

BAKAI BANK OJSC Sustainability Report



SUSTAINABILITY
IN EVERY DETAIL

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The 2025 Sustainability Report (hereinafter referred to as the Report) is the second annual public document of BAKAI BANK OJSC (hereinafter also referred to as BAKAI BANK or the Bank) disclosing ESG information and indicators, that follows its debut corporate non-financial report for 2024.

Reporting Boundaries

The Report contains detailed information, metrics, and data on the Bank's environmental, social, and corporate governance activities for the period from January 1 to December 31, 2025. To ensure comprehensive disclosure, the document also reflects certain significant events from the first five months of 2026 and forward-looking statements that define the strategic direction of the Bank's development.

The Report covers all activities of the Bank consolidated for financial reporting purposes (the head office and 20 branches). Thus, the non-financial disclosure perimeter covers 100% of the revenue of the Bank for 2025. The disclosure boundaries and reporting cycles are fully synchronized with the audited financial statements. Financial indicators in the Report are expressed primarily in Kyrgyz soms (KGS).

Methodological Framework and Standards

BAKAI BANK prepared this Report in accordance with the GRI Standards (2021 edition). During the preparation process, the Bank was also guided by the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), the S&P Global Corporate Sustainability Assessment (CSA) criteria,

the principles of the UN Global Compact, and the UN Sustainable Development Goals.

The list of material topics for disclosure was determined based on the principle of double materiality, which considers the mutual influence of ESG factors on the business model of the Bank and the impact of the Bank on stakeholders, environment, and society. The materiality matrix was developed with the involvement of external consultants and considering the views of key stakeholder groups.

Reporting Principles

As part of the qualitative development of the non-financial accounting system, the Bank was guided by the following fundamental principles when preparing the Report:

- » Comparability: Availability of data for previous reporting periods allows stakeholders to conduct a comparative analysis and track the dynamics of ESG indicators of the Bank.
- » Balance and accuracy: Objective reflection of impacts of the Bank, including both achieved progress and challenges, using verified and detailed data.
- » Completeness and context: Disclosure of a wide range of material topics that determine contribution of the Bank to sustainable development in regional and global contexts.
- » Clarity and timeliness: Providing information in an accessible format and adhering to a regular annual reporting cycle for effective engagement with stakeholders.



Data Collection and Verification

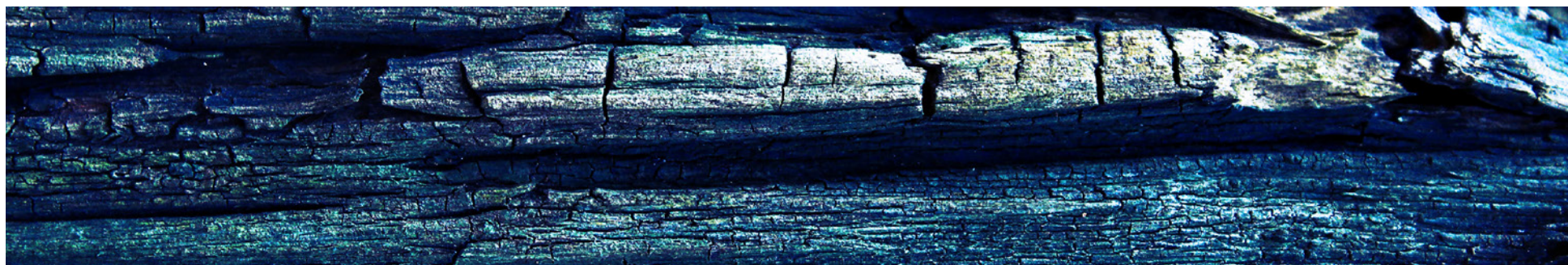
Systematic coordination of the Report preparation process is carried out by the Sustainability Working Group and the relevant responsible employee of the Bank (ESG Manager). Primary qualitative and quantitative information was provided by the relevant structural units and underwent an internal control procedure by data owners. To confirm the reliability of environmental data, the Bank conducted an independent external verification of its greenhouse gas emissions indicators (Scope 1, Scope 2, Scope 3). Independent assurance of other sections of the Report was not conducted in this cycle. The Report does not include any restatement of information presented in the Bank's non-financial report for 2024.

Publication and Approval

The document was approved by the Management Board of the Bank and published on the official corporate website in the third quarter of 2026.

Disclaimer

The Report contains forward-looking statements, realization of which depends on external macroeconomic factors and the regulatory environment. Actual results may differ from anticipated estimates, and the set goals may be subject to adjustment during their achievement.



Dear partners, clients, and colleagues!

On behalf of the Board of Directors, I present the 2025 Sustainability Report of BAKAI BANK OJSC. Today, sustainability is an important part of the long-term strategy of the Bank and a key factor in ensuring business resilience, effective risk management, and maintaining the trust of clients, partners, and society.

As one of the leading financial institutions in the Kyrgyz Republic, BAKAI BANK recognizes its responsibility to contribute to the country's economic development, support entrepreneurship, enhance financial inclusion, and develop modern digital services. The Board of Directors supports the consistent integration of ESG principles into operations of the Bank, including matters of corporate governance, business ethics, sustainable finance, social responsibility, and environmental agenda. We

view these areas not as a temporary trend, but as an essential foundation for the long-term and sustainable progress of the Bank.

Special attention is paid to developing innovative solutions, increasing the transparency of processes, strengthening client trust, and building an effective management system compliant with modern international approaches and standards. I am convinced that sustainability and responsible business conduct are vital conditions for building a strong, competitive, and modern financial system in the Kyrgyz Republic.

I would like to thank our clients, partners, and employees for their trust, professionalism, and collaborative work aimed at advancing the Bank and creating long-term value for society.

Sergey Ibragimov,

Chairman of the Board of Directors
of BAKAI BANK OJSC

Dear readers!

For BAKAI BANK OJSC, sustainability is not a standalone track, but rather a part of daily operations and strategic development of the Bank. We are convinced that a modern financial institution should not only ensure stable growth and technological development but also bear responsibility toward its clients, society, and future generations.

In 2025, the Bank continued to strengthen its position as one of the leading digital banks in the Kyrgyz Republic by consistently integrating ESG principles into its business processes, products, and corporate relations. We place special emphasis on developing accessible financial services, supporting entrepreneurship, digitalizing services, addressing information security issues, and improving the quality of the customer experience. One of our key priorities remains the development of sustainable and inclusive financial solutions aimed at support-

ing small and medium-sized businesses, women's entrepreneurship, and expanding financial inclusion in regions of the country.

We also understand the importance of a responsible approach to environmental issues, effective corporate governance, and operational transparency. That is why the Bank is enhancing its ESG approaches, improving its risk management system, and building long-term partnerships based on trust and responsibility. It is particularly valuable to us that sustainability principles are becoming part of the corporate culture of the Bank and are supported by our team at all levels.

I express my gratitude to all our stakeholders for their commitment to our shared sustainability values. BAKAI BANK will continue to invest in innovations, environment, and human capital to ensure the long-term prosperity of the Kyrgyz Republic.

Timur Ibragimov,

**Chairman of the Management Board
of BAKAI BANK OJSC**

SNAPSHOT OF THE BANK

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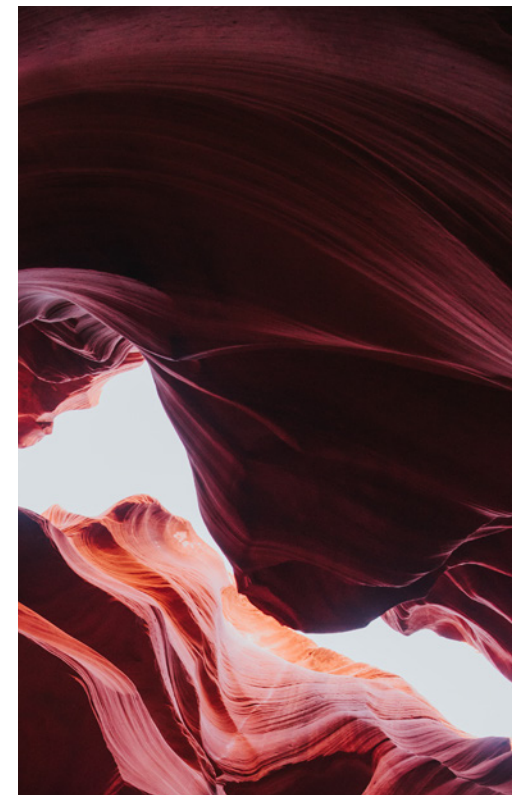
Established in November 1998, BAKAI BANK is positioned as one of the leading universal commercial banks in the Kyrgyz Republic. The reliability of the Bank and its commitment to sustainability principles are confirmed by credit ratings from international agencies Moody's Investors Service, Fitch Ratings, and S&P Global Ratings, as well as an ESG score under the S&P Global Corporate Sustainability Assessment.

