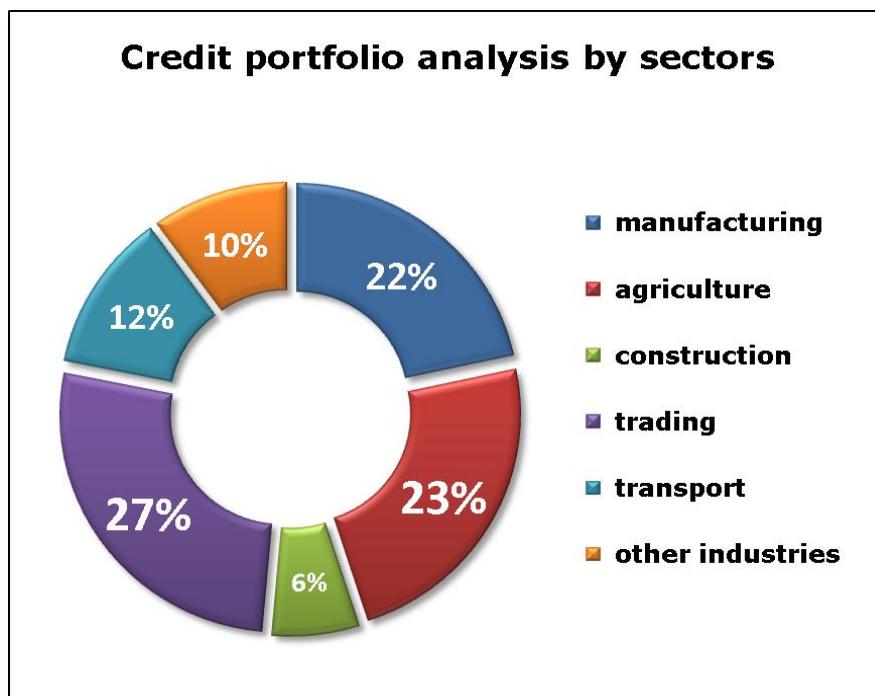


## Annual environmental report, Y 2014

### 1. Analysis of the corporate loan portfolio by operation types and industry sectors and classification of environmental risks as of January 1, 2015.

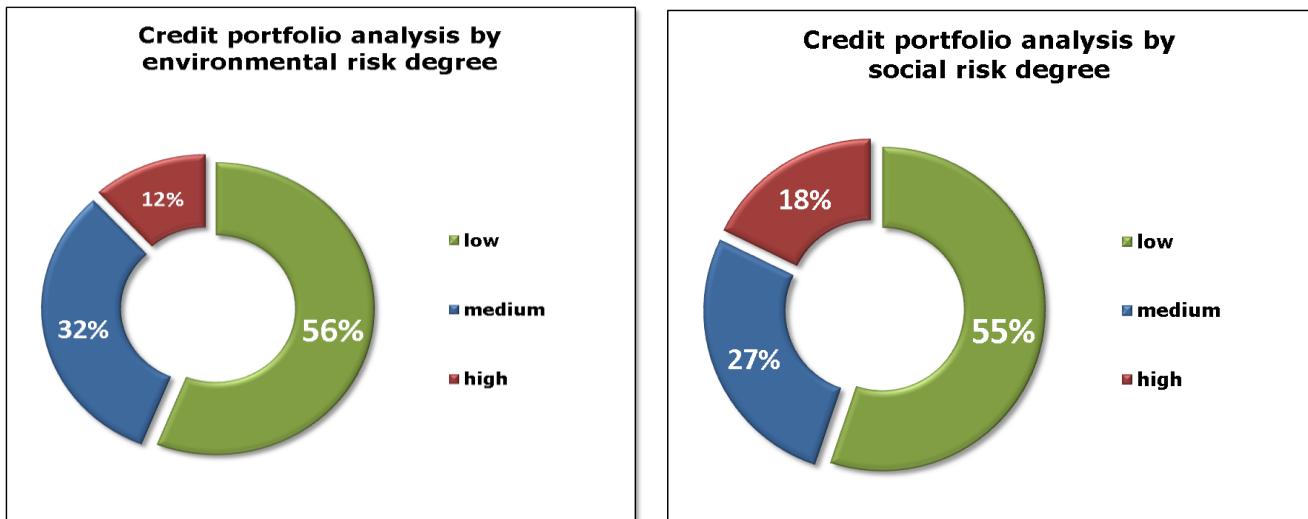
#### 1.1. Corporate loan portfolio structure by operation types, industry sectors, and project risk degrees:

Sector	Debts on loans (RUR)	Total share in industry	Project risk degree	Debts on loans balance (RUR)	Replenishment of working capital	Investment loans	Total share in industry
manufacturing	9 069 406 959	21,6%	low	587 894 776	0,9%	0,5%	1,4%
			medium	8 481 512 183	12,9%	7,3%	20,2%
			high	0	0,0%	0,0%	0,0%
agriculture	9 789 192 609	23,4%	low	2 766 638 946	4,6%	2,0%	6,6%
			medium	6 224 818 662	10,1%	4,8%	14,9%
			high	797 735 000	1,8%	0,1%	1,9%
construction	2 692 043 670	6,4%	low	381 774 126	0,7%	0,2%	0,9%
			medium	2 310 269 544	5,0%	0,6%	5,5%
			high	0	0,0%	0,0%	0,0%
trading	11 201 090 137	26,7%	low	5 004 588 962	10,3%	1,7%	11,9%
			medium	6 196 501 175	12,3%	2,5%	14,8%
			high	0	0,0%	0,0%	0,0%
transport	4 967 610 821	11,9%	low	365 749 757	0,3%	0,6%	0,9%
			medium	1 985 903 702	1,0%	3,7%	4,7%
			high	2 615 957 362	6,2%	0,0%	6,2%
other industries	4 196 165 311	10,0%	low	1 070 011 609	1,7%	0,9%	2,6%
			medium	3 126 153 702	3,3%	4,2%	7,5%
			high	0	0,0%	0,0%	0,0%
<b>Total</b>		<b>100,0%</b>		<b>41 915 509 506</b>	<b>71,0%</b>	<b>29,0%</b>	<b>100,0%</b>

