



Strategy 2019-2021

ESG – digitalization of Center-invest Bank's ecosystem

Rostov-on-Don

Moscow

London

Vienna

Zurich

Geneva

Paris

Frankfurt am Main

Cologne



History 25+

ACRA assigned A (Ru) rating	2018	The foresight-session «Center-invest bank»:25+»
responsAbility Investments AG became a shareholder;	2017	Loan agreement with the BSTDB for SME support amounted to RUB1bn
first Russian bank who started issuing and acquiring «Mir» payment cards	2016	Bank's first bond issue for population share capital increase in amount RUB500m;
The Financial Literacy Centre was opened;	2015	Russia's 1st Positive Economy Forum together with PlaNET Finance (France)
Social projects «Enterprise for All» and	2014	www.school.centrinvest.ru was launched; «Sustainable Bank of Eastern Europe»
«Business loan for business woman» - «The Best Social Projects of Russia»	2013	by FT/IFC Sustainable Finance Awards; Citibank «STP Award 2012» and
winner in the tender of the Federal Treasury for cash services of budgetary	2012	Commerzbank «Relationship Award 2012»
funded organizations of Rostov region; Youth Business Programme run by	2011	the International Forum of Business Leaders
Development Strategy «The Post-Crisis Development of Southern Russia 2011- 2015»;	2010	«The Sustainable Finance Awards» by The New Economy magazine;
Cooperation Agreement with Guarantee Fund for SME Development and Support	2009	CNY correspondent account with Bank of Communications (Shanghai)
Erste Group Bank AG became a shareholder;	2008	Top performing bank in the Rostov Region under SME Development Programme;
Bank's own processing centre was opened	2007	1st loan under Energy Efficient Housing and Communal Services Programme
Moody's assigned «B1» rating; 1st international syndication for USD45m;	2006	1st issuance of CLN in amount USD175m in international market;
1st bond issue in amount of RUB1.5bn	2005	Dr.Vysokov - «Sustainable Banker of the Year» by FT;
EBRD became a shareholder; entering VISA International;	2004	Golden Certificate of Trust of the Federal Tax Service of Russia
adoption of Corporate Governance Code and Code of Corporate Ethics	2003	DEG became a shareholder; implementation of the program «Doubling
agreements with EBRD, The U.S. Agency for International	2002	with Center-invest Bank»; RUB1bn syndication in the Russian money market
Development (USAID), IFC and HERMES entered	2001	branch opened in Krasnodar;
cooperation with IFIs began; joining in Europay International	2000	implementation of program «Billion dollars of Don investments»
branches opened in Aksay, Azov, Semikarakorsk	1999	participation in programs for transition of Russian
first correspondent account opened in the USA	1998	banks to international standards
operations with bills of exchange;	1997	development of pro-active marketing program
opening first branches in Bataysk, Novochoerkassk, Taganrog;	1996	first audit passed according to International Accounting Standards by PWC;
services for privatization processes	1995	development of the program for Don SME support; cooperation with Western Union
	1994	advanced license for currency operations; launching first investment projects
	1993	start of operations with individual deposits
	1992	and currency exchange transactions



Bank overview

Mission statement

«Center-invest Bank is the Sustainable Bank for southern Russia»!

- Center-invest Bank is a leading universal regional bank in southern Russia, was founded in 1992 (General Banking License N2225)
- Bank is licensed by the Federal Financial Markets Service of Russia to act as a broker, dealer, professional participant in the securities market for securities management and depositary in the Russian securities market
- Credit rating from Moody's Investor Service: Ba3 (Stable outlook)
- Credit rating from Analytical Credit Rating Agency (ACRA): A(RU)
- Two prominent IFIs – EBRD and DEG – together with Bank founders Vasily and Tatiana Vysokovy hold 60% of Bank's shares
- Bank operates through 127 offices in southern Russia, Nizhniy Novgorod and representative office in Moscow
- CIB has been audited annually by PricewaterhouseCoopers Audit
https://www.centrinvest.ru/files/about/reports/fininternational/IFRS_208FZ_AUDIT_RPRT_2018.pdf
- Number of employees: 1662 (as at 01.07.2018)



2010, 2012, 2013, 2016
STP Excellence Award (Citibank)



2013
Sustainable banking leader
in Eastern Europe FT/IFC



2017
Top 35 «The most reliable
banks in Russia»



2017
«The 100 best goods in Russia»
(banking services)



2018
17 (76) Europe



A(RU) stable outlook



**BANK
CENTER-INVEST**

Competitive positions: ratings and rankings



In ranking of the largest Russian banks as at 01.12.2018:

32	Value of retail loan portfolio
35	Value of retail deposits
46	Value of corporate loan portfolio
41	Value of total loan portfolio
63	Value of total assets



In ranking of largest mortgage banks as at 01.07.2018:

4	Number of issued loans
9	Value of issued mortgage loans
14	Value of mortgage loan portfolio

MOODY'S

Ba3 | Center-invest Bank's rating



A(ru) | Center-invest Bank's rating



In ranking of TOP-16 Russian banks for SMEs as at 01.01.2018:

4	Value of loan portfolio to individual entrepreneurs
9	Value of loan portfolio to small business
14	Value of loan portfolio to medium enterprises
15	Value of total SME loan portfolio

The Banker

TOP-100 Russian Banks by «The Banker» magazine:

40	Profit
42	CAR
48	ROE
49	ROA
51	Cost/Income
55	Tier 1&Net Assets

Forbes

31 | The most reliable banks in Russia

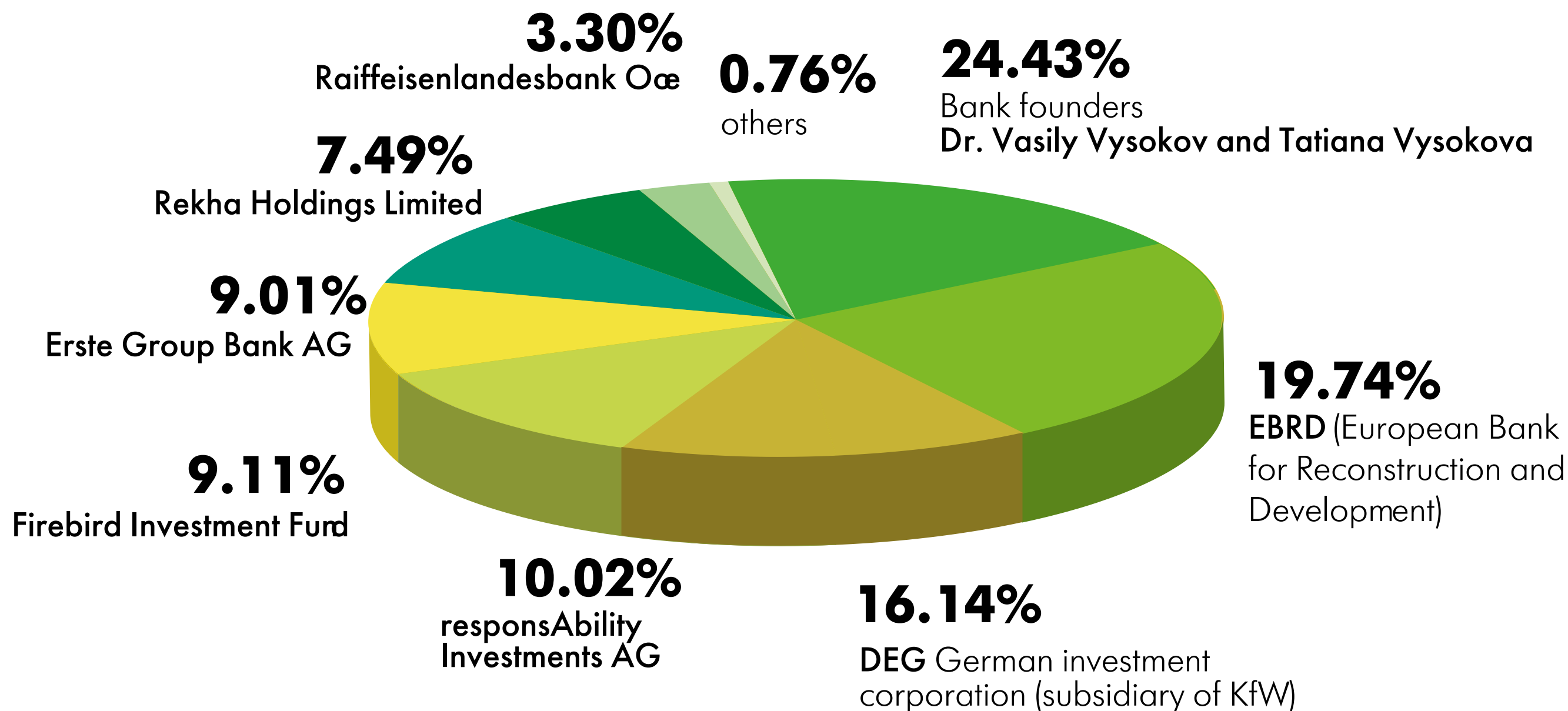


17 | 76 (Europe) 2018



**BANK
CENTER-INVEST**

Shareholders structure*



* %, Voting right shares

Localization of SDG till 2030 and national goals till 2024

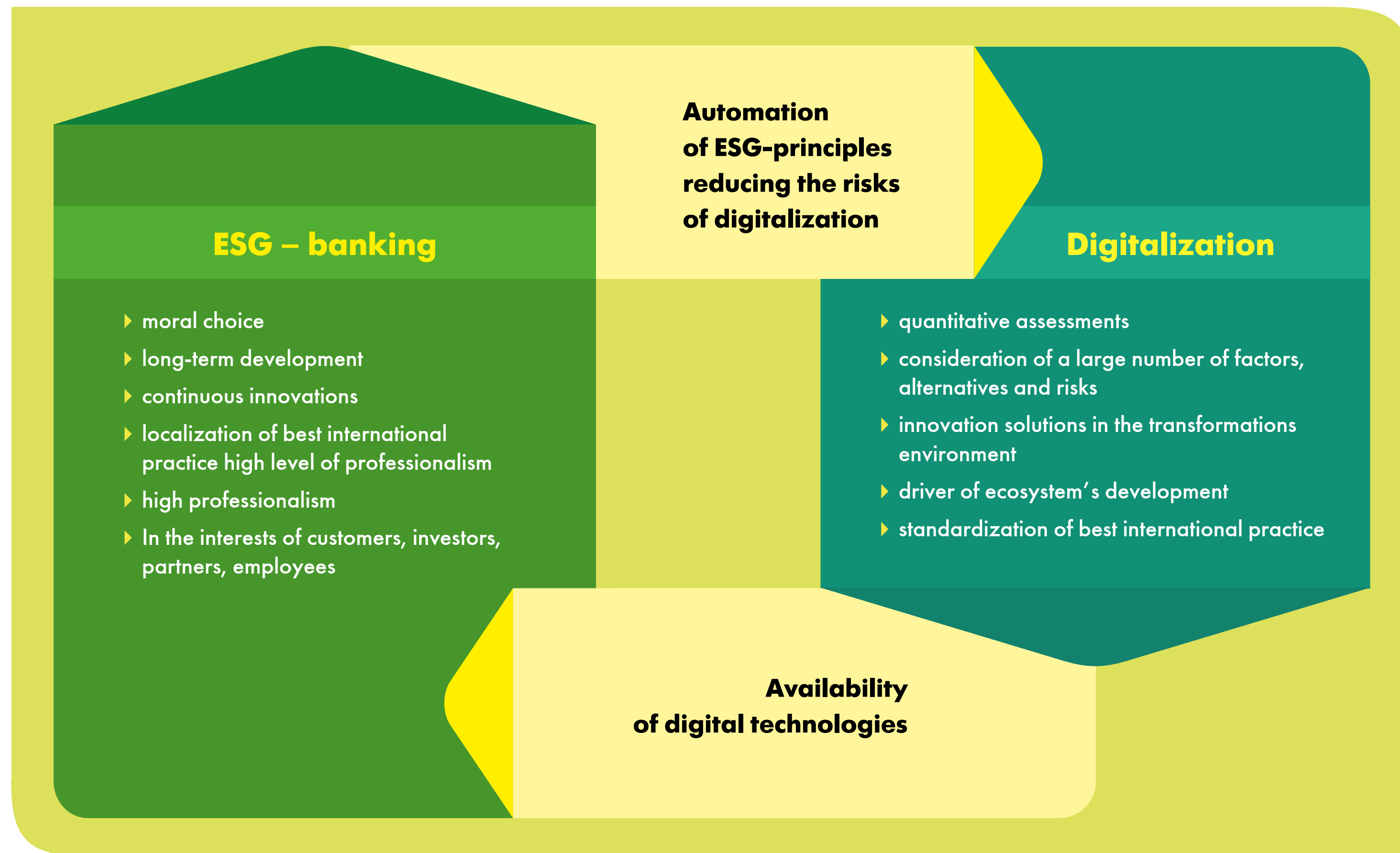
 Sustainable development goals un.org/sustainabledevelopment/ru/sustainable-development-goals/	 Putin’s breakthrough kremlin.ru/acts/bank/43027	 Bank of Russia’s programs
<div> <ol style="list-style-type: none"> 1. Poverty eradication 2. The elimination of hunger 3. Good health and well-being 4. Quality education 5. Gender equality 6. Clean water and sanitation 7. Low-cost and clean energy 8. Decent work and economic growth 9. Industrialization, innovation, infrastructure 10. Reducing inequality </div> <div> <ol style="list-style-type: none"> 11. Sustainable cities and human settlements 12. Responsible consumption and production 13. Fight against climate change 14. Conservation of marine ecosystems 15. Conservation of terrestrial ecosystems 16. Peace, justice and effective institutions 17. Partnership for sustainable development </div>	<div> <ol style="list-style-type: none"> 1. Demographics 2. Healthcare 3. Education 4. Housing and Urban Environment 5. Ecology 6. Safe and high quality roads 7. Labor productivity and employment support 8. Research </div> <div> <ol style="list-style-type: none"> 9. Digital Economy 10. Culture 11. Small and medium-sized business and support for individual entrepreneurial initiative 12. International cooperation and export 13. Spatial development strategy </div>	<ul style="list-style-type: none"> • Financial markets cbr.ru/statichhtml/file/41540/onfr_2019-21(project).pdf • Financial technologies cbr.ru/content/document/file/35816/on_fintex_2017.pdf • Financial inclusion cbr.ru/Content/Document/File/37470/str_30032018.pdf