The operations of the Bank are governed by its Charter and License No. 043, granted by the National Bank of the Kyrgyz Republic in June 2017. In addition, the Bank has held License No. 043/1 since November 2017, granting the right to conduct banking operations according to Islamic finance principles through an "Islamic window" in national and foreign currencies.

The presence of the Bank in the Kyrgyz Republic is ensured by a wide regional network comprising 20 branches. Coupled with a focus on digital transformation and implementation of advanced customer-centric solutions, the extensive geographical presence is a key factor that secures the status of the Bank as one of the leading financial institutions in the country.

At the end of the reporting year, the share of assets of BAKAI BANK amounted to approximately 9.94% of the total assets of the banking sector of the Kyrgyz Republic. The financial institution offers a comprehensive portfolio of services tailored to the corporate segment, small and medium-sized businesses (SMEs), and individuals. Key business lines include deposit services, account management, lending and issuing guarantees, cash and settlement services, and securities market operations. At the end of 2025, the customer base of the Bank reached 1 387 thousand entities and individuals, of which 1 339 thousand were retail clients.

As of December 31, 2025, the capital structure is represented by 212 765 958 issued ordinary shares with a nominal value of 47 KGS each. The Bank issues solely one class of securities – ordinary shares, which guarantee equal basic rights to all shareholders. The voting principle is based on the "one share – one vote" rule without any preferential conditions in dividend distribution. Shareholders' voting rights have no quantitative or other statutory restrictions.

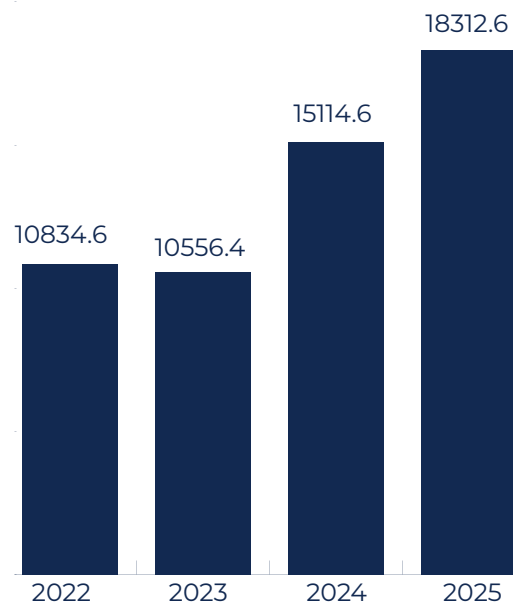


Five individuals hold large stakes exceeding 5% of the total shares of the Bank. The presence of controlling shareholders ensures strategic stability and a commitment to long-term value creation that surpasses the standard short-term cycles of public markets. At the same time, the corporate governance architecture of the Bank, including the presence of independent directors on the Board of Directors and functioning of specialized committees, guarantees full protection of minority shareholders' rights and eliminates conflicts of interest in strategic decision-making. The founding and ultimate controlling party is the Ibragimov family.

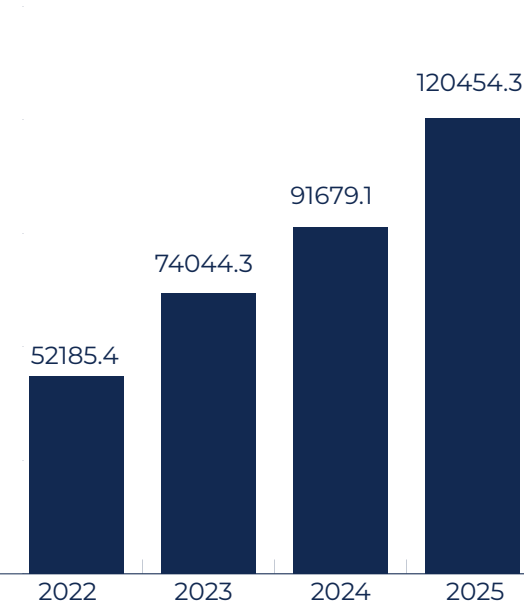
As of December 31, 2025, as well as on the date of approval of this Report, the government does not own more than 5% of the shares of the Bank. The Bank operates without receiving direct government financial support in the form of subsidies or grants.

Major shareholders owning more than 5% of shares of the Bank, %			
	as of December 31, 2025	as of December 31, 2024	as of December 31, 2023
Sergey Mukhamedovich Ibragimov	40.1%	21.1%	41.1%
Timur Sergeevich Ibragimov	did not hold shares	20,0%	did not hold shares
Stella Nikolaevna Ibragimova	12.4%	12,4%	12,4%
Alymbek Batyrbek uulu	7.3%	7.3%	7.3%
Galina-Victoria Yurievna Ibragimova	7.1%	7.1%	held less than 5% of shares
Kira Sergeevna Ibragimova	6.3%	6.3%	6.3%

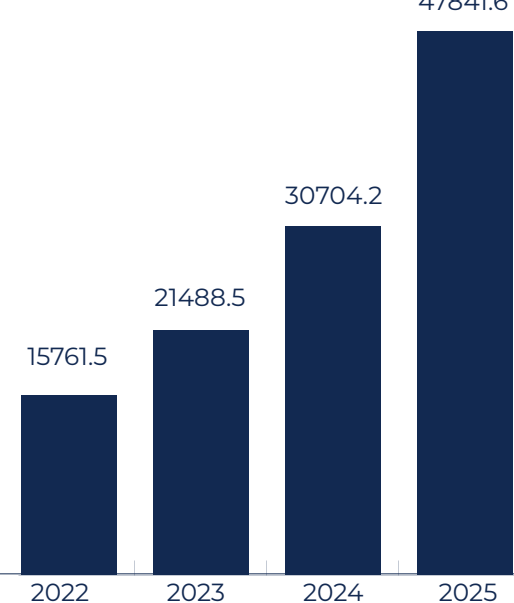
Dynamics of gross income of the Bank, million KGS



Dynamics of assets of the Bank, million KGS



Dynamics of lending to clients, million KGS



E
S
G

KEY BUSINESS PROCESSES, PRODUCTS AND SERVICES OF THE BANK



- Retail lending, including mortgage lending and car loans.
- SME and corporate lending.
- Cash management services.
- Deposits for retail clients.
- Deposits for SME and corporate business.
- Financial products and services based on Islamic banking principles.
- Mobile and Internet banking.
- Private banking.
- Securities transactions.
- Money transfers.
- Escrow accounts.
- Safe deposit services.
- Precious metals transactions.

as of December 31, 2025

120 454.3
ASSETS million KGS

8 927.7 million
TIER 1 CAPITAL KGS

7.4%
LEVERAGE RATIO

13 424.4 million
RETAIL LENDING KGS

22 656.6 million
SMALL AND MEDIUM KGS
BUSINESSES LENDING

11 760.7 million
CORPORATE LENDING KGS

1 960,6 million
MURABAHA OPERATIONS KGS

54 811.1 million
CURRENT ACCOUNTS AND KGS
DEPOSITS OF RETAIL CLIENTS

37 798.2 million
CURRENT ACCOUNTS AND KGS
DEPOSITS OF LEGAL ENTITIES

172
OPERATING ATMS

597.7 thousand
ISSUED BANK CARDS

11 166
OPERATING POS TERMINALS



0

MATERIAL VIOLATIONS
OF BANKING LAWS AND
REGULATIONS

0

HUMAN RIGHTS
VIOLATIONS AND CASES OF
DISCRIMINATION

0

INFORMATION SECURITY
INCIDENTS AND PERSONAL
DATA LEAKS

0

LOST TIME INJURY
FREQUENCY RATE (LTIFR)

4 540.8 million
KGS

TOTAL SUSTAINABLE LEND-
ING FOR CLIENTS IN 2025

1 578.36

SCOPE 1 AND SCOPE 2
GREENHOUSE GAS EMIS-
SIONS, TONS OF CO₂-EQ

65.7%

WOMEN IN THE WORKFORCE

80.7%

EMPLOYEE ENGAGEMENT
LEVEL

117 468.88

FINANCED EMISSIONS, TONS
OF CO₂-EQ

78.6%

CUSTOMER SATISFACTION
SCORE CSAT

2 282

EMPLOYEES

0

CORRUPTION CASES

as of December 31, 2025

Value distributed by the Bank in 2025, million KGS

1 555.3	Interest paid to customers
3 358.5	Employee-related expenses *
660.9	Payments to suppliers **
519.5	Taxes ***



* including taxes and other payroll payments
** consulting and other services, operating lease, communication services
*** excluding payroll taxes

AWARDS AND PROFESSIONAL REWARDS OF THE BANK

KIT AWARDS 2025

National Award in the Field of Information Technology

At the KIT Forum (May 30, 2025, Bishkek), BAKAI BANK won the AI for Business category. The award went to the BusinessGPT project – an intelligent digital assistant for entrepreneurs that significantly simplifies access to financial services and consultations in a dialogue format.

