider more lending risks. The upgraded methodology has made the credit rating parameter list significantly longer, and the overall score defines one of the seven levels of the overall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



“The world’s best practices are not necessarily inherent in foreign countries. We are far ahead in terms of innovation and creativity, and we can clearly present, both in numbers and methodologically, the advantages of our sustainable business model of Center-Invest Bank. Sovereign EGS-banking is based on the already accumulated Russian experience in the interest of present and future generations at the local, national and global levels.”

Sergey Smirnov, Deputy Chairman of Management Board for Analytics, Reporting and Finance

Distribution of ESG rating levels among bank customers as of 01 January 2023



30 лет **БАНК ЦЕНТР-ИНВЕСТ**

СЕРТИФИКАТ ESG-РЕЙТИНГА КРЕДИТА

ESG-A, ESG-B, ESG-C, ESG-D, ESG-E, ESG-F, ESG-G

На основании Методики ESG-рейтинга заемщиков* банка «Центр-инвест» кредиту вашего предприятия присвоен рейтинг ESG-A «Наивысшая оценка в области экологии, социальной ответственности и управления. Вопросы экологии, социальной ответственности и управления являются приоритетными в деятельности».

Рейтинг ESG-A позволяет оформить кредит в Банке по льготной.

Благодарим вас за ответственное ведение бизнеса и информируем о результатах нашей совместной работы

Распределение кредитного портфеля юридических лиц на 01.01.2023г.

2 ЛИКВИДАЦИЯ ГОЛОДА 52,26%

8 ДОЛЖИЕ ЛЕДИ ЭКОЛОГИЧЕСКАЯ ПОС 17,86%

9 ДОЛЖИЕ ЛЕДИ ЭКОЛОГИЧЕСКАЯ ПОС 10,69%

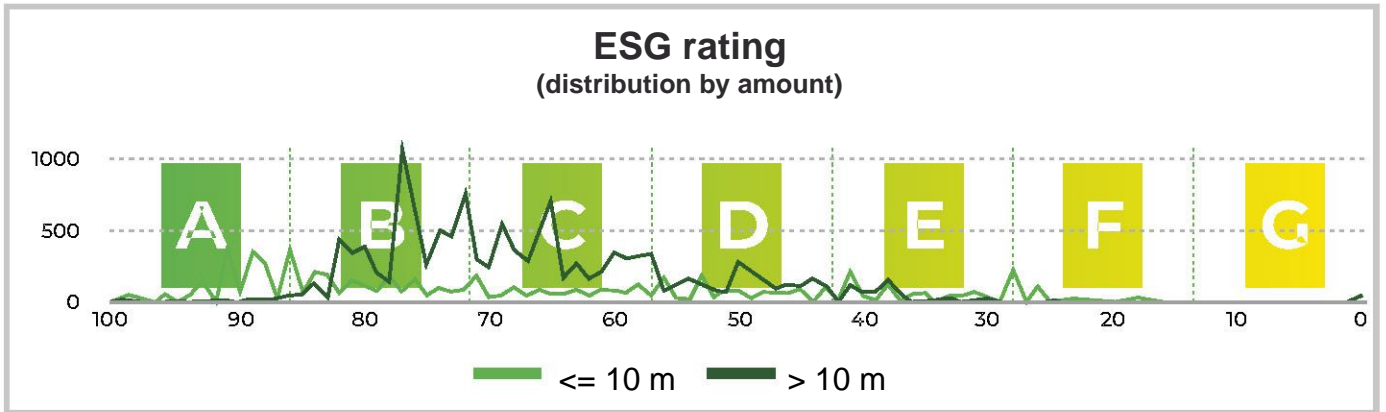
11 АБАНК 4,88%

12 ДОЛЖИЕ ЛЕДИ ЭКОЛОГИЧЕСКАЯ ПОС 0,88%

*Методика ESG-рейтинга заемщиков Банка «Центр-инвест»

ESG-рейтинг Банка «Центр-инвест» 2021

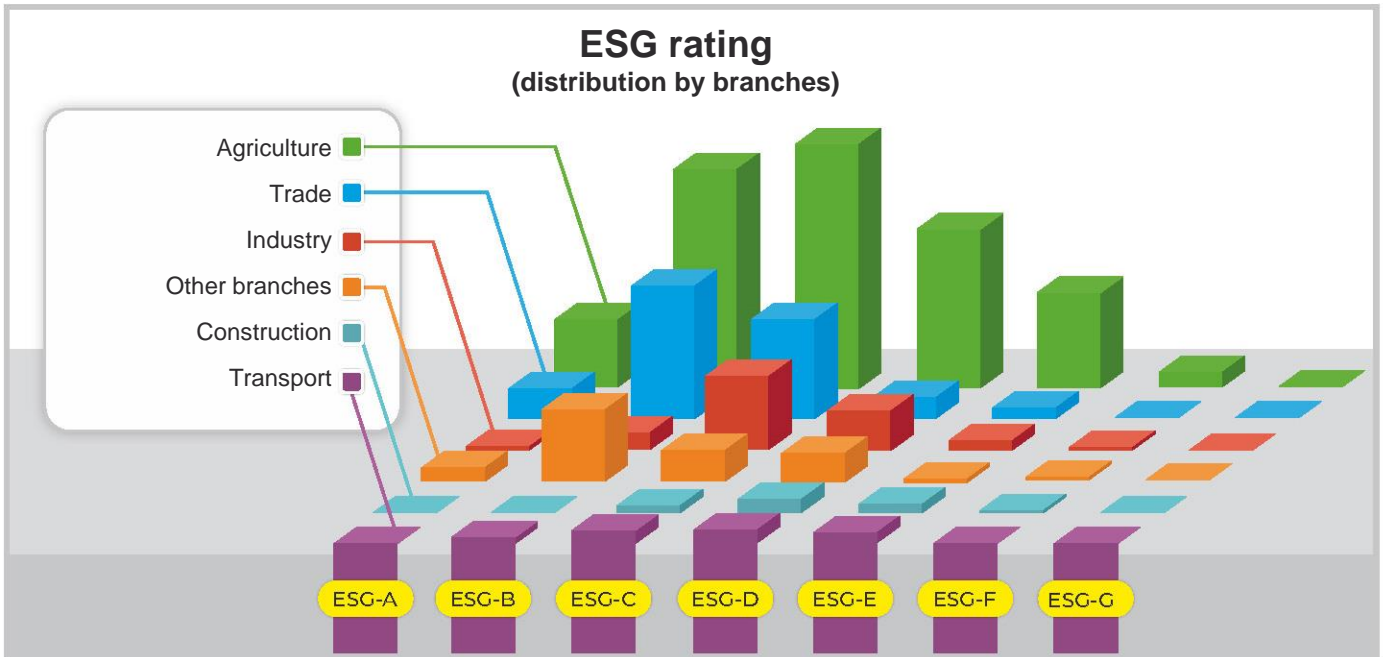
At the year-end 2022, 3,117 loans with the total amount of 19.5 RUB billion entered the non-financial rating, which is 52.7% of the entire corporate loan portfolio. In this respect, 47% of all the rated loans got a high level (ESG-A/B), which indicates bank customers’ high environmental, social, and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



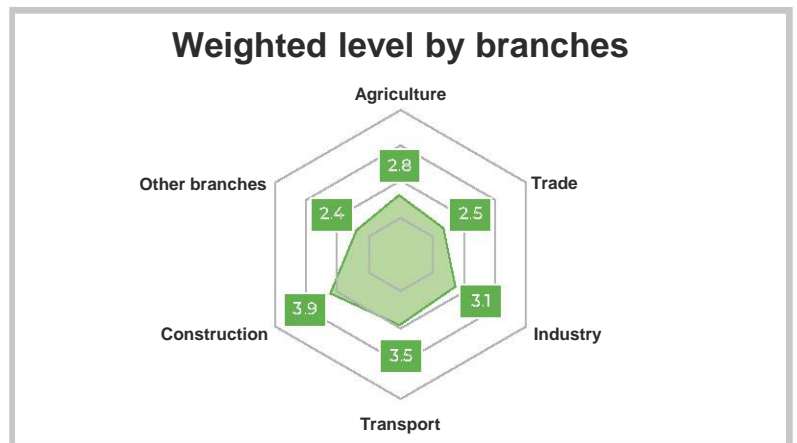
Breakdown of loan portfolio for entities by branches and ESG risk level as of 01.01.2023

Industry Branch	Share of industry branch in the loan portfolio	ESG-A	ESG-B	ESG-C	ESG-D	ESG-E	ESG-F	ESG-G
Agriculture	54.6%	6.4%	19.0%	13.9%	9.2%	5.2%	0.7%	0.2%
Trade	20.2%	2.1%	9.4%	6.8%	1.3%	0.6%	0.0%	0.0%
Industry	9.8%	0.2%	2.0%	5.2%	1.8%	0.5%	0.1%	0.0%
Other branches	10.9%	1.0%	6.3%	2.2%	0.9%	0.3%	0.2%	0.0%
Construction	1.7%	0.1%	0.0%	0.5%	0.7%	0.4%	0.1%	0.0%
Transport	2.8%	0.0%	0.5%	0.9%	0.8%	0.5%	0.0%	0.0%
Total by categories	100.0%	9.7%	37.3%	29.6%	14.6%	7.5%	1.1%	0.2%





The Bank finances projects for the introduction of energy efficient technologies in agriculture, trade, industry, transport, construction, services, public sector, communal services, and private housing sector. Weighted risk levels broken down by industries as of 01 January 2023 are presented on the diagram. The diagram

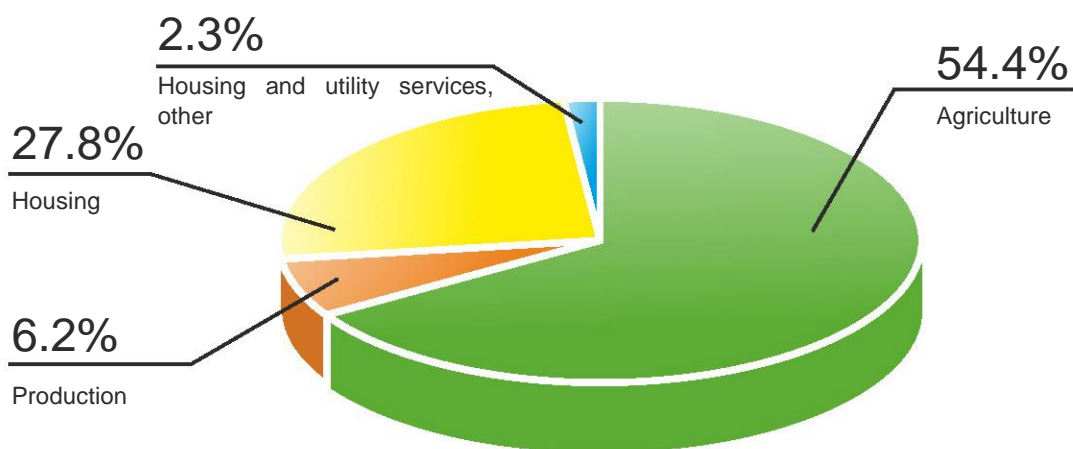


shows that the least risky branches in terms of non-financial risk level are trade and other branches, and the maximum risk is in construction and transport.

Funding of Energy Efficiency Projects

Since 2005, the bank has been running a programme to finance energy efficiency projects to provide businesses and population with funding for introduction of modern energy-saving technologies and measures. As of 01 January 2023, we have invested more than 21.4 RUB billion in 23,409 customer energy efficiency projects.

Sectoral structure of funded projects in the field of energy efficiency



Industry Branch	Number of projects (pcs)				Amount of projects (RUB mln)				Amount of financing (RUB mln)				Share			
	2019	2020	2021	2022	2019	2020	2021	2022	2019	2020	2021	2022	2019	2020	2021	2022
Agriculture (legal entities)	80	127	164	67	712	1,157	1,657	840	607	1,005	1,425	711	54.2%	79.4%	82.5%	63.7%
Production, Trade (legal entities)	11	2	3	7	134	7	27	79	124	12	23	69	11.1%	0.9%	1.3%	6.2%
Housing (individuals)	929	637	606	772	270	195	218	310	270	195	218	310	24.1%	15.4%	12.6%	27.8%
Housing and utility services, other (housing owners' communities)	46	20	32	11	122	53	62	59	119	53	62	26	10.6%	4.2%	3.6%	2.3%
Total	1,066	786	805	857	1,238	1,412	1,964	1,288	1,120	1,265	1,728	1,116	100%	100%	100%	100%

The bank's work in the field of energy efficiency made it possible, by the end of 2022, to reduce CO₂ emissions into the atmosphere in the volume of 10.9 tons per year.

Center-Invest Bank is the only bank in Russia that finances housing owners' communities and housing management companies for the purpose of overhaul of buildings, and has been doing this successfully since 2009. By the end of 2022, the bank has issued 222 loans to the housing owners' communities for the total amount of 458 RUB million.

The main source of repayment of the loan are the mandatory monthly fees of housing owners for the overhaul of the building. Residents pay an amount similar to contributions to the Overhaul Fund, and today they are resolving the issues of home improvement, without waiting for the necessary amount to be accumulated on the account of their apartment building.

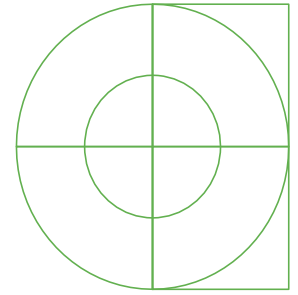
The bank's customers from Rostov and Volgograd Regions, Krasnodar Territory, Stavropol Territory, Moscow and the Moscow Region, as well as from Nizhny Novgorod, took the loans. The program is aimed at installing metering systems (general house meters for heat, water and electricity), insulation and repair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

Lending for energy efficiency projects includes technical, financial and social engineering. The Bank helps customers to calculate all the main parameters at the pre-funding stage. In the course of program implementation, all customers had access to the support of consultants from IFC (2005–2011), MW decon GmbH (2007–2009), RuSEFF (2012–2014), and bank specialists (2005–2022). In 2005–2014, the customers received 42 energy audits from our partners, as well as a lot of calculations from bank employees.

A report on all the energy efficiency loans for 2022 showing energy savings (per unit) and CO₂ reduction (tons per year) is given in the Appendix to the report: Appendix 1. Energy Efficiency Loans (Housing and Utility Services) in 2022 and Appendix 2. Energy Efficiency Loans (Excluding Retail Housing Loan Portfolio) in 2022.



