



Annual Environmental Report, 2018

Environmental responsibility is a key priority for Center-invest Bank, on a par with traditional banking products and services.

Center-invest Bank strives to protect the environment, including through the efficient consumption of resources (electricity, paper, fuel, etc).

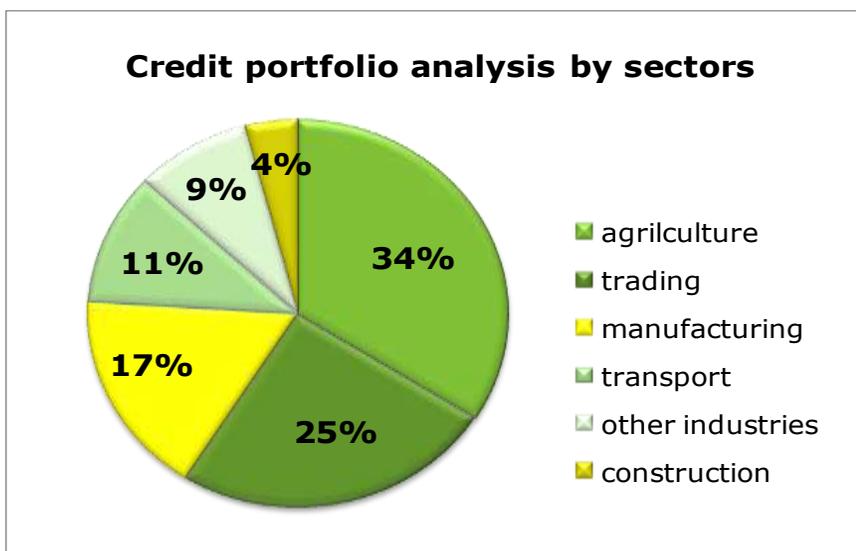
The bank has had an energy efficiency finance programme since 2005 and contributes to environmental protection in Russia by providing business and retail customers with loans to finance the introduction of modern energy saving technologies and measures. To date, we have invested over RUB16.5bn in 20,000 customer projects.

1. Breakdown of the Loan portfolio to legal entities by industry and classification of environmental risks as of January 1, 2019.

1.1. Breakdown of Loan portfolio to legal entities by operation types, industry and project risk degrees:

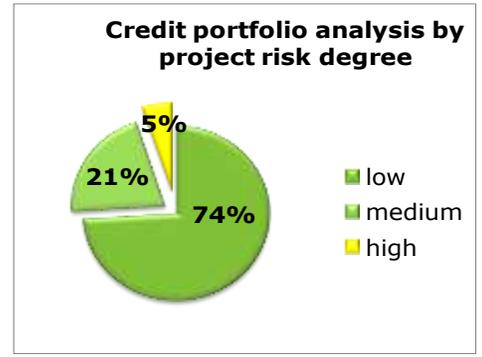
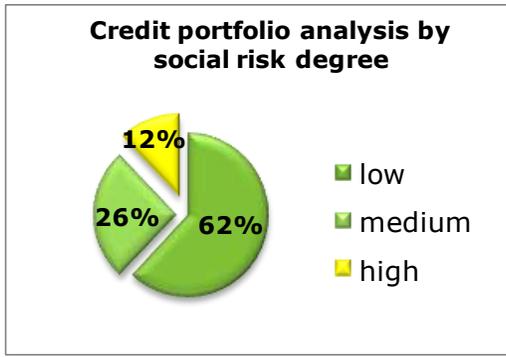
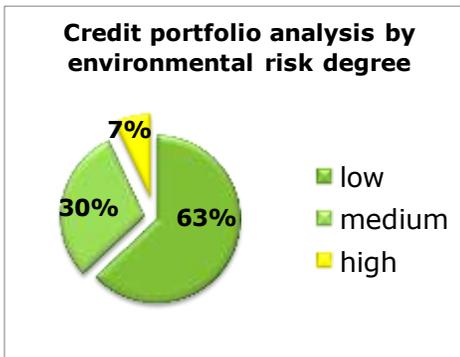
Industry	Outstanding exposure (RUB)	Total share in industry	Project risk degree	Outstanding exposure (RUB)	Replenishment of working capital	Investment loans	Total share in industry
manufacturing	6 639 920 771	17,1%	low	323 338 487	0,6%	0,2%	0,8%
			medium	6 316 582 283	11,2%	5,0%	16,3%
			high	0	0,0%	0,0%	0,0%
agriculture	13 304 961 208	34,3%	low	3 265 463 520	5,2%	3,3%	8,4%
			medium	9 831 662 689	14,6%	10,7%	25,3%
			high	207 835 000	0,5%	0,0%	0,5%
construction	1 552 813 366	4,0%	low	114 497 621	0,3%	0,0%	0,3%
			medium	1 438 315 744	2,5%	1,2%	3,7%
			high	0	0,0%	0,0%	0,0%
trading	9 522 957 411	24,6%	low	3 162 034 318	6,9%	1,3%	8,2%
			medium	6 360 923 093	14,3%	2,1%	16,4%
			high	0	0,0%	0,0%	0,0%
transport	4 307 855 876	11,1%	low	485 231 230	0,5%	0,7%	1,3%
			medium	2 133 972 259	1,0%	4,5%	5,5%
			high	1 688 652 387	3,1%	1,3%	4,4%
other industries	3 458 457 575	8,9%	low	818 125 591	1,3%	0,8%	2,1%
			medium	2 640 331 984	3,1%	3,8%	6,8%
			high	0	0,0%	0,0%	0,0%
Total		100,0%		38 786 966 207	65,1%	34,9%	100,0%

