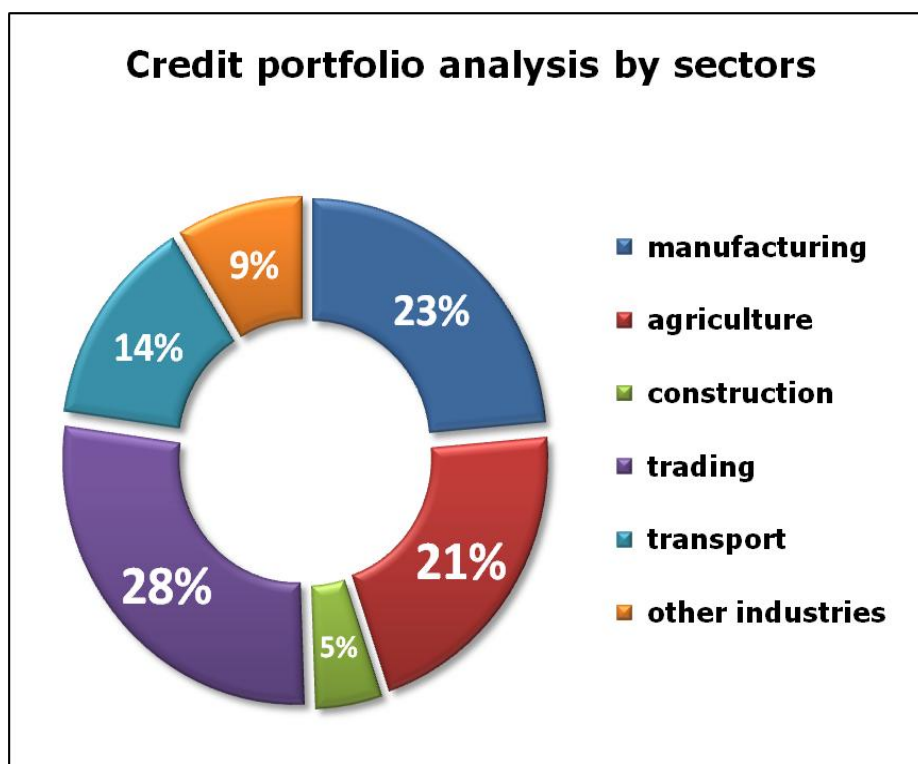


## Annual environmental report, Y 2015

### 1. Analysis of the corporate loan portfolio by operation types and industry sectors and classification of environmental risks as of January 1, 2016.

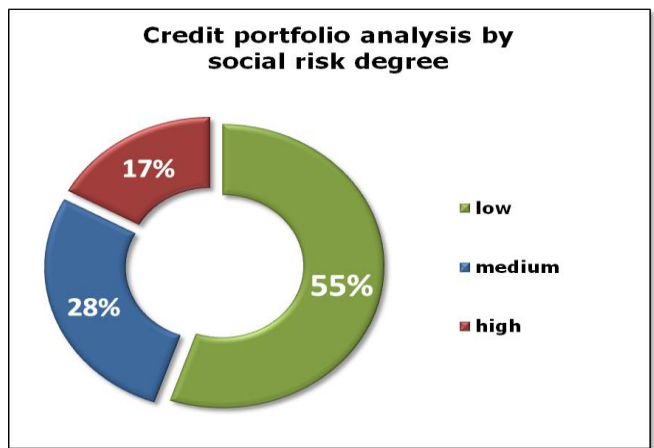
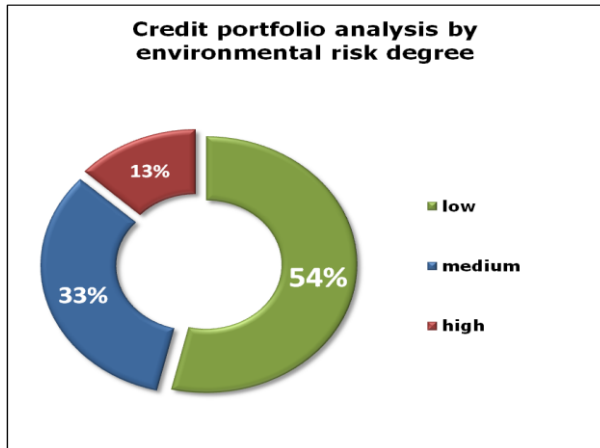
#### 1.1. Corporate loan portfolio structure by operation types, industry sectors, and project risk degrees:

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	9 520 558 403	23,6%	low	424 424 075	0,9%	0,1%	1,1%
			medium	9 096 134 328	15,3%	7,3%	22,5%
			high	0	0,0%	0,0%	0,0%
agriculture	8 561 475 224	21,2%	low	1 547 516 854	2,5%	1,3%	3,8%
			medium	6 222 623 370	9,1%	6,3%	15,4%
			high	791 335 000	1,8%	0,1%	2,0%
construction	1 869 078 975	4,6%	low	362 622 887	0,8%	0,1%	0,9%
			medium	1 506 456 088	3,2%	0,6%	3,7%
			high	0	0,0%	0,0%	0,0%
trading	11 213 618 119	27,8%	low	4 908 510 006	10,4%	1,8%	12,2%
			medium	6 305 108 113	13,5%	2,2%	15,6%
			high	0	0,0%	0,0%	0,0%
transport	5 639 959 954	14,0%	low	279 729 796	0,3%	0,4%	0,7%
			medium	2 191 834 300	1,2%	4,2%	5,4%
			high	3 168 395 859	7,9%	0,0%	7,9%
other industries	3 543 048 893	8,8%	low	790 261 180	1,2%	0,7%	2,0%
			medium	2 752 787 713	3,3%	3,6%	6,8%
			high	0	0,0%	0,0%	0,0%
<b>Total</b>		<b>100,0%</b>		<b>40 347 739 568</b>	<b>71,4%</b>	<b>28,6%</b>	<b>100,0%</b>

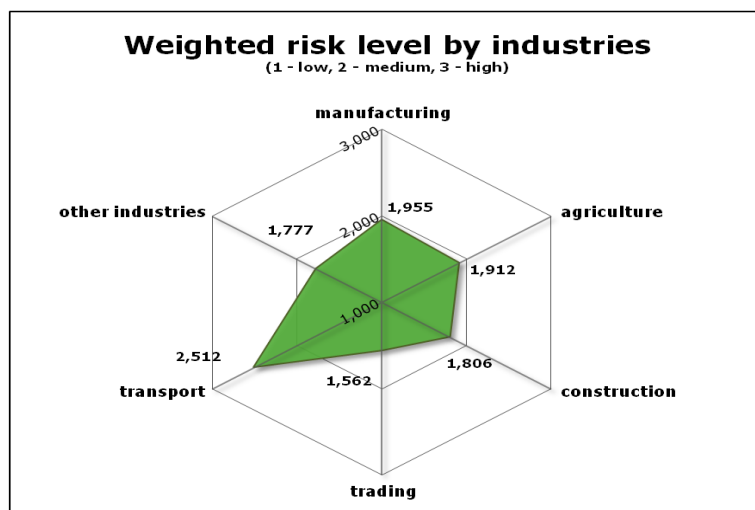
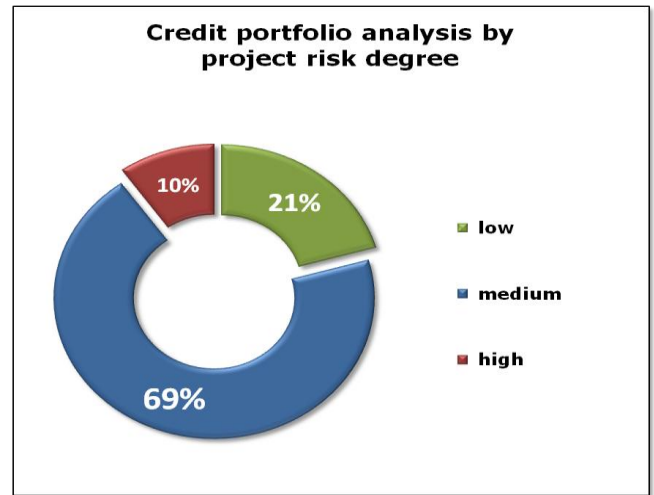