CREDIT AND ESG RATINGS

MOODY'S INVESTORS SERVICE

B3 long-term issuer deposit rating, stable outlook (May 2025).

FITCH RATINGS

B- long-term issuer default ratings, stable outlook (June 2025).

S&P GLOBAL RATINGS

B/B long-term and short-term issuer credit ratings, stable outlook (October 2025).

ESG score of S&P Global Corporate Sustainability Assessment at 57 points (August 2025).

PARTICIPATION OF THE BANK IN KEY ASSOCIATIONS AND UNIONS



Union of Banks
of Kyrgyzstan



UN Global Compact



American Chamber
of Commerce in the
Kyrgyz Republic



Chamber of
Commerce and
Industry of the Kyrgyz
Republic

RESPONSIBLE GOVERNANCE AND BUSINESS ETHICS

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An effective corporate governance system is a strategic factor in the development of BAKAI BANK. Within the ESG agenda, the G (Governance) component reflects our commitment to a balanced decision-making process that ensures a balance of interests among all stakeholders. This approach is implemented through a clear delineation of authority among shareholders, the Board of Directors, the Management Board, and specialized structural units.

The corporate governance of the Bank is based on strict compliance with the legislation of the Kyrgyz Republic, alongside the consistent integration of best international practices.

The documentary framework of the system is formed by the Charter, the Corporate Governance Code, and a set of internal regulatory documents. At the same time, the standards of the Basel Committee on Banking Supervision and the recommendations of the Islamic Financial Services Board serve as our methodological guidelines.

General Meeting of Shareholders

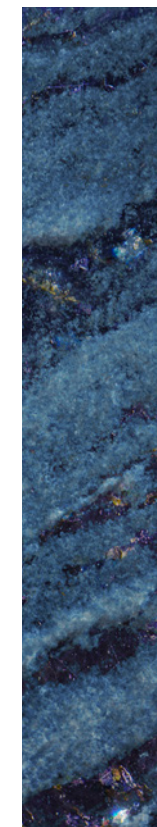
The Bank fully ensures the realization of shareholders' rights to participate in the strategic management of the corporation. The supreme governing body is the General Meeting of Shareholders, the convening and conduct of which are strictly

subject to the legislation of the Kyrgyz Republic. The exclusive competence of the General Meeting of Shareholders includes, inter alia, amending the bylaws of the Bank and approving them in new editions.

In 2025, the Annual General Meeting of Shareholders was held on March 31. To address strategic issues, three Extraordinary General Meetings were also convened – on May 14, August 20, and December 22, 2025.

To ensure maximum shareholder engagement, the Bank implements a proactive information policy. The convening regulations stipulate advance notification of the General Meeting through the publication of official notices in the manner prescribed by law. Shareholders are provided with unhindered access to comprehensive agenda materials and are guaranteed the right to submit their own proposals and nominate candidates to the governing bodies within established regulatory timeframes. This approach ensures the transparency of the voting process and equal access to information for all shareholders.

Traditionally, the Annual General Meeting of Shareholders summarizes the results of the financial year and makes strategic decisions regarding capital. Net profit distribution is carried out on balanced principles – BAKAI BANK strives to provide fair dividend yields for investors while reinvesting a significant portion of funds into retained earnings to systematically increase the level of capitalization, modernize technology, and ensure the long-term financial stability of the Bank.



Board of Directors

The Board of Directors exercises strategic oversight, sets the strategic direction for the Bank's development, and is responsible for formulating key corporate policies. For an in-depth study of specialized issues, a number of specific committees operate under the Board of Directors. The Board of Directors exercises direct control over the Risk Management Department, the Compliance Control Department, and the Internal Audit Department. As part of its control functions, the Board of Directors regularly interacts with external (annually) and internal (quarterly) auditors, as well as with the Sharia Council (annually).

Activities are regulated by the legislation of the Kyrgyz Republic, the Charter, shareholders' decisions, and the relevant Regulation.

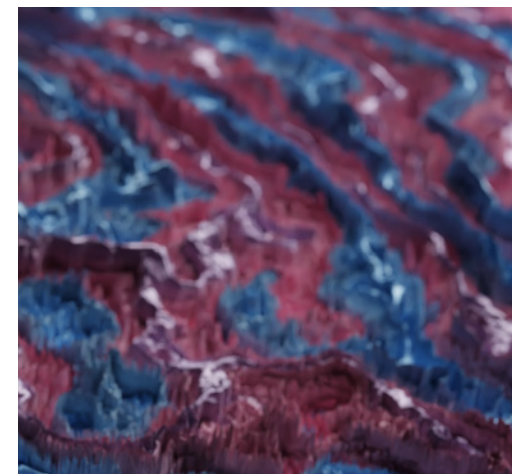
» Composition and election: The current composition includes 5 members elected by the General Meeting of Shareholders through cumulative voting for a 4-year term.

» Qualification and diversity: Candidates undergo strict selection based on professional experience, business reputation, and competencies. The Board of Directors has deep expertise in the financial

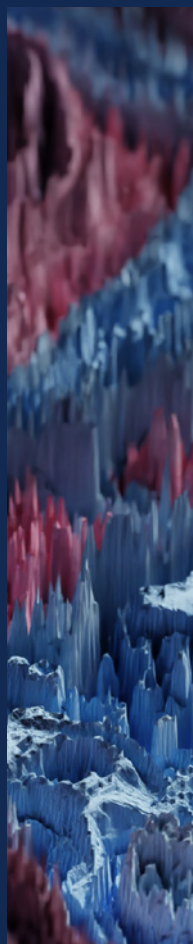
sector according to the GICS Level 1 - Financials classification. As of May 1, 2026, all members of the Board of Directors are non-executive or independent directors with significant relevant practical experience in banking at the managerial level.

» Restrictions: To avoid conflicts of interest, the Board of Directors cannot include the Chairman of the Management Board and members of the Management Board of the Bank, officials of competing banks and other entities supervised by the National Bank of the Kyrgyz Republic, as well as persons who do not meet regulatory qualifications.

» Diversity policy and target representation: The law and internal documents stipulate a requirement that the Board of Directors must include at least one citizen of the Kyrgyz Republic who speaks the state and/or official language. The Bank purposefully promotes gender diversity in senior management bodies, maintaining a target for the share of women on the Board of Directors at no less than 30%. As of May 1, 2026, the actual share of women significantly exceeds this target – four out of five members of the Board of Directors are women.



INDEPENDENT DIRECTORS



Considering the requirements of the legislation of the Kyrgyz Republic, the target share of independent directors on the Bank's Board of Directors is officially fixed at a mandatory level of at least one-third of the total composition of the Board of Directors.

As of May 1, 2026, two out of the five members of the Board of Directors are independent directors, which fully ensures compliance with the established target. Taking into account regulatory requirements and to ensure maximum objectivity of management decisions, there are no executive directors on the Board of Directors.

The independence status of the members of the Board of Directors is governed by the Bank's internal regulatory documents, which constitute the Bank's public declaration of independence. These criteria fully comply with national legislative requirements and exceed basic international standards by establishing a 5-year restriction period for affiliated persons instead of the standard 1 year.

According to the Bank's corporate policy, a director is recognized as independent if, at the time of election and throughout their term of office on the Board of Directors, they meet the following criteria:

- » Absence of employment relationship with the Bank: an independent director is not and has not been the chairman or a member of the Bank's Management Board, or any of its affiliated legal entities, within the last 5 years.
- » Financial independence from the Bank: an independent director has not directly or indirectly received substantial additional remuneration, compensation, or donations from the Bank or related parties within the last 5 years, except for standard reimbursement of expenses related to service on the Board of Directors.
- » Absence of business and consulting ties with the Bank: an independent director does not have and has not had significant business ties with the Bank (including receiving and providing loans, contracts for the provision of personal, professional, consulting services), neither directly nor as a partner, within the last 5 years.
- » Audit independence from the Bank: an independent director has not been a partner or employee of the Bank's current or former external auditor or any of its related parties within the last 5 years.
- » Independence from the Bank's majority shareholders: an independent director does not exercise significant ownership or control over the Bank and does not represent the interests of majority shareholders.
- » Absence of family ties: an independent director is not closely related to persons subject to any of the above restrictions, including the Bank's executive management and employees.