Center-invest Bank’s strategy for 2019-2021 “ESG – digitalization of Center-invest bank’s ecosystem”:

- ▶ response to new challenges
- ▶ localization of the best world practice
- ▶ digitalization of ESG-principles

Localization of SDG till 2030 and national goals till 2024



ESG – digitalization of Center-invest bank's ecosystem

ESG – digitalization of Center-invest bank's ecosystem

1. Operational system

2. Relations with the
regulator and government
bodies

3. Digitalization for
customers

**Center-invest bank's ecosystem:
reproduction of current and future generations of investors,
personnel, customers, partners,
all types of capital and the environment**

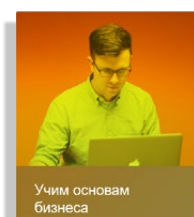


Center-invest Bank's accelerator

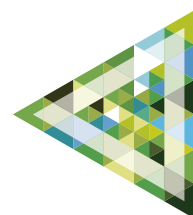
Center-invest Bank's accelerator:

- ▶ multiplication of experience
- ▶ not a place, but a function
- ▶ not one-time projects, but an environment (flow, mass movement)

1. Education



Enterprise for All school.centrinvest.ru,
6 languages **33 000 participants**



Financial literacy center знания-сила.рф
1 500 volunteers



My strategy:
"Me and the World in 2030" strategy2030.ru
1 800 strategies



Student scholarship competition education.southofrussia.ru
15 000 students

2. Risk management

Mentoring, tax, legal and business consulting,
audit, foreign trade activities

3. Financing

2 240 jobs were created
21 400 number of projects
18 368 ₺ m



**BANK
CENTER-INVEST**

I. Analysis of the present situation

I.1. Geopolitical risks stimulated in Russia:

- ▶ consolidation of society
- ▶ modernization of production
- ▶ domestic demand for agricultural products and manufacturing industries

I.2. Technological trends

Science creates opportunities, but requires new technologies, institutions and social structure

I.3. Macroeconomic trends – unsustainable growth

GDP growth: WORLD 3.5-3.6%

I.4. National trends – recovery growth + Putin's breakthrough

GDP growth: RUSSIA 1.5-1.7%

I.5. Regional features – competitive advantages

GDP growth: SOUTHERN RUSSIA 3-4%

- ▶ anti-crisis dynamics
- ▶ geopolitical situation, climate
- ▶ diversified economy
- ▶ strong tradition of enterprise
- ▶ advantages in lagging (reducing risks and costs of innovation)
- ▶ creative solutions to local problems for subsequent replication

Growth rates, 2017 compared to 2016, %		RF*	RR*	KK*	VR*	SK*	NR*
Industry		1.0	7.4	4.3	0.3	1.8	4.7
	Producer price	8.4	0.1	-0.8	13.5	-7.0	8.6
Agriculture		-0.2	17.3	0.5	6.1	12.2	-5.4
	Producer price	-7.8	-8.9	-7.8	-8.4	-8.1	-9.4
Construction		-1.4	0.1	0.8	17.4	7.5	0.2
	Producer price	3.1	1.7	1.0	4.5	2.4	2.8
Trade		1.2	0.3	1.0	1.4	3.4	3.0
	Prices for goods and services	2.5	1.6	2.2	2.4	2.9	3.1

* : RF – Russian Federation, RR – Rostov region, KK – Krasnodar krai, VR – Volgograd region, SK – Stavropol krai, NR – Nizhny Novgorod region



I. Analysis of the present situation



- ➔ PILOT PROJECT
- ➔ BENCHMARK
- ➔ CASE STUDY
- ➔ SUCCESS STORY

II. Center-invest Bank's business model

Appendix 1. Center-invest Bank's business-model: WAS, IS AND WILL BE THE BEST!

This is not an advertising slogan, but a brief description of the Bank's business model

Best region. Southern Russia has competitive advantages in the transformation economy compared to other Russian regions (geography, climate, diversified economy, strong tradition of enterprise, rapid adaptation to the crisis).

Best partners. IFI and major companies started their projects together with Center-invest Bank and only then replicated them with other Russian banks.

Best employees. Not "headhunting", but nurturing employees on the basis of competitive selection, training, continuous retraining, rotation and professional growth.

Best future generation. The participation of young people from southern Russia in the Bank's projects demonstrates confidence in the success of their chosen strategy, "Love for Our Home Region + Global Competitiveness".

The best shareholders. The Bank's international shareholders are a sign of our high-quality work, the professionalism of our management and employees, and our compliance with international standards and effective use of best international practice. They provide access to long-term financial resources and the experience and technologies of other countries. Investment funds consider Center-invest Bank shares to be the most valuable asset in their investment portfolios.

Best customers. Center-invest Bank was founded by the first privatized enterprises in southern Russia. Together with the Bank they withstood the post-Soviet privatization years and the non-payments crisis, attracting investors and working in the securities market. Small business in southern Russia benefits from modern banking services, information, analytical and consulting support, marketing solutions, and best international practice in developing youth, women's and social entrepreneurship.

Best international practice. With its shareholders and partners, the Bank monitors and localizes best international practice in corporate conduct, planning, risk management, liquidity, compliance control, IT development, products, services and operations. Center-invest Bank's experience is itself considered an example of best international practice by international financial institutions and organizations.



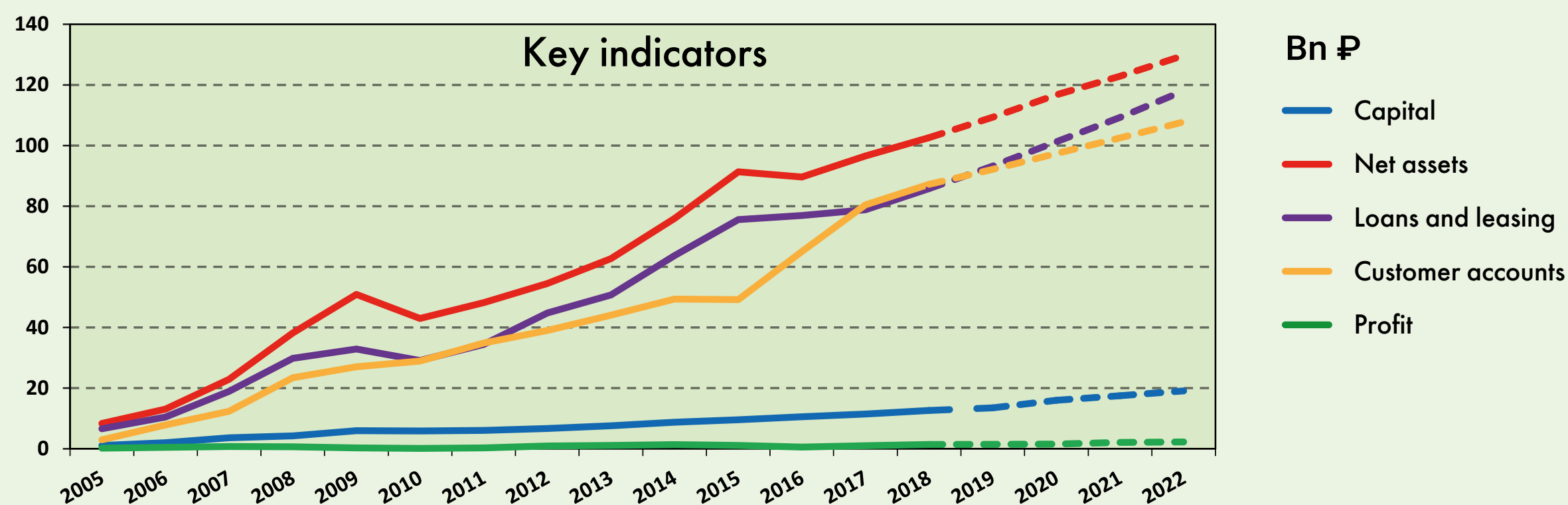
II. Center-invest Bank's business model

Appendix 2. Experience of innovations 25 + years!

In 2017, Center-invest Bank celebrated its anniversary: 25 years since southern Russia's first privatized enterprises established a new financial institution, which became a "reform laboratory" for the region.

At all stages of reform the Bank has:

- together with its customers found solutions to new problems and challenges;
- offered innovative products and services for retail customers, agribusiness, municipal infrastructure and energy efficiency;
- introduced best international practice in environmental and social responsibility and corporate culture;
- continually organized social and educational projects for schoolchildren, students, entrepreneurs and government bodies;
- developed its information system and implemented automation and digitalization of operations and technologies;
- nurtured skilled and creative staff and developed a strong corporate culture.