**1.2. Credit portfolio structure by environmental, social, and project risk degrees:**

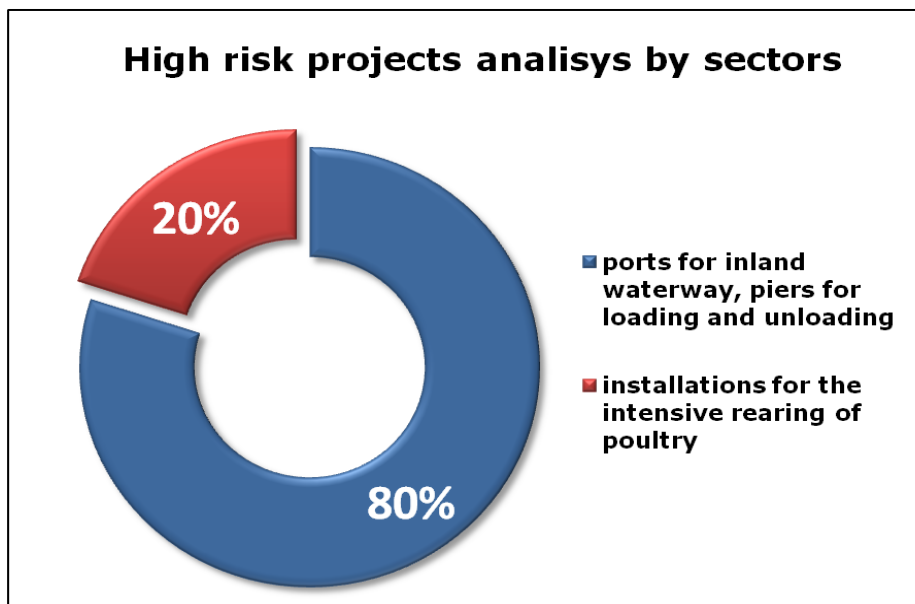
Risk degree	Environmental risk, debts on loans (RUR)	Share	Social risk, debts on loans (RUR)	Share	Project risk, debts on loans (RUR)	Share
low	21 673 491 265,45	53,7%	22 292 647 642	55,3%	8 313 064 798,29	20,6%
medium	13 347 728 365,16	33,1%	11 186 272 220	27,7%	28 074 943 911,64	69,6%
high	5 326 519 937,88	13,2%	6 868 819 707	17,0%	3 959 730 858,56	9,8%



Ecological risk level	Social risk level	Amount (ths. rub.)	Share
low	low	19 051 152 021	47,22%
low	medium	2 452 878 256	6,08%
low	high	169 460 988	0,42%
medium	low	3 018 636 611	7,48%
medium	medium	8 503 735 234	21,08%
medium	high	1 825 356 520	4,52%
high	low	222 859 010	0,55%
high	medium	229 658 730	0,57%
high	high	4 874 002 198	12,08%