The Bank finances projects to introduce energy efficient technologies in agriculture, trading, manufacturing, transport, construction, the service sector, the public sector, utilities, and the private residential sector.

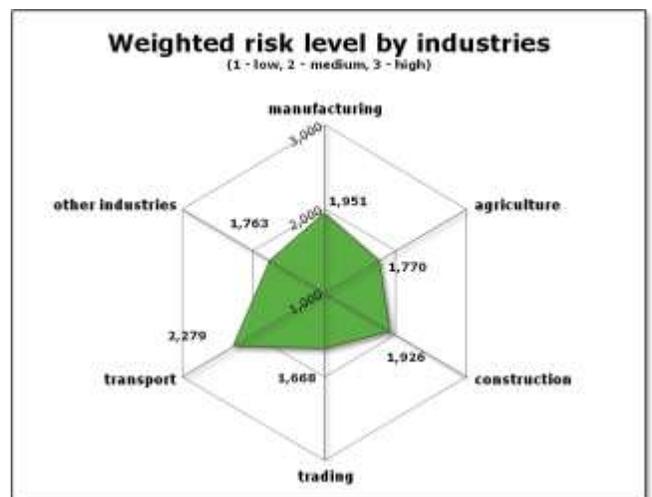


1.2. Credit portfolio structure by environmental, social and project risk degrees:

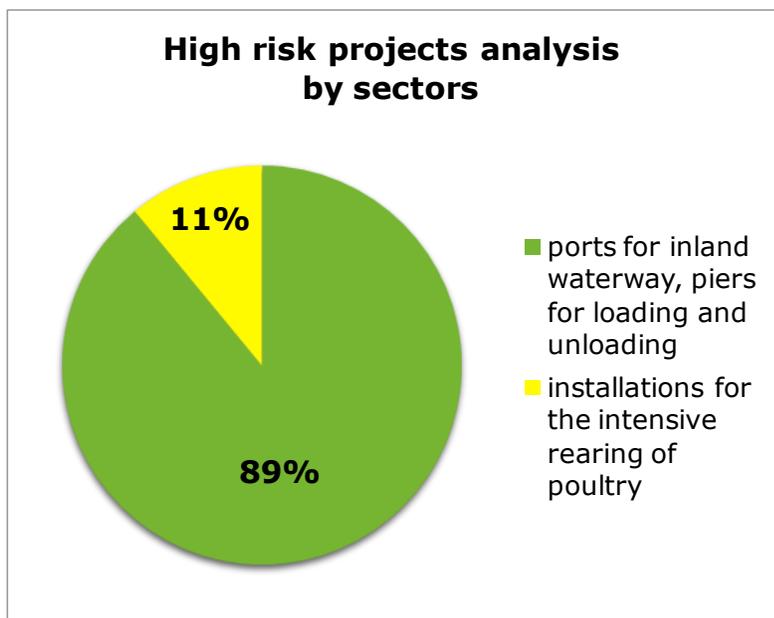
Risk degree	Environmental risk, outstanding exposure (RUR)	Share	Social risk, outstanding exposure (RUR)	Share	Project risk, outstanding exposure (RUR)	Share
low	24 306 564 650,03	62,7%	24 148 491 136	62,3%	8 168 690 768,02	21,1%
medium	11 647 245 648,18	30,0%	10 161 172 453	26,2%	28 721 788 051,62	74,1%
high	2 833 155 908,72	7,3%	4 477 302 619	11,5%	1 896 487 387,29	4,9%