Own Environmental Impact

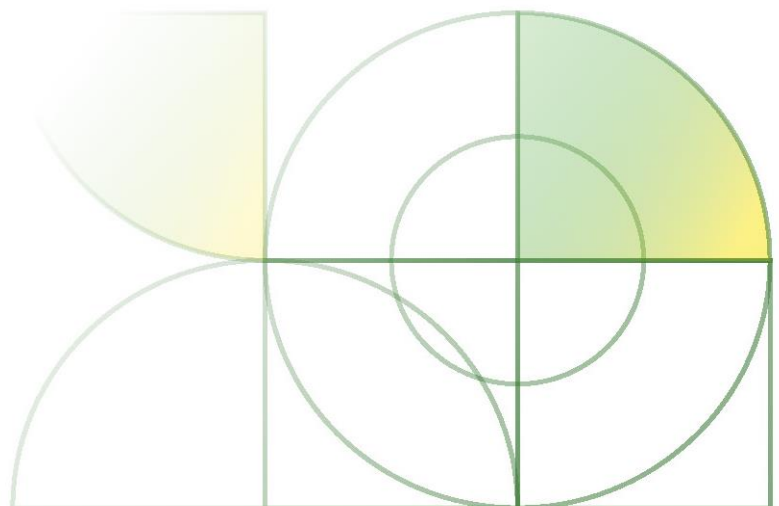


Despite the steady growth of the business, the bank is constantly striving to reduce the consumption of energy and other resources.

301-1, 301-2

The bank keeps track of its resource consumption with the following breakdown:

		2020	2021	2022	2022/2021
Paper (tons)	tons	92	104	85	-18.27%
Gas (cubic meters)	cubic meters	320	315	318	1.09%
	GJ	10,870.00	10,690.84	10,807.39	
Energy resources (kWh)	kWh	4,161,634	3,988,916	4,622,221	15.88%
	GJ	14,981.90	14,360.09	16,640.00	
Gasoline (tons)	tons	83	84	74	-11.90%
	GJ	2,662.10	2,694.22	2,373.48	
Waste (tons per year)	tons	204	199	380	90.95%
Environment protection costs (RUB thousand)	RUB thousand	50	446	536	20.18%
Collection and treatment of wastewater (RUB thousand)	RUB thousand	221	233	398	70.82%
Removal of waste (RUB thousand)	RUB thousand	302	581	2,483	327.37%





The bank's employees at the Spring Tree Planting Day

303-1

The bank did not carry out any activities related to emissions of greenhouse gases, ozone-depleting substances or other pollutants, waste water discharge, spillage of liquid waste, transportation of hazardous waste, or harmful impact on biodiversity.

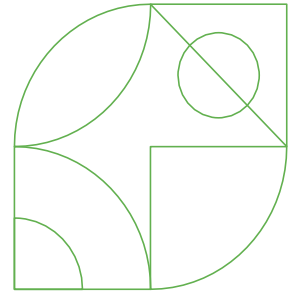
306-1

In 2020, the bank started its transition to carbon neutrality. In order to reduce its own carbon footprint, in 2020, the bank implemented a green project to install 44 solar panels on the roof of its head office with the power of 10 kW. In 2021, the project on the roof of the bank was expanded, 37 kW of new power was installed, which allowed the production of solar energy to be increased by a quarter for the bank's own needs.

In July 2021, Center-Invest Bank purchased energy from renewable sources from Solar Systems solar electric power plant located in the Stavropol Territory, by which 25% of the entire bank's electric power consumption was covered, including more than 100 offices, and in 2022, the green energy share in the bank's energy balance constituted 40%.

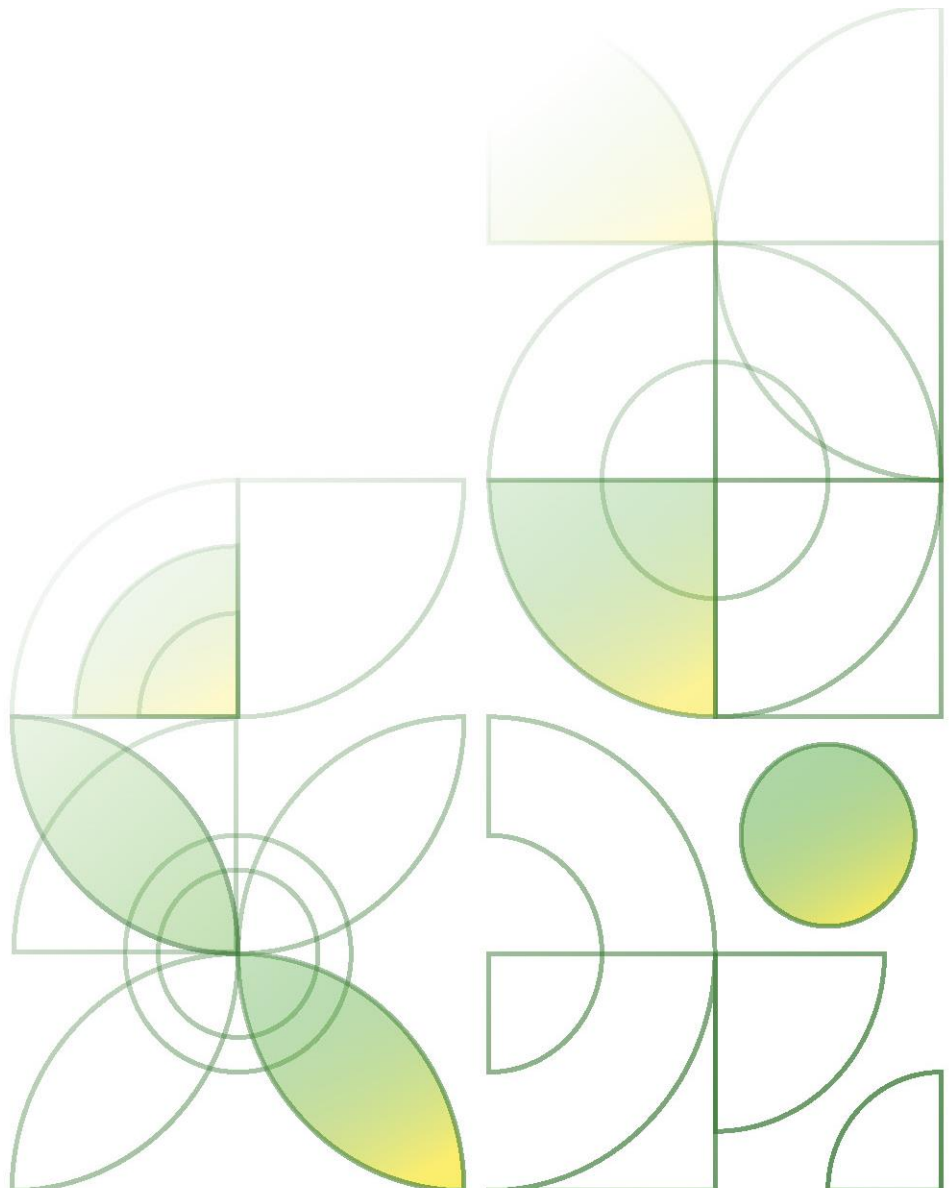
The objective of Center-Invest Bank as entity working in accordance with the ESG principles is to measure and assess its impact on the environment and to strive for achieving carbon neutrality.

Employees Responsible for Environmental Procedures

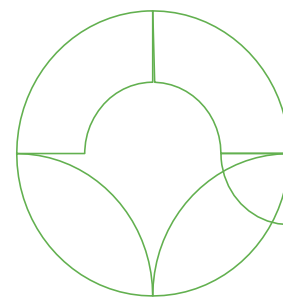


Sergey Yurievich Smirnov: Deputy Chairman of the Management Board for Reporting, Analytics and Finance, Doctor of Economics, responsible for coordination of processes used for the adoption of environmental procedures.

Alexander Viktorovich Dolganov: Deputy Chairman of the Management Board, Doctor of Economics, Member of the Working Group of the State Duma of Russia on the legislative and regulatory support of conditions for the formation of a system of standardisation and verification of green financial instruments.



Social Impact on Society

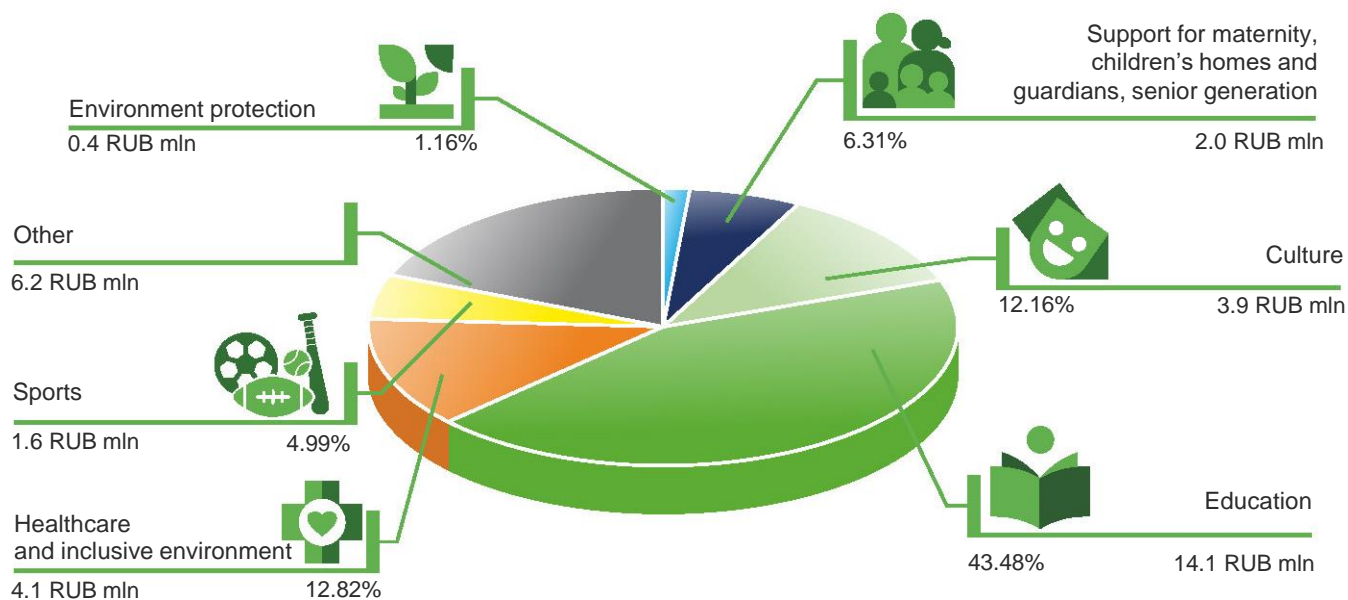


All subdivisions of the bank support constructive interaction with local administrations and the public in solving socio-economic and environmental problems, cooperate with non-profit organisations and expert communities at the regional level.

All the projects of Center-Invest Bank in the field of corporate social responsibility reflect a responsible attitude to the social development of the regions of operations, increasing the level of financial literacy of the population, and the development of entrepreneurship.

In 2022, Center-Invest Bank received 84% of its income on account of lending to the real sector of the economy and forwarded the received income to: population (payment of interest on deposits): 32%, partners and suppliers: 23%, employees and the state: 26%, shareholders (dividends and development): 19%.

Structure of expenses for charitable activities in 2022, RUB million

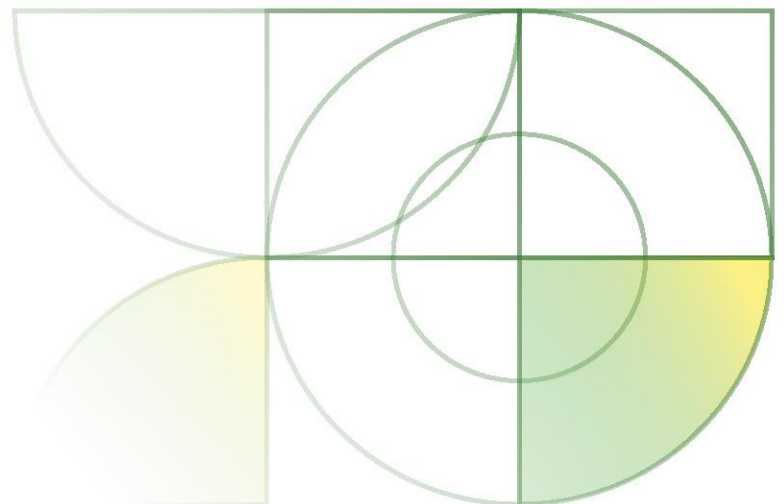


Center-Invest Bank actively cooperates with local communities in the field of employment and career guidance, improvement of financial literacy, healthcare. The bank invests in culture, sports, and social infrastructure, and helps vulnerable groups of the population.

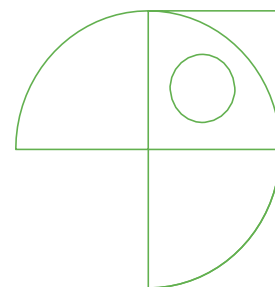
Areas of Corporate Social Responsibility:

- Financial Literacy
- Development of Youth, Women and Social Entrepreneurship
- Help for the Elderly, for People with Disabilities, Families in Difficult Life Conditions
- Culture and Revival of Spiritual Heritage
- Support of Education and Science
- Sports and Healthy Lifestyle.

All subdivisions of the bank support constructive interaction with local administrations and the public in solving socio-economic and environmental problems, cooperate with non-profit organisations and expert communities at the regional level.



Financial Literacy



103-2

Center-Invest Bank is actively engaged in financial education. The team's many years of experience in spreading financial literacy were summed up by the Financial Literacy Center project that was started in April 2014 ([знания-сила.рф](http://znaniya-sila.rf)). The main goal of the project is to provide access to free consultations and financial knowledge for residents of Southern Russia.

For 8 years, the project has been developed in four regions: Rostov and Volgograd Regions, Krasnodar and Stavropol Territories. The bank's main partners in this project were the region's largest universities, Southern Federal University and Kuban State Technological University.

Financial Literacy Centers (FLC) for population form the basis of Center-Invest Bank's ecosystem, free social and educational projects that reflect a responsible attitude to the development of society, growth of financial literacy of the population and commitment to ESG principles.

The centers actively work in southern Russia: in Rostov-on-Don, Krasnodar, Volgograd, Taganrog, Volgodonsk, Pyatigorsk and Stavropol. Remote communication channels provide equal access to the FLC materials for everyone, regardless of location.

The captivating presentation of the material, real-life examples, and professionalism of the FLC lecturers are highly appreciated by visitors of the centers: school and university students, working population and elderly people. For each category, a unique programme has been developed that best meets its interests and needs.

Over many years of work, the employees of Financial Literacy Centers implemented a lot of socio-educational projects dedicated to financial education and economic security. The bank takes part in federal, regional, and city financial literacy events, which is in line with the ESG principles.