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:**

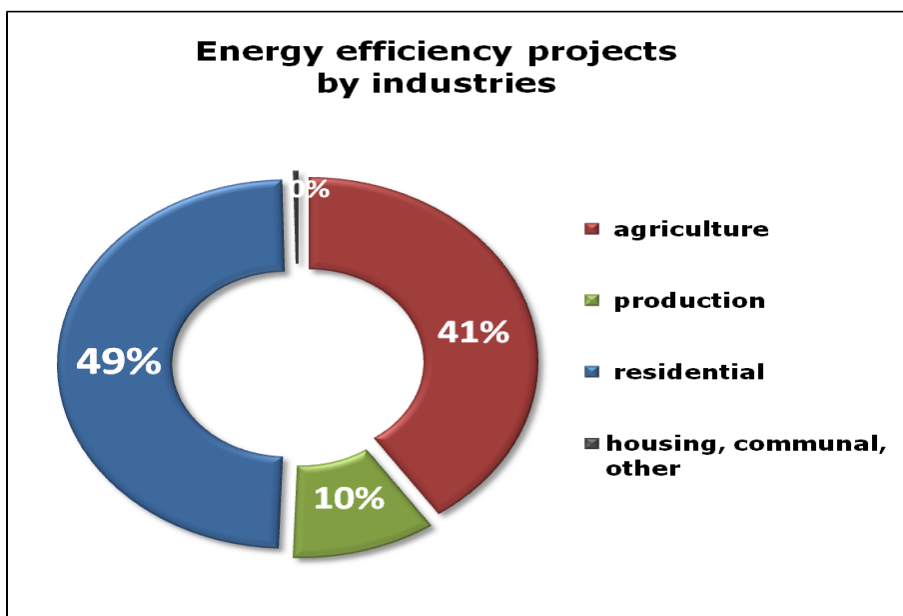
According to the results of 2015 the bank’s loan portfolio includes 4 303 energy efficiency projects for the total amount of 2 202.3 million rubles.

Breakdown of financed energy efficiency projects by industries provided below:

Industry	Number of projects	Projects amount (RUR)	Amount of financing (RUR)	Share
agriculture	95	1 042 036 524	879 630 047	40,4%
production	19	251 131 181	223 725 100	10,2%
residential	4 185	1 080 611 387	1 080 611 387	49,1%
housing, communal, other	11	23 025 000	18 310 000	0,3%
<b>Total</b>	<b>4 303</b>	<b>2 396 804 092</b>	<b>2 202 276 534</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 2015 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 2015 equals 15 067 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 B1 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 recognised 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.centriinvest.ru](http://www.centriinvest.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

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associations and housing management companies for the purposes of capital repair of buildings. 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.



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- 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.

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<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	40	<b>40</b>
	1.5 – low/medium, medium/low		<b>60</b>
	2.0 – medium/medium, low/high		<b>80</b>
	2.5 – medium/high, high/low		<b>100</b>
	3.0 – high/medium, high/high		<b>120</b>
Amount of loan	0 - up to 3 million rubles.	20	<b>0</b>
	1 - 3 to 6 million rubles		<b>20</b>
	2 - 6 to 30 million rubles		<b>40</b>
	3 - more than 30 million rubles		<b>60</b>
Loan term	1 - up to 6 months	20	<b>20</b>
	2 - 6 to 24 months		<b>40</b>
	3 - more than 24 months		<b>60</b>
Collateral	1.0 - account turnover; guarantee; bill; unsecured loan	20	<b>20</b>
	1.5 - account turnover; guarantee; bill; unsecured loan + fixed assets; inventory pledge; land without a history of industrial production		<b>30</b>
	2.0 - fixed assets; inventory pledge; land without a history of industrial production		<b>40</b>
	2.0 - account turnover; guarantee; bill; unsecured loan + land with a history of industrial production or contamination		<b>40</b>
	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		<b>40</b>
	2.5 - fixed assets; inventory pledge; land without a history of industrial production + land with a history of industrial production or contamination		<b>50</b>
3.0 - land with a history of industrial production or contamination	<b>60</b>		
Business experience of the Borrower (risk management skills) <sup>15</sup>	1 - substantial	20	<b>20</b>
	2 - moderate		<b>40</b>
	3 - low		<b>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	40150020	3 172 154,62	2 600 000,00	06.03.2015	60	credit line	Rostov-on-Don	10,12,14	173	1996	brick
2	40150063	2 998 620,00	2 300 000,00	09.06.2015	60	credit line	Rostov-on-Don	10	200	1999	panel
3	89150012	1 140 355,00	450 000,00	29.06.2015	12	credit line	Belaya Kalitva	9	144	1978	brick
4	40150080	3 813 835,00	3 313 835,00	30.06.2015	48	credit line	Rostov-on-Don	10	230	2002	panel
5	27150062	710 000,00	250 000,00	05.10.2015	24	credit line	Rostov-on-Don	10	60	2003	brick
6	01150120	1 276 776,00	926 496,00	20.11.2015	60	credit line	Aksay	17	112	1986	panel
7	14150015	1 164 102,00	900 000,00	24.07.2015	60	credit line	Zverevo	5	89	1979	panel