Ecological risk level	Social risk level	Amount (RUB)	Share
low	low	21 999 463 062	56,72%
low	medium	1 937 880 453	5,00%
low	high	369 221 135	0,95%
medium	low	2 074 438 766	5,35%
medium	medium	8 003 723 384	20,64%
medium	high	1 569 083 498	4,05%
high	low	74 589 308	0,19%
high	medium	219 568 616	0,57%
high	high	2 538 997 985	6,55%



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:

Center-invest Bank recognises that environmental and social sustainability is a fundamental aspect of achieving outcomes consistent with its mission: "Sustainable Bank for southern Russia!" Environmentally friendly projects that foster environmental and social sustainability are within the highest priorities of the Bank's lending activities. Therefore, a new version of "Environmental and Social Policy" was agreed with the key shareholders and partners of the Bank and approved by the Board of Directors on 06.09.2010 (with amendments issued on 01.02.2011, 11.09.2012, 23.04.2014).

The Environmental and Social policy of Center-invest Bank (further "Policy") is a key element of the process of decision-making in the Bank related to financing and approval of projects and project implementation monitoring.

The key aim of the Policy is to describe the commitments and procedures supporting the generally recognized principles of promotion the "environmentally safe and steady development" in all Bank's operations in the domains of banking, investment, and technical cooperation, as a fundamental aspect of a rational conduct of business.

Policy outlines how the Bank will assess and monitor the environmental and social risks and impacts of its projects, sets minimum requirements for managing environmental and social impacts and risks during the lifetime of financed projects. 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. There are several types of activities that Center-invest Bank does not finance in accordance with the "Environmental and Social Exclusion List of Center-invest Bank" included as Annex 1 to this Report.

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:

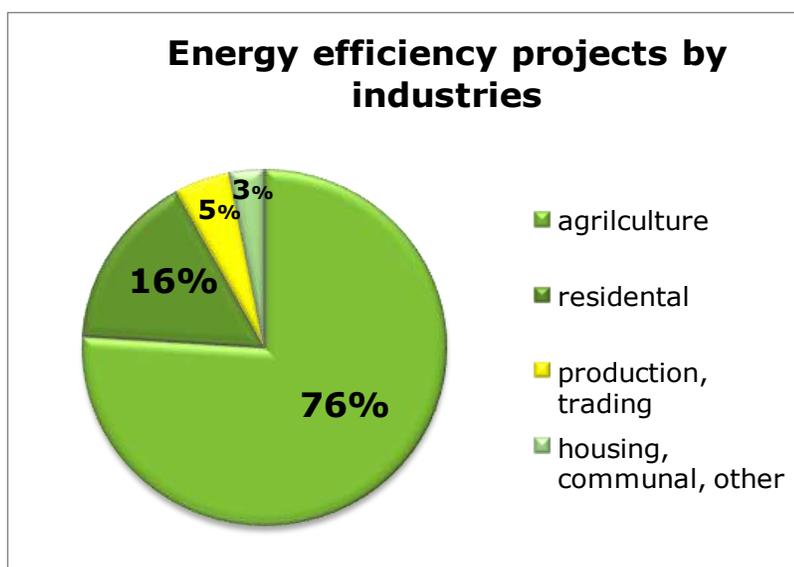
According to the results of 2018 the Bank's loan portfolio includes 803 energy efficiency projects for the total amount of RUB1.3bn.

Breakdown of financed energy efficiency projects by industries provided below:

Industry	Number of projects	Projects amount (RUR)	Amount of financing (RUR)	Share
agriculture	111	988 110 864	870 034 933	76,4%
production, trading	6	81 260 014	56 912 014	5,0%
residential	669	177 986 780	177 986 780	15,6%
housing, communal, other	17	33 760 539	33 760 539	3,0%
Total	803	1 281 118 197	1 138 694 266	100,0%

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, which combines technical, financial and social engineering.

The list of all energy efficiency projects (except Residential loans portfolio) provided in 2018 with indication of Energy savings (per unit) and Reduction of CO₂ (tones per annum) is given in Annex 5. Total CO₂ reduction for 2018 equals to 12 610 tons.



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 – 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 – Head of Taganrog branch

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:

In 2018 Center-invest Bank produced and began implementing its new Strategy for 2019-2021 “ESG Digitalisation of Center-invest Bank’s Ecosystem”. The bank has long applied environmental, social and governance (ESG) principles in its work. Rather than focusing on immediate profits, the ESG-banking business model, based on effective management of social and environmental risks, allows the bank to achieve sustainable long-term profitability in the transformation economy (constant change amid continual crises).

The Vigeo Eiris rating agency ranks the bank 17th out of 76 European banks that are applying environmental, social and governance models. The Vigeo Eiris rating assesses a bank’s social orientation, the extent to which it meets its obligations to society, and the quality and effectiveness of its corporate strategy with regard to social responsibility, responsible business and environmental safety. The assessment didn’t take into account individual measures demonstrating the social responsibility of Center-invest Bank, but its complex impact on the society and the environment.