II. Center-invest Bank’s business model

Reproduction of capital

Transformational of capital

As at 31.12 of each year, ₺ bn		2017	2018	2019	2020	2021
		Actual	Actual	Plan	Plan	Plan
Financial capital organic growth and ESG investors	Capital	12.6	13.5	16.0	17.5	19.1
	Net profit	1.43	1.44	1.60	2.10	2.26
Productive capital property rights and renewal of fixed assets	Assets	102.6	109.4	116.7	122.7	129.0
	Net loans and leasing	80.1	86.4	93.3	100.8	108.8
Intellectual capital creative methods of management registration of own trademarks, products and software	Software	0.3	0.5	0.7	0.7	0.7
	Accelerator’s participants	4000	5500	7000	8000	10000
Human capital nurturing staff gender equality and non-discrimination personnel policy	Number of personnel	1643	1620	1570	1520	1470
Social capital customers and local communities promotion of digitalization of ESG principles social and educational projects	Number of customers (m)	1.1	1.4	1.7	1.9	2.0
Natural resources Eco-reporting innovative development of ecosystem	Reduction of CO₂ emissions, tons	8000	10000	12000	14000	16000

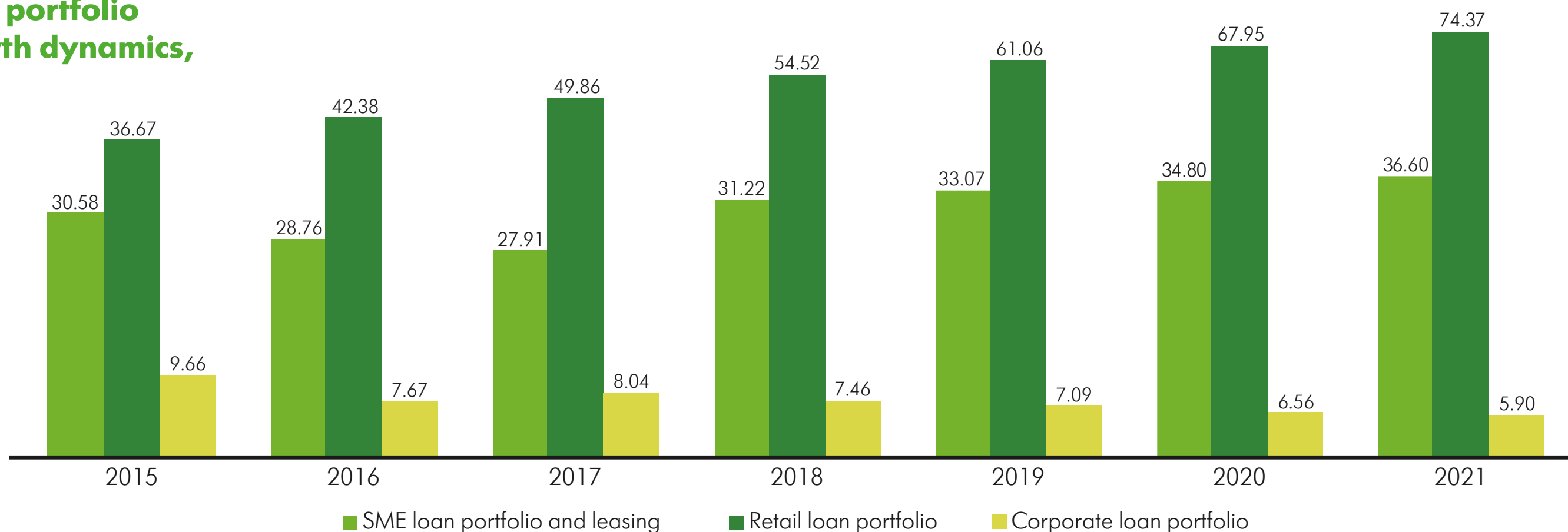


III. Products, services, markets

III.1. SME

1. **Experience** of working with SMEs (58 000 clients, ₺ 31,5 bn - loan portfolio)
2. **Cooperation** with partners (EBRD, IFC, KfW, BSTDB, FMO, OeEB, DEG, EDB, IIB)
3. **Digitalization of products and services** for SME modernization
4. **Standard energy** efficiency and digitalization projects for target segments and groups
5. **Center-invest Bank's accelerator:** Enterprise for All (school.centrinvest.ru), Financial literacy center (знания-сила.рф), Smart scholarship (education.southofrussia.ru), My strategy: Me and the world in 2030, work with universities and association of entrepreneurs
6. Assistance in **legalization of small business** (legal support, accounting outsourcing, consulting)
7. **International cooperation services** for small enterprises
8. **ESG-programmes** for youth, women's and social entrepreneurship

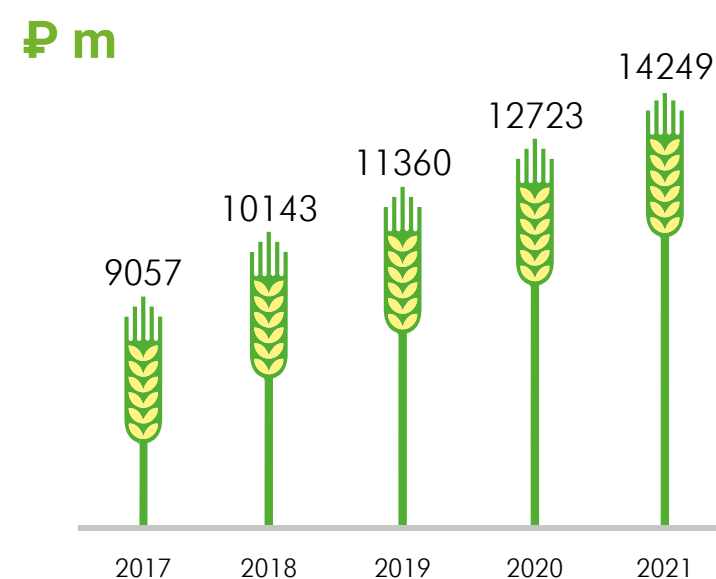
Loan portfolio growth dynamics, ₺ bn



III. Products, services, markets

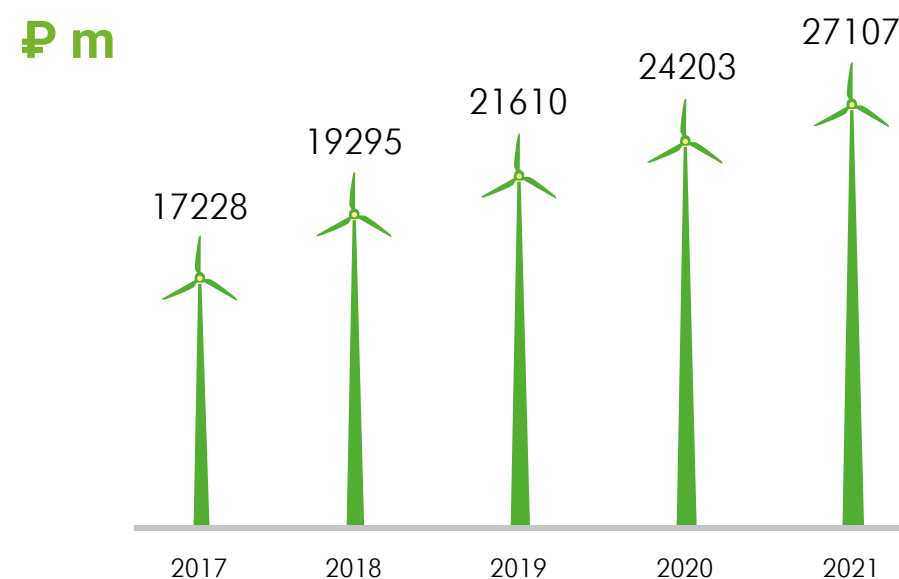
III.2. Agribusiness:

Effective risk management



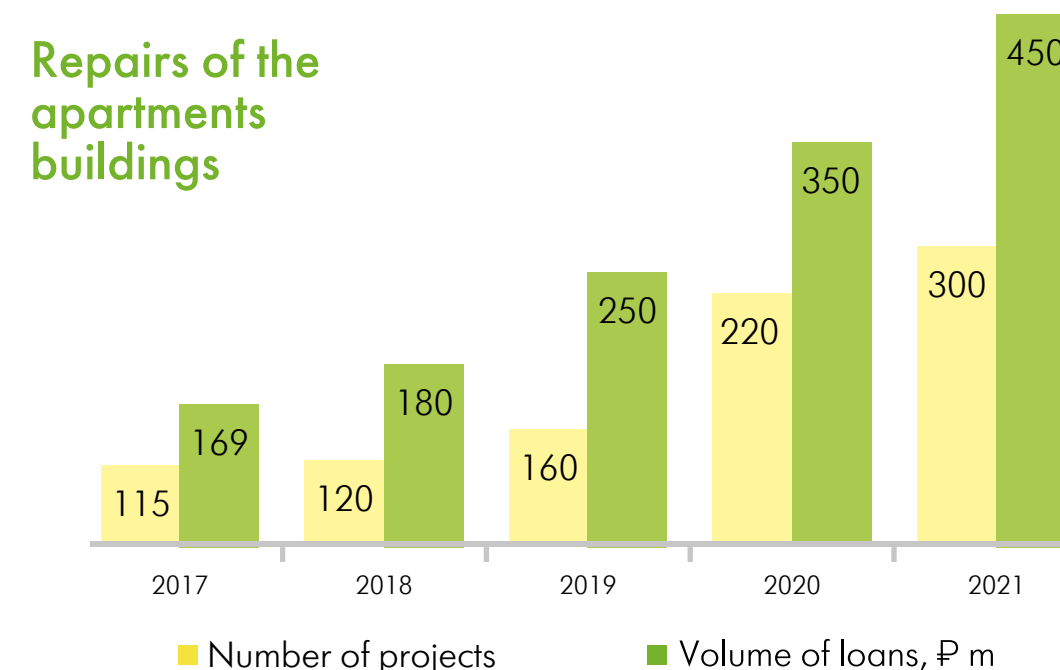
III.3. Energy efficiency

Technical, financial, environmental and social engineering



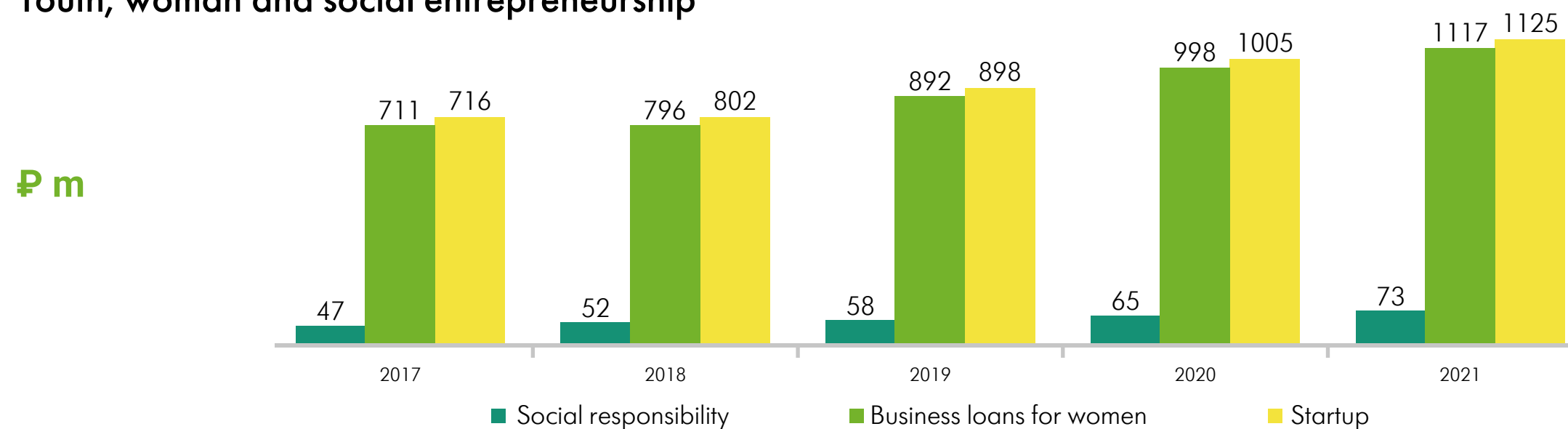
III.4. Communal infrastructure:

Lending of public goods and services in conditions of transformations



III.5. Social projects

Youth, woman and social entrepreneurship



III. Products, services, markets

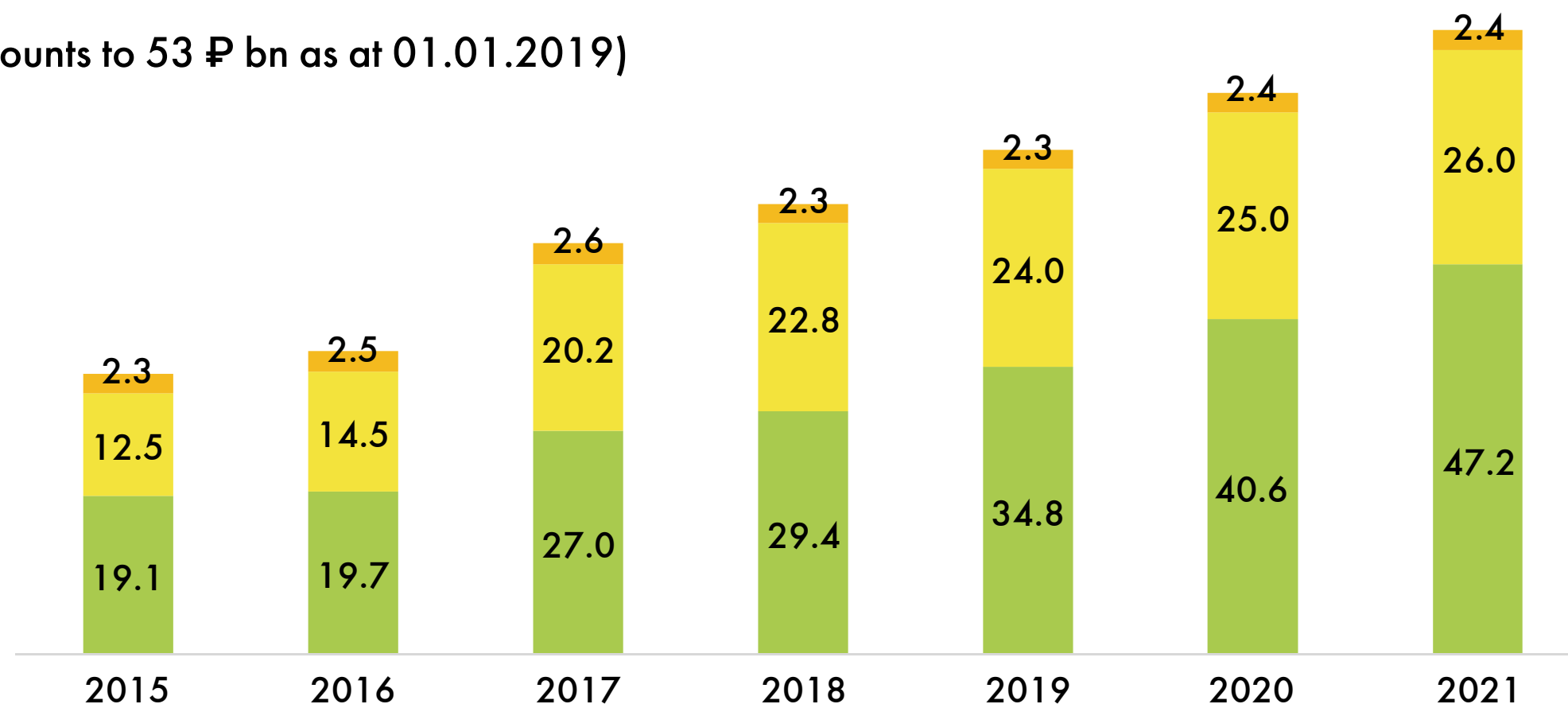
III.6. Retail lending

1. Best terms of lending (loan portfolio amounts to 53 ₪ bn as at 01.01.2019)

Retail loan dynamic

₪ bn

- Car loan
- Consumer loan
- Mortgage



2. No commissions or mandatory insurance;

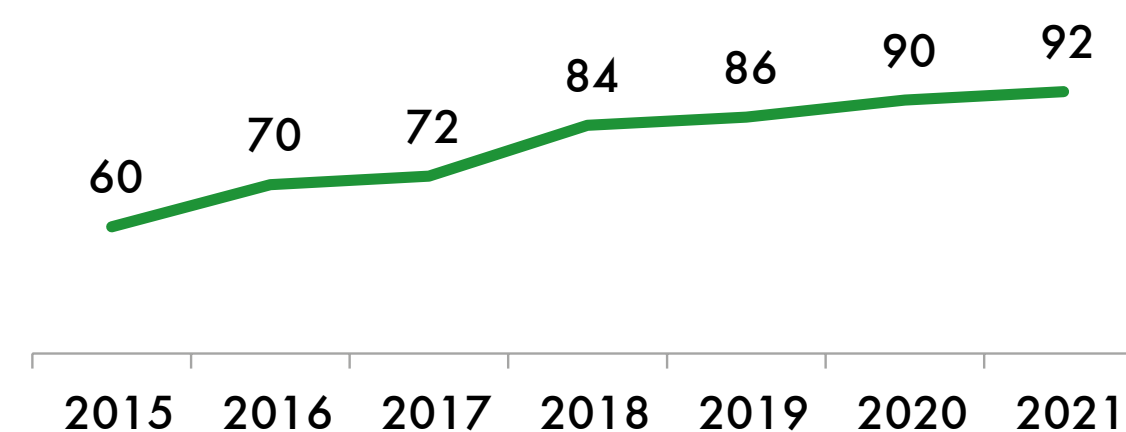
3. Participation in national and regional preferential loan programmes (preferential mortgage 6%);

4. Partnership with Multifunctional Centres allows customers to access government and municipal services in the Bank's branches;

5. VP mortgage technology in the Bank's branches allows customers to see future homes;

6. Constant modernization of retail loan programmes and products, taking into account the digitalization of best international practice practices.

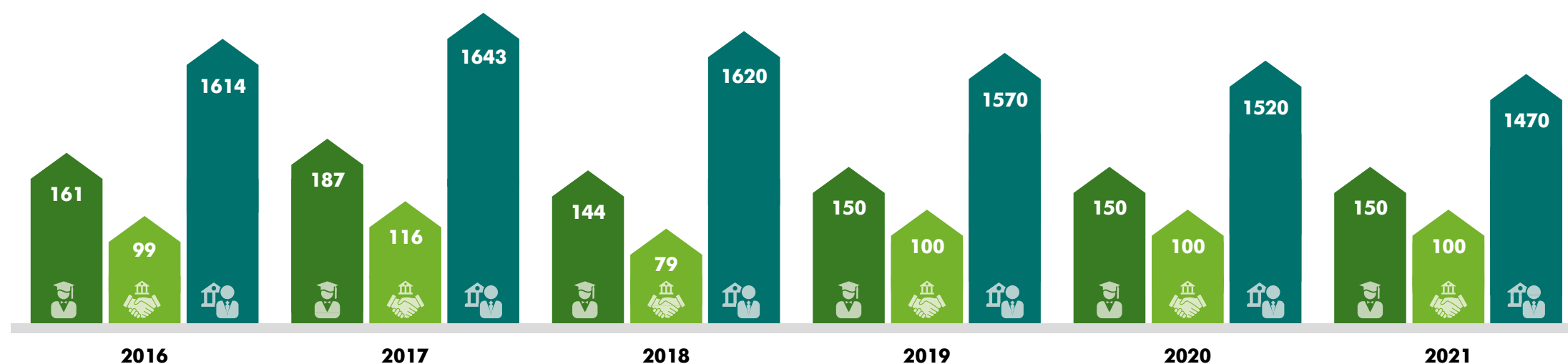
Online loan applications as % of total number of applications






IV. Nurturing Personnel

1. Nurturing Personnel

Student at Financial Literacy Centre – trainee – Bank's employee – internship – rotation



-  Number of students at FLC offered Bank internship
-  Number of trainees who became Bank employees
-  Number of personnel

2. Corporate culture:

- ▶ all employees have the right to ask questions
- ▶ the manager's duty to give an exhaustive answer
- ▶ everybody's involvement in the fulfillment of mission
- ▶ readiness for innovation (changes in structure, technologies, business processes)
- ▶ monitoring of best international practice

3. Incentive system:

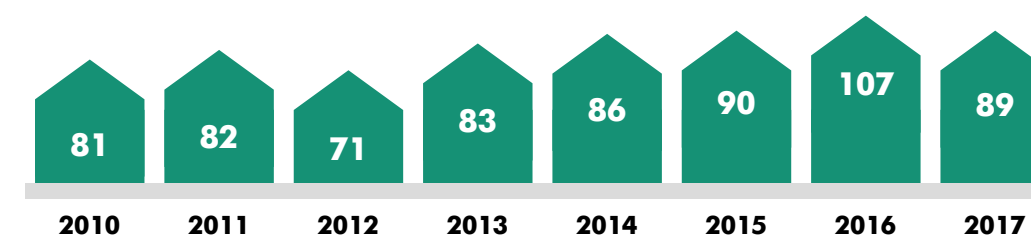
guaranteed payment – bonus quarter/year – deferred payment of risk

5. Stimulating innovation

(project teams, innovation competitions, surveys)

4. Gender equality and non-discrimination policy, multi-ethnic composition

 Number of children born to bank employees



V. Risks and opportunities

Opportunities

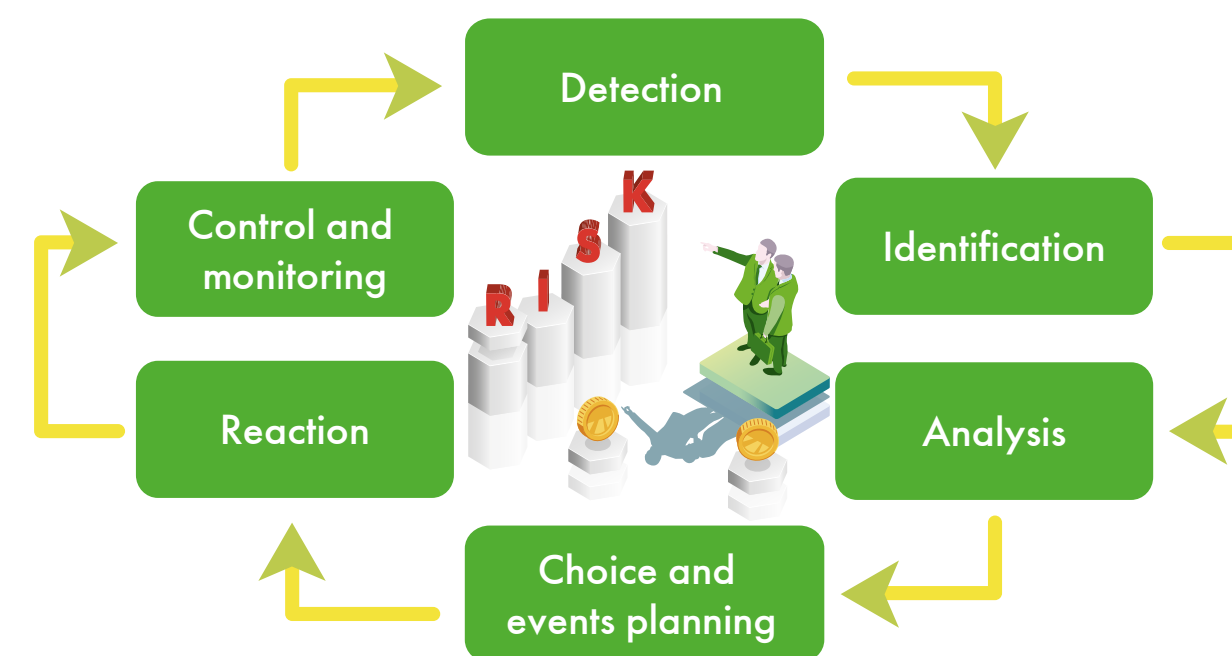
Increased efficiency, reduced costs
 Reduction of risks due to Big Data and AI
 Acceleration of turnover
 Territorial expansion through remote channels
 Increased financial literacy of customers through distance learning
 Increase in the efficiency of customers' business as a result of digitalization

Risks

Vulnerability of remote channels and services
 Personal data protection risks
 Risks of liquidity reduction as a result of black PR
 Risks of damage to security of services and payments in the «pursuit of the market»
 Risks of social engineering techniques for fraudulent operations
 Competition from global platforms and marketplaces

Solutions

Risk management is not a "product" but a continuous process including:
 Balanced and risk related product management
 Implementation of the most effective technologies and best practice in risk management and information security
 Active information security
 Effective fraud monitoring and prevention systems
 Training personnel and customers