The Center also holds inclusive events. Specialists of the Financial Literacy Center of Center-Invest Bank, together with the Financial Literacy Development Association (FLDA) and other partners, developed a special course for training volunteers to work with physically challenged people and people with disabilities. After completion of the course, volunteers convey the basic economic concepts, including, inter alia, how to set financial goals, what bank card types exist and how to use them, to people with different types of impairments.

A financial literacy course for children living in orphanages has become a new area of the bank's corporate responsibility aimed at protection of vulnerable social groups.

Since 2019, experts from the Financial Literacy Center actively participate in the Central Bank's project "Online Financial Literacy Lessons". 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. During the participation period, the bank employees have conducted more than 220 online lessons for more than 1,260 thousand people.

Since 2016, Center-Invest Bank has been a partner of the All-Russian Financial Literacy Week and annually delivers a series of lectures and online broadcasts dedicated to financial education and economic security.

Also in 2022, a joint project of the bank and the Rostov Region Legislative Assembly for socially active youth titled "Financial Literacy School" was implemented. More than 200 people from different cities of Southern Russia and Moscow took part in two teaching streams.



The Financial Literacy School Winners Award Ceremony at the Legislative Assembly of Rostov Region

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.centriinvest.ru).

Center-Invest Bank has 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 classes are taught by more than 150 professionals and experts from different regions. On average, the entrepreneurs who have taken this track, increase their revenue by 20%. More than 7,000 people have undergone training.

Over the past nine years, the Center's experts and volunteers:

- trained more than 1,800,000 students
- arranged 5,400 events
- provided advice to 139,000 people on personal finance management
- trained 4,200 financial literacy volunteers for replication of the lessons throughout Russia and beyond
- helped 830 startups to start their businesses.

Date	As of 01 January 2021	As of 01 January 2022	As of 01 January 2023
Total students of the Center	563,818	1,144,488	1,808,594
Number of students who completed the training course:			
Entrepreneurs in the Accelerator invited to preferential servicing	3,875	5,693	7,941
School and university teachers	168	270	590
Students having completed the course in banking	1,154	1,574	1,824
Number of consultations	2,553	3,257	4,280
Participants of seminars and webinars	115,009	125,453	139,714
Total events held, including:	444,934	1,013,424	1,660,939
Lectures delivered by bank employees	4,164	4,853	5,458
Lectures and seminars delivered by partners of the Center	1,724	1,966	2,235
External events	1,417	1,577	1,714
	1,023	1,310	1,509

Lidia Simonova, Chairperson 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.

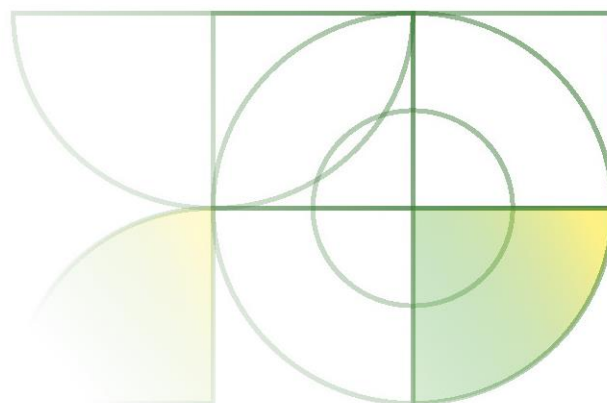
The Council was created to coordinate the activities of executive authorities, the Bank of Russia, financial and educational organisations as part of the implementation of measures to improve the financial literacy of the population in the Don Region.

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

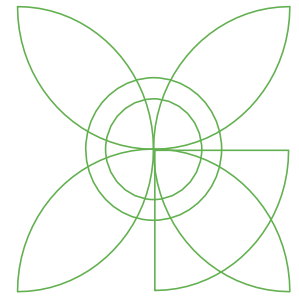
In addition to implementing its own programmes, Center-Invest Bank joined the initiatives of the Bank of Russia in partnership with the Financial Literacy Development Association. FLC specialists participate in the expert work of the Association, and Professor Vasily Vysokov, Chairman of the Board of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

In 2021, Center-Invest became the first bank in Russia to be voluntarily accredited for its financial education programmes by the Financial Literacy Development Association.

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



Development of Youth, Women and Social Entrepreneurship

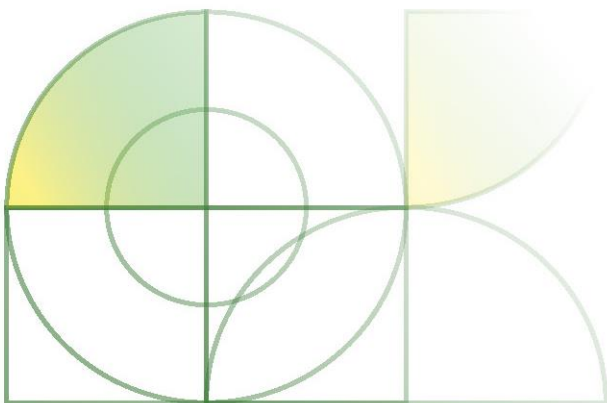


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For 30 years, Center-Invest Bank has been working on the agriculture modernisation, development of women's/youth/social entrepreneurship, business transformation, energy efficient project lending, and renovation of apartment buildings. With its huge 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.

The bank, being guided by the ESG principles and goals, makes considerable efforts and invests in the development of small and medium-sized businesses, youth, women's, and social entrepreneurship through the functionality of its own Accelerator, thereby contributing to socio-economic development of the territories and improving the quality of life of local communities. The Accelerator helps the bank's customers at all the stages of their business development, starting with the development of strategy, business plan and substantiation of financing needs. More than 7,900 startups, social business projects of youth and women entrepreneurship have already been implemented by the Accelerator graduates and received funding under the loan programs of Center-Invest Bank.

For financial support of startup entrepreneurs, as well as projects in the field of youth, women, and social business, Center-Invest Bank has developed special loan programs with a preferential interest rate, as well as an information platform. The bank's partners in these programs are the guarantee funds in the bank's regions of presence.

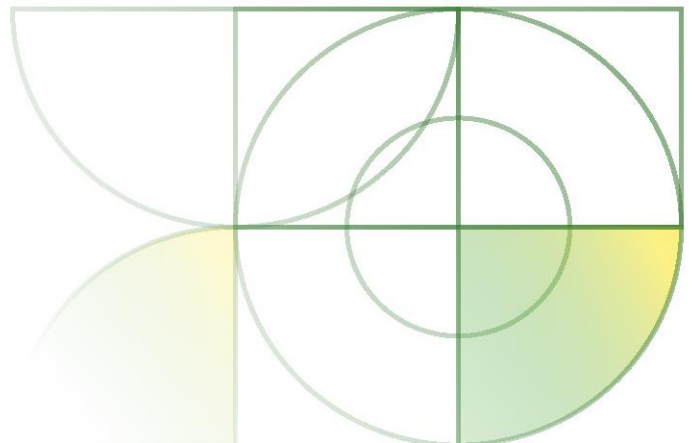




The bank has gathered women entrepreneurs at the Women Business Breakfast

Center-Invest Bank was a general partner of the Successful Me project organised by the Women's Entrepreneurship Development Committee of OPORA Russia. The project is aimed at development and support of women entrepreneurs of Stavropol Territory and includes training, networking and information support of business. Center-Invest Bank supports the event for the third year in a row. Over this time, more than 150 businesswomen started active development of their enterprises within the framework of the project.

Center-Invest Bank continued its cooperation with the Don State Technical University in implementation of the Business Space school project for young entrepreneurs. The Business Space School for Young Entrepreneurs is focused on creating a business environment at the university, as well as training innovative and technological entrepreneurs through the development of startup projects and their subsequent acceleration.



In 2022, the bank opened the Student Entrepreneurship Center in Krasnodar. The project was implemented together with the Kuban State Technological University. The Student Entrepreneurship Center is a modern venue for support of youth startups, development of intellectual, social and creative potential of university students.

Training at the Center is organised over three tracks: technological entrepreneurship, social entrepreneurship and creative industries. The project is a continuation of long-standing cooperation between Center-Invest Bank and Kuban STU in the area of socio-educational development of youth.

“We are proud of our collaboration with the leading technological university and are confident that training at the Student Entrepreneurship Center is efficient. The bank’s thorough work with the startups and small business forms understanding of needs and requirements of beginner entrepreneurs, and in combination with the intellectual potential of Kuban STU we can offer new solutions for proactive youth.”

Diana Lipinskaya, Director of Krasnodar branch of Center-Invest Bank

Center-Invest Bank supported the opening of the Constellation of South acceleration programme at the Rostov State University of Economics (RSUE). The bank has developed the Economics of Transformations track for the Constellation of South accelerator, based on implementation of its own acceleration programmes and experience of work with beginner entrepreneurs.

“Center-Invest Bank was the very first startup of RSUE and remains a friend and a mentor of students, graduates, postgraduates and employees of the university. We are glad to support the new initiative on the opening of this acceleration programme and prepared the Economics of Transformations monograph which will be supplemented by solutions developed by the Accelerator participants on each transformations case: crisis, business, marketing, strategies, science, innovations, etc. Success of transformations is not in the radicalness of separate steps, but in the complex approach to change.”

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

Center-Invest Bank supported the Business Youth Forum 2022 organised by the Youth Affairs Department of the Rostov-on-Don Administration. The annual Business Youth Forum is aimed at support and development of youth entrepreneurship in Rostov-on-Don and rendering of assistance to start-up entrepreneurs.

With the bank's support, third inter-municipal Business forum "New Product from Kuban" was held in Krasnodar, joining more than 100 experts and 1,200 young entrepreneurs of the Krasnodar Territory.

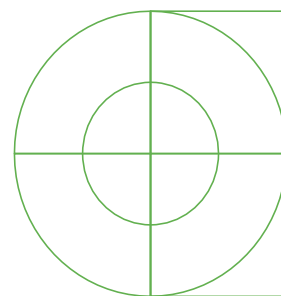
To popularise and replicate successful examples in the field of social entrepreneurship, since 2015, Center-Invest Bank, together with the Russian Union of Journalists and the Public Chamber of the Rostov Region, has been holding a contest for the prize named after Vladislav Vyacheslavovich Smirnov Award for the mass media. Within this period, journalists from 66 regions of Russia have sent the contest commission more than 1,300 creative works the main purpose of which is to identify the best practice in implementing social entrepreneurship projects in Russia and tell their readers about them. More than 80 authors became winners of the contest.

Vladislav Smirnov (1939–2014) was a resident of Rostov, Doctor of Philology, Professor, publicist, journalist, author of scientific, publicistic and artistic works, Rostov-on-Don passionate and famous local history expert.



Journalist contest award ceremony

Help for the Elderly, for People with Disabilities and Families in Difficult Life Conditions



In 2022, Center-Invest Bank, together with the Mayak lecture hall in Rostov, continued the Mayak for Joy charity project. These are live broadcasts of city tours prepared specifically for the wards of the Old Age in Joy Foundation from all over Russia. The bank fully shares the main idea of the joint project: to be a responsive, responsible generation that cares about the older people and senior generation in general.

Regional stage of the First All-Russian Financial Literacy Championship for Persons of Retirement Age dedicated to the Elderly Person's Day was held at the Krasnodar branch of G. V. Plekhanov Russian University of Economics. Employees of Center-Invest Bank were among the championship jury members and awarded the winners. The championship is called to help the Russians of older generation in learning to counter scams, competently manage revenues and invest safely.

Governor of the Rostov Region awarded Center-Invest Bank the title of Socially Oriented Entrepreneur of the Rostov Region.

The companies awarded with this title significantly contribute to the development of the mutual aid systems and social volunteer initiatives in the Rostov Region.



Since 2019, Center-Invest Bank implements its own Financial Literacy in Sign Language programme. It is an inclusive project and a new step in the development of financial education for children and youth. The project is a part of the bank's social programme for enhancement of financial literacy level, the goal of which is to create accessible environment for financial education of people with impaired hearing.

In 2022, Center-Invest has supported the Sign Language School at the Center of Youth Initiatives in the city of Krasnodar. The Sign Language School is an educational shift within the framework of the Productive Holidays project. Over 5 days, the participants mastered the basics of the sign language, reviewed the main movements and the sign language alphabet, and attended the financial literacy open lesson conducted by the bank employees.

The Financial Literacy Center of Center-Invest Bank, together with the Financial Literacy Development Association and other partners, developed a special training course for volunteers to work with physically challenged people and people with disabilities. Upon completion of the course, volunteers will be able to convey basic economic concepts to people with various types of disabilities: how to set financial goals, what bank cards exist and how to use them, what is a loan and types of payments on it, how deposits work, what taxes are, how Russian insurance functions, how to calculate a pension and not fall for a scam.

Since 2018, the bank regularly provides financial support to Nadezhda children's basketball club joining over 50 boys and girls with impaired hearing. This is the only children's basketball club working with deaf and acoustically challenged children and teenagers in the South of Russia.

Center-Invest Bank continued the implementation of the Kind Theater socio-educational project. Over six years, the bank has been buying season tickets to the Rostov State Musical Theater for children from large families, inclusive classes, orphanages and wards of charitable foundations for children with developmental disabilities. The goal of the project is to introduce the children to theater culture and bring them the joy of fairy tale performances. Over six years, more than 2,500 kids participated in the project.

In 2022, the bank was a financial partner of the Kindness Award in memory of Fedor Takhtamyshev aimed at development of civil society, formation of the charity and volunteering culture in the Rostov Region.

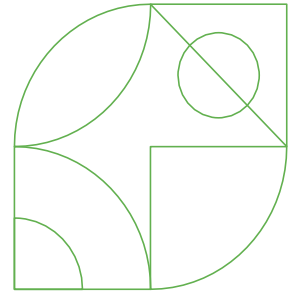
The goal of the project is to draw attention of the public and mass media to socially oriented initiatives and projects in the Rostov Region.

The award was named after a man who served as an example of positive attitude to life, overcoming of obstacles and barriers for many of the Rostov-on-Don residents. Fedor Takhtamyshev was an active citizen, laureate of the MIR Prize, expert of the Accessible Environment project in Rostov-on-Don and student of law faculty at the Southern Federal University. “The city’s most positive wheelchair user” passed away at the age of 21 in September 2019. Public organisations and the Takhtamyshev family established the project in memory of Fedor.

Center-Invest Bank has supported one of the nominations of the Kind News Prize awarded to journalists, editorial offices of printed, radio, TV and Internet media, bloggers and social network groups for reports and articles telling about the good deeds, charity projects, positive changes of infrastructure in the Rostov Region.