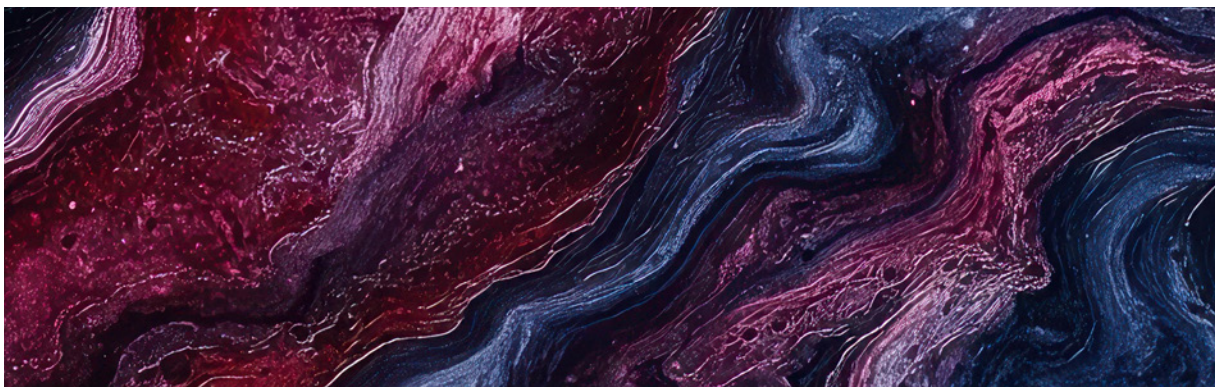
As of May 1, 2026, the average age of the directors is 53 years, and the average tenure is 3.0 years. Members of the Board of Directors are not overburdened with external commitments and do not serve on the boards of directors of more than 4 other public companies.

In 2025, the Board of Directors held 90 meetings (against a norm of at least once a quarter), demonstrating a high level of engagement among the Board members – the average meeting attendance in the reporting year was 99%.

Corporate governance practice includes an annual procedure for assessing the performance of both the Board of Directors as a whole and the personal contribution of each director. The process is implemented through an anonymous questionnaire (self-assessment), while shareholders have the right to initiate the engagement of independent external consultants. The results of this assessment are a significant factor when making decisions on the extension of the term of office of the members of the Board of Directors.

The corporate governance system of the Bank is built on the principles of the absolute responsibility of the governing bodies. The constituent documents of the Bank do not contain provisions providing for the exemption or limitation of liability of members of the Board of Directors for breach of their duties. This ensures a transparent accountability mechanism and eliminates conflicts of interest when making strategically significant decisions.

Following the results of 2025, certain members of the Board of Directors held shares of the Bank and conducted transactions with them.



Sharia Council

BAKAI BANK operates in accordance with Islamic principles of banking and finance. Consequently, the Sharia Council operates within the Bank considering legislative requirements.

The Sharia Council is a body responsible for ensuring the Bank's policies and standard contracts comply with Sharia standards, reviewing issues, and preparing recommendations regarding operations under Islamic banking and finance principles. Its members undergo a strict qualification assessment by the National Bank of the Kyrgyz Republic.

Council members are not subject to national labor laws, and labor contracts are not concluded with them. A strict limit applies to holding multiple positions – membership is allowed in no more than one bank and two non-bank financial and credit organizations simultaneously.

Management Board

The Management Board is a collegial executive body accountable to the Board of Directors and responsible for the operational management of the Bank. The Management Board's competencies cover the entire range of tasks for managing current operations.

» The quantitative composition (at least 5 persons) and individual appointments are approved by the Board of Directors; the duties and responsibilities of the members are set out in their individual labor contracts.

» The collegial executive body and its activities are headed by the Chairman of the Management Board.

» It is prohibited to combine positions on the Management Board with membership on the Bank's Board of Directors, managerial positions in competing financial institutions, or holding a significant participation in the capital of other institutions accountable to the National Bank of the Kyrgyz Republic.

In 2025, the Management Board demonstrated high activity, holding 93 meetings against the established requirement to hold them at least twice a month. A total of 1,046 operational issues were considered at these meetings. During the reporting period, the qualification level and managerial potential of the executive body fully met the expectations of the Board of Directors.

As of the end of the reporting year, a Tender Commission and an HR Committee operated under the Management Board.

Remuneration of Members of Governing Bodies

The remuneration policy for members of the Board of Directors and the Management Board is implemented in accordance with the requirements of the legislation of the Kyrgyz Republic, the Charter of the Bank, and the Regulation on Remuneration.

Determining the conditions and amount of re-

muneration for members of the Board of Directors and the Sharia Council is within the exclusive competence of the General Meeting of Shareholders. The amount of bonuses and incentives for members of the Board of Directors and the Sharia Council is set and approved by a decision of the General Meeting of Shareholders, considering the performance of the Bank following the financial year. By decision of the General Meeting of Shareholders, members of the Board of Directors may be paid remuneration and (or) reimbursed for expenses incurred in connection with the performance of their functions as members of the Board of Directors during the period they perform their duties.





Setting the amounts of remuneration paid and the terms of remuneration for members of the Management Board falls within the exclusive competence of the Board of Directors, considering the recommendations and proposals of the Nomination and Remuneration Committee under the Board of Directors. The Board of Directors establishes the remuneration level for members of the Management Board – base salary, profit sharing, reimbursement of off-budget representation expenses, commission remuneration, and other additional payments. There is a provision for the possibility of increasing remuneration, paying a portion of the remuneration in the form of premiums/bonuses, or through a long-term incentive program.

The amount of remuneration to the members of the Board of Directors and the Management Board for the reporting period is specified in the audited financial statements of the Bank for 2025.

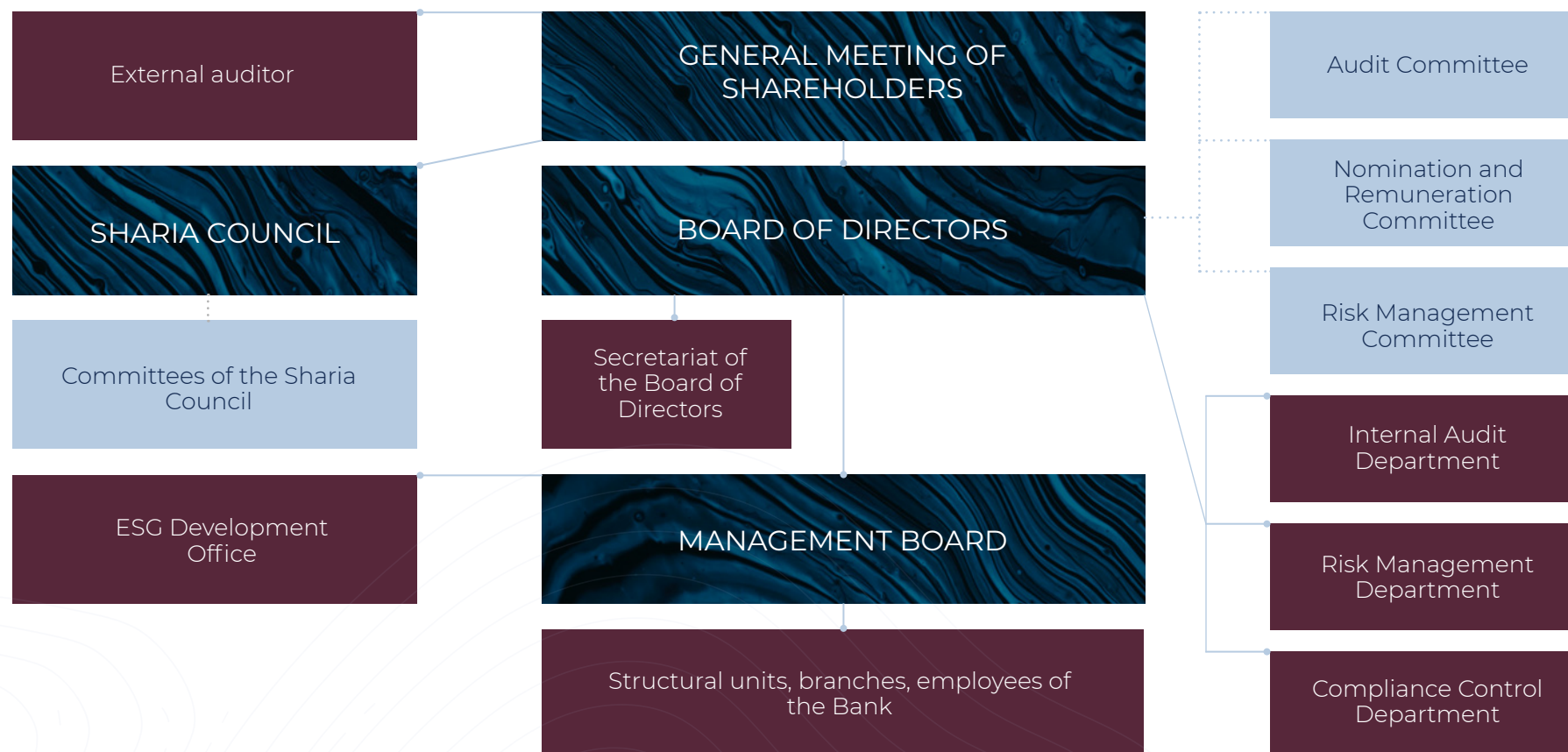
Control and Corporate Engagement Infrastructure

The Corporate Secretary, who heads the dedicated Secretariat, acts as a liaison among the shareholders, the Board of Directors, and management of the Bank. Their area of responsibility includes ensuring compliance with corporate procedures, organizing General Meetings of Shareholders, and supporting the work of the Board of Directors and its committees. The Secretary is directly appointed by the Board of Directors, and combining this role with other functions within the Bank requires special approval from the Board of Directors. As of the reporting date, this position is held by Gulnara Toktonazarovna Nazaralieva.