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

N	Customer	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	4 851 000	3 881 000	3,9	52% (el)	production	23.01.15	leasing	36,2
2	Borrower-2	22 100 000	16 575 000	3,4	81 % (dt)	agriculture	10.03.15	term loan	212,8
3	Borrower-3	27 000 000	27 000 000	5,0	53,5% (dt)	agriculture	12.02.15	credit line	72,0
4	Borrower-4	19 228 000	18 900 000	4,9	51,1% (dt)	agriculture	12.02.15	credit line	42,6
5	Borrower-5	19 277 762	18 900 000	5,0	66,2% (dt)	agriculture	12.02.15	credit line	79,8
6	Borrower-6	16 440 000	16 440 000	4,0	51,1% (dt)	agriculture	12.02.15	credit line	42,6
7	Borrower-7	17 800 000	17 600 000	4,9	66,2% (dt)	agriculture	12.02.15	credit line	79,8
8	Borrower-8	3 350 000	2 800 000	2,2	65,1% (dt)	agriculture	24.03.15	credit line	175,0
9	Borrower-9	6 657 000	4 992 000	4,9	56,9% (dt)	agriculture	30.03.15	credit line	62,1
10	Borrower-10	6 659 970	5 320 000	4,8	71,5% (dt)	agriculture	01.04.15	credit line	102,2
11	Borrower-11	3 700 000	2 960 000	3,3	28% (el)	production	08.04.15	leasing	30,2
12	Borrower-12	28 040 000	14 000 000	3,6	78,6% (dt)	agriculture	13.04.15	credit line	184,9
13	Borrower-13	4 500 000	3 375 000	4,5	69,2% (dt)	agriculture	28.04.15	term loan	35,8