Culture and Revival of Cultural Heritage



For its 30th anniversary, Center-Invest Bank, together with The Nation magazine, gave a gift to their native city: issued a book titled The Citizen of Rostov-on-Don. The work on the book started back in 2021. In the course of the year the authors released portrayal feature articles about people who have made a lot for the city of Rostov-on-Don, glorified it not only in Russia, but also abroad. There are scientists, writers, actors and athletes among them. The Citizen of Rostov-on-Don book gathered 30 stories about our fellow citizens.



One more gift to the city for its jubilee was the open concert of the best solo performers of the Rostov Music Theater organised by the bank for residents of Rostov-on-Don.

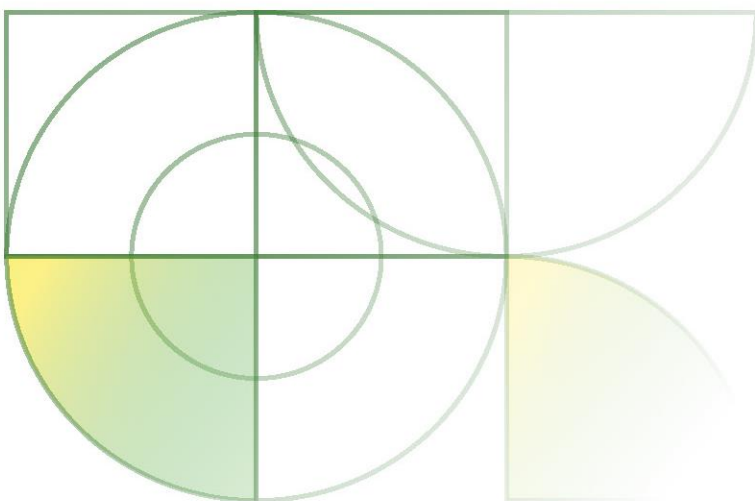
Center-Invest Bank contributes to the development of cultural traditions in the regions of its presence.

Since the start of the Center-Invest Bank's cultural program with leading museums in the South of Russia in 2003, more than 500,000 children have become its participants.

The bank pays for free visits to exhibitions and expositions:

- Gold of the Don Steppes at the Rostov Regional Museum of Local Lore
- Artistic Heritage of the South of Russia at the Rostov Regional Museum of Fine Arts
- The Silent Don at the M. A. Sholokhov State Museum Reserve at Stanitsa Veshenskaya of the Rostov Region
- Artistic Heritage for Children at the Krasnodar Regional Art Museum named after F. A. Kovalenko
- Artists of the Don at the Salsk Museum named after the People's Artist V. K. Nechitailo
- Battle of Stalingrad at the Panorama Museum in Volgograd
- Secrets of the Galaxy at the planetarium in Volgograd
- Growing up at a Museum at the Stavropol State Museum Reserve.

During 2022, the bank's programmes in the field of art, theater, music and culture gained additional development.





Governor of the Rostov Region V. Yu. Golubev awarded the Medal For Outstanding Labour Achievements for the Benefit of the Don Land to Tatiana Vysokova, member of Center-Invest Bank's Board of Directors, Doctor of Economics. Tatiana Vysokova is a recognised expert in economics and stock market, co-founder of Center-Invest regional bank. Under her patronage, Center-Invest Bank provides broad support to charitable and educational programmes in the Don Region, brings up the new generation of local sustainable development-minded specialists.

Center-Invest Bank is a permanent partner of the Melpomene regional theater festival-contest, where a professional jury selects the best productions, roles, and theaters based on the results of the past season. Over the last nine years, Center-Invest Bank has been supporting the events aimed at preservation and development of the Don Region's theater traditions, finding the best creative works in different genres and types of theater art, strengthening of the unified cultural space.

Center-Invest Bank was a partner of The Celophant eco-play produced by the One Theater (Odin Teatr), the largest independent theater in the South of Russia. The Celophant is a clowning play devoted to the topic of ecology. The production uses a cellophane bag as a focus to show the importance of caring attitude towards nature and the environment.

Together with the artists of One Theater, the production participants were solving the problem of plastic pollution. Each spectator had to bring a plastic bag with them. All bags took part in the production, and then were sent to the recycling facility.



Premiere of The Celophant Production

The Compliment International Online Festival of Non-Capital-City Theaters was held with support of the bank. The Festival was organised by V. F. Komissarzhevskaya Don Drama and Comedy Theater from Novochoerkassk (The Cossack Drama Theater). The festival productions from eight cities, Ryazan, Vladimir, Sukhum, Donetsk, Michurinsk, Rybinsk, Vladikavkaz and Novochoerkassk were shown. Thanks to the virtual format, productions of the Compliment participants could be watched by spectators regardless of the distance and circumstances.

Apart from that, in 2022, the bank supported the festival of the city's independent theaters in Rostov-on-Don. The Different Angle Festival included an exhibition with reflection on the history of independent theaters, reading of modern plays, meetings, master classes and public talks with stage directors and managers of the theaters.

Thanks to Center-Invest Bank, in the year of the hundredth anniversary of Russian jazz, the 17th International Competition of Young Performers and the Jazz World Festival took place in Rostov-on-Don.

With support of Center-Invest Bank, The Don Stanitsa special event devoted to the 25th anniversary of the Rostov residents community in Moscow was held.

The event was attended by the Rostov Region Governor Vasily Golubev, Speaker of the Don Parliament Alexander Ischenko, Russian Federation Senators, and Members of the State Duma representing the Don region.

The Rostov residents community in the capital of Russia is doing enormous work aimed at development of cooperation between regions, strengthens the interaction in the area of educational, cultural and social projects.

With support of Center-Invest Bank and Expert Yug Analytical Center, the non-profit Center for Support of Culture Industries commenced its work.

The new organisation will be engaged in providing information support to bright cultural projects in the Southern Federal District, development of the artistic and cultural workers community in the region, rendering assistance in packing and management of projects, communication with the business, as well as popularisation of the region's overall cultural potential.

The experience accumulated by the bank in the area of training and acceleration of entrepreneurs will make it possible to perform expert assessment of management and development of cultural projects as business.

Center-Invest Bank has backed the Nothing Scary street art festival in Rostov-on-Don. This was the first street art festival of such scale in Rostov: 30 street artists from all over Russia created unique murals on the walls of the city's buildings. The festival was arranged by the Culture Autonomous Non-Profit Organisation and the Presidential Foundation of Cultural Initiatives.

The majority of the artworks appeared in the city center, thus creating a tourist street art route. The festival ended with the launch of the facilitators' tours of the created art objects to attract the residents' attention and the tourists visiting the city.

For the second year in a row, Center-Invest Bank acted as a financial partner of the Tom Sawyer Fest aimed at restoring the historical environment of the city. By means of volunteers and activists, the Lyres mosaic fountain in Rostov-on-Don was restored.

The Lyres fountain was created in the 1970s, and over the time it underwent various changes. The restoration works took 5 months, the volunteers have restored the lost elements and the original look of the fountain.



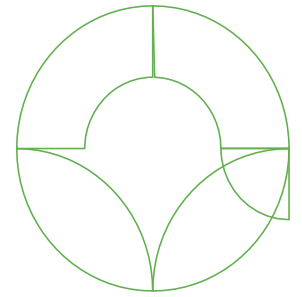
The Lyres fountain was the second project of the Tom Sawyer Fest in Rostov-on-Don supported by Center-Invest Bank. In 2021, the Tom Sawyer Fest team has performed complete restoration of the Fish and Wave sculpture in Pushkinskaya Street and received the People's Recognition public award from the Rostov Region Governor.



The Lyres Fountain Opening Ceremony

Center-Invest Bank supports the initiatives aimed at creation of comfortable urban and cultural environment, restoration of historical heritage and development of the volunteer movement. The bank successfully implements the ESG model of responsible business for the benefit of the present and future generations.

Support of Education and Science



103-3

Rendering support to talented youth is one of the areas of social and educational activities of Center-Invest Bank. The bank's projects are aimed at increasing the importance of quality education in modern society, and at the introduction and development of economic knowledge among school and university students.

Center-invest Bank is currently managing the capital of four endowment funds for the South of Russia, with the total net asset value of 287.6 RUB million. This is a real and effective financial instrument for targeted support of education and science in the South of Russia.

In 2007, the shareholders and customers of Center-Invest Bank created the first endowment fund in the region, Education and Science of the Southern Federal District. In 2022, the bank increased the Education and Science of the Southern Federal District Endowment Fund capital up to 207 RUB million, making it the largest endowment fund in Southern Russia today.

Center-Invest Bank manages the Endowment Fund of the SFU since 2009, the Endowment Fund of DSTU since 2012, and in 2022 the Endowment Fund of RSUE (RINH) was joined to the bank.

In 2022, the bank has increased the endowment funds capital of southern Russia's three largest universities by 3 RUB million each.

Supporting able-minded and talented youth is the prime mission of the bank's social and educational projects. Center-Invest Bank and the Education and Science of the Southern Federal District Endowment Fund hold contests among the best students, issue grants to young scientists and help talented inventors.

One of the brightest and the most significant projects of the Education and Science of the Southern Federal District Endowment Fund is the Smart Scholarship annual student contest. The participants present their progress in studies and science, as well as their business ideas. The Contest Committee evaluates the students' financial literacy level, ability to apply their knowledge in business and willingness to implement their own projects that are in line with the Sustainable Development Goals.

In 2022, the 20th jubilee contest participants award ceremony was held, 9,000 people from 17 leading universities of the Krasnodar Territory, Rostov Region, Volgograd, Astrakhan, Nizhny Novgorod and the Republic of Adygea submitted their progress data and business projects. As a result, the jury members have selected the works of 200 best students. Center-Invest Bank and the Endowment Fund have awarded 8 RUB million in scholarships to the 200 winners.

Over 20 years of the contest's existence, more than 30,000 people participated and 5,800 students were awarded with the scholarship.



20th jubilee award ceremony of the Smart Scholarship contest winners

For thirteen years, the bank has been supporting the Science Festival of the South of Russia that brings together all those who are professionally engaged in science and those who have decided to enter the world of science and learning on one platform. This year the festival was held under the New History of Science slogan. The festival participants had a busy exhibition and business agenda: round tables, science and education lectures, master classes, trainings and contests. Every year, the bank integrates into the Science Festival with a new interactive programme on economics, finance and entrepreneurship that has gained more than 45,000 participants over 13 years.

Center-invest Bank Becomes a General Partner for the 7th Activate your ECOlogic Science Festival of DSTU. The festival included interactive exhibitions, popular science lectures and master classes. Professor Vysokov delivered a lecture Talents for Transformation on the VKontakte platform in the Science Festival Activate your ECOlogic group. On its site, Center-Invest Bank also prepared captivating activities, such as intellectual quizzes and puzzles, for the festival participants.

At the festival, the results of the School as the Partner of DSTU contest for teachers from educational institutions were assessed and announced. The prizewinners and finalists were awarded with diplomas and gifts from the general partner of the festival, Center-Invest Bank.

“ECONomics is about working efficiently. ECOlogy is about loving and protecting nature. ECOLOGICS is about creative solutions to work efficiently and protect nature. Creativity is the ability and courage to see the unobvious, to do the unbelievable and to achieve the impossible, that is to harmonise all this with other talents.”

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

For the seventh year in a row, the bank became a partner of the regional Young Professionals (WorldSkills Russia) 2022 championship. The competition was held at the Rostov-on-Don College of Communications and Informatics, with support from the Rostov Region Government and Ministry of General and Vocational Education of the Rostov Region. The purpose of the event is to attract young people to manufacturing sectors of the economy and service sector; improvement of educational programmes taking into account Russian and international requirements for professional competencies. 70 winners received prizes from the bank.

The bank supported and participated in a number of regional hackathons:

– **Hackathon Spring 2022 software developers forum** that was attended by more than 450 people online and offline. Center-Invest Bank has prepared two assignments for the case session: automated formation of bond portfolio and identification of a person by his or her manner of walking. The winning teams received branded souvenirs from the bank, cash prizes and an invitation for internship.

– **The Hackathon Autumn 2022 software developers forum** at the Southern Region-DSTU mediapark. Center-Invest Bank became a partner of the event. Hackathon brought together promising IT companies, regional educational institutions and more than 500 young IT professionals. Center-Invest Bank has offered the following two cases for the Hackathon participants: Developing a Financial Literacy Advancement Game and Virtual Event Platform. Specialists from the Bank’s Information Technology Development Department hosted workshops on the following hot topics: the use of load-testing tools, the specifics of development and the need to combine different views in teamwork, GraphQL-based website development.

– The Cybersecurity of Population: Countering the Corruption Crimes in the Conditions of Financial Services Digitalisation Hackathon arranged by RSUE (RINH). The bank’s leading IT experts prepared educational lectures and practical cases related to cybersecurity of the population, detection of fraudulent transactions with plastic cards and recognition of DDOS attacks.

– The Economics of SME Transformations Hackathon realised together with RSUE (RINH). The hackathon aimed at intensive training of specialists in the transformational economics. The projects were submitted by 23 teams (150 students, undergraduates and young scientists), who remotely prepared responses to the trends in the entrepreneurship transformation for the following areas: SME Market, Trigger, Outcomes, Scope, Options, Mechanisms, Financial and Scientific Base, Control, Data, Risks, Flexibility, Promotion, Stakeholders and Culture of Transformations.

– The HUMANHACK 2022 hackathon organised by the Southern University (IMBL), which brought together more than 150 participants and 30 teams from the Rostov universities. Center-Invest Bank experts participated in the jury, acted as mentors for the participants and also held a series of trainings.

The case of Center-Invest Bank offered the participants to develop a neural network which generates tests for checking of web app operation.

Two master classes from experts of Center-Invest Bank were held within the framework of educational part of the hackathon:

- “How to pump yourself up in Data Science without steroids and anabolics” by Vladimir Borisov, data analyst

- “How to perform at a hackathon to impress everyone” by Sergey Zadorozhny, tech lead.

– The Cyber Garden hackathon. The site for the hackathon was the winter garden of the Engineering and Technology Academy of the Southern Federal University in Taganrog. This IT contest for the first time united two generations of participants:

- Cyber Garden (developers and students over 18 years of age)

- Cyber School (school, lyceum and college students under 18 years of age).

In the course of 48 hours, over 150 participants from different cities showed their skills in the development of services and applications using open data.

– The IT Tech 2022 Hackathon was held online by the Rostov-on-Don College of Communications and Informatics with support from the Ministry of General and Vocational Education of the Rostov Region. Center-Invest Bank acted as a partner of the event and presented a case on creation of a Technical Support Telegram chat bot, and rewarded the winners.