The Bank maintains a robust audit model:

- » Internal Audit: The Internal Audit Department possesses functional independence and reports directly to the Board of Directors. The Department provides an objective assessment of the effectiveness of internal control, risk management, and corporate governance systems, annually defending its final report before the Board.
- » External Audit: By decision of the shareholders, the audit of the financial statements for 2025 has been entrusted to Grant Thornton LLC. To comply with the principle of independence, the external auditor did not provide non-audit services to the Bank in the reporting year. The Bank strictly complies with the rule of auditing firm rotation at least once every 5 years and imposes strict qualification requirements on them, including the possession of a license and more than 3 years of experience.

as of May 1, 2026



as of May 1, 2026	Sergey Mukhamedovich Ibragimov	Bakita Abdykalyevna Munduzbaeva	Kira Sergeevna Ibragimova	Aizhan Medetovna Sadyrkulova	Gulnara Turarovna Uskenbaeva
Position	Chairman of the Board of Directors	Deputy Chairwoman of the Board of Directors	Member of the Board of Directors	Member of the Board of Directors	Member of the Board of Directors
Date of initial election	January 12, 2026	February 24, 2020 (re-elected for a new term on March 28, 2024)	January 20, 2022 (re-elected for a new term on March 31, 2026)	March 10, 2023	March 31, 2025
Date of birth	January 24, 1961	July 5, 1969	May 15, 1989	April 15, 1979	July 18, 1964
Citizenship	Kyrgyz Republic	Kyrgyz Republic	Kyrgyz Republic	Kyrgyz Republic	Kyrgyz Republic
Independent director	No	No	No	Yes	Yes
Participation in committees of the Board of Directors	Member of the Nomination and Remuneration Committee. Member of the Audit Committee.	Chairwoman of the Nomination and Remuneration Committee. Member of the Risk Management Committee.	Member of the Nomination and Remuneration Committee.	Chairwoman of the Risk Management Committee. Member of the Audit Committee.	Chairwoman of the Audit Committee. Member of the Risk Management Committee.
Education	Higher technical education.	Higher education in economics.	Higher education in financial management.	Higher education in law.	Higher education in economics.
Financial industry experience	His career began in 1983. From 1996 to 2004, worked at Bakai JSC as Head of Department, Deputy General Director, and Member of the Board of Directors. From 2004 to 2007, served as Deputy General Director and General Director of the Bakai Financial and Industrial Group. From 2007 to 2010, served as a Member of the Jogorku Kenesh (Parliament) of the Kyrgyz Republic. From 2010 to 2025, served as Chairman of the Board of Directors and Advisor to the Chairman of the Board of Directors at BAKAI BANK OJSC. From 2025 to 2026, held the position of GR Director at the Digital Transformation Directorate.	Work experience in the banking sector since 1991. From 2006 to 2009 – Chairwoman of the Management Board of BAKAI BANK OJSC. From 2009 to 2019 – First Deputy Chairwoman of the Management Board of BAKAI BANK OJSC. From 2019 to 2020 – Chairwoman of the Management Board of BAKAI BANK OJSC.	From 2015 to 2019 – Chief Specialist of the Financial Division, Head of the Reporting and Budget Control Unit of the Financial Division. Afterwards, Member of the Board of Directors at BAKAI BANK OJSC.	From 2004 to 2016 – at the National Bank of the Kyrgyz Republic as a lawyer, head of the legal unit, head of the legal division, and then as a member of the Management Board. Since 2016, has worked at the Accounts Chamber of the Kyrgyz Republic, including acting as the Chairwoman of the Accounts Chamber.	Work experience in various companies in the financial and audit industries. From 2014 to 2018 – Member of the Board of Directors of Eurasian Savings Bank OJSC. From 2018 to 2020 – Member of the Board of Directors of BTA Bank CJSC. From 2020 to 2025 – Member of the Board of Directors of EcolslamicBank CJSC.

Note

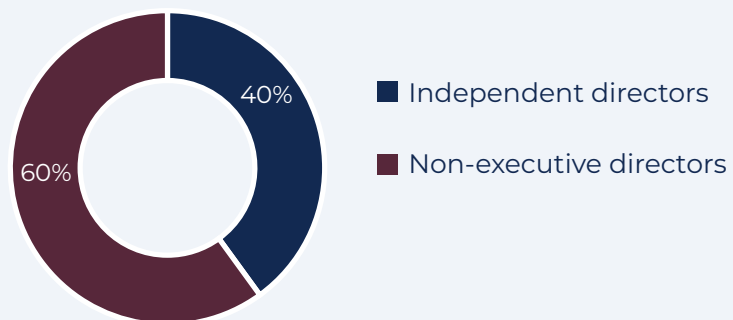
The following changes occurred in the composition of the Board of Directors of BAKAI BANK OJSC during the period from January 1, 2026, to May 1, 2026:

- January 12, 2026 – the powers of Timur Sergeevich Ibragimov as a Member of the Board of Directors were terminated early upon his request.
- January 12, 2026 – Sergey Mukhamedovich Ibragimov was elected Chairman of the Board of Directors.

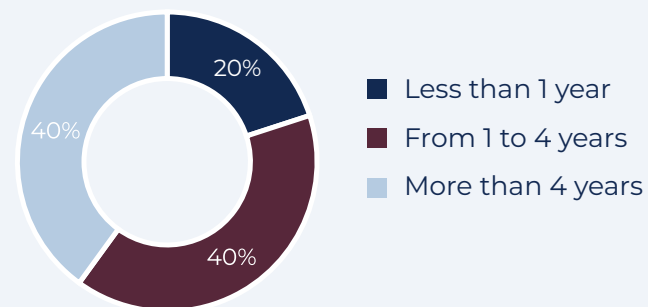
> GENERAL INFORMATION ABOUT THE MEMBERS OF THE BOARD OF DIRECTORS OF BAKAI BANK OJSC

as of May 1, 2026

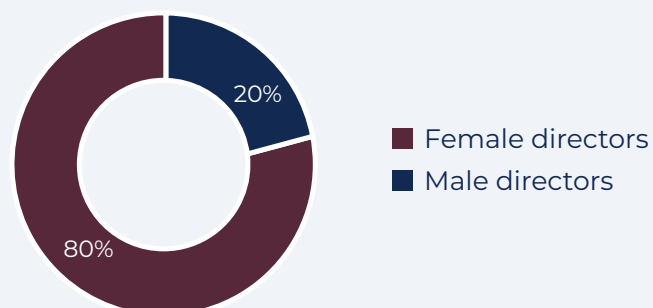
SHARE OF INDEPENDENT DIRECTORS



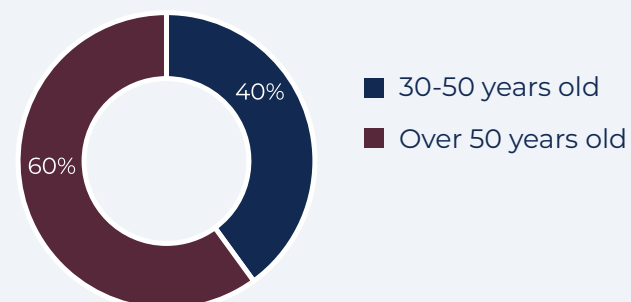
BOARD OF DIRECTORS AVERAGE TENURE



GENDER COMPOSITION



AGE COMPOSITION



The status and composition of the committees of the Board of Directors are formed taking into account the requirements of the legislation of the Kyrgyz Republic, as well as the goals and scale of activities and the level of risks of the Bank.