This is in addition to Bank’s financial ratings: Ba3 (Stable outlook) from Moody’s and A(RU) (Stable outlook) from ACRA,. As well as financial statement and audited reports produced in accordance with the Russian and international standards (audited by PwC), Center-invest Bank publishes Environmental and Social reports in compliance with GRI standards annually.

All above mentioned information is available on Center-invest Bank’s corporate website: 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.

In December 2018, at the XVI Russian Bond Congress in St Petersburg, Center-invest Bank received an award for successfully initiating a green loans market in Russia and making a substantial contribution to its subsequent development. The award presented by the National Association of

Concessionaires and Long-Term Investors in Infrastructure (NAKDI) and the CBonds Group. Experts from NAKDI were impressed by the quality of Center-invest Bank’s corporate standards and its methods for assessing customers’ energy efficiency projects prior to lending.

Bank customers may receive loan for energy-efficiency purposes in any from 125 bank offices in 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.

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

The loan programme for the renovation of multifamily residential buildings continues to be popular. Under Russian law, the owners of apartments in these buildings have to pay monthly contributions to a Capital Repairs fund. This Fund is obliged to renovate buildings in accordance with the Regional capital repairs schedule. Center-invest Bank introduced a unique arrangement allowing our customers to take out a loan so that they can renovate their buildings straightaway.

To date, we Bank made 128 loans to homeowners’ associations, for a total of RUB193m.

This programme is the only one of its kind in Russia.

The bank’s success in financing energy efficiency projects is attributable to a fundamentally new approach: sustainable lending. This approach combines technical, financial and social engineering. In seminars and presentations, Center-invest Bank experts share their unique experience of energy efficiency lending with representatives of Russian government bodies, municipal authorities, and financial institutions from various CIS countries, Eastern Europe, the Middle East, North Africa and BRICS countries.

12. Bank’s own consumption

Despite its steady business growth, the bank is continually reducing its energy consumption. In 2018 the bank used 161 tonnes of paper. The bank does not use recycled waste or materials. The bank uses authorised municipal contractors for solid waste disposal.

	2018	2017
Gasoline (tonnes)	146 (4 682 804 MJ)	168 (5 388 432 MJ)
Gas (cubic metres)	321 (10 915 177 MJ)	284 (9 653 132 MJ)
Electricity (kilowatt hours)	4 439 442 (15 981 991 MJ)	4 868 818 (17 527 744.80 MJ)

	2018	2017	2018/2017
Waste (tonnes per year)	440	325	35.38%
Gasoline (tonnes per year)	146 (4 682 804 MJ)	168 (5 388 432 MJ)	-13.10%
Environmental protection expenditures (RUB, thous.)	490	706	-30.59%
Waste water collection and treatment (RUB, thous.)	185	175	5.71%
Waste disposal (RUB, thous.)	502	484	3.72%

The bank does not conduct any activities involving:

- emissions of greenhouse gases, ozone-depleting substances or other pollutants;
- waste water discharge;
- spills of liquid waste;
- transportation of hazardous waste;
- a harmful impact on biodiversity.

Center-invest Bank shares the values of the World Wildlife Fund (WWF) regarding environmental conservation and protection. We have supported the Earth Hour global movement for several years now: for one hour, the external lights and roof advertising are switched off in Center-invest Bank offices and branches. The event is held in all the areas where the bank operates: Rostov-on-Don, Taganrog, Volgodonsk, Krasnodar, Sochi, Stavropol, Pyatigorsk, Nizhny Novgorod and Moscow.



The bank regularly participates in activities to restore natural habitats. The bank's employees participate in annual bicycle parades and they travel to work by bike. They also take part in regional eco-festivals.

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 PCBs¹;
 - b) production or trade in pharmaceutical products, pesticides/herbicides, or other dangerous substances subject to international phase outs or bans ²;
 - c) production or trade in ozone depleting substances subject to international phase out³;
 - d) trade in wildlife or plants or wildlife or plant products regulated under CITES⁴
 - e) transboundary trade in wastes prohibited by international laws⁵.
- 2) production, use or trade in unbonded asbestos fibers and asbestos-containing products ⁶;
- 3) activities prohibited by host country legislation or international conventions relating to the protection of biodiversity resources or cultural heritage⁷;
- 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 requirements⁸;
- 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;
- 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.

¹ 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

² 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.

³ 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.

⁴ 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

⁵ 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.

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

⁷ 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.

⁸ 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.