“This year we have seen many young and bright programmers who can easily write not just a simple programme, but also a full-fledged service. It is very important to support the students’ endeavor to develop in the area of IT and to help them in this.”

Evgeny Alekhin, Head of the IT Development Directorate

The Live Steel battle of robots was held at the Rostov College of Machine Building Technologies (RCMT) with support of Center-Invest Bank. 10 teams from different cities of Russia took part in the “Live Steel” battle of robots. School and university students, as well as their mentors, have been creating the battle robots for several months to participate in the final battles, selecting weapons, battle tactics and defense techniques. The teams demonstrated their knowledge and skills in designing, mechatronics, 3D printing, welding, machining and metalworking.

Center-Invest and RCMT are united by the common objective: attraction of youth to production sectors of the economy. Since 2016, the bank and the college have been implementing a joint project, the New Rostov Tech Park, which contributes to the development of entrepreneurship in the area of material production and increase in the number of high-tech production facilities.

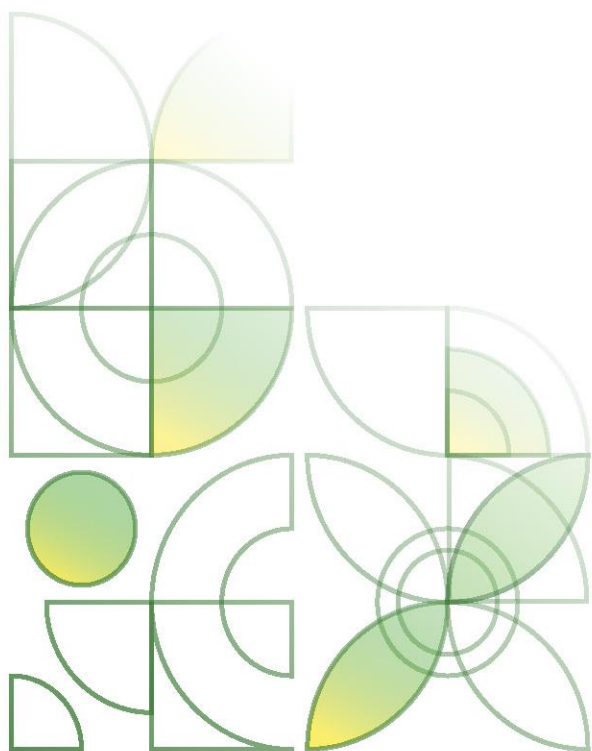


The bank has become a partner of FINOPOLIS 2021/2022. Traditionally, the forum includes the FINOdays youth programme and a hackathon to attract young professionals to the financial technology industry and hone their professional skills. Center-Invest Bank provided case studies for the hackathon, held workshops and participated in mentoring the project implementation. As a result, two teams in a row, mentored by the bank's experts, came 2nd and 4th in the hackathon.

Apart from that, the bank's specialists have agreed to mentor the youngest team (with an average age of 15), which came 4th out of 20. It won the audience award and the right to climb the stage alongside the adult winners.

Vasily Vysokov, Chairman of the Board of Directors of Center-Invest Bank, Professor, Doctor of Economics, delivered a series of lectures titled Cossack Management in the Economics of Transformations at the largest universities of the South of Russia.

The lectures were presented at the Southern Federal University, M. I. Platov South Russian State Polytechnic University (NPI), the Don State Technical University, the Rostov State University of Economics (RSUE), and have become a continuation for the set of meetings on the topic of Cossack management, which was started in 2019.





Master Class by Professor Vysokov for the participants of FINOPOLIS

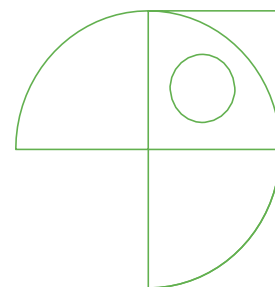
Relying on the historical experience of the Don Cossacks and the world's best practices, Professor Vysokov offered new flexible management methods and presented modern transformation concepts for the crisis, business, entrepreneurship, marketing, strategic planning, science, innovations, data analysis, monetary circulation, control and risk management. The theoretical provisions were reinforced by examples from the 30-year experience of the sustainable Center-Invest Bank.

“Life of the Don Cossacks has always been founded on flexible approaches: in the conditions of hostile surrounding, the freedom-loving people managed to establish a system of self-government which successfully resolved problems of security, external relations, training, healthcare, culture and household. A Cossack is not a job title in the questionnaire, it is the mentality and the skills that make it possible to react creatively in any critical circumstances.”

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



Sports, Healthy Lifestyle and Environmental Education



Responsibility for natural resources, caring for the environment and the health of future generations are an integral part of the bank's ESG strategy.

In 2022, the bank launched Russia's first digital bank ESG magazine, [The Green Vector](#), devoted to environmentally friendly and conscious lifestyle. The magazine is divided into four main sections: about myself, about the close ones, about nature and about the surrounding people. In this online magazine one can read about healthy eating and taking good care of health, learn how to repair your house in an environmentally friendly way, how to utilise old appliances and how to organise a neighborhood cleanup day in the apartment building yard.



Illustrations from The Green Vector magazine

Interviews with experts, results of scientific research, interesting examples from life, as well as many colorful illustrations in the magazine, are called to involve the audience in the ecological movement and care for the environment.

Center-Invest Bank opened an electric vehicle charging station with maximum capacity of 22 kWh on the territory of its head office. The smart three-phase charger makes it possible to charge electric and hybrid vehicles, motorcycles and bicycles. The charging speed depends on the battery capacity. Any of the bank's customers can use the charging station absolutely free of charge.

The bank annually takes part in the Tree Planting Day city festival in Rostov-on-Don. The first tree planting festival was held in the city in 1910 at the initiative of the city's Gardeners Society. The tradition was renewed exactly 100 years thereafter, in 2010, and since then there are spring and autumn Tree Planting Days held in Rostov, and Center-Invest Bank traditionally partners with the event and plants trees on the city streets. In 2022, the bank employees planted maples in Pokrovsky Square and an alley of oriental arbor vitae trees in Levoberezhny Park. The alley of young trees beautified the park territory in front of Rostov Arena stadium built for the football World Cup 2018.



Since 2021, the bank supports another city tradition, the Tulip Planting Day. It has become a family tradition for the bank's employees to participate in the event and plant tulip bulbs in the city parks and squares.

Sport and healthy lifestyle is one of the corporate social responsibility areas of Center-Invest Bank. The bank actively cooperates with local communities and participates in the development of healthy and environmentally friendly lifestyle in all regions of presence.

The bank's employees at the Autumn Tree Planting Day

As part of the sale of fan cards for the Rostov-Don handball club and the Chaika football club, the number of cards issued in 2022 reached 2,000. The number and amount of transactions, as well as the volume of balances on these cards have increased by more than 7 times over the year. The projects were implemented jointly with the Mir payment system. Loyalty programs have been developed and implemented for cardholders that include cashback, bonuses, discounts for daily financial transactions with the card.

For the accumulated bonus points, the customers can purchase the merchandise of their favorite club, a ticket to the podium for special guests, and also have the opportunity to meet with their favorite team before games, attend private events (practice sessions, tours of the club's home base, etc.).

For the fifth year in a row, Center-Invest Bank has been supporting the development of e-sports in the South of Russia. In 2022, the bank acted as the general partner of the regional stage of the All-Russian E-Sports Student League in the Rostov Region. This year, 33 teams took part in the competitions, the total of 500 plus students from different universities and vocational colleges.

The teams competed in the main cyber sports disciplines: Counter-Strike: Global Offensive; Dota 2, Hearthstone, StarCraft II and Clash Royale. All the games with comments from famous streamers were broadcast online on social networks.

The season winner in the overall medal score was the team of Don State Technical University, and the last season's champion, Southern Federal University, came in second.

Every year, Center-Invest Bank supports the national military patriotic project, Thank you for the Victory! auto and bicycle march which starts in Taganrog, the City of Military Glory, and goes through 12 Federal districts, Republic of Karelia, and 13 districts of the Rostov Region.

The annual Rostov bicycle parade was held with support of Center-Invest Bank. 6,000 bicycle riders, including over 30 bank employees, took part in the event. This sports festival is aimed at supporting the development of the city's bicycle infrastructure and drawing attention to safety on the road.

Employees of Center-Invest Bank together with their families joined the bicycle parade and, together with other participants, covered the distance of 20 km.



Center-Invest Bank motivates its employees to lead healthy lifestyle and supports corporate sports.

The bank regularly organises group attendance of the games of the local sports clubs by its employees to support the local teams and popularise healthy living.

Center-Invest Bank at the Bicycle Parade

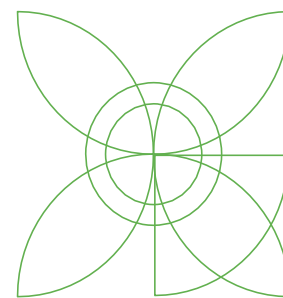
Optimum conditions for sports activities of bank employees are created on the head office site: a sports club functions since 2012, where the employees can play ping pong, kicker, air hockey, darts, and a weightlifting gym is arranged. There also is a fitness gym for yoga and pilates at the head office.

A large-scale corporate event dedicated to the bank’s 30th anniversary included an extensive sports program: master classes in Zumba, yoga and standing on nails.



Sports Program of the Bank’s Corporate Party

External Communication



103-2, 413-1, 413-2

The Bank refrains from any negative impact of its activities on local communities, timely informs about the impact of external risks, policies and methods of combating corruption, informs law enforcement agencies about the facts of corruption and violations of the law in accordance with the procedure established by Russian law.

In 2022, Center-Invest Bank continued active work on the improvement of its digital resources and promotion of products through digital channels. This allowed the bank to be among leaders in the customer impressions rating according to Sravni.ru website, and to hold the leading position in the rating of Russian banks contact centres in terms of service level in the messengers.

Marketplaces

In 2022, Center-Invest Bank provided the first in Russia consumer loan online on the Banki.ru platform and became the first bank in Russia which was simultaneously integrated with two marketplaces (Finuslugi and Banki.ru). By using the marketplaces, the bank has additionally received for consideration in total more than 8,000 applications for the total amount of 4.5 RUB billion from 46 constituent entities of the Russian Federation.

“Banki.ru” is the most popular rating platform in Russia. The possibility to apply for a loan online at this platform can make a bank brand more recognizable and trustworthy, expand the operations area and increase sales. The average monthly traffic of the platform is 60 million users, 40% of which are interested in consumer loans.

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

New Website and ESG

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

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

The Green Vector Magazine

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

Such big platforms as [plus-one](https://plus-one.ru) and rabota.ru have already paid attention to The Green Vector and started cooperating with us. Magazine articles are distributed in social media and forums covering up to 200,000 users with one publication. The magazine subject matter attracts new customers who also value ESG principles.

Social Media and New Channels

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

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

Contact Center

Center-Invest Bank's contact center operators handle more than 28,000 calls per month through various channels. The main topics, on which the customers seek online advice are retail lending, mobile application and information about the opening hours of offices.

In 2022, the bank's contact center processed more than 305,000 incoming calls and over 35,000 inquiries via messengers and social media. The main emphasis was made on expansion of the written communications channels. As a result, 3 times more inquiries were received through the written channels compared to 2021.

A chat bot was trained and implemented by the employees to reduce the current information provision time and reduction of workload connected with routine processes.

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

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

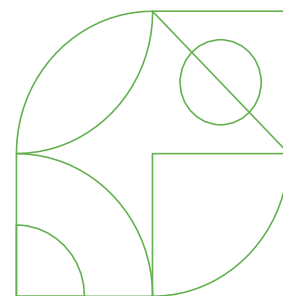
“Information openness is a conscious choice of an ESG company. We are actively developing all available online and offline channels for effective communication with the customers, partners and general public.”

Pavel Matveev, Deputy Chairman of Management Board



Governance

Corporate Governance



The corporate governance system of Center-Invest Bank is focused on protecting the rights and interests of shareholders, building a dialogue with management, the regulator, and other stakeholders for sustainable development of the bank, taking into account ESG principles.

Fulfilling all the regulatory requirements for corporate governance of joint-stock companies and credit institutions, the bank strives to implement the best world practice and recommendations of the national regulator.

102-16, 102-21, 102-29

The bank has a long-time practice of consulting with key stakeholders on corporate governance issues. The first documents (Code of Corporate Conduct and Code of Ethics in 2004) were developed with the participation of the international development institutions IFC and EBRD.

Currently there are more than 20 internal documents (regulations, policies, strategies, etc.) that define a wide range of issues in the field of corporate management, risk and personnel management, environmental and social responsibility, interaction with partners, information security and others. Familiarisation with them is an unconditional part of the hiring process, as well as vertical and horizontal job rotations, taking into account the profile of activity.

“Since the day of its foundation, Center-Invest Bank stood out because of its responsible attitude towards customers, partners and the society, innovative and sustainable development-oriented banking products and services, for the benefit of the present and future generations. The experience of our bank has become a benchmark on the funding market of Russia.”