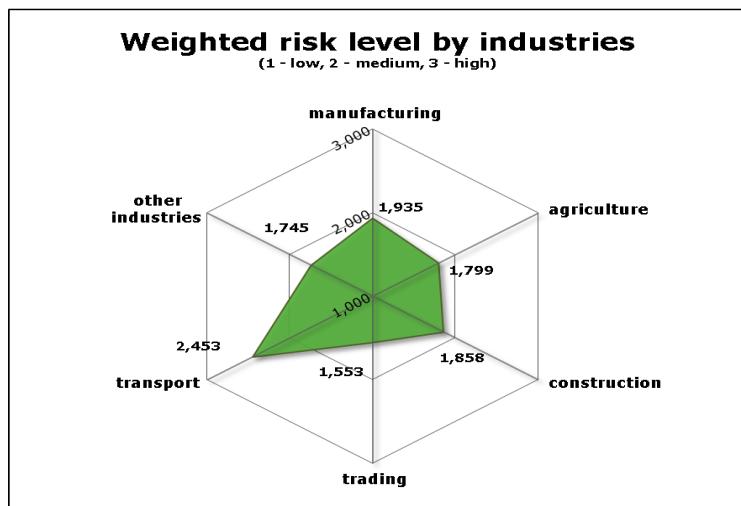
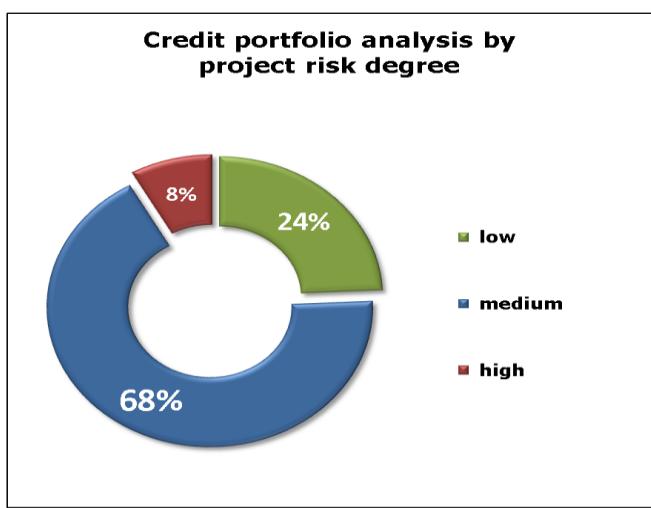


**1.2. Credit portfolio structure by environmental, social, and project risk degrees:**

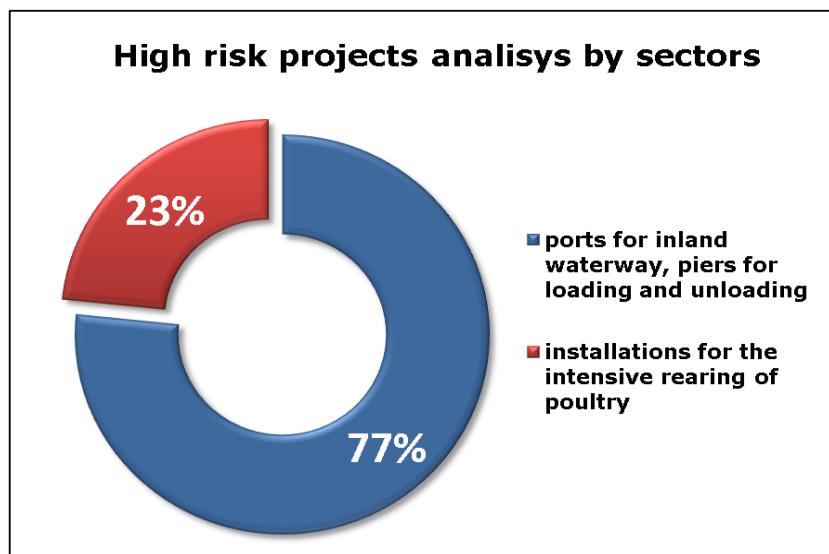
Risk degree	Environmental risk, debts on loans (RUR)	Share	Social risk, debts on loans (RUR)	Share	Project risk, debts on loans (RUR)	Share
low	23 491 080 816,67	56,0%	23 128 097 207	55,2%	10 176 658 177,64	24,3%
medium	13 508 460 202,48	32,2%	11 336 126 233	27,0%	28 325 158 966,40	67,6%
high	4 915 968 486,76	11,7%	7 451 286 066	17,8%	3 413 692 361,87	8,1%



Environmental risk degree	Social risk degree	Debts on loans (RUR)	Share
low	low	20 154 975 079	48,08%
low	medium	3 141 550 598	7,49%
low	high	194 555 140	0,46%
medium	low	2 781 603 244	6,64%
medium	medium	8 103 118 104	19,33%
medium	high	2 623 738 854	6,26%
high	low	191 518 884	0,46%
high	medium	91 457 531	0,22%
high	high	4 632 992 072	11,05%



The following diagram presents groups of high project risk customers by industries.



## **2. Describe how the environmental procedures were included in the operation approval process:**

In 2010 the Bank adopted a new version of «Environmental and Social Policy» (06.09.2010, amendments dd. 01.02.2011, dd. 11.09.2012, dd. 23.04.2014), which was agreed with the main shareholders and partners of the Bank.

The Environmental and Social policy of JSC CB Center-invest (further 'Policy') is a key element of the process of decision-making in the Bank related to financing and approval of projects, and monitoring of their realization.

The purpose of the Policy consist in description of the commitments and procedures supporting the generally recognized principles of promotion of the 'environmentally safe and steady development' in all business operations in the domains of banking, investment, and technical cooperation, as a fundamental aspect of a rational conduct of business.

Center-Invest Bank prefers to finance the projects capable of bringing additional environmental and social yields. Special attention is paid to projects including elements aimed at solution of priority environmental and social problems characteristic of the region, where the Bank operates, such as mitigation of the climate change consequences and the corresponding adaptation measures, desertification, preservation of biodiversity, power and resources saving, reduction of the scale of poverty, promotion of good labor conditions, overcoming of social alienation, access to the basic services, equality of sexes, transparency and social development.

The Bank understands the importance of the measures for mitigation of the climate change consequences and corresponding adaptation, and their priority in the context of its operations in the region. It intends to further develop its approach to solution of the climate change problems, especially with regard to reduction of the greenhouse gas emissions, adaptation, use of renewable energy sources, and rising of power efficiency, and to intensify its efforts for solution of these problems within the framework of its operations.

All projects funded by the Bank are subjected to preliminary environmental and social assessment to assist in taking decisions on expediency of financing of a particular activity and, in case of a positive decision, determination of the approach to solution of the environmental and social problems. Such a preliminary social and environmental assessment is a part of the process of general preliminary assessment of the project, which presupposes assessment of the financial, and goodwill risks, and identification of opportunities to improve the environmental or social situation. This preliminary assessment takes into account the nature and the scale of the project, and is commensurate with the level of environmental and social risks and their consequences.

Center-Invest Bank may refuse from financing of a proposed project for environmental or social reasons in the events when, for instance, such project does not provide for satisfactory methods of solution of environmental and social problems within the time limits deemed reasonable by the Bank, or when the level of residual consequences is inadmissibly high. Besides, there is a list of operations, which the Bank will not finance. That list is contained in the appended 'Environmental and Social Exclusion List of Center-Invest Bank.