as of May 1, 2026	Nomination and Remuneration Committee	Risk Management Committee	Audit Committee
Description	The main objective of the Nomination and Remuneration Committee is to assist the Board of Directors in resolving personnel issues in the area of appointment and remuneration of members of the Board of Directors, the Management Board, heads and employees of the internal audit, risk management and compliance control departments, as well as employees subject to mandatory approval by the National Bank of the Kyrgyz Republic. Meetings are held as necessary.	The Risk Management Committee assists the Board of Directors in determining the priority areas of activity of the Bank in relation to banking risks and in creating conditions for proper risk management. Meetings are held monthly.	The main objective of the Audit Committee is to assist the Board of Directors in ensuring an appropriate system of internal control, control over accounting procedures and preparation of financial statements of BAKAI BANK. Meetings are held at least monthly.
Participating members of the Board of Directors	Bakita Abdykalyevna Munduzbaeva (Chairwoman). Sergey Mukhamedovich Ibragimov. Kira Sergeevna Ibragimova.	Aizhan Medetovna Sadyrkulova (Chairwoman). Bakita Abdykalyevna Munduzbaeva. Gulnara Turarovna Uskenbaeva.	Gulnara Turarovna Uskenbaeva (Chairwoman). Sergey Mukhamedovich Ibragimov. Aizhan Medetovna Sadyrkulova.
Number of meetings in 2025	30 meetings, 54 issues considered.	13 meetings, 31 issues considered.	27 meetings, 85 issues considered.

as of May 1, 2026

	Timur Sergeevich Ibragimov	Marat Salamatovich Kakeev	Nurdin Irizbaevich Alybaev	Larisa Georgievna Chengiz
Position	Chairman of the Management Board	First Deputy Chairman of the Management Board	Deputy Chairman of the Management Board	Deputy Chairman of the Management Board
Appointment date	January 12, 2026	August 1, 2022	September 1, 2022	March 4, 2021
Date of birth	August 30, 1999	January 16, 1976	July 30, 1981	February 26, 1971
Citizenship	Kyrgyz Republic	Kyrgyz Republic	Kyrgyz Republic	Kyrgyz Republic
Education	Higher education in management.	Higher education in economics.	Higher education in banking, legal affairs.	Higher education in financial accounting and management accounting.
Financial industry experience	Has been working in the banking sector since 2017. He served as Specialist/ Senior Specialist of the Financial Management Department, Chief Specialist of the Small and Medium Business Lending Department, Head of the Precious Metals Division, and Head of the Precious Metals Department at the Treasury Directorate of BAKAI BANK OJSC. From 2023 to 2026, he served as a member, and subsequently Chairman, of the Board of Directors of BAKAI BANK OJSC.	The banking career started in 1998 – at the National Bank of the Kyrgyz Republic. From 2007 to 2009, he held senior positions at Dos-Kredobank OJSC and FinanceCreditBank KAB OJSC. In 2017 – Member of the Board of Directors, then Chairman of the Board of Directors of Eurasian Savings Bank OJSC. Since 2017 – BTA Bank CJSC as Deputy Chairman of the Board of Directors. Since 2018 – First Deputy Chairman of the Management Board of BTA Bank CJSC. Since 2020 – Deputy Chairman of the Management Board of BAKAI BANK OJSC.	The career started in 2004 as an intern in the corporate business unit of Ineximbank. From 2013 to 2020 – director of the branch of BTA Bank. From 2020 to August 2022 – director of the branch of BAKAI BANK OJSC.	From 1993 to 2001, she specialized in accounting and tax accounting, financial control and methodology in various Kyrgyz commercial banks. From 2002 to 2005 – Chief Accountant of Ecobank OJSC, from 2005 to 2007 – Deputy Chairman of the Management Board - Director of the Department of Resources and Financial Control of Ecobank OJSC. From 2007 to 2020 – Managing Director of BTA Bank CJSC.



as of May 1, 2026

	Sergei Sergeevich Lazyuk	Marat Mukhammetovich Kozhonov	Dinara Temirovna Aitbaeva
Position	Deputy Chairman of the Management Board	Member of the Management Board, Director of IT Architecture	Financial Director - Member of the Management Board
Appointment date	December 4, 2023	July 9, 2025	October 10, 2023
Date of birth	February 17, 1979	October 19, 1979	September 24, 1977
Citizenship	Republic of Belarus	Kyrgyz Republic	Kyrgyz Republic
Education	Higher education in banking, international business management.	Higher technical education	Higher education in economics.
Financial industry experience	The banking career started at Priorbank (Raiffeisen Bank) in Belarus in May 2002. From 2007 to 2013, he held the position of Director of Internal Audit, and from 2013, Director of the Digital Service Channels Department at Priorbank. From 2019 to 2023 – Executive Director for Retail Business at Bank BelVEB in Belarus.	Began his career as a programmer at RSK OJSC. At BTA Bank CJSC, he rose through the ranks to become the Director of the IT Department, successfully implementing core banking systems and remote banking platforms. He has held senior executive positions in the IT departments of Aiyl Bank, Keremet Bank, and Bank Kompanion.	The career started at BAKAI BANK OJSC as a specialist accountant for foreign exchange transactions. During her time at the Bank, she held such positions as Chief Accountant-Member of the Management Board, Managing Director, and Financial Director.



Sustainability is an integral part of operations of BAKAI BANK. We recognize that strong corporate governance and the proper management of sustainability risks and opportunities associated with our business are crucial for creating long-term value for BAKAI BANK and its stakeholders.

The corporate sustainability governance structure defines the roles and responsibilities designed to ensure sufficient progress in ESG transformation of BAKAI BANK.

Sustainability governance architecture clearly regulates the distribution of roles and areas of responsibility at all levels of decision-making, ensuring the systemic integration of ESG factors into business processes and the achievement of the Bank's strategic sustainability goals. The foundation of the system is the Sustainability Policy approved by the Board of Directors, which, together with the Environmental and Social Risk Management Policy, forms the comprehensive approach of the Bank to managing ESG aspects. These internal regulatory documents establish an exhaustive list of the Bank's obligations to key stakeholders: shareholders, clients, employees, business partners, and society as a whole.

The Board of Directors: Determines priority areas of activity of the Bank and approves or updates strategic goals, operational directions, and key sustainability-related documents. Furthermore, the Board of Directors formulates principles and approaches to

organizing the risk management system, including in relation to sustainability, and regularly reviews risk reporting, enabling informed decision-making based on the current risk profile.

The Risk Management Committee: Consisting exclusively of members of the Board of Directors, this committee provides comprehensive oversight of sustainability issues. The Committee supports the Board of Directors on matters related to sustainability and ESG risk management, helping to monitor the implementation of and compliance with the overall risk strategy of the Bank. These issues are reviewed as necessary.

The Management Board: Ensures the execution of decisions made by the General Meeting of Shareholders and the Board of Directors, implements the corporate development strategy, oversees the integration of ESG goals and priorities into the operations of the Bank, and makes operational sustainability decisions.

The Sustainability Working Group: Operates to ensure oversight and the implementation of initiatives at the executive management level, comprising the heads of key structural units involved in the corporate ESG transformation. The Working Group's key functions include cross-functional coordination of structural units, synchronization of strategic ESG initiatives with the operations of the Bank, and oversight of the preparation process for the annual

non-financial report in strict accordance with applicable international disclosure standards.

The ESG Manager: At the operational level, there is a dedicated specialized position, whose functions include the direct management of integrating sustainability principles into the business processes of the Bank. The ESG Manager coordinates related activities and acts as a single competence center with the support of adjacent structural units responsible for highly specialized areas (such as human resources, information security, compliance control, and others).



The Board of Directors and the Management Board are regularly informed by structural units, within the scope of their core activities, on various material sustainability topics, including sustainability risks and opportunities, as well as changes in legislative requirements.

All structural units contribute to the fulfillment of sustainability priorities of BAKAI BANK. Specifically, within a decentralized approach to risk management, the structural units of the Bank regularly identify and assess ESG risks inherent to their specific business lines. This includes conducting scenario analyses of risk factors, assessing potential financial and non-financial impacts, and developing and implementing appropriate measures to mitigate identified risks.

To properly understand and manage ESG issues, Bank employees attend educational seminars and training sessions, including webinars featuring invited experts.

BAKAI BANK recognizes the importance of integrating sustainability goals into the management motivation system. The process of analyzing the applicability of extended non-financial KPIs is under review. Upon the completion of methodological development and agreement on a list of relevant metrics (including the volume of sustainable financing and compliance risk indicators), the Bank will consider the feasibility of their inclusion in the KPI matrix. This step will be aimed at strengthening management's personal accountability for the long-term sustainability of the business.



Effective risk management acts as a critically important element of the sustainable and predictable operational activities and competitiveness of BAKAI BANK, and a deep understanding of the risk profile is the foundation of the organization's corporate culture. The architecture for managing risks, capital, and liquidity is built to strictly comply with regulatory standards and guarantees the maintenance of the business's high financial stability. The key objective of the system is to ensure the uninterrupted operation of the Bank under both standard macroeconomic and stress conditions.