Lidia Simonova, Chairperson of the Management Board



Current regulatory documents

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

Regulations on the General Meeting of Shareholders (2016)

Regulations on the Board of Directors (2016)

Regulations on the Management Board (2016)

Regulations on Chairman of the Management Board (2016)

Code of Corporate Conduct (2004)

Code of Corporate Ethics (2004)

Regulations on the Dividend Policy (2017)

Information Policy (2007) Risk Management Policy (2022)

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

Internal Control Policy (2021)

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

Liquidity Management and Control Policy (2022)

Action Plan in the Event of a Liquidity Crisis (2020) Digitalisation Strategy (2018)

ESG Digitalisation 2.0 Strategy 2022–2024 (2021)

Personnel Policy (2013)

Labour Remuneration System Policy (2021)

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

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

PJSC CB Center-Invest Sanction Policy (2020)

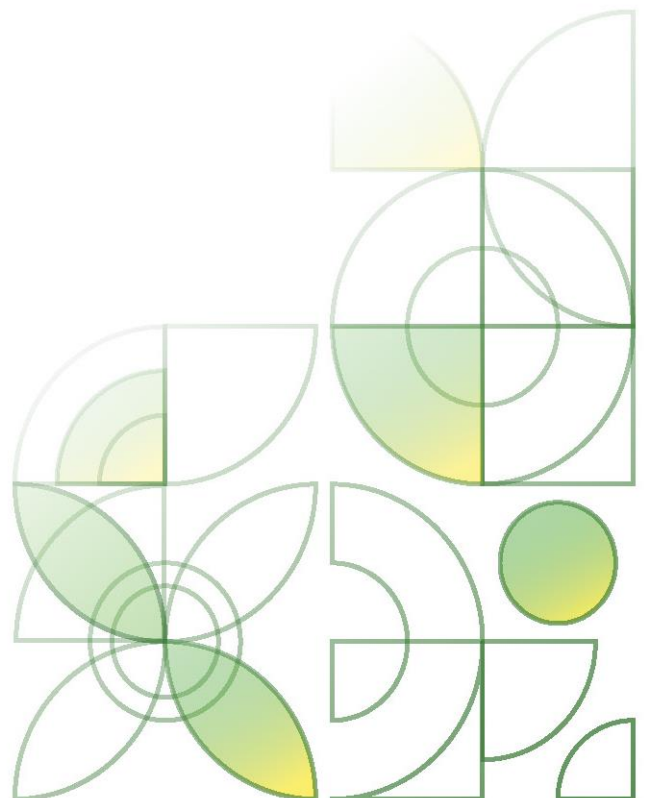
PJSC CB Center-Invest Business Continuity Policy (2022)

Business Continuity and Recovery Plan of PJSC CB Center-Invest (in terms of ensuring the security of the bank's infrastructure and the safety of people) (2022)

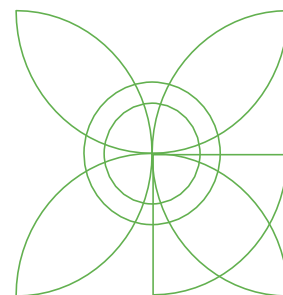
PJSC CB Center-Invest Business Continuity and Recovery Plan (ensuring the functioning of the bank's information system) (2022)

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

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



Principles of Corporate Governance



102-25

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

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

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

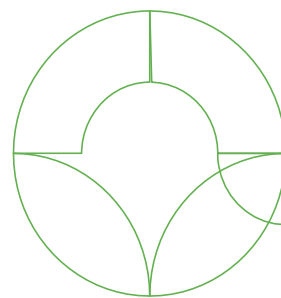
Responsibility. The Bank recognises the rights of other interested parties in accordance with the requirements of the law and other regulations.

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. Conflict of interest is prevented on an ongoing basis.

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”).

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.

Management Bodies



102-29

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

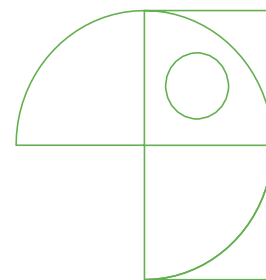
The bank actively interacts with stakeholders on corporate governance and risk management for economic, social, and environmental issues. In 2022, the annual General Meeting of shareholders (where the issues brought up for discussion included approval of the annual report and the annual financial statements, profit distribution, the election of the Board of Directors, and auditor approval) was conducted on 30 June 2022 in the form of absentee balloting in accordance with a temporary order established by Federal Law No. 25-FZ "On Amending the Federal Law 'On Joint-Stock Companies' and on the Suspension of Particular Provisions of Legislative Acts of the Russian Federation" dated 25 February 2022 and Federal Law № 46-FZ "On Amending Particular Legislative Acts of the Russian Federation" dated 08 March 2022.

The meeting was attended by shareholders with a total share of voting stock of 51.65%.

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



Board of Directors



102-18, 102-26, 102-27, 102-29, 102-30, 102-31, 102-32

The bank's Board of Directors carries out general management of activities, with the exception of resolving issues referred by the current law of the Russian Federation and the Charter of the bank adopted in accordance therewith, to the competence of the General Meeting of Shareholders. The Board of Directors has a key role in the formation and monitoring of the set strategic objectives in the field of achieving the UN Sustainable Development Goals by the bank and implementing the ESG risk and reporting system. In particular, the Board of Directors preliminarily reviews and approves the bank's integrated annual report or sustainable development report, taking into account the principles of materiality.

In terms of risk management, the Board of Directors determines:

- Development strategy in accordance with the principles of SRI/ESG
- Risk management policy (including risk and capital management strategy)
- Key indicators of the tendency towards taking risks (including risk appetite and stress testing scenarios)
- Liquidity Control Policy
- Credit Policy
- Information Security Policy
- Business Continuity Policy.

At the level of strategy and business plans, the Bank's Board of Directors determines the structure and target levels of risks and capital adequacy ratios. The bank's Board of Directors controls the following:

- Levels of accepted risks and the capital allocated to cover them
- Compliance with mandatory regulations
- Key indicators of risk appetite
- Results of stress testing
- Compliance of the bank's risk profile with ESG strategy and business plan
- Effectiveness of methods for assessing, managing, and covering the accepted risks.



Chairman of Center-Invest Bank's Board of Directors, Professor, Doctor of Economics Vasily Vasilievich Vysokov received a letter of gratitude from the Public Chamber of Rostov-on-Don for active participation in the development of small business infrastructure, significant contribution to implementation of strategic projects aimed at the increase of financial literacy level, development of entrepreneurship and improvement of quality of life in the region

Members of the Board of Directors are not members of the highest executive bodies of organisations that are key suppliers of the bank. It is allowed for a member of the Board of Directors to participate in similar bodies of other organisations, provided that this organisation is not a competitor of the bank, and such participation does not interfere with the performance of their duties with the Board of Directors. Information about transactions that may cause a conflict of interest is reported to the Chairman of the Board of Directors. Information on a conflict of interest is disclosed to the Board of Directors, and in this case the member of the Board of Directors in question abstains from voting.

102-26, 102-30, 102-31

Internal documents establish the frequency of meetings of the Board of Directors: at least once a quarter. In 2022, The Board of Directors of Center-Invest Bank conducted 13 meetings, including 11 meetings by personal attendance, where not only current issues were discussed, such as quarter reports of the Management Board and the Internal Control Service, issues from the annual meeting of shareholders, issues related to the business plan of the bank, but also the exchange bond placement, transactions for affiliate shares disposition, and personnel issues.

In accordance with regulatory requirements, the amended Bank's Policies were approved, incl. risk management, information security and business continuity and changes were made to the credit policy, environmental and social policies.

102-22, 102-24

Membership in the Board of Directors is carried out on an elective basis according to the criteria and procedure specified in the Regulations on the Board of Directors. The unconditional criteria for election is the availability of necessary experience, knowledge, qualifications, and impeccable reputation to perform duties and organise work for the benefit of the bank and its shareholders. In order to maintain the continuity of the policy pursued and ensure the effective solution of tasks, rotation is carried out in the Board of Directors.

In 2022, attendance at the Board of Directors meetings was 87.7% from 01 January 2022 till 30 June 2022 and 100% from 30 June 2022 till 31 December 2022.



Committees of the Board of Directors

102-22, 102-28

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

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

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

102-28

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. Information on work of the committees is communicated to the Board of Directors on a regular basis.

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

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

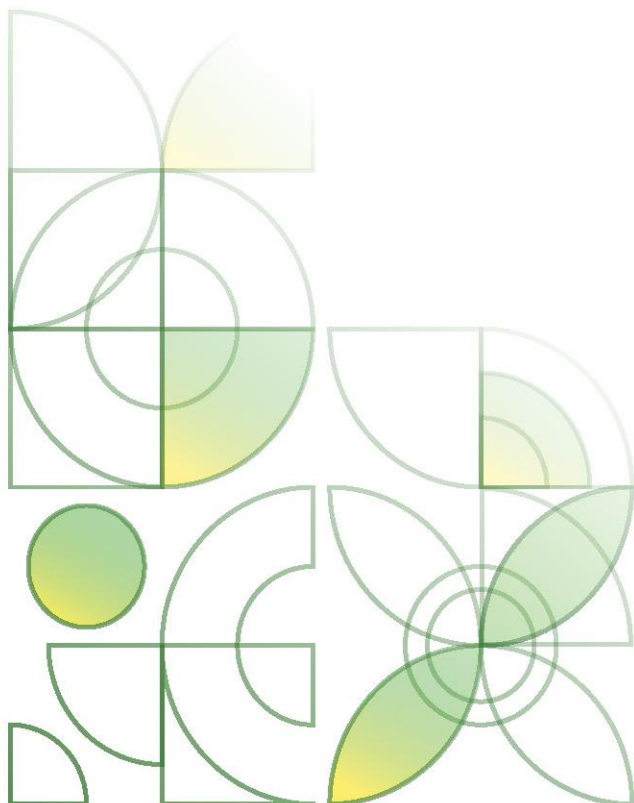
In 2022, the Committee held 3 meetings. The Committee discussed the following main issues: quarterly reports of the Management Board, execution of the business plan and budget of the bank, the business plan for 2023.

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

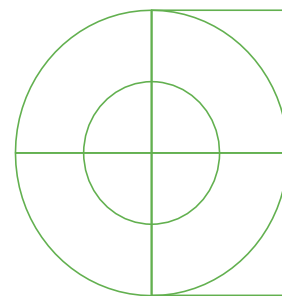
In 2022, the Committee held 6 meetings. The Committee considered such main issues as the remuneration and bonuses for employees of the Internal Audit Service, the Compliance Service and the Financial Monitoring Department of the bank, reviewed reports on the assessment of organisation and functioning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

102-35, 102-36, 102-37

The labour remuneration of the Board of Directors is controlled by the Regulations on the Board of Directors approved by the Annual General Meeting of Shareholders on 02 June 2016.



Management Board



102-19

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

The Management Board manages day-to-day activities of the bank aimed at fulfilling the ESG Digitalisation Strategy, business plan, and budget during the period between General Meetings of Shareholders and meetings of the Board of Directors.

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

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

102-26

An important area of responsibility of the Management Board is a wide range of environmental and social agenda items. Implementation of the ESG Digitalisation Strategy, practical integration of responsible banking principles into all internal procedures and communications, from employee training to development of financial and non-financial products and services for the benefit of customers, partners, and the state. The results of work on the implementation of the ESG principles become the subject of reports to the Board of Directors, investors, regulators, rating and audit organisations, NGOs, and the public. The progress made towards sustainable development is one of the criteria for remuneration of key executives.

In 2022, 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 Management Board is controlled by the Regulations on the Management Board and the Regulations on Chairman of the Management Board approved by the Annual General Meeting of Shareholders on 02 June 2016.

Remuneration System for Members of the Board of Directors and the Management Board

102-35, 102-36, 102-37

Remuneration of the Board of Directors is controlled by the Regulations on the Board of Directors of Center-Invest Bank approved by the Annual General Meeting of Shareholders on 02 June 2016.

Reporting period	Type of remuneration (salary, bonuses, commission payments, benefits and/or reimbursement of expenses, other)	Amount of remuneration, rubles
12 months of 2022	Salary	0
	Bonuses	0
	Expenses related to performance of functions of the Board of Directors members compensated by the issuing lending institution: issuer during the reporting period	0
	Other	5,658,224

Remuneration of the Management Board is controlled by the Regulations on the Management Board and the Regulations on Chairman of the Management Board of Center-Invest Bank approved by the Annual General Meeting of Shareholders on 02 June 2016.

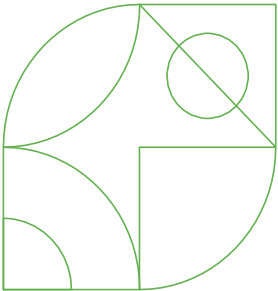
Reporting period	Type of remuneration (salary, bonuses, commission payments, benefits and/or reimbursement of expenses, other)	Amount of remuneration, rubles
12 months of 2022	Salary	51,131,724
	Bonuses	84,400,000
	Expenses related to performance of functions of the Board of Directors members compensated by the issuing lending institution: issuer during the reporting period	4,800
	Other	0

More details on the criteria and procedures for remuneration of members of the Board of Directors and the Management Board can be found in the bank's [regulatory documents](#).

Remuneration System for Members of the Board of Directors and the Management Board

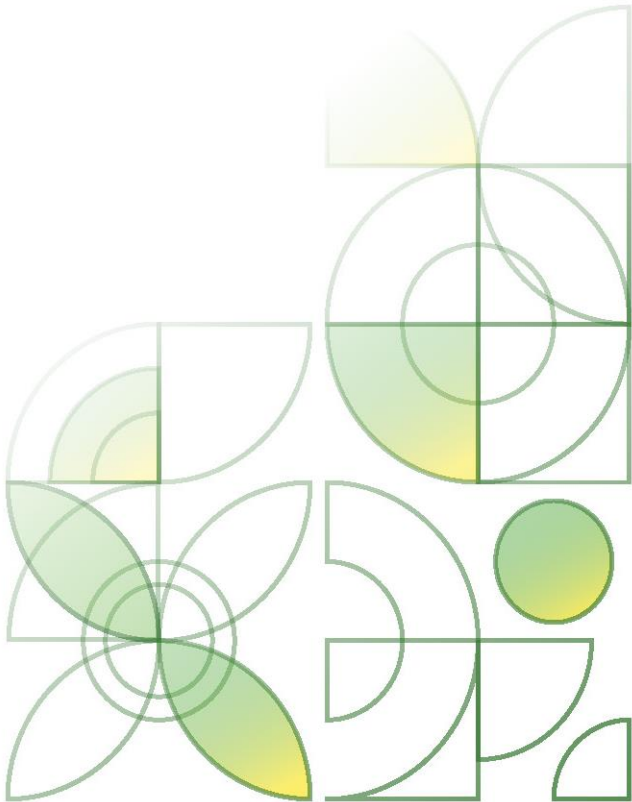
The corporate secretary of the bank ensures that the management bodies comply with the requirements of internal regulations and external regulations, facilitates the effective exchange of information between the management bodies and acts as an advisor to members of the Board of Directors and senior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

Internal Control and Risk Management

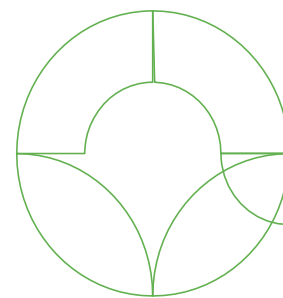


The important bodies in the area of control and monitoring for assurance of effective operation and risk management are:

- Internal Audit Service
- Financial Monitoring Department
- Compliance Service
- Risk Management Service.



Corporate Ethics



102-16, 102-17

Ethical values shared by members of the Board of Directors, management, employees, customers and partners of Center-Invest Bank are enshrined in the current Codes and Policies of the bank. These values have become part of the corporate culture. In carrying out its activities, the bank strictly observes human rights and seeks to ensure their observance throughout the territory of its operation. The national composition of the bank's personnel is traditionally very broad, which is why ensuring inclusiveness and diversity is part of the bank's corporate culture.

102-17, 102-18, 102-20, 102-21, 102-26, 102-29, 102-33

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

102-19, 102-21

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

Chairman of the Board of Directors is the face of the bank in decision-making situations, statements and communication with stakeholders on behalf of the Board of Directors, including on economic, environmental, and social issues.