Based on environmental and social criteria, Center-Invest Bank classifies the proposed projects by the following categories depending on the level of environmental and social risks: 'A' or 'high-risk', 'B' or 'medium-risk', 'C' or 'low-risk' (Annex 3). This is needed to provide for the scale of the potential environmental and social consequences and problems connected with the proposed projects, and to determine the nature and depth of the required analysis of the environmental and social aspects of each project, the extent of disclosure of information, and cooperation with the interested parties, account taken of the character, the location, the environmental sensitivity, and the scale of the project, as well as the nature and severity of the concomitant environmental consequences and problems. The Bank refers to Category 'A' all projects described in the appended 'Category 'A' Projects', and the projects characterized by a 'high' level of environmental and social risks based on assessment carried out in accordance with the appended 'Criteria of Assessment of Environmental and Social Risks' (Annex 4).

Center-Invest Bank will monitor compliance with the environmental and social commitments under the projects. If the results of monitoring show that the project realization circumstances have changed, or that the customer does not comply with its obligations to observe the requirements, the Bank will work out the corrective actions in collaboration with the customer, and/or resort to the appropriate legal remedies provided for in the contractual and legal documents.

**3. Specify the details of the operations, the execution of which was refused for environmental reasons, in particular because of actual or alleged failure to comply with the Exclusion List:**

No such cases found.

**4. Specify the details of the operations, the execution of which was refused for environmental reasons, because of failure to comply with the laws on health or safety:**

No such cases found.

**5. Specify the details of significant environmental problems connected with the borrowers, during the accounting period. In particular:**

- Accidents / court hearings / lawsuits,
- Cases of non-compliance with the applicable laws on environment protection, health, or safety, resulting in fines, penalties, or non-compliance rates,
- Cases of non-compliance of the borrowers with the environmental provisions of the agreements signed with the Bank:

No such cases found.

**6. Specify the details of the loans / investments / guarantees, etc. used for financing of environmental improvements, such as greater efficiency of energy utilization, reduction of energy consumption, reduction of volumes of water consumption, switchover to clean technologies, lower payments for the issue of permits, or minimization of fines as a result of environmental improvements:**

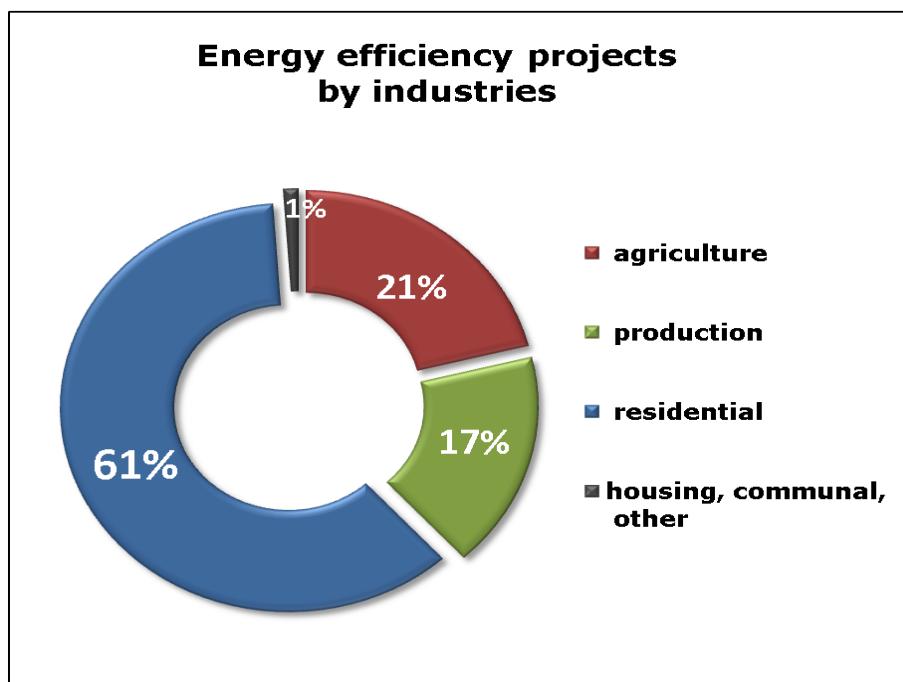
According to the results of 2014 the bank's loan portfolio includes 6 160 energy efficiency projects for the total amount of 2 733.5 million rubles.

Breakdown of financed energy efficiency projects by industries provided below:

Industry	Number of projects	Projects amount (RUR)	Amount of financing (RUR)	Share
agriculture	74	663 430 156	576 680 362	21,1%
production	27	593 306 892	467 826 837	17,1%
residential	6 048	1 659 211 500	1 659 211 500	60,7%
housing, communal, other	11	52 745 417	29 742 939	1,1%
<b>Total</b>	<b>6 160</b>	<b>2 968 693 965</b>	<b>2 733 461 638</b>	<b>100,0%</b>

Center-invest Bank's success in financing energy efficiency projects is attributable to the fundamentally new approach that we have developed for our customers in southern Russia: sustainable lending. This new strategy combines technical, financial and social engineering.

The list of all energy efficiency projects (except Residential loans portfolio) provided in 2014 with indication of Energy savings (per unit) and Reduction of CO<sub>2</sub> (tones per annum) is given in Annex 5. Total CO<sub>2</sub> reduction for 2014 equals 15 234 ton.



## 7. Specify the details of the bad debts arising as a result of environmental problems:

No such cases found.

## 8. Describe the methods of monitoring of the nature protection activities of the borrowers (e.g. on-site visits by the Bank employees, inspection by the environment protection / sanitary control bodies, copies of new permits, reports of borrowers):

The Bank supervises over all projects included in its portfolio, in order to secure compliance with the environmental, social, and other requirements for the project. The borrowers are inspected on site, on the quarterly basis, by the employees of the Economic Security Directorate of the Bank, who perform, inter alia, the visual control of the borrower's compliance with the environmental requirements of the Bank. In the event of violations, the Bank chooses the appropriate course of action, and informs the company involved in the project about the need to take the corresponding corrective measures.

**9. Specify the surname and the title of the employee(s) responsible for adoption of the environmental procedures:**

Sergey Y. Smirnov – Deputy Chairman of the Executive Board of Center-invest Bank - in charge of coordination of the processes used for the adoption of the environmental procedures at Center-invest Bank, Environmental secretary of Center-invest Bank;

Olga E. Fofonova – Senior Economist of the Corporate lending department.

**10. Specify the difficulties and / or constraints in connection with the adoption of the environmental procedures:**

Main problems:

- low level of environmental awareness of the customers – the project sponsors;
- underestimation by them of the importance of the environmental audit for modernization of their productions;
- insufficient information available to the public on the decisions capable of adversely effecting the quality and purity of the environment.

**11. Additional “sustainable” information:**

Since recently, starting from 2012, Center-invest Bank has adopted a new strategy "Sustainable banking business model" which has defined its approach to banking business in the Southern Russia. It is not a marketing tool, but a new way of thinking and banking in Russia.