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 tons or more of coal or bituminous shale per day.
2. Thermal power stations and other combustion installations with a heat output of 300 MW⁹ 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 tons finished product; for friction material, with an annual production of more than 50 tons finished product; and for other asbestos utilization of more than 200 tons 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 meters 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 tons; trading ports, piers for loading and unloading connected to land and outside ports (excluding ferry piers) which can take vessels of over 1,350 tons.
10. Waste-processing and disposal installations for the incineration, chemical treatment or landfill of hazardous, toxic or dangerous wastes.
11. Large¹⁰dams 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 tons per day.
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 tons 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.

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

¹⁰ 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 m³ are also classified as large dams.

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. Projects¹¹ 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).

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

Criteria for assessment of environmental and social risks¹²

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

¹² 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.

¹³ 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.

¹⁴ According to the Note 'Industry Sector Classifier' attached hereto

¹⁵ 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)¹⁶

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 _____

¹⁶ 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	40180014	1 500 000,00	1 500 000,00	16.02.2018	60	term loan	Rostov-on-Don	9	141	1991	brick
2	00180174	2 847 910,00	2 847 910,00	25.04.2018	60	term loan	Rostov-on-Don	9	94	1972	brick
3	31180031	1 300 000,00	1 300 000,00	28.06.2018	36	term loan	Volgograd	5	70	1972	brick
4	00180290	2 300 000,00	2 300 000,00	31.05.2018	36	term loan	Moscow	9	71	1986	panel
5	40180048	6 000 000,00	6 000 000,00	15.05.2018	60	term loan	Rostov-on-Don	16	91	1990	monolith
6	05180403	1 900 000,00	1 900 000,00	16.07.2018	60	term loan	Taganrog	17	110	1986	panel
7	05180404	1 900 000,00	1 900 000,00	16.07.2018	60	term loan	Taganrog	9	212	1978	brick
8	77180032	1 950 000,00	1 950 000,00	20.08.2018	60	term loan	Shakhty	9	140	1982	brick
9	01180043	2 100 000,00	2 100 000,00	29.08.2018	60	term loan	Aksay	5	90	1980	panel
10	04180033	449 000,00	449 000,00	31.07.2018	60	term loan	Rostov-on-Don	5	89	1969	brick
11	27180056	1 200 000,00	1 200 000,00	15.08.2018	36	term loan	Rostov-on-Don	17	112	1986	panel
12	30180056	1 000 000,00	1 000 000,00	15.08.2018	60	term loan	Novocherkassk	6	89	1975	brick
13	151180035	500 000,00	500 000,00	10.09.2018	36	term loan	Shakhty	9	144	1977	brick
14	86180049	525 000,00	525 000,00	28.09.2018	60	term loan	Rostov-on-Don	5	80	1998	panel
15	04180101	338 629,00	338 629,00	11.09.2018	60	term loan	Rostov-on-Don	5	60	1989	panel
16	04180102	950 000,00	950 000,00	12.09.2018	36	term loan	Rostov-on-Don	10	160	1997	panel
17	60180077	7 000 000,00	7 000 000,00	22.11.2018	3	term loan	Rostov-on-Don	16	111	1978	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 ₂ (t per year)
1	Borrower-1	7 500,000	4 000,000	4,7	54,3% (dt)	agriculture	22.02.18	credit line	52,2
2	Borrower-2	6 000,000	6 000,000	4,8	58,3% (dt)	agriculture	12.03.18	credit line	69,9
3	Borrower-3	5 650,000	5 630,000	4,5	58,3% (dt)	agriculture	22.02.18	credit line	69,9
4	Borrower-4	1 871,695	1 497,000	1,5	32,7% (el)	agriculture	16.03.18	credit line	60,9
5	Borrower-5	7 115,400	7 115,400	4,4	60% (dt)	agriculture	07.05.18	credit line	84,5
6	Borrower-6	11 177,592	10 000,000	4,7	65,1% (dt)	agriculture	08.05.18	credit line	52,6
7	Borrower-7	2 470,000	1 400,000	3,9	75,8% (dt)	agriculture	14.05.18	credit line	225,3
8	Borrower-8	12 000,000	12 000,000	4,9	71,8% (dt)	agriculture	16.05.18	credit line	103,7
9	Borrower-9	25 000,000	20 000,000	4,4	79,3% (dt)	agriculture	18.05.18	credit line	203,8
10	Borrower-10	7 241,300	5 790,000	3,0	69,5% (dt)	agriculture	23.05.18	credit line	99,6
11	Borrower-11	37 500,000	37 500,000	5,0	70% (dt)	agriculture	22.05.18	credit line	262,8
12	Borrower-12	1 390,000	1 048,000	1,6	66% (dt)	agriculture	07.05.18	credit line	67,0
13	Borrower-13	44 175,872	37 549,000	4,7	79,3% (dt)	agriculture	15.05.18	credit line	621,6
14	Borrower-14	1 362,000	1 360,000	2,2	51,3% (dt)	agriculture	26.04.18	credit line	49,3
15	Borrower-15	6 986,726	5 900,000	4,8	69,4% (dt)	agriculture	24.05.18	credit line	99,2
16	Borrower-16	18 745,167	18 745,167	4,6	73,8% (dt)	agriculture	04.05.18	credit line	317,6
17	Borrower-17	1 273,000	1 018,000	1,9	60,6% (dt)	agriculture	25.05.18	credit line	53,0
18	Borrower-18	22 719,704	18 419,914	4,8	73,1% (dt)	agriculture	08.05.18	credit line	85,2
19	Borrower-19	9 006,373	7 655,131	4,7	73,5% (dt)	agriculture	04.06.18	credit line	78,2
20	Borrower-20	11 177,592	9 500,000	4,3	68,4% (dt)	agriculture	04.05.18	credit line	74,6
21	Borrower-21	1 959,000	1 909,000	2,6	57,3% (dt)	agriculture	18.05.18	credit line	58,9
22	Borrower-22	11 150,000	10 800,000	3,1	75% (dt)	agriculture	07.06.18	credit line	150,2
23	Borrower-23	13 800,000	11 040,000	4,6	63,2% (dt)	agriculture	18.06.18	credit line	183,1
24	Borrower-24	7 729,413	7 000,000	4,6	67,9% (dt)	agriculture	21.05.18	credit line	56,2
25	Borrower-25	14 600,000	13 000,000	4,0	68,5% (dt)	agriculture	19.06.18	credit line	57,9
26	Borrower-26	8 840,278	8 840,000	5,0	77,6% (dt)	agriculture	10.05.18	credit line	108,3
27	Borrower-27	11 800,000	11 800,000	4,9	76,9% (dt)	agriculture	08.05.18	credit line	104,2