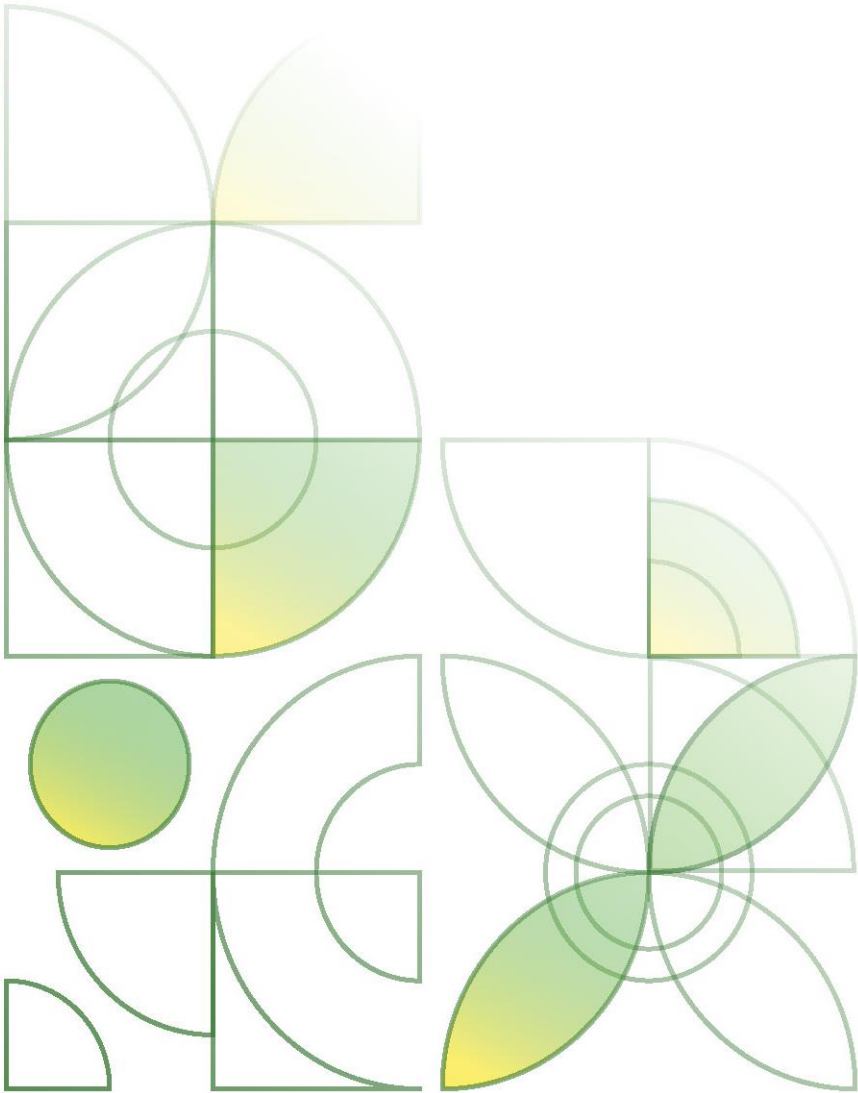
102-20

Chairman of the Management Board and the Management Board are responsible to the Board of Directors for implementation of ESG principles within the framework of operational management. Within the limits of their competence, they participate on a continuous basis in communication with stakeholders on both financial and non-financial agendas.

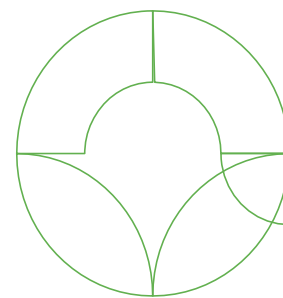
Middle managers are responsible to the Chairman of the Management Board and the Management Board of the bank for the implementation of requirements of the Code of Corporate Ethics in their subdivisions, ensuring that employees understand and comply with it.

The ESG Bank Secretary is available to provide confidential assistance and advice to bank employees on issues of discrimination, harassment and unethical behaviour.

As part of Thursday Morning online meeting cycle, interaction with bank employees, including remote offices, on the implementation of the sustainable development agenda has increased. This is an effective communication channel for discussing both internal tasks and relations with external stakeholders.



Anti-Corruption Measures and Compliance



103-2, 205-1, 205-2, 206-1, 413-1, 415

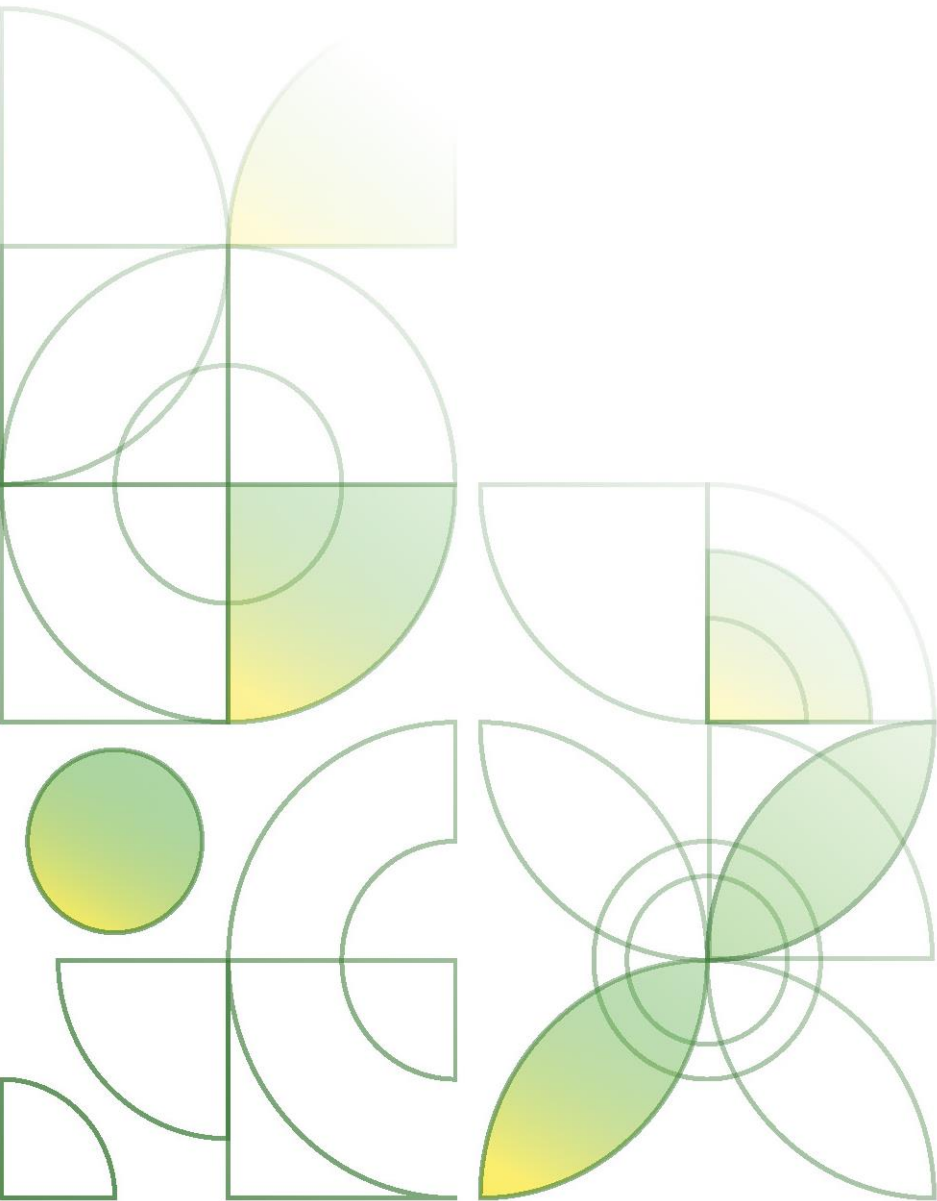
The bank considers approaches to the prevention of corruption and fraud to be very significant, including in terms of timely informing local communities about the impact of external risks, policies, and methods of combating corruption. Comprehensive information is provided to law enforcement agencies on facts of corruption and violations of the law in accordance with the procedure established by Russian law.

Center-Invest Bank has an Anti-Corruption and Anti-Fraud Policy, whose requirements are mandatory for all the employees of the bank and its subsidiaries, regardless of their position and functions. This Policy is mandatorily communicated to all the existing employees of the bank and its subsidiaries, as well as when hiring new employees. Members of the Board of Directors and the Management Board of the bank by personal example show an uncompromising attitude towards any manifestations of corruption and fraud. The bank exercises control and consideration of complaints on any issues in accordance with the current legislation. The bank guarantees confidentiality of information received from customers, except as otherwise provided by law.

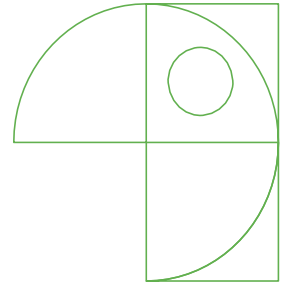
In accordance with the said Regulations, the bank and its employees enter into transactions only with reliable suppliers, customers and partners that are engaged in legal activities and whose funds are obtained from legal sources. In relation to supply chains, the bank is guided by the principles of competition and transparency, conducting competitive procedures. The bank was not a participant in litigation for violation of antitrust laws. There are also no donations to political campaigns, either in cash or in kind.

In particular, in a situation of conflict of interest, the bank and its employees seek to resolve disputes through negotiations, use mechanisms for pre-trial and out-of-court dispute resolution, and avoid public hearings. In terms of procedures for preventing conflict of interest, the provisions of the Regulation On the Prevention and Settlement of Conflict of Interest are also applied.

The effective functioning of business processes of the bank, its bodies and officials based on ESG principles is confirmed by the absence of financial and non-financial sanctions for violation of legislation in the socio-economic sphere, including those based on discrimination of various types. The difficult epidemiological situation did not affect the implementation of compliance procedures. The bank plans to enhance the training of responsible officials on the best compliance practices from third-party vendors, taking into account the safety of life and health. The bank is also striving to make progress in informing its counterparties about the current compliance requirements.



Responsibility for Products



416-2, 417-3

The bank does not sell prohibited or controversial goods, as well as goods that do not comply with regulatory requirements, including their advertising, promotion, and sponsorship.

The bank strictly complies with the requirements of legislation on banking secrecy and protection of personal data.

The Bank:

- Does not offer products and services that affect health and safety, or violate regulatory requirements.
- Voluntarily and purposefully develops and markets products and services that ensure sustainable business development and improve the quality of life of customers.
- Regularly and purposefully informs customers about products and services using all the mass media for this purpose.
- With the help of IT, enables the customers to independently choose the most suitable conditions for receiving services.
- Controls the implementation of regulatory and voluntarily established requirements for the offered products and services based on the analysis of customer opinions and the use of a mystery shopper. No significant deviations from regulatory and voluntary requirements were identified.
- Taking into account the opinions of customers, continuously develops its products and services and regularly answers questions of the customers.

The precautionary principle is included in risk management procedures and is mandatorily used in decision making.

206-15

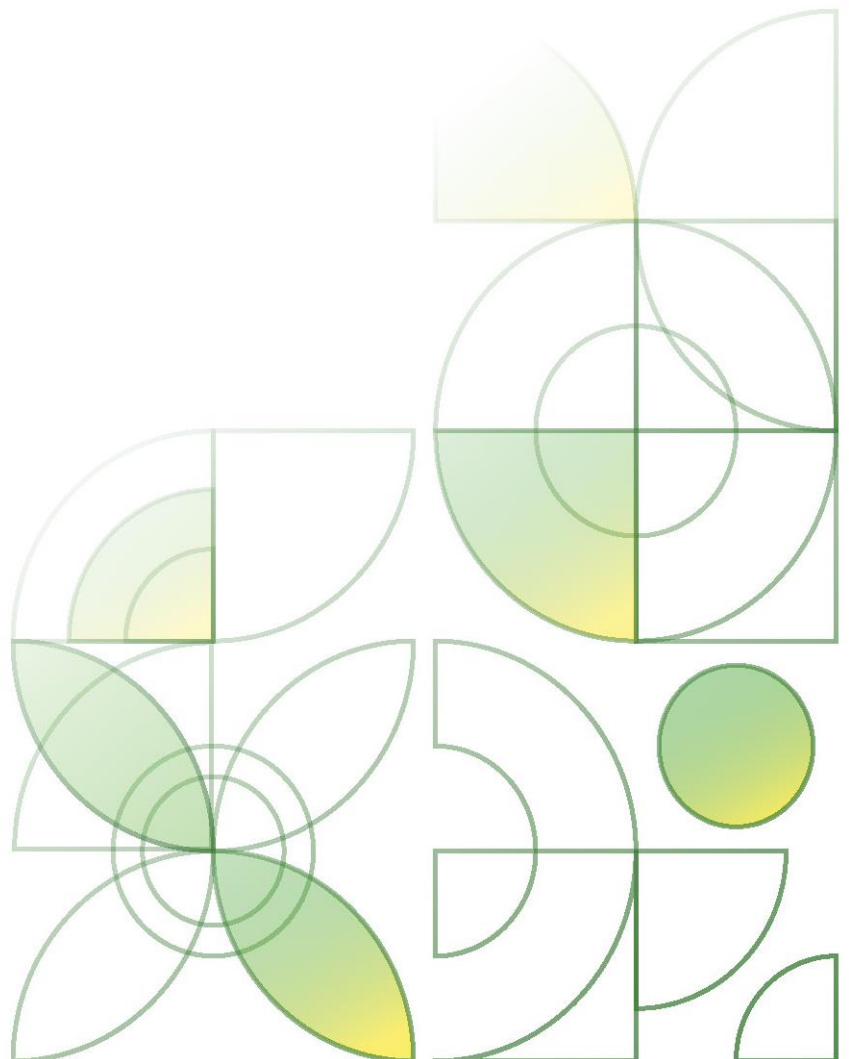
In 2022, the bank received and paid the following penalties:

to Rospotrebnadzor: for noncompliance with sanitary epidemic standards in the period of spread of COVID-19 coronavirus infection in the amount of 200,000.00 rubles

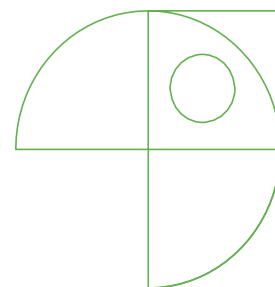
to Federal Tax Service: for untimely provision of information about the balances on the accounts of customers, whose transactions were suspended, certificates on customers (breach of Article 135.1 of the Tax Code of the Russian Federation) in the amount of 60,000.00 rubles

to Stavropol Directorate of the Federal Anti-Monopoly Service: for breach of Article 5(7) and Article 28(3) of Federal Law No. 38-FZ "On Advertising" in the amount of 300,000.00 rubles

to the Central Bank of the Russian Federation: on the relevant orders in the amount of 800,000.00 rubles.