Disclosure & transparency: annual audit by PWC, Moody's rating confirmed at Ba3 positive, in 2007 Center-invest Bank was the first Russian bank to be a finalist and prize winner in the FT Sustainable Banking Awards: Dr. Vysokov won the silver medal in the "Sustainable Banker of the Year" category. In a competition run by The New Economy magazine, Center-invest Bank was recognise as the best Russian bank of 2010 for sustainability. Center-invest was the only Russian bank to reach the competition final. The winners of the Sustainable Entrepreneurship Award 2011 (SEA) were announced in Vienna. In 2013 Center-invest Bank was the runner-up in its category in the FT/IFC Sustainable Finance Awards, receiving a special commendation for leadership in Eastern Europe. Center-invest Bank was the only Russian bank to win an award. These achievements are attributable to the bank's strategies for sustainable business development, incorporating social responsibility, and implementing energy-efficiency technologies. It is possible to find full information and disclosures on the bank's website: [www.centrinvest.ru](http://www.centrinvest.ru)

Bank provides not only commercial loans, but also a support in a technical assistance helping to companies calculates all main project parameters on the pre-financial stage. During the program realization following support could be received by all customers: IFC consultants (2005-2011), MVV decon GmbH (2007-2009), RuSEFF (2012-2014), and bank specialists. For the period of 2005-2014 customers received 42 energy-audits from our partners, and lots of calculations from bank staff. It is a great opportunity both for companies and bank to find and analyse all financial parameters before project implementation. For companies it is a way to check own expectation with independent ones. For Center-invest it is a way to reduce project risk.

Bank customers may receive loan for energy-efficiency purposes in any from 135 bank branches in Southern Russia. It can be either loan for bakery oven, or harvester combine, or walls insulation in multifamily building, or washing machine with energy class A+. It is taking place because of annual trainings of our loan officers by consultants and bank staff. For Center-invest is a very important thing to provide all range of services in any bank office even the smallest one.

Center-Invest Bank specialists participate in all main discussions relative to capital repair of multi-family buildings, because bank has a unique experience in financing of home owner assotiations and housing management companies for the purposes of capital repair of buildings.

**Center-invest Bank, Annual environmental report, Y 2014**

Our expert opinion was presented for The State Duma of the Federal Assembly of Russian Federation, The Council of Federation of the Federal Assembly of the Russian Federation, The Russian Chamber of Commerce and Industry, during Annual meeting of Russian Association of Home Owner Associations, Association of European Business, Association of Municipalities of Rostov region, and others.

## **Environmental and Social Exclusion List of Center-Invest Bank**

Center-Invest Bank invariably does not finance, directly or indirectly, any projects that involve the following:

- 1) production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international phase outs or bans, including:
  - a) production or trade in products containing PCBs<sup>1</sup>;
  - b) production or trade in pharmaceutical products, pesticides/herbicides, or other dangerous substances subject to international phase outs or bans<sup>2</sup>;
  - c) production or trade in ozone depleting substances subject to international phase out<sup>3</sup>;
  - d) trade in wildlife or plants or wildlife or plant products regulated under CITES<sup>4</sup>
  - e) transboundary trade in wastes prohibited by international laws<sup>5</sup>.
- 2) production, use or trade in unbonded asbestos fibers and asbestos-containing products<sup>6</sup>;
- 3) activities prohibited by host country legislation or international conventions relating to the protection of biodiversity resources or cultural heritage<sup>7</sup>;
- 4) drift net fishing in the marine environment using nets in excess of 2.5 km in length
- 5) shipment of oil or other hazardous substances in tankers that do not comply with IMO requirements<sup>8</sup>;
- 6) trade in goods without the required export or import licenses or other evidence of authorization of carriage issued by the corresponding export/import or, whenever necessary, transit countries.
- 7) Activities in the nuclear fuel production cycle (uranium mining, production, enrichment, storage or transport of nuclear fuels) and production of or trade in radioactive materials. This does not apply to: the purchase of medical equipment, quality control (measurement) equipment and any equipment where IFC/EBRD consider the radioactive source to be trivial and/or adequately shielded;
- 8) Production of or trade in weapons and munitions (This does not apply to project sponsors who are not substantially involved in these activities. "Not substantially involved" means that the activity concerned is ancillary to a project sponsor's primary operations);
- 9) Production of or trade in alcoholic beverages (excluding beer and wine) (This does not apply to project sponsors who are not substantially involved in these activities. "Not substantially involved" means that the activity concerned is ancillary to a project sponsor's primary operations);
- 10) Production of or trade in tobacco (This does not apply to project sponsors who are not substantially involved in these activities. "Not substantially involved" means that the activity concerned is ancillary to a project sponsor's primary operations);
- 11) Gambling, casinos and equivalent enterprises (This does not apply to project sponsors who are not substantially involved in these activities. "Not substantially involved" means that the activity concerned is ancillary to a project sponsor's primary operations);
- 12) Commercial logging operations for use in primary tropical moist forest;

<sup>1</sup> PCBs: Polychlorinated biphenyls are a group of highly toxic chemicals. PCBs are likely to be found in oil-filled electrical transformers, capacitors and switchgear dating from 1950-1985

<sup>2</sup> Reference documents are EU Regulation (EEC) No 2455/92 Concerning the Export and Import of Certain Dangerous Chemicals, as amended; UN Consolidated List of Products whose Consumption and/or Sale have been Banned, Withdrawn, Severely Restricted or not Approved by Governments; Convention the Prior Informed Consent Procedures for Certain Hazardous Chemicals and Pesticides in International Trade (Rotterdam Convention); Stockholm Convention on Persistent Organic Pollutants; WHO Classification of Pesticides by Hazard.

<sup>3</sup> Ozone depleting substances: Chemical compounds which react with and deplete stratospheric ozone, resulting in widely publicised 'ozone holes'. The Montreal Protocol lists such substances and their target reduction and phase out dates.

<sup>4</sup> CITES: Convention on International Trade in Endangered Species of Wild Fauna and Flora. A list of CITES listed species is available at [www.cites.org/eng/app/index.shtml](http://www.cites.org/eng/app/index.shtml)

<sup>5</sup> Reference documents are Regulation (EC) No.1013/2006 of 14 June 2006 on shipments of waste; Decision C (2001) 107/Final of the OECD Council concerning the revision of Decision C(92)39/Final on the control of transboundary movements of wastes destined for recovery operations; Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal of 22 March 1989.

<sup>6</sup> This does not apply to the use or trade in bonded asbestos cement sheeting where the asbestos content is less than 20%.

<sup>7</sup> Relevant international conventions include, without limitation: Convention on the Conservation of Migratory Species of Wild Animals (Bonn Convention); Convention on Wetlands of International Importance, especially as Waterfowl Habitat (Ramsar Convention); Convention on the Conservation of European Wildlife and Natural Habitats (Bern Convention); World Heritage Convention; Convention on Biological Diversity with protocols thereto.