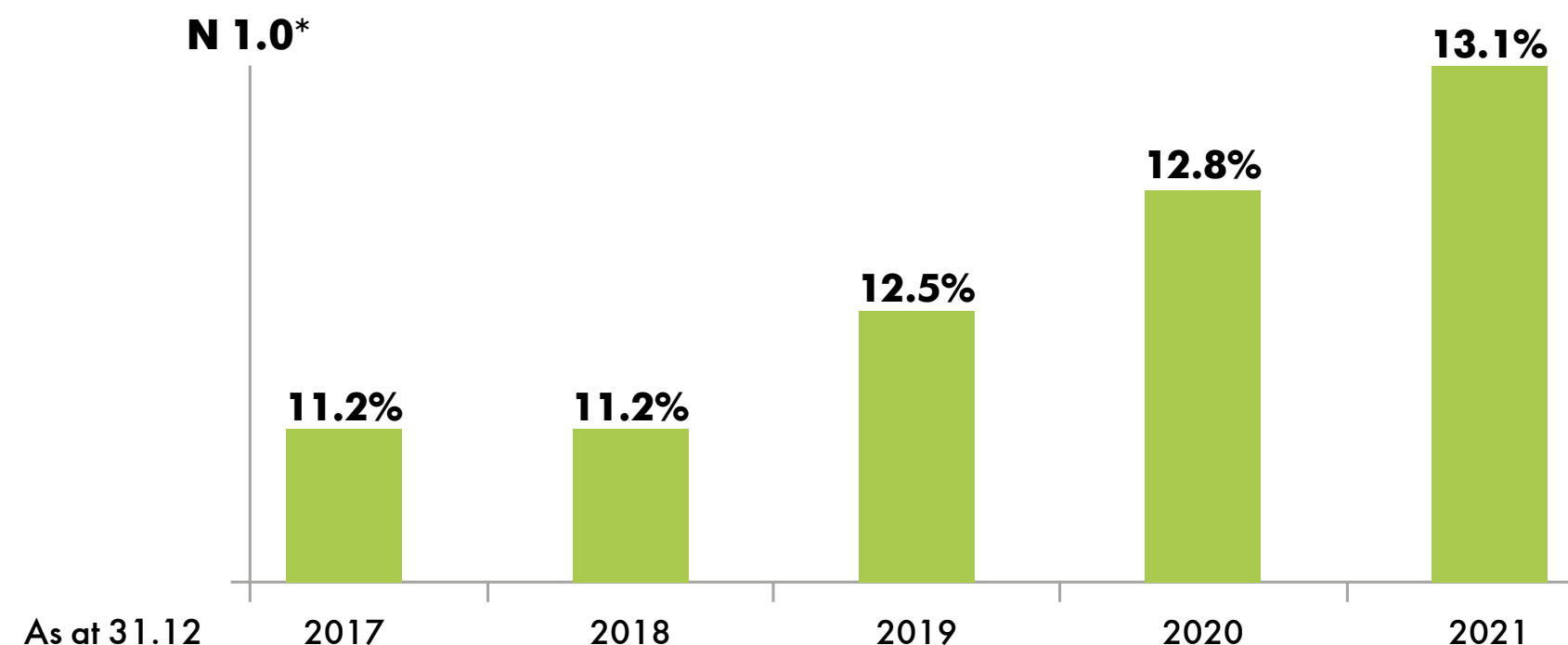


VI. Bank's development in 2019-2021

1. Risk-based loan portfolio growth

Loan portfolio growth 8% per year

2. Growth of capital adequacy



*Capital adequacy ratio according to the Bank of Russia

3. Stable payment of high dividends

50 % Net profit (taking into account the risks and requirements of the regulator)

4. ESG - investors for replicating the experience

Closed subscription for 1.6 ₪ bn (1H2019)



VI. Bank's development in 2019-2021

Key indicators of Bank's development

As at 31.12 of the relevant year	2017 Actual	2018 Actual	2019 Plan	2020 Plan	2021 Plan
₽, bn					
Capital	12.6	13.1	16.0*	17.5	19.1
Assets	102.6	112.1	116.7	122.9	129.7
Net loans and leasing	80.1	88.0	93.3	100.8	108.8
Deposits	87.2	95.2	97.4	102.5	107.8
Profit	1.43	1.5	1.60	2.10	2.26
%					
CAR, RAS, N1.0 $\geq 8.0^{**}$	11.2	11.2	12.5	12.8	13.1
CAR, RAS, N1.1 ≥ 4.5	9.6	9.9	11.4	11.7	12.1
CAR, RAS, N1.2 ≥ 6.0	9.6	9.9	11.4	11.7	12.1
CAR, IFRS ≥ 8.0	16.8	16.9	19.0	19.8	20.5
CAR, Basel 3 ≥ 8.0	14.6	14.7	16.5	17.2	17.8
CAR Tier 1, IFRS ≥ 4.0	15.0	15.3	17.5	18.4	19.2
CAR Tier 1, Basel 3 ≥ 6.0	13.1	13.3	15.2	16.0	16.7
ROAA	1.43	1.36	1.41	1.75	1.79
ROAE	11.81	11.04	10.82	12.53	12.32

* additional Issue of Shares – RUB 1.6 bn

** ratio as at 01.01.2019

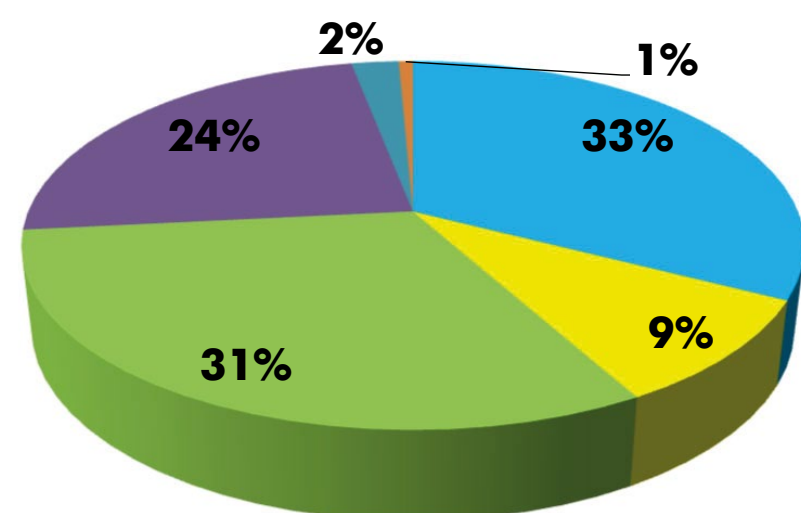


VI. Bank's development in 2019-2021

Loan portfolio

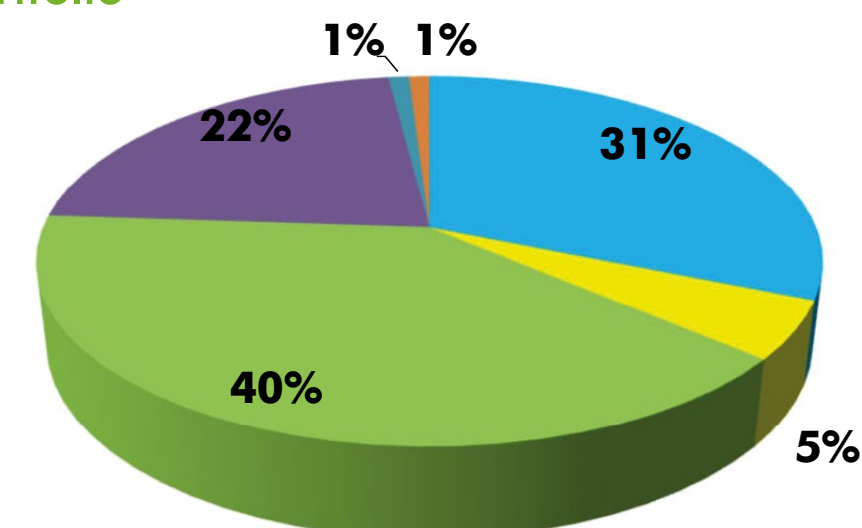
₪, bn	2017	2018	2019	2020	2021
	Actual	Actual	Plan	Plan	Plan
SMEs loans	27.91	30.87	33.07	34.80	36.60
Corporate lending	8.04	8.25	7.09	6.56	5.90
Mortgage	27.04	34.60	34.75	40.63	47.22
Consumer loans	20.24	19.17	23.95	24.96	25.97
Car loans	1.99	1.44	1.55	1.38	1.18
Bank cards loans	0.59	0.46	0.81	0.98	1.18
Total loan portfolio	85.81	94.78	101.22	109.31	118.05
Provisions on loan portfolio	(5.90)	(6.96)	(8.10)	(8.74)	(9.44)
Total net loans	79.91	87.82	93.12	100.57	108.61
Net leasing	0.23	0.17	0.20	0.20	0.20
Total loans products	80.14	88.0	93.32	100.77	108.81

Loan portfolio
2017



- SME lending
- Corporate lending
- Mortgage
- Consumer loans
- Car loans
- Bank cards loans

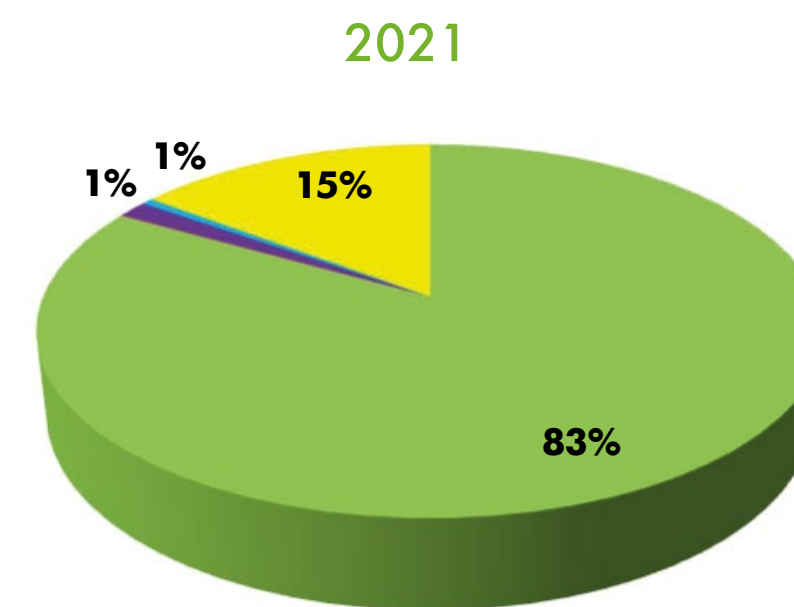
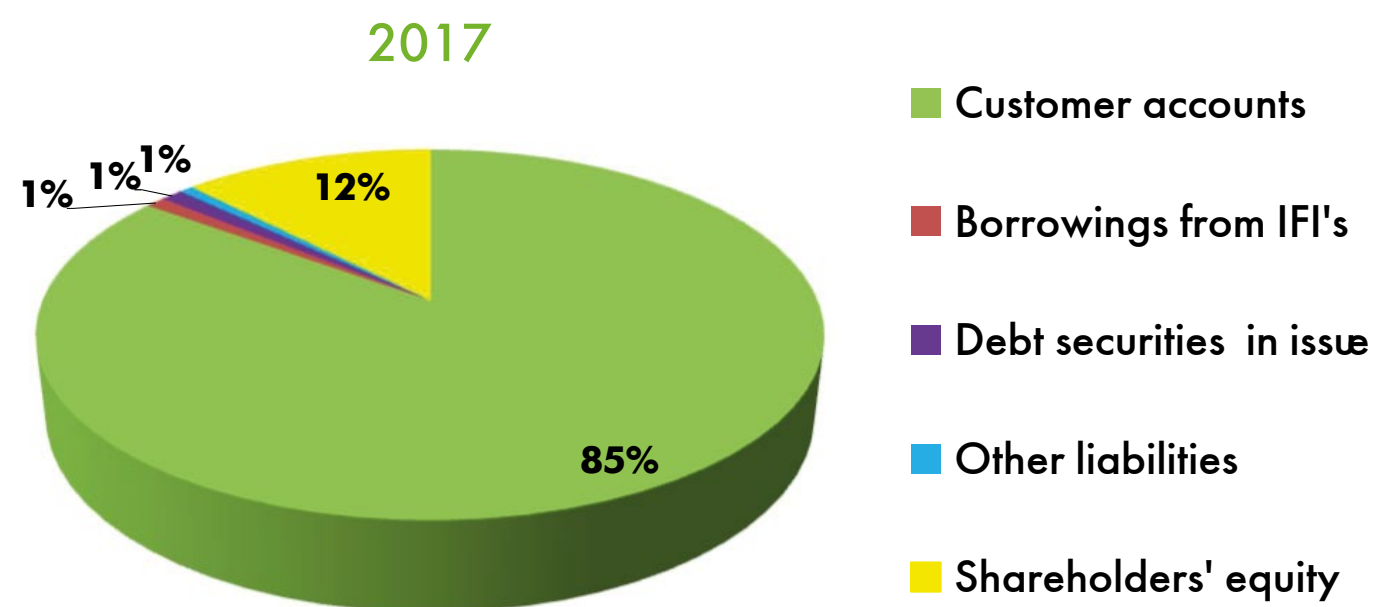
Loan portfolio
2021