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14	Borrower-14	2 014 700	1 500 000	1,8	72,7% (el)	production	30.04.15	term loan	23,3
15	Borrower-15	4 399 200	3 079 300	2,2	65,9% (el)	production	30.04.15	leasing	208,3
16	Borrower-16	5 564 000	3 894 800	3,0	64,6% (el)	production	30.04.15	leasing	197,3
17	Borrower-17	6 656 970	5 990 000	5,0	52,4% (dt)	agriculture	30.04.15	credit line	29,3
18	Borrower-18	5 300 000	4 500 000	3,7	52,8% (dt)	agriculture	07.05.15	credit line	29,7
19	Borrower-19	9 738 407	7 775 000	3,2	69,4% (dt)	agriculture	29.05.15	credit line	127,7
20	Borrower-20	6 845 770	6 845 770	5,0	54,3% (dt)	agriculture	03.06.15	credit line	44,6
21	Borrower-21	9 183 940	7 347 150	4,7	61% (dt)	agriculture	08.06.15	credit line	117,2
22	Borrower-22	1 293 000	970 000	2,2	95% (el)	agriculture	08.06.15	credit line	16,0
23	Borrower-23	7 600 000	7 600 000	4,7	88,9% (el)	production	09.06.15	credit line	48,0
24	Borrower-24	17 000 000	17 000 000	4,8	72,7% (el)	agriculture	10.06.15	credit line	121,2
25	Borrower-25	2 000 000	2 000 000	2,4	52% (el)	trade	11.06.15	leasing	2,6
26	Borrower-26	1 550 000	1 550 000	5,0	79,1% (el)	production	23.06.15	leasing	26,5
27	Borrower-27	5 883 316	4 500 000	4,3	45,7% (dt)	agriculture	23.06.15	credit line	52,6
28	Borrower-28	40 000 000	28 000 000	5,0	63,7% (el)	agriculture	24.06.15	credit line	356,1
29	Borrower-29	5 100 000	5 100 000	4,3	63,7% (dt)	agriculture	26.06.15	credit line	46,6
30	Borrower-30	6 483 316	5 000 000	4,7	65,9% (dt)	agriculture	09.07.15	credit line	59,8
31	Borrower-31	50 000 000	50 000 000		working capital	production	13.04.15	credit line	
32	Borrower-32	30 000 000	30 000 000		working capital	production	15.05.15	credit line	
33	Borrower-33	20 000 000	20 000 000		working capital	production	16.06.15	credit line	
34	Borrower-34	4 570 000	2 394 000	2,3	55,2% (el)	production	26.05.15	leasing	36,2
35	Borrower-35	5 000 000	2 800 000	0,8	44,7% (el, dt)	production	03.07.15	credit line	5,2
36	Borrower-36	1 760 000	1 400 000	4,5	42,9% (dt)	production	03.07.15	credit line	21,1
37	Borrower-37	5 300 000	5 300 000	1,4	89,7% (dt)	agriculture	30.07.15	credit line	381,8
38	Borrower-38	12 788 500	10 000 000	5,0	80,2% (dt)	agriculture	06.08.15	credit line	126,4
39	Borrower-39	992 000	600 000	1,5	53,2% (dt)	agriculture	07.08.15	credit line	64,0
40	Borrower-40	5 200 000	4 120 000	2,5	61,9% (dt)	agriculture	19.08.15	credit line	219,7
41	Borrower-41	8 524 910	6 000 000	5,0	70% (dt)	agriculture	20.08.15	credit line	65,7
42	Borrower-42	1 930 000	1 300 000	2,7	69,7% (dt)	agriculture	31.08.15	credit line	64,9
43	Borrower-43	5 200 000	3 640 000	3,9	68,8% (dt)	agriculture	22.09.15	credit line	137,7
44	Borrower-44	3 000 000	2 500 000	4,2	57,1% (dt)	agriculture	08.09.15	credit line	75,1