<sup>8</sup> This includes: tankers which do not have all required MARPOL and SOLAS certificates (including, without limitation, ISM Code compliance), tankers blacklisted by the European Union or banned by the Paris Memorandum of Understanding on Port State control (Paris MOU), and tankers due for phase out under regulations 13G and 13H of Annex I of MARPOL. No single hull tanker over 25 years old should be used.

- 13) Production of or trade in wood or other forestry products other than from sustainably managed forests;
- 14) Production or activities involving harmful or exploitative forms of forced labour/harmful child labour (Forced labour means all work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty. Harmful child labour means the employment of children that is economically exploitative, or is likely to be hazardous to, or to interfere with, the child's education, or to be harmful to the child's health, or physical, mental, spiritual, moral or social development).
- 15) Pornography and/or prostitution;
- 16) Racist and/or anti-democratic media.

When financing micro-finance activities, FIs will also apply the following additional exclusions:

- a) Production, trade, storage, or transport of significant volumes of hazardous chemicals, or commercial scale usage of hazardous chemicals. Hazardous chemicals include gasoline, kerosene, and other petroleum products;
- b) Production or activities that impinge on the lands owned, or claimed under adjudication, by Indigenous Peoples, without full documented consent of such peoples.

## **Category 'A' Projects**

This list refers to projects of new construction, upscaling or transformation / conversion in the following categories. This list is not exhaustive, and the project types included in the list are shown as examples. Referral of the projects to a particular category depends on the nature and scale of the actual or potential adverse environmental or social consequences, and is determined by the specific aspects of realization of the project, and location of the site.

1. Crude oil refineries (excluding undertakings manufacturing only lubricants from crude oil) and installations for the gasification and liquefaction of 500 tonnes or more of coal or bituminous shale per day.
2. Thermal power stations and other combustion installations with a heat output of 300 MW <sup>9</sup>or more, and, nuclear power stations and other nuclear reactors, including the dismantling or decommissioning of such power stations or reactors (except research installations for the production and conversion of fissionable and fertile materials, whose maximum power does not exceed 1 kW of continuous thermal load).
3. Installations designed for the production, or enrichment of nuclear fuels, the reprocessing, storage or final disposal of irradiated nuclear fuels, or for the storage, disposal or processing of radioactive waste.
4. Integrated works for the initial smelting of cast-iron and steel; installations for the production of nonferrous crude metals from ore, concentrates or secondary raw materials by metallurgical, chemical or electrolytic processes.
5. Installations for the extraction of asbestos and for the processing and transformation of asbestos and products containing asbestos: for asbestos-cement products, with an annual production of more than 20,000 tonnes finished product; for friction material, with an annual production of more than 50 tonnes finished product; and for other asbestos utilization of more than 200 tonnes per year.
6. Integrated chemical installations, i.e. those installations for the manufacture on an industrial scale of substances using chemical conversion processes, in which several units are juxtaposed and are functionally linked to one another and which are for the production of: basic organic chemicals; basic inorganic chemical; phosphorus-, nitrogen- or potassium-based fertilizers (simple or compound fertilizers); basic plant health products and of biocides; basic pharmaceutical products using a chemical or biological process; explosives.
7. Construction of motorways, express roads and lines for long-distance railway traffic and of airports with a basic runway length of 2,100 metres or more; construction of a new road of four or more lanes, or realignment and/or widening of an existing road so as to provide four or more lanes, where such new road, or realigned and/or widened section of road would be 10 km or more in a continuous length.
8. Pipelines, terminals, and associated facilities for the large-scale transport of gas, oil, and chemicals.
9. Sea ports and also inland waterways and ports for inland-waterway traffic which permit the passage of vessels of over 1,350 tonnes; trading ports, piers for loading and unloading connected to land and outside ports (excluding ferry piers) which can take vessels of over 1,350 tonnes.
10. Waste-processing and disposal installations for the incineration, chemical treatment or landfill of hazardous, toxic or dangerous wastes.
11. Large<sup>10</sup>dams and other impoundments designed for the holding back or permanent storage of water.
12. Groundwater abstraction activities or artificial groundwater recharge schemes in cases where the annual volume of water to be abstracted or recharged amounts to 10 million cubic meters or more.
13. Industrial plants for the (a) production of pulp from timber or similar fibrous materials; (b) production of paper and board with a production capacity exceeding 200 air-dried metric tonnes per day.

<sup>9</sup> Equivalent to a gross electrical output of 140 MWe for steam and single cycle gas turbines power stations.

<sup>10</sup> As per the definition of the International Commission on Large Dams (ICOLD). ICOLD defines a large dam as a dam with a height of 15 m or more from the foundation. Dams that are between 5 and 15m high and have a reservoir volume of more than 3 million m<sup>3</sup> are also classified as large dams.

14. Large-scale peat extraction, quarries and open-cast mining, and processing of metal ores or coal.
15. Extraction of petroleum and natural gas for commercial purposes.
16. Installations for storage of petroleum, petrochemical, or chemical products with a capacity of 200,000 tonnes or more.
17. Large-scale forest harvesting.
18. Municipal waste water treatment plants with a capacity exceeding 150,000 population equivalent.
19. Municipal solid waste-processing and disposal facilities.
20. Large-scale tourism and retail development.
21. Construction of overhead electrical power lines.
22. Large-scale land reclamation.
23. Large-scale primary agriculture/silviculture involving intensification or conversion of natural habitats.
24. Plants for the tanning of hides and skins where the treatment capacity exceeds 12 tons of finished products per day.
25. Installations for the intensive rearing of poultry or pigs with more than: 40,000 places for poultry; 2,000 places for production pigs (over 30 kg); or 750 places for sows.
26. Projects<sup>11</sup> which are planned to be carried out in sensitive locations or are likely to have a perceptible impact on such locations, even if the project category does not appear in the above list. Such sensitive locations include National Parks and other protected areas identified by national or international law, and other sensitive locations of international, national or regional importance, such as wetlands, forests with high biodiversity value, areas of archaeological or cultural significance, and areas of importance for indigenous peoples or other vulnerable groups.
27. Projects which involve significant adverse social consequences for the local inhabitants or other persons affected by the project.
28. Projects which involve large-scale resettlement or retrenchment (unbalancing of a stable economic situation).

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<sup>11</sup> Including, specifically, social or environmental projects (such as renewable energy sources).