VI. Bank's development in 2019-2021

Structure of funding base by source

₽, bn	2017 Actual	2018 Actual	2019 Plan	2020 Plan	2021 Plan
Customer accounts	87.22	95.2	97.36	102.51	107.85
Due to other banks	0.00	0.00	0.00	0.00	0.00
Borrowings from IFI's	1.00	1.70	1.10	0.50	0.10
Debt securities in issue	1.06	1.30	1.50	1.70	1.90
Subordinated debt	0.00	0.00	0.00	0.00	0.00
Other liabilities	0.70	0.70	0.70	0.70	0.70
Shareholders' equity	12.64	13.1	16.03	17.51	19.15
Total	102.62	112.1	116.69	122.92	129.70



VI. Bank's development in 2019-2021

Ratios

As at 31.12 of each year (%)	2017 Actual	2018 Actual	2019 Plan	2020 Plan	2021 Plan
ROAA	1.43	1.40	1.41	1.75	1.79
ROAE	11.81	11.68	10.82	12.53	12.32
Loan portfolio profitability	13.25	11.51	11.29	11.01	10.72
Net interest margin	6.19	5.49	5.61	5.59	5.56
Cost/Income Ratio	49.20	46.9	44.47	44.79	44.63
Loan loss provision/Total loan portfolio	6.88	7.34	8.00	8.00	8.00
Loan portfolio growth (loan loss provision included)	8.81	10.35	8.58	7.98	7.99
Assets growth	6.26	9.28	6.70	5.34	5.51
Net loan portfolio/Assets	78.10	78.47	79.97	81.97	83.90
Gross loan portfolio/Assets	83.86	84.68	86.91	89.09	91.18
Net loan portfolio/ Customer's funds	91.89	92.39	95.85	98.30	100.90



VII. Results of activity in 2019-2021

Transformation of capital

As at 31.12 of the relevant year, ₺ bn	2017 Actual	2018 Actual	2019 Plan	2020 Plan	2021 Plan
Capital	12.6	13.1	16.0	17.5	19.1
Assets	102.6	112.1	116.7	122.9	129.7
Net loans and leasing	80.1	88.0	93.3	100.8	108.8
Number of personnel	1643	1620	1570	1520	1470
Number of customers (m)	1.1	1.4	1.7	1.9	2.0

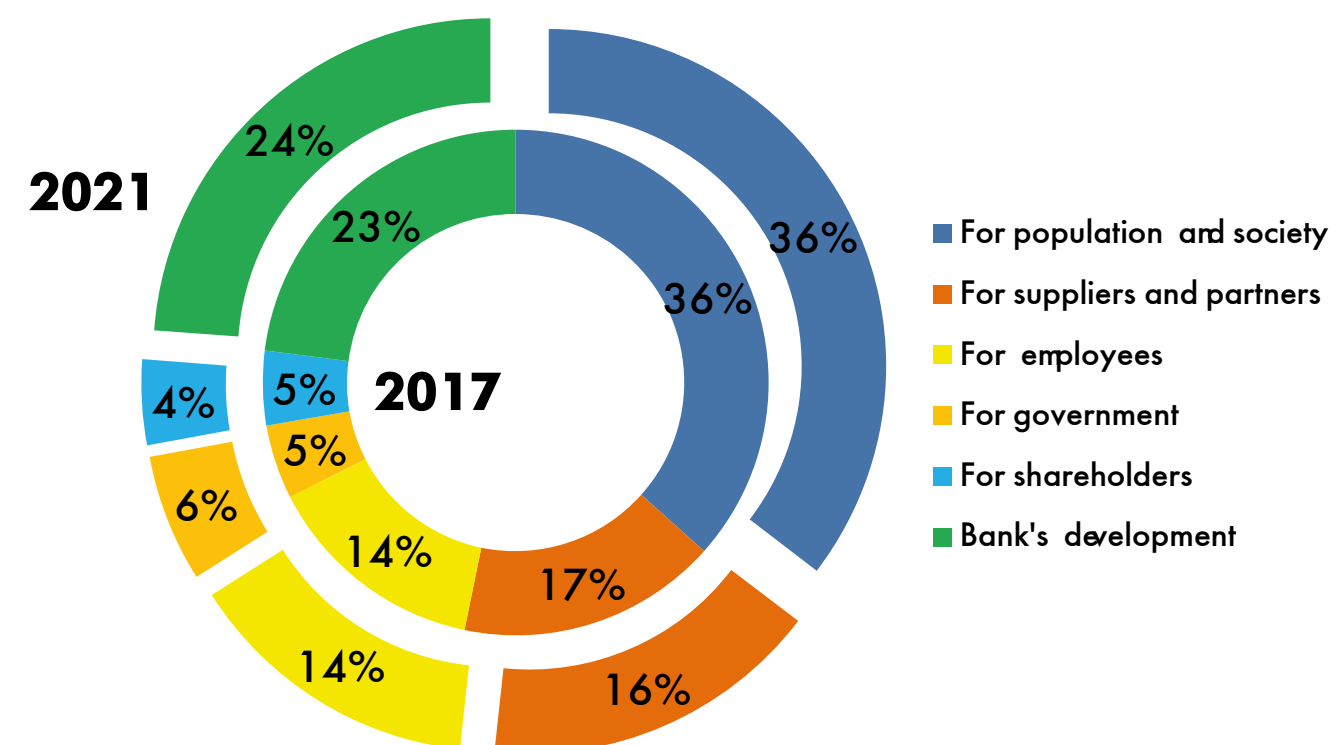
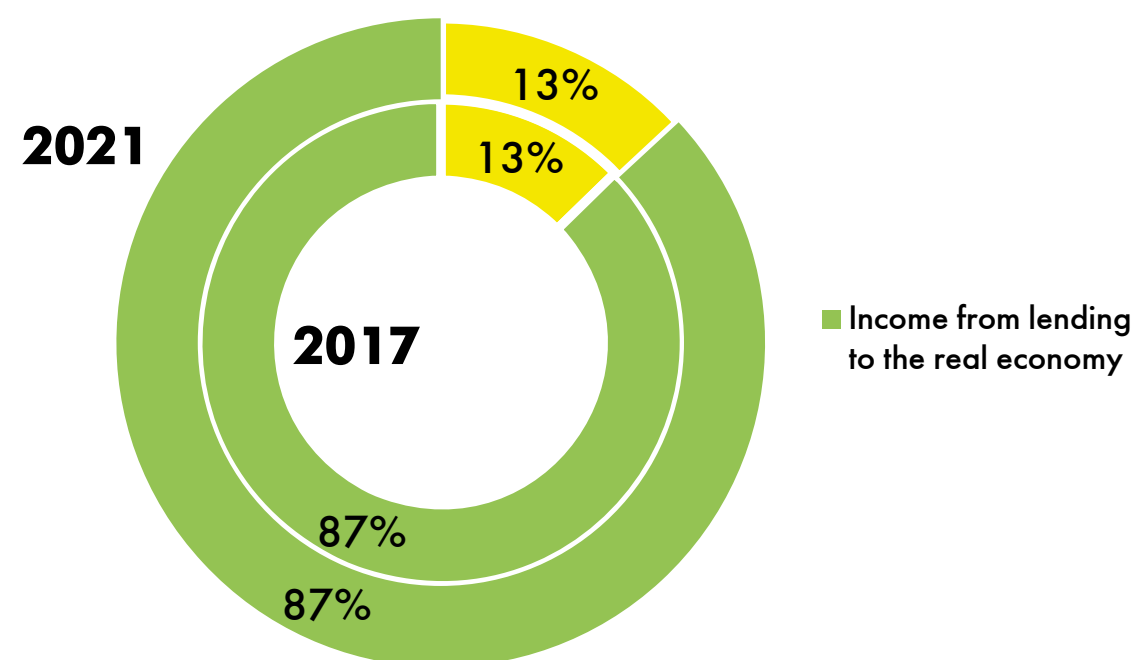
Reporting and monitoring implementation of the strategy:

- ▶ audited financial statements (IFRS and RAS)
- ▶ audited non-financial statement
- ▶ ratings from international and national rating agencies
- ▶ ESG-rating



VII. Results of activity in 2019-2021

₹ bn	2017	2018	2019	2020	2021
Income	13.0	12.8	13.3	13.9	14.5
Incl. lending to the real economy	11.4	11.0	11.6	12.1	12.6
Income distribution	9.8	10.1	10.2	10.8	11.4
For population – private deposits	5.1	4.6	4.7	4.8	5.0
For society – social projects	0.020	0.024	0.019	0.019	0.020
For partners – funds raised	0.4	0.5	0.4	0.4	0.3
For suppliers	1.6	1.9	1.8	2.0	2.1
For employees – wages	1.8	1.9	1.9	2.0	2.0
For government – taxes and other mandatory payments	0.6	0.6	0.7	0.8	0.9
For shareholders – dividends	0.3	0.6	0.7	0.8	1.1
Bank's development	3.2	2.7	3.1	3.1	3.1



VIII. Bank's development after 2021

VIII.1. Prospects for the future

Expected state of the external environment

- ▶ transformational economy: constant changes amid continual crises
- ▶ reduction of geopolitical risks due to new mechanisms of geopolitics (people's diplomacy)
- ▶ updating of macroeconomic trends (due to the inclusion of new products and services in the indicators)

Expected state of the Bank:

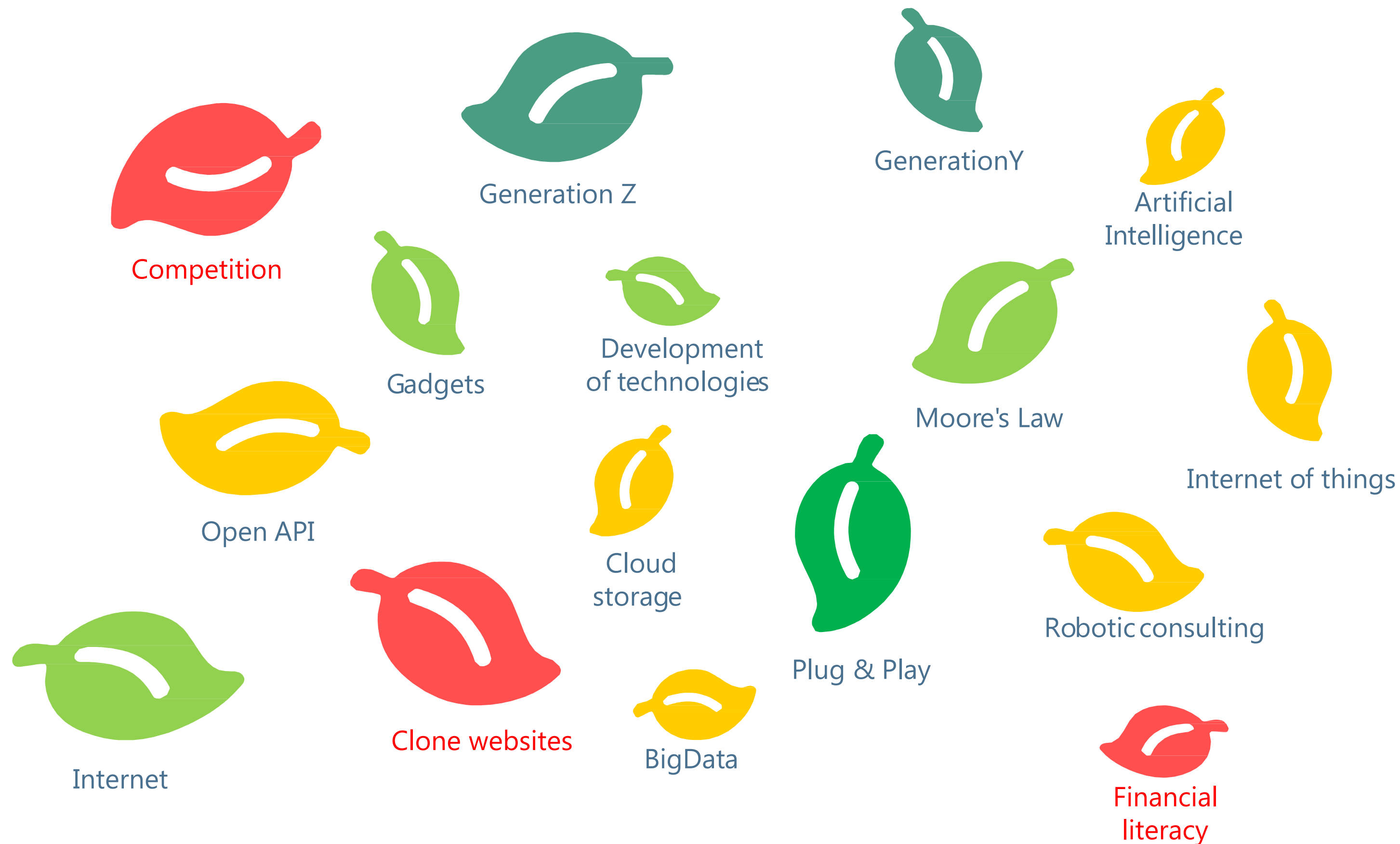
- ▶ to be at the forefront of trends and constantly ready to meet new challenges