The system is aimed at supporting strategic goals, improving process efficiency, and ensuring the unconditional fulfillment of legislative requirements. The Bank continuously improves its risk management procedures, adapting them to the scale of the business, changes in the legal framework of the Kyrgyz Republic, and advanced international practices. The moderate risk tolerance inherent to the Bank is maintained thanks to a developed risk culture at all organizational levels. The fundamental management principles are enshrined in the internal Risk Management Policy and related regulatory acts. The Bank adheres to the principle of transparency – all material risks are subject to mandatory identification and systemic management.

Risk Management as a Material Topic for Long-Term Value Creation

Based on the results of materiality assessment and stakeholder engagement, risk management has been identified as one of the key material topics directly affecting long-term performance of

BAKAI BANK. For the Bank, this topic goes beyond standard regulatory compliance and includes the management of specific sub-risks, including credit risk under conditions of macroeconomic volatility, ensuring business continuity and cybersecurity, as well as the integration of emerging ESG factors into the decision-making process.

Effective risk management has a direct and significant impact on the Bank's financial performance in three areas:

» Reduction of financial risks and costs: Proactive assessment and strict concentration limits reduce the level of non-performing loans (NPL). This directly leads to a reduction in provisions for potential losses, thereby preserving the Bank's capital and protecting net profit. Furthermore, investments in information security management systems help avoid direct financial losses from cyber incidents and regulatory fines.

» Realization of opportunities and revenues: The existence of a transparent and independent risk management system compliant with advanced practices and regulatory requirements increases the trust of the state, international institutional investors, and correspondent banks. This opens access to more affordable funding and sustainable financing instruments, which contributes to the growth of the Bank's financial performance.

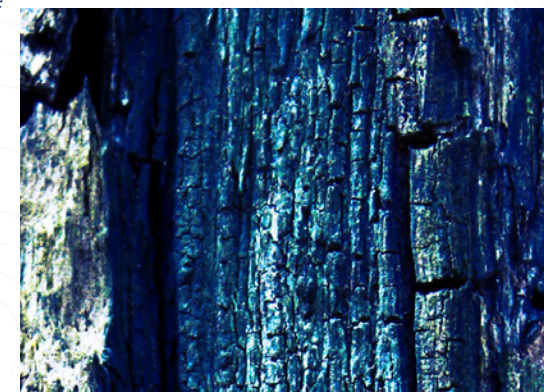
To implement this business case and manage the material topic, the Bank consistently implements the following strategic initiatives:

» Strict corporate governance: The functioning

of the “three lines of defense” model, under which the risk management and compliance structural units are independent of operational management and accountable to the Board of Directors.

» Scenario planning: Conducting regular stress testing, including macroeconomic and, in the future, climate shocks, for the proactive adjustment of credit policy and revision of risk appetite limits.

» Risk culture integration: The inclusion of risk management criteria in the key performance indicator (KPI) system and variable remuneration structure for relevant executives and employees.



MATERIALITY METRICS AND TARGETS

To effectively monitor the material topic of “Risk Management” and its impact on long-term value, BAKAI BANK uses various quantitative metrics and targets.

These indicators are not purely operational but reflect the key drivers of the Bank’s financial and non-financial stability.

An example of metrics and targets based on credit risk: Credit risk is identified as the most significant factor capable of leading to asset impairment and a decrease in capital adequacy.

Metric Name: 1) The share of non-performing loans NPL 90+ (loans with non-accrual status + restructured loans) in the Bank’s total loan portfolio. 2) NPL Coverage Ratio.

Target: 1) Maintaining the NPL 90+ ratio at no more than 7% (actual – 3.9%). 2) NPL Coverage Ratio of at least 100% (actual – 122.7%).

Target Year: 2025.

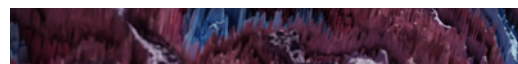
Corporate Governance Model and the «Three Lines of Defense»

The functioning of the system is based on the three lines of defense concept, which ensures continuous control of limits and regular reporting to the Board of Directors.

» The first line of defense: Business units and support services. They are responsible for managing risks in day-to-day operations. Their competence includes the initial identification of threats when concluding transactions, forecasting the risk level—including during the development of new products—and monitoring the compliance of operations with established limits.

» The second line of defense: The Risk Management Department and the Compliance Control Department. These functions are organizationally independent from the Management Board and report directly to the Board of Directors. They carry out independent monitoring, the development of internal methodology, stress testing, limit setting, and the generation of management reporting. To ensure an adequate level of independence, the heads of these departments are functionally accountable directly to the Board of Directors—this guarantees the absence of conflicts of interest with operational units.

» The third line of defense: The Internal Audit Department. It continuously conducts an independent assessment of the adequacy and effectiveness of the risk management and internal control systems. The Department is accountable to the Board of Directors and the Audit Committee.



The supreme oversight body is the Board of Directors that approves the risk appetite and bears ultimate responsibility for the risk management system, supported by the specialized Risk Management Committee (it includes only independent and non-executive directors). The Bank's Management Board implements operational management within the approved strategy and provides the Board of Directors with reliable reporting.

The Bank has implemented a system for integrating risk culture into overall performance indicators. Compli-

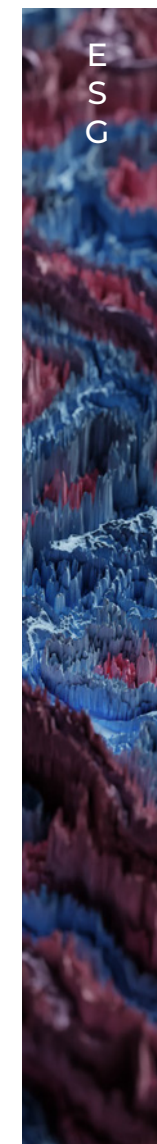


ance with risk management standards and the absence of incidents within the area of responsibility are mandatory criteria when evaluating performance and determining the variable portion of remuneration for executives and key front- and back-office specialists. Among other things, specialized KPIs have been implemented for employees of the Risk Management Department.

BAKAI BANK implements a comprehensive professional development program to maintain a high risk culture at all organizational levels, and conducts



annual training for employees on managing banking and other risks. In 2025, targeted training on risk management principles, including specialized workshops on operational risks, credit risks, and general risk culture, was organized for employees of the Bank's business and support units, rather than exclusively for specialized staff. Furthermore, the Bank has introduced the practice of regular specialized training for members of the Board of Directors. In the reporting year, separate training sessions on risk management were held for the members of the Board of Directors.

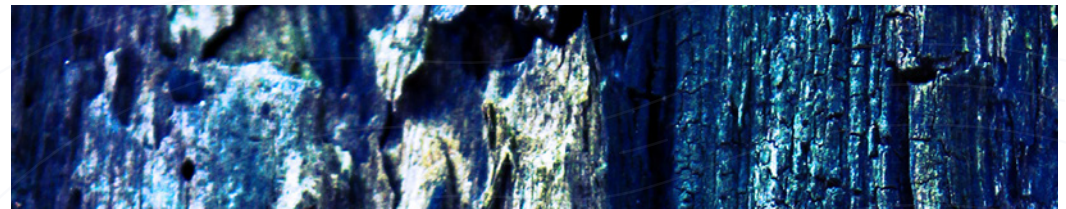


Risk Management Cycle

The risk management process is continuous in nature and includes seven interrelated stages:

1. Identification: Continuous detection of factors that could trigger losses.
2. Assessment: Application of qualitative and quantitative analytical methods.
3. Monitoring: Data accumulation and control of key indicators.
4. Limitation: Implementation of a set of measures to reduce the probability of losses, including a system of limits.
5. Control: Oversight of compliance with established limitations.
6. Planning: Evaluation of resilience to shocks through stress testing.
7. Reporting: Provision of management reports at a specified frequency.

To minimize vulnerabilities, the Bank assesses material risks before introducing a new product, service, or business process, as well as when making significant changes to the Bank's existing products, services, or business processes. For a preventive response, risk assessment is integrated directly into the development process of new banking products and services. Before launching any new product or substantially modifying an existing one, the Risk Management Department, in cooperation with business units, conducts mandatory validation against a set of established risk criteria, which prevents the launch of products that fall outside the approved risk appetite.



Risk Appetite and Stress Testing

A key element of the risk culture of the Bank is the formalized process of annually determining the risk appetite – the maximum level of risk that the Bank is willing to accept to achieve its strategic objectives. The process of formulating and controlling risk appetite is strictly regulated and has a multi-level structure of responsibility:

» The Board of Directors is responsible for determining the risk profile. The Board of Directors annually reviews and approves the risk appetite, ensuring its alignment with the Bank's business strategy.