**Criteria for assessment of environmental and social risks<sup>12</sup>**

<b>Loan issue criteria</b>	<b>Risk level (assessment criteria)</b>	<b>Risk value (multiplier)</b>	<b>Total (level x value)</b>
Environmental and social <sup>13</sup> risk in the sector <sup>14</sup>	1.0 – low/low 1.5 – low/medium, medium/low 2.0 – medium/medium, low/high 2.5 – medium/high, high/low 3.0 – high/medium, high/high	40	<b>40 60 80 100 120</b>
Amount of loan	0 - up to 3 million rubles. 1 - 3 to 6 million rubles 2 - 6 to 30 million rubles 3 - more than 30 million rubles	20	<b>0 20 40 60</b>
Loan term	1 - up to 6 months 2 - 6 to 24 months 3 - more than 24 months	20	<b>20 40 60</b>
Collateral	1.0 - account turnover; guarantee; bill; unsecured loan 1.5 - account turnover; guarantee; bill; unsecured loan + fixed assets; inventory pledge; land without a history of industrial production 2.0 - fixed assets; inventory pledge; land without a history of industrial production 2.0 - account turnover; guarantee; bill; unsecured loan + land with a history of industrial production or contamination 2.0 - account turnover; guarantee; bill; unsecured loan + fixed assets; inventory pledge; land without a history of industrial production + land with a history of industrial production or contamination 2.5 - fixed assets; inventory pledge; land without a history of industrial production + land with a history of industrial production or contamination 3.0 - land with a history of industrial production or contamination	20	<b>20 30 40 40 40 50 60</b>
Business experience of the Borrower (risk management skills) <sup>15</sup>	1 - substantial 2 - moderate 3 - low	20	<b>20 40 60</b>
<b>Total</b>			<b>XXX (sum of accumulated points)</b>
		High	<b>300-360</b>
		Medium	<b>171-299</b>
		Low	<b>100-170</b>

<sup>12</sup> Preliminary assessment shall be performed for all projects considered by the Bank, on the basis of this Appendix. Assessment shall be carried out by the employees of the Bank responsible for review of the customers' projects. Based on the results of such assessment, and with regard to sections 18-20 of the ESP, a decision will be taken on further actions for consideration of the project.

<sup>13</sup> For the purposes of the ESP, the social aspects include the following: labor standards and conditions, including health and safety at work, and the consequences for the local population in such areas as health and safety of the population, equality of sexes, consequences for the indigenous peoples and for the cultural heritage, resettlement, and availability of the basic services.

<sup>14</sup> According to the Note 'Industry Sector Classifier' attached hereto

<sup>15</sup> The borrower's business experience means the CEO's years of service in the particular business area (substantial – more than 3 years, moderate – from 1 to 3 years, low – less than 1 year).

**Form of the report on performance of a complex environmental and social examination and monitoring (CESE)<sup>16</sup>**

The Borrower : \_\_\_\_\_

Nature of operations and business of the Borrower:

--

Reviewed environmental information and identified problems:

--

Reviewed social information and identified problems:

--

Compliance with regulatory requirements in the area of environment protection, labor and migration laws, and social requirements and commitments:

--

Detailed information on major injuries and accidents over the last two years:

--

If the land is used as security, indicate whether it has been significantly contaminated. If yes, indicate whether the Bank, as the security holder, has any land rehabilitation commitments, and the amount of such commitments.

--

Minimization and monitoring of risks: specify further actions required / planned by the Borrower, especially the actions aimed at elimination of the problems connected with non-compliance with health, safety, and environment protection requirements, and the corresponding commitments.

--

Minimization and monitoring of risks: specify the measures to be implemented by the Bank, such as environment protection conditions, loan issue provisos, or monitoring requirements (i.e., submission by the Borrower of regular reports).

--

Opportunities in the areas of environment protection and social standards (e.g., reduction of wastes, more efficient use of energy, use of cleaner technologies):

--

By \_\_\_\_\_

Date \_\_\_\_\_

<sup>16</sup> This Form must be filled in by the Bank's employees charged with review of the customers' projects, and shall be handed over to the Bank's employees responsible for the final assessment in accordance with section 32 of the ESP.

**Energy-efficiency loans (housing and communal sector)**

N	Loan ID	Project amount (RUR)	Loan amount (RUR)	Issue date	Tenor (month)	Loan type	Location	# of floors	# of apartments	Year of construct.	Construction material
1	40140135	291 360,00	291 360,00	27.08.2014	48	credit line	Rostov-on-Don	2	8	1998	brick
2	40140167	599 762,00	387 730,00	20.10.2014	8	credit line	Rostov-on-Don	16	105	2008	brick
3	40140168	6 638 602,00	6 059 362,00	21.10.2014	60	credit line	Rostov-on-Don	19	341	2009	brick
4	40140181	1 592 406,00	1 350 000,00	13.11.2014	60	credit line	Rostov-on-Don	16	79	1997	brick
5	40140182	519 287,32	519 287,32	13.11.2014	6	credit line	Rostov-on-Don	10	230	2000	brick

**Energy-efficiency loans (except residential loans)**

N	Customer	Branch	Project amount (RUR)	Amount of financing (RUR)	Payback period	Energy saving (per unit)	Industry	Issue date	Type of credit	Reducing of CO <sub>2</sub> (t per year)
1	Borrower-1	Of. Timashevskiy	14 500 000	14 500 000	2,7	85,3% (dt)	production	14.01.14	credit line	615,8
2	Borrower-2	Branch 2	4 500 000	4 500 000	3,3	50,0% (gaz)	production	20.02.14	credit line	247,2
3	Borrower-3	Of. Labinskiy	12 300 000	12 300 000	4,0	77,0% (dt)	agriculture	13.02.14	credit line	917,7
4	Borrower-4	Of. Labinskiy	103 433 000	68 050 000	4,1	77,3% (dt)	agriculture	13.02.14	credit line	1 142,5
5	Borrower-5	Of. Timashevskiy	12 000 000	12 000 000	4,0	46,7% (dt)	agriculture	03.03.14	credit line	109,5
6	Borrower-6	Of. Pokrovskiy	23 000 000	23 000 000	4,9	55,0% (dt)	agriculture	20.02.14	credit line	172,1
7	Borrower-7	Branch 7	8 750 000	8 750 000	4,9	41,7% (dt)	agriculture	12.02.14	credit line	89,4
8	Borrower-8	Branch 7	11 300 000	10 200 000	4,7	41,3% (dt)	agriculture	12.02.14	credit line	97,0
9	Borrower-9	Of. Pokrovskiy	965 000	865 000	2,7	47,1% (dt)	agriculture	11.03.14	term credit	41,7
10	Borrower-10	Of. Beloglinskiy	3 350 000	3 000 000	2,8	54,3% (dt)	agriculture	24.03.14	term credit	74,3
11	Borrower-11	Branch 6	1 717 000	1 373 000	2,7	45,1% (dt)	agriculture	18.03.14	term credit	36,0
12	Borrower-12	Of. Pokrovskiy	25 515 979	22 680 000	4,9	59,7% (dt)	agriculture	14.03.14	term credit	194,5
13	Borrower-13	Of. Krylovskiy	1 472 000	1 472 000	3,6	50,0% (dt)	agriculture	04.03.14	term credit	46,9
14	Borrower-14	Of. Volzhskiy	34 640 000	31 176 000	5,1	93,5% (gaz -> el)	agriculture	07.04.14	credit line	451,1
15	Borrower-15	Head office	7 656 703	7 656 703	3,2	51,4% (dt)	agriculture	03.04.14	credit line	46,3