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45	Borrower-45	2 900 000	2 320 000	3,7	63,8% (dt)	construction	07.09.15	credit line	82,7
46	Borrower-46	20 335 000	20 335 000	1,2	18,2% (el)	production	03.09.15	credit line	11,2
47	Borrower-47	10 900 000	10 900 000	5,0	67,9% (dt)	agriculture	31.08.15	credit line	112,5
48	Borrower-48	16 833 961	8 416 980	4,9	62,9% (dt)	agriculture	26.08.15	credit line	201,3
49	Borrower-49	190 000 000	190 000 000	2,7	89,8% (dt, el)	agriculture	29.05.15	credit line	1 697,7
50	Borrower-50	982 000	883 000	2,2	51,9% (dt)	agriculture	26.02.15	credit line	47,4
51	Borrower-51	5 891 150	4 712 000	5,0	57,5% (dt)	agriculture	11.09.15	credit line	63,8
52	Borrower-52	1 175 000	940 000	2,7	45,6% (dt)	agriculture	21.08.15	credit line	44,6
53	Borrower-53	1 680 000	1 422 000	3,1	49,1% (dt)	agriculture	18.09.15	credit line	57,4
54	Borrower-54	1 685 000	1 432 000	3,1	49,1% (dt)	agriculture	29.09.15	credit line	57,4
55	Borrower-55	7 831 000	7 500 000	4,7	66,4% (dt)	agriculture	11.06.15	credit line	173,1
56	Borrower-56	2 300 000	2 000 000	3,0	51,5% (dt)	agriculture	14.09.15	credit line	79,8
57	Borrower-57	1 197 084	1 190 000	2,1	42,2% (el)	agriculture	16.02.15	credit line	67,5
58	Borrower-58	2 129 000	2 650 000	1,4	81,1% (dt)	agriculture	27.01.15	credit line	200,9
59	Borrower-59	8 524 910	6 800 000	5,0	69,3% (dt)	agriculture	14.09.15	credit line	127,4
60	Borrower-60	5 102 792	4 000 000	4,3	66,5% (dt)	agriculture	24.09.15	credit line	124,4
61	Borrower-61	5 430 000	4 700 000	4,6	66,5% (dt)	agriculture	02.11.15	credit line	124,4
62	Borrower-62	19 500 000	16 575 000	4,9	72,2% (dt)	agriculture	13.11.15	credit line	114,0
63	Borrower-63	16 400 000	16 400 000	4,6	75% (dt)	agriculture	13.11.15	credit line	131,2
64	Borrower-64	5 281 000	5 131 000	4,2	73,3% (el)	production	20.11.15	credit line	82,5
65	Borrower-65	6 348 990	5 000 000	4,4	80% (dt)	agriculture	05.06.15	credit line	150,2
66	Borrower-66	4 845 000	4 360 500	4,3	53,7% (dt)	agriculture	23.09.15	credit line	72,6
67	Borrower-67	9 000 000	9 000 000	4,4	63,3% (el)	production	27.08.15	credit line	59,5
68	Borrower-68	6 200 000	4 960 000	5,0	70,9% (dt)	agriculture	31.08.15	credit line	60,9
69	Borrower-69	5 806 000	4 600 000	4,3	48,8% (dt)	agriculture	03.12.15	credit line	56,8
70	Borrower-70	6 911 850	5 529 000	5,0	48,5% (dt)	agriculture	03.12.15	credit line	56,1
71	Borrower-71	5 891 150	4 710 000	4,8	59,2% (dt)	agriculture	15.09.15	credit line	90,7
72	Borrower-72	1 025 000	800 000	1,5	52,5% (dt)	agriculture	02.06.15	credit line	72,6
73	Borrower-73	4 700 000	3 760 000	3,8	58,6% (dt)	agriculture	27.08.15	credit line	102,0
74	Borrower-74	2 585 000	2 068 000	2,0	64,1% (dt)	agriculture	24.04.15	credit line	134,3
75	Borrower-75	2 835 000	2 500 000	3,0	79,8% (dt)	agriculture	11.12.15	credit line	99,1