28	Borrower-28	1 280,000	1 280,000	1,3	64,4% (dt)	agriculture	07.05.18	credit line	73,7
29	Borrower-29	1 230,000	1 230,000	2,0	51,9% (dt)	agriculture	04.05.18	credit line	43,8
30	Borrower-30	5 100,000	5 100,000	4,6	59,8% (dt)	agriculture	06.06.18	credit line	69,9
31	Borrower-31	1 620,000	1 620,000	0,8	75% (dt)	agriculture	23.05.18	credit line	140,8
32	Borrower-32	8 285,554	8 285,000	4,1	68,9% (dt)	agriculture	14.05.18	credit line	97,0
33	Borrower-33	5 170,000	5 170,000	3,1	72% (dt)	agriculture	14.06.18	credit line	121,0
34	Borrower-34	5 500,000	2 500,000	4,7	55,9% (el)	agriculture	06.07.18	credit line	55,7
35	Borrower-35	1 250,000	1 250,000	2,0	52,9% (dt)	agriculture	22.05.18	credit line	45,7
36	Borrower-36	7 903,716	6 715,000	5,0	65,1% (dt)	agriculture	29.08.18	credit line	52,6
37	Borrower-37	33 600,000	26 900,000	5,0	75% (dt)	agriculture	09.08.18	credit line	375,5
38	Borrower-38	4 851,302	4 850,000	4,6	48,9% (dt)	agriculture	22.08.18	credit line	44,9
39	Borrower-39	1 370,000	1 370,000	0,7	74,4% (dt)	agriculture	22.08.18	credit line	145,5
40	Borrower-40	16 785,411	16 785,000	4,8	63,3% (dt)	agriculture	22.08.18	credit line	169,0
41	Borrower-41	8 250,147	8 250,000	4,2	66% (dt)	agriculture	23.08.18	credit line	103,3
42	Borrower-42	8 450,210	8 400,000	4,5	67,5% (dt)	agriculture	16.08.18	credit line	84,5
43	Borrower-43	13 278,409	11 825,751	5,0	76% (dt)	agriculture	07.09.18	credit line	158,5
44	Borrower-44	5 866,970	5 866,970	4,3	67,4% (dt)	agriculture	04.09.18	credit line	97,0
45	Borrower-45	2 440,000	2 196,000	2,9	68,2% (dt)	agriculture	11.09.18	credit line	60,5
46	Borrower-46	1 950,000	1 950,000	1,9	56,7% (dt)	agriculture	20.08.18	credit line	73,8
47	Borrower-47	13 100,000	11 135,000	4,8	57,1% (dt)	agriculture	30.08.18	credit line	125,2
48	Borrower-48	10 958,424	9 800,000	4,8	78,8% (dt)	agriculture	29.08.18	credit line	104,8
49	Borrower-49	3 036,600	3 000,000	3,8	53,3% (el)	agriculture	28.08.18	credit line	28,6
50	Borrower-50	7 450,000	7 450,000	4,7	59,4% (dt)	agriculture	15.05.18	credit line	64,1
51	Borrower-51	11 425,983	10 280,000	4,9	66,1% (dt)	agriculture	16.05.18	credit line	91,5
52	Borrower-52	10 750,000	10 750,000	4,0	74% (dt)	agriculture	10.05.18	credit line	115,8
53	Borrower-53	2 410,000	1 928,000	2,0	66,7% (dt)	agriculture	27.08.18	credit line	93,9
54	Borrower-54	6 500,000	6 500,000	3,7	69% (dt)	agriculture	28.09.18	credit line	90,7
55	Borrower-55	6 500,000	6 500,000	3,7	69% (dt)	agriculture	28.09.18	credit line	90,7
56	Borrower-56	11 060,000	11 000,000	4,4	48,2% (dt)	agriculture	05.10.18	credit line	197,9
57	Borrower-57	6 725,646	6 725,000	4,9	67,4% (dt)	agriculture	26.09.18	credit line	97,0
58	Borrower-58	5 979,530	4 992,000	4,3	70% (dt)	agriculture	30.10.18	credit line	109,5