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16	Borrower-16	Of. Pokrovskiy	709 000	567 000	2,4	47,5% (dt)	agriculture	25.03.14	term credit	34,0
17	Borrower-17	Branch 6	14 100 171	10 000 000	5,2	67,5% (dt)	agriculture	15.04.14	credit line	97,6
18	Borrower-18	Of. Volgodonskiy	36 212 480	28 970 000	5,2	70,5% (el)	production	26.05.14	leasing	131,4
19	Borrower-19	Of. Pokrovskiy	5 443 893	5 440 000	3,9	42,9% (dt)	agriculture	28.04.14	term credit	28,2
20	Borrower-20	Of. Volgodonskiy	21 685 500	17 350 000	2,9	46,3% (el)	production	21.04.14	credit line	25,2
21	Borrower-21	Of. Pokrovskiy	5 280 013	5 280 000	4,9	65,1% (dt)	agriculture	25.04.14	term credit	52,6
22	Borrower-22	Of. Beloglinskiy	2 595 300	2 206 000	3,6	61,1% (dt)	agriculture	19.05.14	term credit	83,7
23	Borrower-23	Of. Krylovskiy	12 087 310	12 087 310	5,3	66,7% (dt)	agriculture	23.04.14	credit line	125,2
24	Borrower-24	Branch 7	5 280 000	5 280 000	3,4	57,1% (dt)	agriculture	28.04.14	credit line	83,4
25	Borrower-25	Of. Armavir	16 770 000	15 093 000	4,7	58,1% (dt)	agriculture	30.05.14	leasing	95,4
26	Borrower-26	Of. Armavir	710 000	710 000	2,3	45,1% (dt)	agriculture	27.05.14	leasing	36,0
27	Borrower-27	Of. Armavir	28 400 000	28 400 000	4,6	61,6% (dt)	agriculture	29.05.14	credit line	301,2
28	Borrower-28	Branch 6	12 489 000	11 550 000	3,3	62,7% (dt)	agriculture	25.06.14	credit line	94,5
29	Borrower-29	Branch 5	18 000 000	5 500 000	3,9	39,5% (el,gaz)	production	05.06.14	credit line	1 238,6
30	Borrower-30	Of. Centralniy	54 000 000	10 000 000	4,6	49,9% (el)	production	18.06.14	credit line	588,8
31	Borrower-31	Of. Veshenskiy	34 240 611	30 816 549	5,8	53,8% (dt)	agriculture	03.06.14	credit line	273,8
32	Borrower-32	Of. Beloglinskiy	3 700 000	3 700 000	4,4	53,3% (dt)	agriculture	10.06.14	credit line	50,1
33	Borrower-33	Of. Armavir	891 000	876 700	2,7	66,7% (el)	agriculture	20.06.14	leasing	3,0
34	Borrower-34	Branch 5	30 000 000	30 000 000	3,0	working capital	production	17.01.14	credit line	
35	Borrower-35	Branch 5	40 000 000	40 000 000	3,0	working capital	production	07.03.14	credit line	
36	Borrower-36	Branch 5	25 000 000	25 000 000	3,0	working capital	production	13.05.14	credit line	
37	Borrower-37	Branch 5	25 000 000	25 000 000	3,0	working capital	production	01.07.14	credit line	
38	Borrower-38	Of. Beloglinskiy	1 107 000	995 000	3,8	40,0% (dt)	agriculture	11.08.14	credit line	33,4
39	Borrower-39	Of. Volgodonskiy	4 403 000	4 000 000	4,0	69,8% (el)	construction	08.09.14	credit line	18,5
40	Borrower-40	Of. Pokrovskiy	2 703 000	2 000 000	4,4	64,3% (dt)	agriculture	10.09.14	credit line	56,3
41	Borrower-41	Of. Beloglinskiy	1 857 000	1 671 300	4,9	51,9% (dt)	agriculture	17.07.14	credit line	43,8
42	Borrower-42	Of. Voenved	8 109 819	4 865 891	4,8	66,3% (el)	production	10.09.14	credit line	62,4
43	Borrower-43	Of. Pokrovskiy	4 069 342	3 569 000	3,9	53,0% (dt)	agriculture	18.08.14	credit line	63,6
44	Borrower-44	Of. Pokrovskiy	1 947 000	1 555 000	3,0	64,3% (dt)	agriculture	25.08.14	credit line	14,1
45	Borrower-45	of. Celinskiy	689 000	620 000	1,5	46,5% (dt)	agriculture	24.03.14	credit line	54,4
46	Borrower-46	of. Celinskiy	4 464 757	4 018 000	4,9	49,3% (dt)	agriculture	04.03.14	term credit	42,6