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76	Borrower-76	8 000 000	8 000 000	3,8	46,7% (el)	agriculture	30.09.15	credit line	35,0
77	Borrower-77	5 640 000	4 500 000	5,0	63,3% (dt)	agriculture	09.11.15	credit line	80,9
78	Borrower-78	2 125 000	1 585 000	2,3	77,3% (dt)	agriculture	18.12.15	credit line	96,0
79	Borrower-79	1 631 000	1 467 000	1,8	65,9% (dt)	agriculture	17.12.15	credit line	96,6
80	Borrower-80	2 270 000	1 861 000	1,7	76,1% (dt)	agriculture	16.12.15	credit line	139,4
81	Borrower-81	100 000 000	55 000 000	5,0	47,6% (el, gaz)	agriculture	17.12.15	credit line	903,4
82	Borrower-82	14 177 281	11 500 000	5,0	42,5% (el)	production	25.12.15	credit line	85,0
83	Borrower-83	59 629 000	45 000 000	4,7	45,4% (el)	production	25.12.15	credit line	194,6
84	Borrower-84	11 699 700	11 500 000	4,2	62% (dt)	agriculture	17.12.15	credit line	91,9
85	Borrower-85	3 100 000	2 500 000	1,3	64% (el)	service	22.12.15	credit line	284,9
86	Borrower-86	5 230 350	4 180 000	4,3	56,8% (dt)	agriculture	30.09.15	credit line	74,1
87	Borrower-87	25 047 800	20 200 000	4,8	51,5% (dt)	agriculture	21.12.15	credit line	199,5
88	Borrower-88	4 142 390	2 000 000	4,0	64,7% (dt)	agriculture	19.08.15	credit line	109,0
89	Borrower-89	5 849 850	4 000 000	4,4	58,7% (dt)	agriculture	23.11.15	credit line	84,5
90	Borrower-90	3 380 000	3 230 000	3,7	61,3% (dt)	agriculture	12.08.15	credit line	94,2
91	Borrower-91	5 849 850	4 700 000	4,7	42,3% (dt)	agriculture	19.11.15	credit line	45,9
92	Borrower-92	5 639 220	5 639 000	4,5	50% (dt)	agriculture	05.06.15	credit line	62,6
93	Borrower-93	5 639 220	2 300 000	4,1	53,6% (dt)	agriculture	15.04.15	credit line	72,2
94	Borrower-94	750 000	750 000	4,0	66,3% (el)	service	28.12.15	credit line	92,3
95	Borrower-95	1 700 000	1 700 000	3,2	71,3% (el)	production	03.03.15	credit line	16,6
96	Borrower-96	6 176 710	5 250 203	5,0	58,5% (dt)	agriculture	29.10.15	credit line	79,3
97	Borrower-97	10 000 000	9 000 000	4,9	80,9% (dt)	agriculture	28.09.15	credit line	145,8
98	Borrower-98	5 400 000	4 320 000	5,0	5,2% (dt)	agriculture	23.10.15	credit line	40,7
99	Borrower-99	863 280	690 624	0,7	98,6% (el)	agriculture	12.10.15	credit line	47,4
100	Borrower-100	4 200 000	500 000	3,0	50,7% (dt)	agriculture	15.12.15	credit line	61,2
101	Borrower-101	1 940 000	1 940 000	3,2	53% (dt)	agriculture	09.12.15	credit line	63,6
102	Borrower-102	1 408 200	700 000	2,3	53,1% (dt)	agriculture	19.08.15	credit line	63,8
103	Borrower-103	1 420 000	1 100 000	3,2	44,6% (dt)	agriculture	18.08.15	credit line	45,3
104	Borrower-104	6 766 150	5 420 920	5,0	57,3% (dt)	agriculture	18.08.15	credit line	83,9
105	Borrower-105	9 200 000	9 000 000	0,5	79,2% (dt)	agriculture	17.08.15	credit line	1 076,6
106	Borrower-106	3 945 626	3 156 000	4,3	60,7% (dt)	agriculture	03.07.15	credit line	96,8

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107	Borrower-107	4 468 660	3 547 000	4,2	64% (dt)	agriculture	13.05.15	credit line	111,3
108	Borrower-108	3 900 000	3 250 000	4,0	62% (dt)	agriculture	27.04.15	credit line	101,9
109	Borrower-109	2 350 000	1 500 000	4,2	45,8% (dt)	agriculture	07.04.15	credit line	58,2
110	Borrower-110	12 369 000	9 669 000	4,6	84% (dt)	agriculture	24.02.15	credit line	197,1
111	Borrower-111	6 656 970	6 656 000	5,0	58,7% (dt)	agriculture	15.12.15	credit line	89,1
112	Borrower-112	2 000 000	1 600 000	4,1	41,8% (dt)	agriculture	17.12.15	credit line	44,9
113	Borrower-113	7 000 000	7 000 000	2,1	58,3% (dt)	agriculture	18.12.15	credit line	350,5
114	Borrower-114	14 000 000	12 000 000	4,8	70% (el)	agriculture	29.12.15	credit line	350,0
115	Borrower-115	25 869 800	20 659 900	5,0	61,9% (dt)	agriculture	08.07.15	credit line	203,4
116	Borrower-116	5 000 000	5 000 000	4,1	62,9% (dt)	agriculture	10.12.15	credit line	127,1
117	Borrower-117	19 550 000	19 550 000	4,5	76,3% (dt)	agriculture	20.10.15	credit line	109,9
118	Borrower-118	37 500 000	37 500 000	4,9	67,2% (dt)	agriculture	30.12.15	credit line	244,1