Conclusion



102-50, 102-52

The present Sustainability Report of Center-Invest Commercial Bank Public Joint Stock Company 2022 contains information on the non-financial (ESG) performance of the bank for the reporting period from 01 January 2021 to 31 December 2021.

The previous ESG report of Center-Invest Bank is available [here](#).

Sustainable development data is consolidated on all the bank's projects that have a significant social and economic impact in the regions of its operation.

102-50

This report uses data collected through the corporate reporting system within limits and to the extent of interest to existing and potential shareholders, partners, customers and employees of the bank. Reliability of the data included in the report is ensured during the collection and consolidation of information and is confirmed by the heads of structural divisions or those responsible for the preparation of the respective block of information.

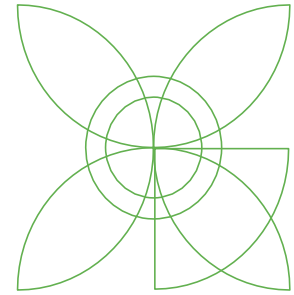
102-53, 102-54

Reliability of the data included in the report is ensured during the collection and consolidation of information and is confirmed by the heads of structural divisions or those responsible for the preparation of the respective block of information.

We are open to questions and suggestions regarding the ESG report and are ready for dialogue.

Contact person: Sergey Yurievich Smirnov, Doctor of Economics, Deputy Chairman of the Management Board for Reporting, Analytics and Finance, dobro@centrinvest.ru

Annexes



1. Energy efficiency loans (housing and utility services) in 2022:

Item No.	Loan ID	Project amount (thousand rubles)	Amount of financing (thousand rubles)	Date of issue	Date of repayment	Location	Number of floors	Number of apartments	Year of construction	Material
1	89220006	4,100.00	900.00	18.05.2022	16.05.2025	Rostov Region	9	72	1997	Panel
2	220006	6,000.00	3,000.00	18.01.2022	15.01.2027	Rostov Region	16	151	2006	Brick
3	220007	12,917.57	7,500.00	31.01.2022	27.01.2027	Rostov Region	9	356	1985	Panel
4	89220007	4,202.00	1,800.00	01.06.2022	31.05.2027	Rostov Region	9	72	1996	Panel
5	108220009	7,228.00	3,500.00	08.12.2022	06.12.2027	Rostov Region	5	60	1986	Panel
6	21220017	1,280.00	1,280.00	21.06.2022	18.06.2027	Rostov Region	5	129	1977	Brick
7	27220037	4,980.69	2,000.00	26.07.2022	23.07.2027	Rostov Region	9	160	1991	Panel
8	27220039	13,450.00	5,000.00	05.08.2022	02.08.2027	Rostov Region	9	172	1983	Panel
9	11220077	1,535.49	400.00	09.11.2022	08.11.2027	Rostov Region	5	11	2003	Brick
10	11220078	1,535.49	350.00	09.11.2022	08.11.2027	Rostov Region	5	11	2003	Brick
11	11220079	1,820.61	750.00	09.11.2022	08.11.2027	Rostov Region	5	9	2003	Brick

2. Energy efficiency loans, including the Green Issue loans (excluding retail housing loan portfolio) in 2022:

Item No.	Name of the borrower	Project amount (RUB thousand)	Amount of financing (RUB thousand)	Payback time	Energy saving (per unit)	Industry Branch	Loan agreement number	Date of issue	Abbreviation CO ₂ (tons/year)
1	Borrower 1	21,300,000	16,000,000	4.9	71.9 (electricity)	Industry	31220005	31.01.2022	242.5
2	Borrower 2	9,840,000	6,840,000	4.7	67.1 (diesel fuel)	Agriculture	2220004	02.02.2022	147.1
3	Borrower 3	1,940,000	1,746,000	2.1	48.6 (diesel fuel)	Agriculture	7220010	04.02.2022	70.9
4	Borrower 4	8,414,874	6,755,000	3.7	41.3 (electricity)	Industry	01220004	14.02.2022	881.8
5	Borrower 5	2,240,000	2,016,000	2.4	51.5 (diesel fuel)	Agriculture	12220007	16.02.2022	69.9
6	Borrower 6	1,940,000	1,552,000	2.8	42.4 (diesel fuel)	Agriculture	97220002	16.02.2022	50.6
7	Borrower 7	13,600,000	13,600,000	3.2	59.4 (diesel fuel/electricity)	Industry	01220006	25.02.2022	280.1
8	Borrower 8	10,588,800	9,500,000	4.8	48.6 (diesel fuel)	Agriculture	63220007	14.03.2022	132.8
9	Borrower 9	17,000,000	16,000,000	4.9	72.8 (diesel fuel)	Agriculture	63220008	16.03.2022	192.3
10	Borrower 10	25,022,160	20,000,000	4.3	64.6 (diesel fuel)	Agriculture	12220010	17.03.2022	262.3
11	Borrower 11	17,397,480	14,060,000	4.8	76.0 (diesel fuel)	Agriculture	97220014	28.03.2022	228.4
12	Borrower 12	5,086,400	3,700,000	2.4	70.8 (diesel fuel)	Agriculture	14220003	11.02.2022	152.0
13	Borrower 13	8,000,000	7,000,000	4.1	49.6 (diesel fuel)	Agriculture	14220004	11.02.2022	141.8
14	Borrower 14	2,500,000	2,250,000	2.0	43.4 (diesel fuel)	Agriculture	14220001	21.01.2022	60.1
15	Borrower 15	2,013,000	1,811,000	2.1	46.0 (diesel fuel)	Agriculture	14220007	24.02.2022	72.0
16	Borrower 16	18,532,000	16,000,000	4.9	58.2 (diesel fuel)	Agriculture	30220017	31.03.2022	58.2

Item No.	Name of the borrower	Project amount (RUB thousand)	Amount of financing (RUB thousand)	Payback time	Energy saving (per unit)	Industry Branch	Loan agreement number	Date of issue	Abbreviation CO ₂ (tons/year)
17	Borrower 17	1,913,000	1,840,400	2.5	45.2 (diesel fuel)	Agriculture	57220008	02.03.2022	59.5
18	Borrower 18	42,944,790	21,400,000	4.8	60.0 (diesel fuel)	Agriculture	07220038	01.04.2022	215.9
19	Borrower 19	10,038,131	8,030,000	3.6	75.3 (diesel fuel)	Agriculture	97220022	26.04.2022	209.3
20	Borrower 20	3,000,000	3,000,000	3.6	45.9 (diesel fuel)	Agriculture	06220010	25.02.2022	61.2
21	Borrower 21	21,317,640	17,000,000	4.7	64.2 (diesel fuel)	Agriculture	35220039	04.04.2022	129.2
22	Borrower 22	20,000,000	20,000,000	4.7	73.8 (diesel fuel)	Agriculture	11220021	06.05.2022	176.4
23	Borrower 23	1,741,800	1,587,620	5.0	63.3 (electricity)	Industry	01220006	15.04.2022	20.7
24	Borrower 24	3,173,490	2,856,140	2.7	49.2 (diesel fuel)	Industry	01220006	15.04.2022	84.8
25	Borrower 25	18,000,000	12,000,000	4.9	70.5 (diesel fuel)	Agriculture	97220029	25.05.2022	164.6
26	Borrower 26	8,574,700	7,000,000	5.0	49.2 (diesel fuel)	Agriculture	30220024	20.05.2022	103.1
27	Borrower 27	18,500,000	18,200,000	4.4	60.9 (diesel fuel)	Agriculture	11220038	16.06.2022	146.0
28	Borrower 28	14,780,000	10,000,000	3.5	75.4 (diesel fuel)	Agriculture	51220008	31.05.2022	75.4
29	Borrower 29	12,837,000	12,837,000	4.8	72.3 (diesel fuel)	Agriculture	97220036	24.06.2022	171.2
30	Borrower 30	14,624,000	12,500,000	2.7	56.6 (electricity)	Trade	49220014	16.06.2022	226.7
31	Borrower 31	27,664,272	14,000,000	5.0	79.15 (diesel fuel)	Agriculture	07220062	22.06.2022	242.1
32	Borrower 32	17,212,500	15,490,000	4.9	68.8 (diesel fuel)	Agriculture	07220063	22.06.2022	144.6
33	Borrower 33	2,835,000	1,400,000	2.8	40.8 (diesel fuel)	Agriculture	14220014	04.07.2022	73.2
34	Borrower 34	9,182,640	8,264,376	3.9	63.4 (diesel fuel)	Agriculture	43220010	24.06.2022	173.6
35	Borrower 35	24,117,840	21,600,000	5.0	71.6 (diesel fuel)	Agriculture	43220007	18.05.2022	197.1
36	Borrower 36	55,120,000	48,000,000	5.0	94.5 (diesel fuel)	Agriculture	07220060	07.07.2022	429.8
37	Borrower 37	15,150,500	13,639,650	4.5	61.4 (diesel fuel)	Agriculture	08220035	21.06.2022	104.5
38	Borrower 38	10,715,100	9,643,590	4.3	61.4 (diesel fuel)	Agriculture	07220071	26.07.2022	104.5
39	Borrower 39	14,772,700	12,630,000	5.0	60.2 (diesel fuel)	Agriculture	07220070	27.07.2022	99.5
40	Borrower 40	14,155,500	14,155,500	4.5	70.1 (diesel fuel)	Agriculture	07220076	12.08.2022	154.2
41	Borrower 41	9,120,000	9,120,000	4.9	66.2 (diesel fuel)	Agriculture	00220196	02.08.2022	85.7
42	Borrower 42	12,004,780	9,004,780	4.9	48 (diesel fuel)	Agriculture	11220055	16.08.2022	55.0
43	Borrower 43	11,650,000	10,000,000	4.9	68.8 (diesel fuel)	Agriculture	51220009	19.08.2022	137.7
44	Borrower 44	16,128,100	16,128,100	0.5	41 (electricity)	Trade	41220023	25.07.2022	1.7
45	Borrower 45	16,178,400	12,940,000	5.0	69 (diesel fuel)	Agriculture	97220045	09.08.2022	146.5
46	Borrower 46	14,772,700	13,295,430	4.8	71.1	Agriculture	11220061	05.09.2022	161.9
47	Borrower 47	3,000,000	3,000,000	1.0	74 (diesel fuel)	Agriculture	75220064	19.08.2022	213.6
48	Borrower 48	14,772,700	13,295,000	4.8	71.1 (diesel fuel)	Agriculture	11220065	09.09.2022	161.9
49	Borrower 49	5,300,000	5,300,000	2.2	72.5 (diesel fuel)	Agriculture	75220053	14.07.2022	173.5
50	Borrower 50	2,650,000	2,650,000	1.7	58.7 (diesel fuel)	Agriculture	75220058	09.08.2022	115.8
51	Borrower 51	6,300,000	6,040,000	4.8	61.5 (diesel fuel)	Agriculture	24220013	21.07.2022	95.2
52	Borrower 52	10,715,100	9,643,000	5.0	86.3 (diesel fuel)	Agriculture	35220089	13.09.2022	86.3
53	Borrower 53	12,416,520	10,759,000	5.0	50.1 (diesel fuel)	Agriculture	97220052	27.09.2022	59.8
54	Borrower 54	3,030,000	2,727,000	2.3	60.8 (diesel fuel)	Agriculture	24220015	13.08.2022	97.0
55	Borrower 55	15,461,788	15,461,788	5.0	68.9 (diesel fuel)	Agriculture	11220072	07.10.2022	138.5

Item No.	Name of the borrower	Project amount (RUB thousand)	Amount of financing (RUB thousand)	Payback time	Energy saving (per unit)	Industry Branch	Loan agreement number	Date of issue	Abbreviation CO ₂ (tons/year)
56	Borrower 56	12,500,000	9,900,000	4.9	78.9 (diesel fuel)	Agriculture	15220077	07.09.2022	105.3
57	Borrower 57	2,750,000	1 925,000	1.2	69.5 (diesel fuel)	Agriculture	97220054	19.10.2022	164.0
58	Borrower 58	2,000,000	1,800,000	1.6	63.3 (diesel fuel)	Agriculture	07220110	20.10.2022	86.5
59	Borrower 59	18,200,000	16,582,000	5.0	76.8 (diesel fuel)	Agriculture	97220055	25.10.2022	155.3
60	Borrower 60	16,129,760	16,129,000	4.7	74 (diesel fuel)	Agriculture	83220001	21.10.2022	142.5
61	Borrower 61	3,890,000	2,984,000	4.7	60.9 (diesel fuel)	Agriculture	97220058	08.11.2022	58.4
62	Borrower 62	2,455,000	2,300,000	1.6	57.6 (diesel fuel)	Agriculture	082220065	21.09.2022	110.3
63	Borrower 63	5,300,000	4,240,000	3.2	86.4 (diesel fuel)	Agriculture	57220037	22.11.2022	37.9
64	Borrower 64	23,969,816	23,072,280	5.0	69.1 (diesel fuel)	Agriculture	64220011	20.12.2022	147.1
65	Borrower 65	3,890,000	2,984,000	4.2	53.8 (diesel fuel)	Agriculture	11220090	09.12.2022	65.7
66	Borrower 66	24,505,560	21,460,000	4.9	71.2 (diesel fuel)	Agriculture	98220041	02.12.2022	123.9
67	Borrower 67	6,500,000	4,000,000	3.6	69.7 (diesel fuel)	Agriculture	97220066	16.12.2022	129.6
68	Borrower 68	14,468,268	13,021,441	4.1	72.8 (diesel fuel)	Agriculture	11220098	19.12.2022	151.1
69	Borrower 69	19,800,000	19,800,000	5.0	76.4 (diesel fuel)	Agriculture	06220060	27.10.2022	182.0
70	Borrower 70	9,985,920	7,998,736	4.4	77.1 (diesel fuel)	Agriculture	11220103	26.12.2022	84.5
71	Borrower 71	8,280,000	8,180,000	5.0	53.1 (diesel fuel)	Agriculture	07220123	25.11.2022	67.3
72	Borrower 72	19,743,480	17,743,480	4.9	284.1 (diesel fuel)	Agriculture	11220097	19.12.2022	284.1
73	Borrower 73	7,800,000	7,000,000	1.9	82.2 (diesel fuel)	Agriculture	90220083	01.11.2022	289.1
74	Borrower 74	15,800,000	14,220,000	5.0	88.4 (diesel fuel)	Agriculture	30227039	06.09.2022	142.5
	TOTAL	919,253,209	780,603,311						10,867.1