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47	Borrower-47	of. Celinskiy	2 200 000	1 500 000	4,5	41,2% (dt)	agriculture	19.08.14	credit line	48,1
48	Borrower-48	Of. Pokrovskiy	212 000	170 000	2,1	66,7% (dt)	agriculture	09.09.14	term credit	38,0
49	Borrower-49	of. Noviy	17 425 967	12 500 000	5,0	43,9% (el)	production	02.04.14	term credit	113,3
50	Borrower-50	Of. Beloglinskiy	10 810 000	8 000 000	3,4	52,6% (dt)	agriculture	05.09.14	credit line	138,9
51	Borrower-51	Of. Veshenskiy	10 000 000	6 388 000	4,0	65,7% (dt)	agriculture	15.08.14	credit line	119,9
52	Borrower-52	Of. Millerovskiy	4 658 841	3 960 000	4,0	45,8% (dt)	agriculture	30.04.14	credit line	53,0
53	Borrower-53	Of. Kamensk-Shahtinskiy	5 280 013	4 000 000	4,5	45,7% (dt)	agriculture	27.08.14	credit line	52,6
54	Borrower-54	Branch 6	2 010 000	1 485 000	3,0	55% (dt)	construction	28.03.14	credit line	28,7
55	Borrower-55	Of. Centralniy	37 095 600	30 000 000	4,8	46,3% (el)	production	12.08.14	credit line	474,5
56	Borrower-56	Of. Centralniy	30 000 000	10 000 000	4,9	40,7% (el)	agriculture	22.08.14	credit line	27,5
57	Borrower-57	Branch 6	530 000	470 000	3,4	62,5% (el)	production	19.03.14	credit line	16,7
58	Borrower-58	Of. Pokrovskiy	27 000 000	27 000 000	5,0	72,2% (dt)	agriculture	07.11.14	credit line	81,4
59	Borrower-59	Of. Zapadniy	30 000 000	10 000 000	5,8	68,1% (el, gas)	production	01.10.14	credit line	425,9
60	Borrower-60	Of. Pokrovskiy	18 863 000	15 000 000	5,6	68,2% (el, dt)	agriculture	05.11.14	credit line	45,2
61	Borrower-61	Of. Pokrovskiy	4 730 012	4 500 000	4,4	65,1% (dt)	agriculture	07.11.14	term credit	52,6
62	Borrower-62	Branch 5	24 000 000	24 000 000	4,0	working capital	production	14.11.14	credit line	
63	Borrower-63	Of. Leningradskiy	10 911 905	8 633 000	5,0	59,8% (dt)	agriculture	11.11.14	term credit	46,6
64	Borrower-64	Of. Timashevskiy	4 608 700	2 800 000	6,5	42,4% (dt)	agriculture	14.11.14	credit line	46,1
65	Borrower-65	Of. Pokrovskiy	750 000	500 000	3,3	75,8% (dt)	agriculture	20.10.14	credit line	22,5
66	Borrower-66	Of. Budennovskiy	4 249 993	3 350 000	2,3	56,3% (el)	production	20.10.14	term credit	11,3
67	Borrower-67	Of. Shahtinskiy	6 905 000	5 500 000	4,3	75% (el)	production	26.09.14	credit line	7,5
68	Borrower-68	Of. Budennovskiy	4 132 857	3 000 000	4,2	68% (el)	production	06.10.14	credit line	23,0
69	Borrower-69	Of. Centralniy	4 070 000	2 500 000	5,1	80,5% (el)	production	26.09.14	term credit	66,5
70	Borrower-70	Of. Budennovskiy	9 028 700	5 000 000	1,2	41,1% (el)	production	18.09.14	credit line	907,6
71	Borrower-71	Of. Noviy	2 253 965	1 500 000	0,8	50% (el)	agriculture	15.09.14	credit line	1,0
72	Borrower-72	Of. Pyatigorskiy	7 830 696	7 830 696	4,5	49,8% (el)	production	09.09.14	credit line	178,3
73	Borrower-73	Of. Chaltyr	7 007 741	5 900 000	4,6	57,4% (dt)	agriculture	25.12.14	term credit	63,2
74	Borrower-74	Of. Pyatigorskiy	46 700 250	40 700 250	7,0	63,6% (el)	production	17.12.14	credit line	0,2
75	Borrower-75	Branch 7	901 000	901 000	4,4	45,2% (el)	service	28.04.14	term credit	2,2
76	Borrower-76	Branch 7	1 081 000	976 000	2,0	57,5% (dt)	agriculture	11.04.14	term credit	50,4
77	Borrower-77	Branch 7	4 866 400	4 866 400	4,4	44,6% (dt)	agriculture	10.04.14	term credit	50,4

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78	Borrower-78	Branch 7	2 500 000	2 500 000	3,0	46,4% (el)	production	25.03.14	credit line	0,0
79	Borrower-79	Branch 7	4 639 100	3 700 000	4,6	54,3% (dt)	agriculture	03.03.14	credit line	74,3
80	Borrower-80	Branch 7	650 000	650 000	1,3	42,3% (dt)	agriculture	07.02.14	term credit	45,9
81	Borrower-81	Branch 7	8 770 000	8 770 000	4,7	32,5% (dt)	agriculture	15.01.14	credit line	15,6
82	Borrower-82	Of. Chaltyr	10 000 000	10 000 000	4,2	48,3% (dt)	agriculture	25.12.14	term credit	220,7
83	Borrower-83	Head office	4 340 000	4 340 000	2,7	68,2% (dt)	agriculture	30.10.14	credit line	174,7
84	Borrower-84	Of. Peschanokopskiy	740 000	540 000	1,5	42,3% (dt)	agriculture	18.08.14	credit line	45,9
85	Borrower-85	Of. Millerovskiy	1 290 000	1 150 000	3,0	28,4% (dt)	service	20.10.14	credit line	39,8
86	Borrower-86	Of. Millerovskiy	5 280 000	4 200 000	4,3	66,9% (dt)	agriculture	29.12.14	credit line	113,7
87	Borrower-87	Of. Millerovskiy	4 500 000	3 599 200	4,7	32,5% (dt)	service	12.05.14	credit line	22,6
88	Borrower-88	Of. Millerovskiy	2 300 000	2 070 000	2,7	55,6% (dt)	agriculture	16.12.14	credit line	78,2
89	Borrower-89	Of. Krylovskiy	3 400 000	2 720 000	4,1	46,7% (dt)	agriculture	11.07.14	credit line	21,9
90	Borrower-90	Of. Kagalnitskiy	6 084 500	5 400 000	4,7	51,7% (dt)	agriculture	06.06.14	credit line	36,8
91	Borrower-91	Branch 7	1 956 000	1 560 000	4,6	45,7% (dt)	agriculture	22.08.14	credit line	39,5
92	Borrower-92	Branch 7	4 000 000	3 400 000	4,2	48,5% (dt)	agriculture	27.06.14	term credit	44,2
93	Borrower-93	Branch 7	3 375 000	2 700 000	1,4	93,7% (dt, el)	agriculture	29.05.14	term credit	226,6
94	Borrower-94	Branch 7	4 573 000	4 115 700	4,9	49,3% (dt)	agriculture	26.05.14	credit line	45,6
95	Borrower-95	Branch 6	1 038 000	830 000	2,9	39,4% (dt)	agriculture	22.09.14	credit line	32,6
96	Borrower-96	Branch 7	35 056 000	35 056 000	4,7	78,9% (dt)	agriculture	02.12.14	credit line	129,1
97	Borrower-97	Branch 7	4 285 700	4 285 700	4,1	73,7% (dt)	agriculture	30.10.14	credit line	96,4
98	Borrower-98	Branch 7	5 125 000	4 100 000	4,1	61,5% (el)	agriculture	06.10.14	credit line	20,0
99	Borrower-99	Branch 7	1 400 000	1 120 000	2,9	46,7% (dt)	agriculture	17.09.14	credit line	43,8
100	Borrower-100	Of. Mikhailovskiy	1 390 000	1 112 000	3,9	42,7% (dt)	agriculture	26.09.14	credit line	32,6
101	Borrower-101	Of. Mikhailovskiy	2 698 900	1 500 000	3,6	47% (dt)	agriculture	13.08.14	credit line	41,6
102	Borrower-102	Of. Mikhailovskiy	4 886 300	4 395 000	4,7	46,4% (dt)	agriculture	11.07.14	credit line	43,4
103	Borrower-103	Of. Mikhailovskiy	8 576 000	7 465 000	4,9	61,3% (dt)	agriculture	28.11.14	credit line	74,4
104	Borrower-104	Of. Selmash	7 282 340	6 000 000	2,6	42,3% (el, gas)	production	17.10.14	credit line	1 021,8
105	Borrower-105	Of. Pyatigorskiy	70 038 690	68 790 000	4,9	72,4% (el, gas)	production	08.12.14	credit line	145,4
106	Borrower-106	Of. Pyatigorskiy	44 509 000	40 000 000	4,8	69,6% (dt, heat)	production	29.10.14	credit line	959,4
107	Borrower-107	Head office	18 000 000	18 000 000	4,1	61,5% (dt)	agriculture	23.12.14	credit line	140,2