VIII.2 Risks and opportunities of the next strategy, answers to challenges

- ▶ digitalization of the main processes in the economy
- ▶ new consumption standards
- ▶ new investment technologies
- ▶ transparency of budgetary relations, state support
- ▶ risks of cyber attacks and information security
- ▶ benchmark for other banks (pilot, benchmark, case study, success story)



IX. Prerequisites for digitalization



IX. Prerequisites for digitalization



28%

Active buyers
(at least once in the last
30 days they buy
something on the
Internet)



51%

Have an online shopping experience

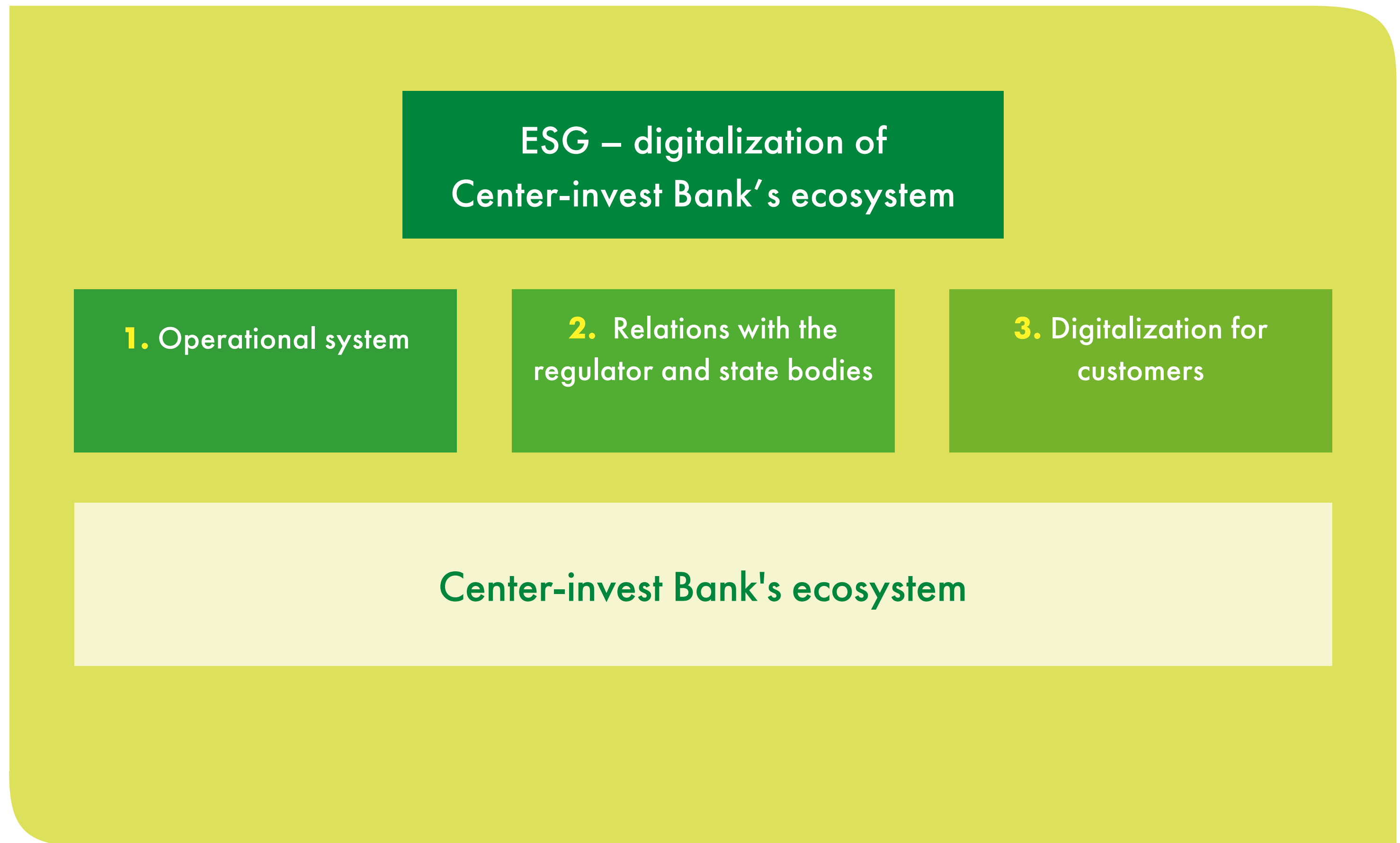


71%

Internet users



X. ESG – digitalization of Center-invest bank's ecosystem



X. ESG – digitalization of Center-invest bank's ecosystem

IX.1. Development of the Bank's operational system

► Data and Payment Security

- basic requirement for the development of all services
- backup data centers and encryption

► Leadership in integration

- co-innovation partner of SAP, BPM Online
- **microservice architecture**
- with state services
- with regional and federal marketplaces

► Big Data

- **aggregator** of customer and business partner data from various sources
- **intelligent management** of ATMs, terminals and cash offices – reducing cash requirements
- **electronic dossier** / archive / document management for the preservation of legal files, credit files and sample signature cards
- **private cloud information** space for development of new services (deployment of systems to simulate the Bank's operations within 1 day)



X. ESG – digitalization of Center-invest bank's ecosystem

IX.2. Interfaces with the regulator and government bodies

▶ **Leadership in pilot projects**

- Bank of Russia (personal account, marketplace, collateral assets, etc.);
- Pension Fund of Russia (efficiency of obtaining data for credit risk assessment);
- National Payment Card System (MIR Accept, MIR Pay, purchase data).

▶ **Integration with state services**

- **System of interdepartmental electronic interaction** – fiscal data, electronic reporting;
- Partnership with Multifunctional Centres - government services available in the Bank's branches.

▶ **Automated reporting** based on SAP BW for the Bank of Russia and the Deposit Insurance Agency

▶ **Direct document exchange with government bodies:**

- Commercial Courts;
- Federal Tax Service, Federal Service of Court Bailiffs, Traffic Police;
- Unified State Register of Real Estate.

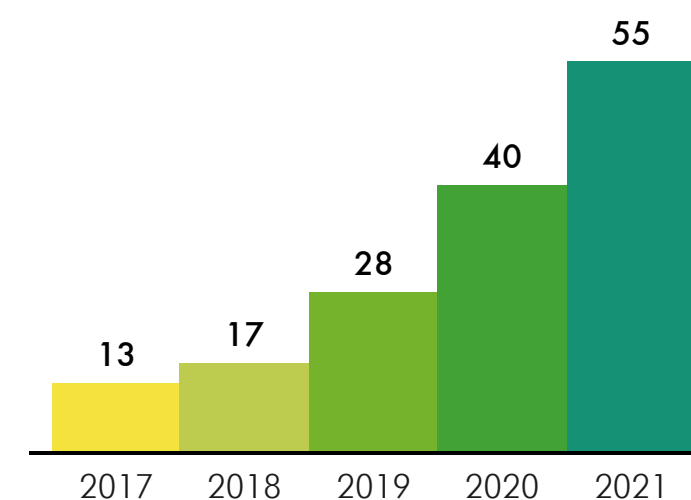


X. ESG – digitalization of Center-invest bank's ecosystem

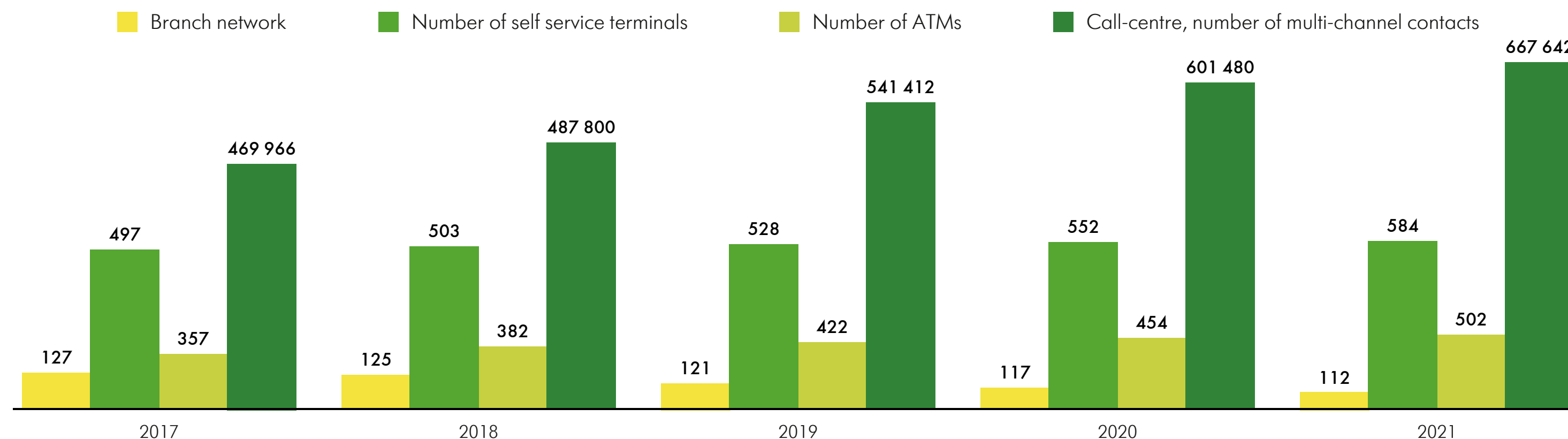
IX.3. Interaction with retail customers

- ▶ **Bank of Russia's Marketplace** - federal centralized platform for products (deposits, loans, securities, insurance products);
- ▶ **Mobile banking** for Android & iOS;
- ▶ **Hub for online loan applications, VR mortgage technology** in branches;
- ▶ **Customer identification via state systems** (Unified Identification and Authentication System, Unified Biometric System);
- ▶ **Campus, school and transport cards** and other forms of payment.

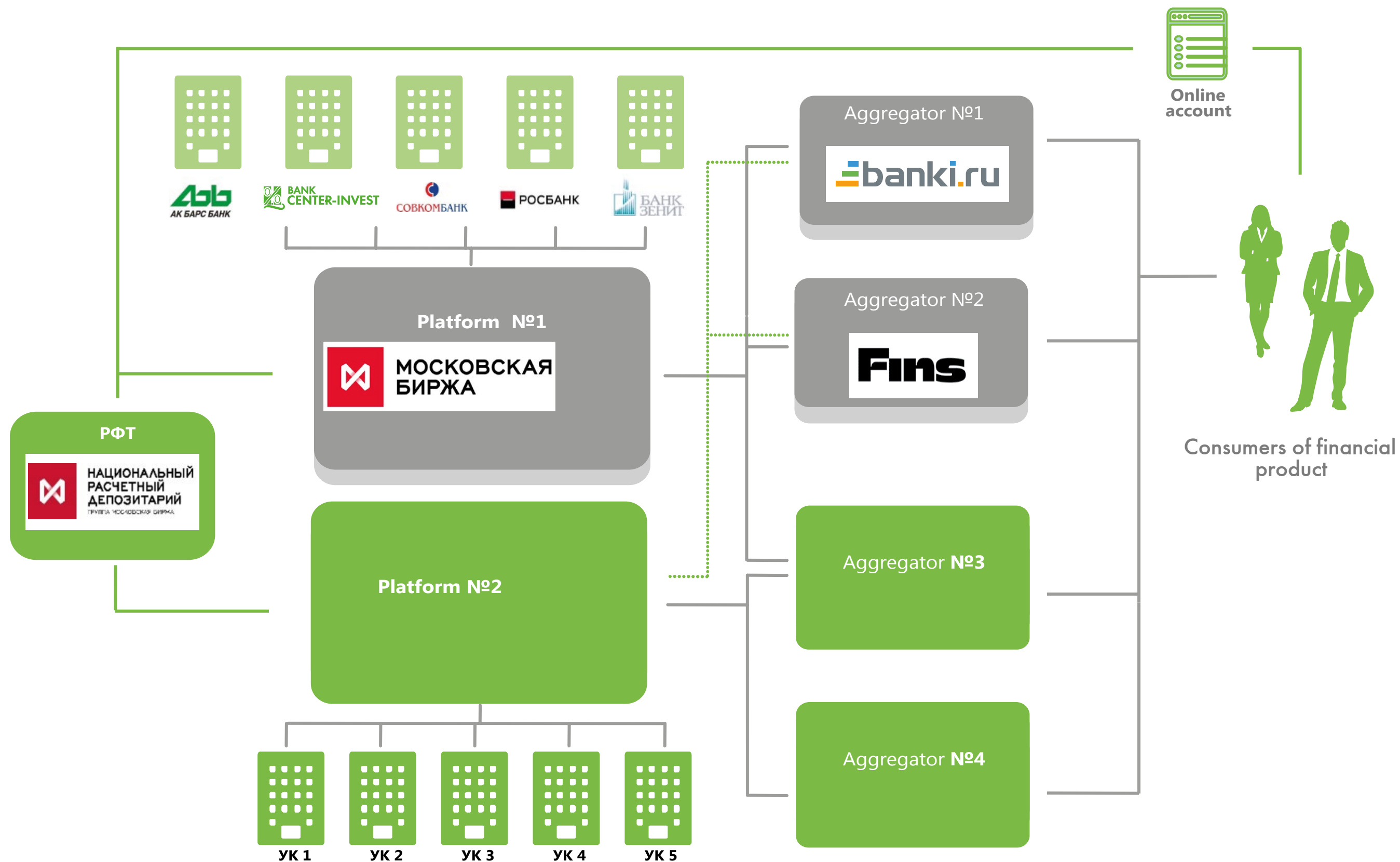
Online applications with identification via state systems, % of total (loans, cards, deposits)