59	Borrower-59	6 278,314	2 720,600	4,9	70% (dt)	agriculture	27.09.18	credit line	87,6
60	Borrower-60	15 002,413	12 000,000	5,0	81,5% (dt)	agriculture	12.10.18	credit line	137,7
61	Borrower-61	15 998,409	13 400,000	4,7	80,2% (dt)	agriculture	19.10.18	credit line	139,4
62	Borrower-62	6 300,000	6 300,000	4,6	67,7% (dt)	agriculture	09.11.18	credit line	98,3
63	Borrower-63	6 300,000	6 300,000	4,6	67,7% (dt)	agriculture	09.11.18	credit line	98,3
64	Borrower-64	4 573,814	3 891,244	4,0	66% (el)	trading	19.10.18	credit line	16,5
65	Borrower-65	2 116,200	1 798,770	4,3	51% (el)	trading	19.10.18	credit line	18,2
66	Borrower-66	57 244,000	39 000,000	2,4	20% (el)	production	07.11.18	credit line	16,3
67	Borrower-67	6 485,158	4 500,000	4,9	33,3% (dt)	agriculture	13.11.18	credit line	18,8
68	Borrower-68	4 250,000	4 250,000	2,8	77,8% (dt)	agriculture	23.11.18	credit line	109,5
69	Borrower-69	13 800,000	13 800,000	3,2	77,8% (dt)	agriculture	15.08.18	credit line	306,7
70	Borrower-70	23 237,546	21 500,000	4,7	74,3% (dt)	agriculture	10.07.18	credit line	271,2
71	Borrower-71	6 485,158	4 485,000	4,8	64,4% (dt)	agriculture	11.09.18	credit line	96,3
72	Borrower-72	4 851,302	3 800,000	3,5	68% (dt)	agriculture	22.10.18	credit line	99,7
73	Borrower-73	4 571,249	3 656,000	3,0	72,6% (dt)	agriculture	03.10.18	credit line	107,6
74	Borrower-74	7 946,503	7 946,503	5,0	70,5% (dt)	agriculture	19.10.18	credit line	82,4
75	Borrower-75	4 851,302	4 851,302	4,6	72,7% (dt)	agriculture	12.11.18	credit line	75,1
76	Borrower-76	7 571,263	6 057,010	4,4	65,3% (dt)	agriculture	21.11.18	credit line	88,2
77	Borrower-77	7 000,000	7 000,000	4,5	68,2% (dt)	agriculture	07.06.18	credit line	93,9
78	Borrower-78	6 300,000	6 300,000	4,6	67,5% (dt)	agriculture	17.09.18	credit line	84,5
79	Borrower-79	12 000,000	12 000,000	4,5	77,5% (dt)	agriculture	28.06.18	credit line	140,4
80	Borrower-80	7 400,000	7 400,000	4,8	64% (dt)	agriculture	18.09.18	credit line	83,4
81	Borrower-81	6 400,000	3 000,000	4,9	64,4% (dt)	agriculture	24.09.18	credit line	85,0
82	Borrower-82	5 864,029	4 364,000	4,3	67,6% (dt)	agriculture	28.06.18	credit line	97,9
83	Borrower-83	6 458,158	5 836,642	4,6	69,5% (dt)	agriculture	24.10.18	credit line	99,6
84	Borrower-84	5 170,000	5 170,000	5,0	55% (dt)	agriculture	30.05.18	credit line	57,4
85	Borrower-85	5 446,467	4 000,000	4,7	61,5% (dt)	agriculture	26.11.18	credit line	64,9
86	Borrower-86	5 446,467	4 900,000	4,5	61,5% (dt)	agriculture	26.11.18	credit line	64,9
87	Borrower-87	2 500,000	2 000,000	3,0	55,7% (dt)	agriculture	20.11.18	credit line	59,0
88	Borrower-88	5 500,000	5 500,000	2,1	81,9% (dt)	agriculture	04.06.18	credit line	184,6
89	Borrower-89	27 500,000	21 500,000	4,9	69,5% (dt)	agriculture	10.05.18	credit line	285,6