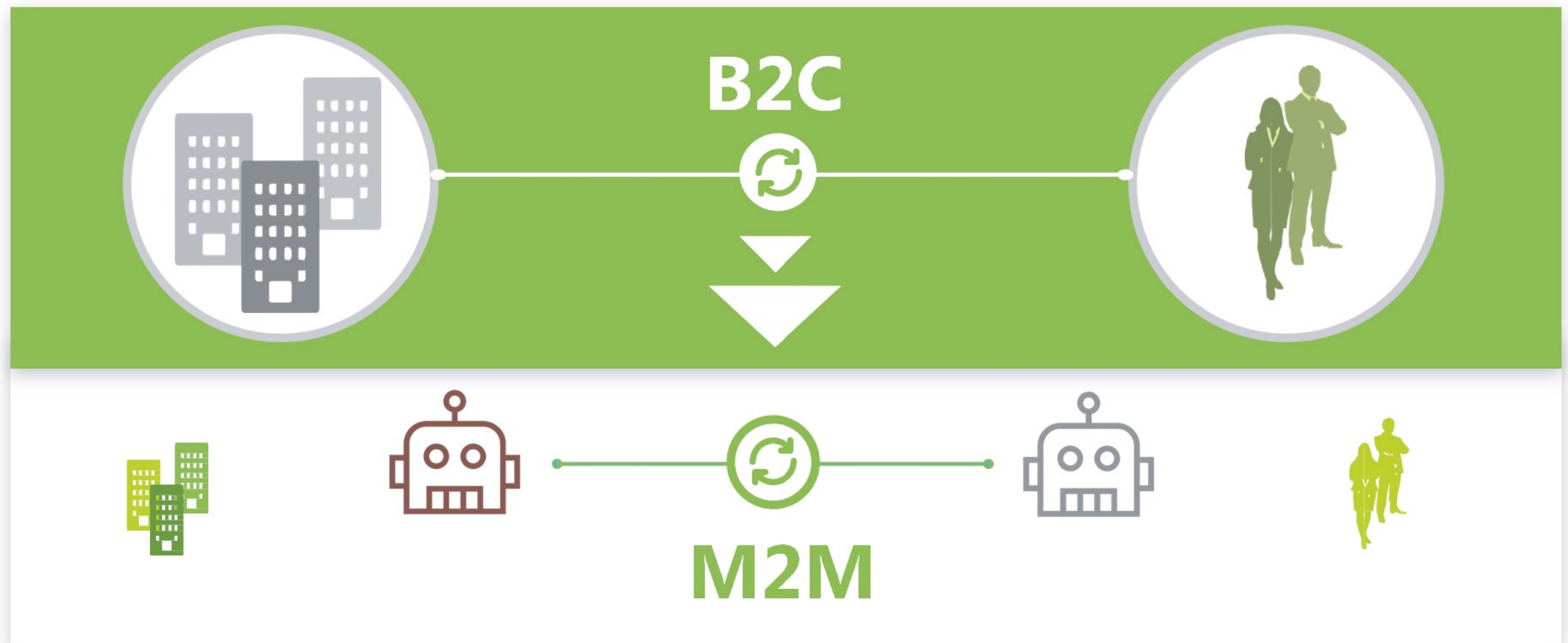
Digitalization of sales channels



X. Prerequisites for digitalization



X. Prerequisites for digitalization



X. ESG – digitalization of Center-invest bank's ecosystem

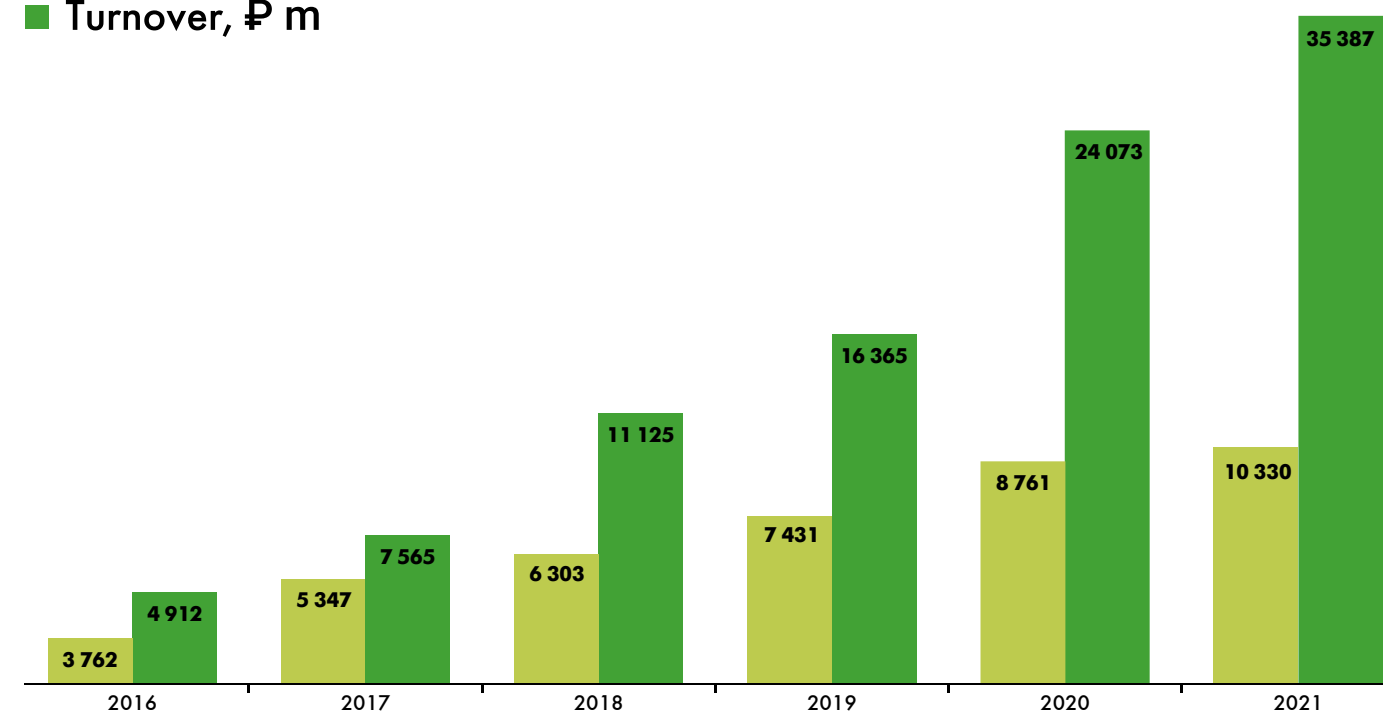
IX.3. Interaction with business customers

- ▶ **Analysis of cashier's checks**
(a pilot project with the MIR National Payment System);
- ▶ **Customers can pay in money at ATMs**
(cost reduction, automatic processing of documents, operational usage of credited funds);
- ▶ **Internet and mobile banking with multi-level antifrod (SafeTouch)** (trusted display of signed data – protection against remote attacks, counterparties are automatically added to the customers' "white lists");
- ▶ **Acquiring bank** for customers selling goods and services

Acquiring

■ Number of POS-terminals

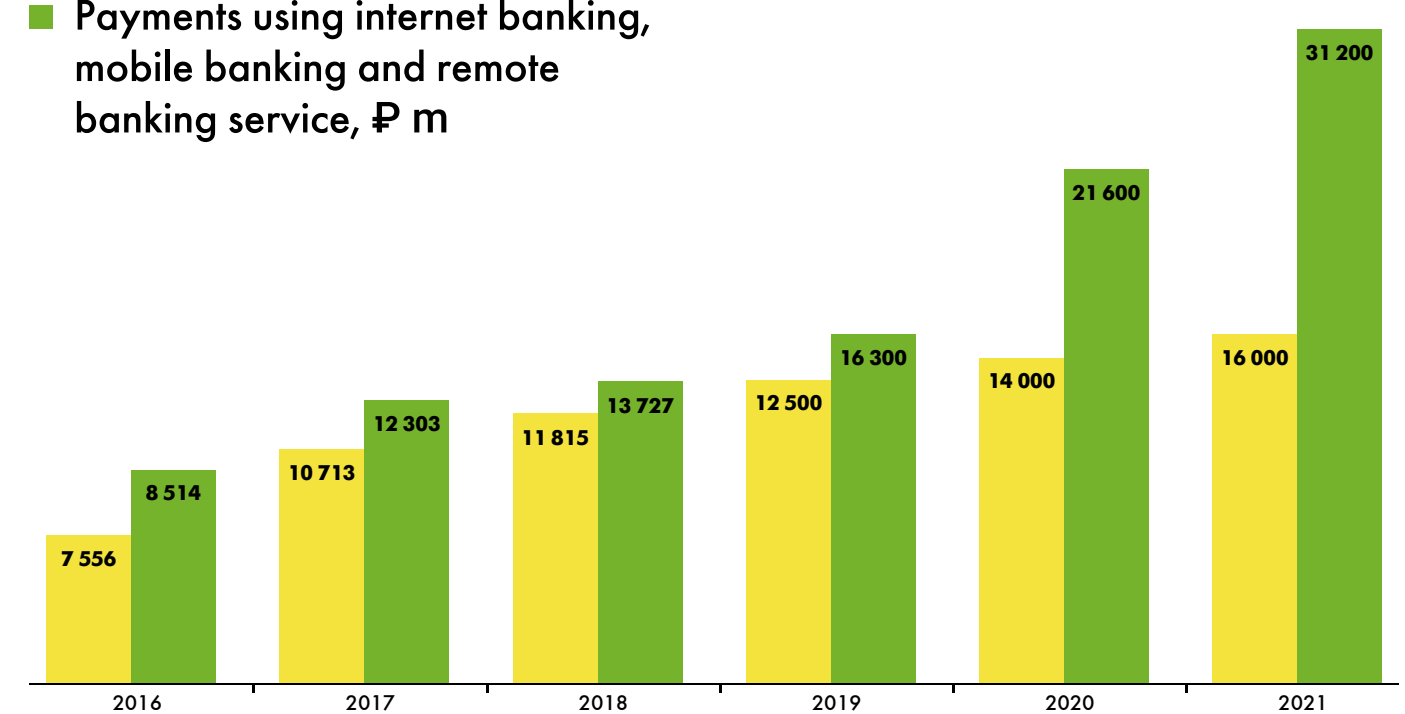
■ Turnover, ₺ m



Payments

■ Payments using payment terminals, ₺ m

■ Payments using internet banking, mobile banking and remote banking service, ₺ m



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