90	Borrower-90	7 946,000	7 946,000	4,9	75% (dt)	agriculture	23.11.18	credit line	93,9
91	Borrower-91	6 000,000	6 000,000	4,5	75% (dt)	agriculture	23.11.18	credit line	93,9
92	Borrower-92	4 851,302	4 850,000	2,2	83,3% (dt)	agriculture	29.11.18	credit line	156,5
93	Borrower-93	15 000,000	10 000,000	2,5	60,5% (el)	trading	16.11.18	credit line	268,0
94	Borrower-94	1 370,000	1 370,000	1,8	54,8% (dt)	agriculture	28.08.18	credit line	60,7
95	Borrower-95	6 485,158	6 485,000	4,1	58,9% (dt)	agriculture	01.11.18	credit line	71,7
96	Borrower-96	1 362,000	1 360,000	1,1	67,9% (dt)	agriculture	27.03.18	credit line	99,1
97	Borrower-97	1 340,000	1 072,000	0,7	75% (dt)	agriculture	26.04.18	credit line	140,8
98	Borrower-98	2 060,000	2 060,000	2,0	63,5% (dt)	agriculture	07.02.18	credit line	81,6
99	Borrower-99	100 000,000	70 000,000	4,9	83,6% (el, dt)	agriculture	21.06.18	credit line	617,3
100	Borrower-100	6 278,314	6 278,314	4,4	49,6% (dt)	agriculture	30.11.18	credit line	77,6
101	Borrower-101	4 851,302	4 851,302	4,2	80% (dt)	agriculture	30.11.18	credit line	62,6
102	Borrower-102	1 909,000	1 800,000	3,0	88,2% (el)	production	24.12.18	credit line	13,1
103	Borrower-103	11 015,575	11 000,000	4,5	77,3% (dt)	agriculture	27.12.18	credit line	96,0
104	Borrower-104	4 250,000	3 825,000	2,9	76,9% (dt)	agriculture	30.11.18	credit line	103,9
105	Borrower-105	6 443,000	5 798,000	4,8	69,7% (dt)	agriculture	28.11.18	credit line	64,9
106	Borrower-106	3 630,000	3 267,000	3,0	73,1%(dt)	agriculture	18.12.18	credit line	85,5
107	Borrower-107	16 113,465	16 113,465	3,5	28%(el)	agriculture	12.12.18	credit line	0,2
108	Borrower-108	2 790,000	2 232,000	3,3	56,7% (dt)	agriculture	28.02.18	credit line	65,5
109	Borrower-109	417,000	422,000	1,2	45,8% (el)	trading	25.06.18	credit line	0,4
110	Borrower-110	4 571,000	4 571,000	4,2	61,6% (dt)	agriculture	20.12.18	credit line	85,2
111	Borrower-111	2 666,000	2 132,000	4,8	46,7% (dt)	agriculture	28.08.18	credit line	43,8
112	Borrower-112	1 271,000	1 000,000	2,6	42,9% (dt)	agriculture	21.03.18	credit line	37,5
113	Borrower-113	1 365,000	1 092,000	2,8	42,9% (dt)	agriculture	01.02.18	credit line	37,5
114	Borrower-114	3 555,534	3 550,000	4,2	58,6% (dt)	agriculture	26.03.18	credit line	66,4
115	Borrower-115	1 915,000	1 915,000	3,3	47,8% (dt)	agriculture	26.11.18	credit line	45,9
116	Borrower-116	1 388,000	1 249,000	2,2	51,4% (dt)	agriculture	18.12.18	credit line	49,7
117	Borrower-117	7 360,462	7 360,462	4,7	56,9% (dt)	agriculture	30.11.18	credit line	49,6