» The Risk Management Committee under the Board of Directors oversees the development of risk appetite limits and regularly monitors the status of compliance with them.

» The Management Board and the risk management unit are responsible for cascading the approved risk appetite down to the level of operational limits, developing the calculation methodology, and integrating these indicators into the daily activities of business units.

GLOBAL SYSTEMICALLY IMPORTANT BANK (G-SIB) STATUS

The Bank manages its capital base in strict compliance with the requirements of the National Bank of the Kyrgyz Republic, while also referencing the advanced international standards of the Basel Committee on Banking Supervision (Basel III).

Although the Bank is a significant participant in the national financial system, according to the methodology of the Financial Stability Board (FSB), BAKAI BANK is not classified as a Global Systemically Important Bank (G-SIB).

Consequently, the Bank is not subject to the specific requirements for maintaining an additional capital buffer for loss absorbency (additional loss absorbency levels 1-5) prescribed for transnational financial institutions.

The process of determining risk appetite is based on a comprehensive assessment of available capital, liquidity, and the Bank's strategic financial goals. Within this process, the Risk Management Department annually develops quantitative limits and qualitative tolerance metrics for each material identified risk. The developed system of limits undergoes preliminary examination and validation at the level of the Risk Management Committee and the Bank's authorized units, after which it is submitted for final review and approval by the Board of Directors. This ensures a clear cascading of responsibility and guarantees that the risks taken by business units do not exceed the Bank's approved risk tolerance profile.

The Board of Directors evaluates the adequacy of the established risk levels (risk appetite limits) at least once every six months, taking into account the Bank's performance results. The Risk Management Department provides detailed reports to the Board of Directors at least quarterly, and to the Risk Management Committee at least monthly. At least quarterly, the Board of Directors, within the framework of the Risk Management Committee, reviews

the risk measurement and assessment methods developed by the Risk Management Department and structural units and practiced by the Bank, including gap and stress testing separately for each type of risk.

The Bank regularly conducts stress testing and scenario analysis, taking into account macroeconomic, geopolitical, and market factors. In the reporting year, credit and country risks, as well as all types of market risk and liquidity risk, were assessed. The results of the stress-testing for 2025 confirm that the Bank possesses a sufficient safety margin and capital to continue uninterrupted operations under crisis scenarios.

In 2025, the Internal Audit Department conducted an annual review of the current risk management system, the results of which were provided to the Board of Directors. Furthermore, in 2025, the Board of Directors received reports with expert opinions on the Bank's risk management system (credit, market, and operational risks) based on the results of the annual audit conducted by an independent external auditor.



Material Risks

The Bank takes risks in volumes that ensure the target risk-adjusted return of the business. Key risks include credit, market, operational, country, reputational, and liquidity risks. Control over credit, market, and liquidity risks is exercised by the relevant credit committees and the Asset and Liability Management Committee. Methods and algorithms for responding to risk events are detailed in the Risk Event Management Rules, which specify the actions of the Bank's structural units at the time a risk event occurs.

Furthermore, measures are taken to the maximum possible extent to minimize operational and compliance risks, taking into account the associated costs. To prevent operational risks, contingency and business continuity plans have been developed to minimize losses in the event of potential disruptions. All operational risk events are strictly registered in the operational risk database.

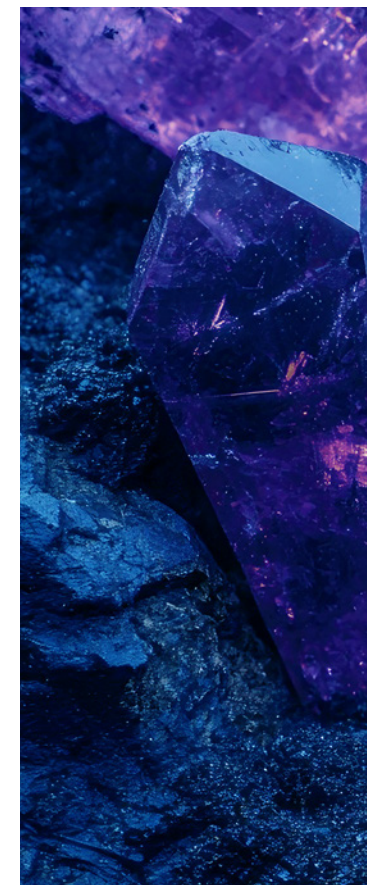
The risk appetite determination mechanism approved by the Bank is applied to each identified material risk through a system of quantitative indicators and qualitative criteria, for example:

➤ In relation to credit risk, the process of determining risk appetite includes setting limits on industry concentration, restricting the share of non-performing loans in the portfolio, and limiting unsecured lending. Control is carried out through the credit committees of the Bank.

➤ In relation to market and liquidity risks, the risk appetite framework is based on setting thresholds for liquidity deficit, open currency position limits, and market loss limits, which are monitored daily by the risk management unit.

➤ In relation to operational risk, the Bank defines its tolerance for operational losses by setting limits on the maximum amount of direct financial losses from operational incidents and maintaining a zero-tolerance policy towards internal fraud risks and compliance violations.

In case metrics approach the “yellow” zone of risk appetite, the relevant structural units are obliged to immediately activate corrective action plans.



Characteristics of Certain Material Risks:

» Credit Risk (Key Risk)

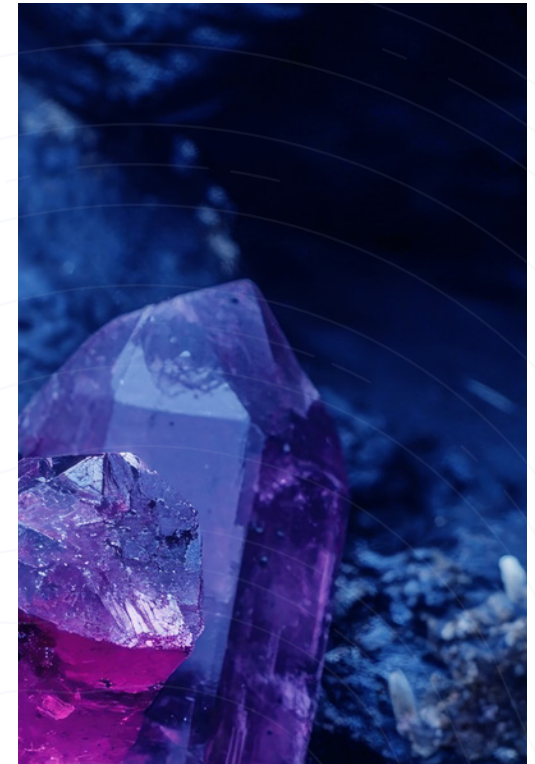
» Exposure: Due to the specifics of the macroeconomic environment and the concentration of the Bank's loan portfolio, the probability of credit risk realization (borrower default) is assessed as moderately low. The scale of financial impact is the highest among all the Bank's risks. The results of internal scenario stress testing show that the realization of systemic credit risk has the greatest potential for a negative impact on the capital adequacy ratio.

» Mitigation measures: To reduce probability and damage, the Bank applies multi-level financial analysis and borrower assessment at the underwriting stage. Portfolio limits have been introduced to eliminate excessive concentration. The potential scale of losses is minimized through strict policies for discounting collateral and the proactive formation of provisions to cover possible losses.

» Liquidity Risk

» Exposure: The probability of a large-scale liquidity crisis occurring is assessed as low due to the historically stable deposit base and high customer trust. However, the scale of impact in the event of a stress scenario of a sharp outflow of funding is assessed as high, as it could directly disrupt the continuity of operational activities and cash settlement services.

» Mitigation measures: The Bank minimizes the probability of this risk by maintaining a diversified funding structure. To mitigate the scale of possible impact, the Bank constantly maintains a significant buffer of highly liquid assets, which is regularly tested as part of the contingency funding plan. Gap analysis and forecasting of cash flows at various time intervals are carried out daily.



Selected Risks Material to the Bank and Management Methods

Material Risk	Assets and Operations Exposed to Risk	Examples of Priority Risk Management Methods
Credit risk The risk of failure by clients to fulfill their obligations in accordance with the terms and conditions of the agreement, which may have a negative impact on the capital of the Bank or its profit.	➤ Lending to clients from various segments.	➤ Credit risk analysis at the stage of reviewing loan applications. ➤ Financial analysis of borrowers, assessment, and regular monitoring of borrowers' financial position. ➤ Setting limits on operations exposed to credit risk. ➤ Determining the size of the Bank's capital requirements. ➤ Minimizing credit risks through accepted collateral. ➤ Approving the methodology for assessing and determining the amount of capital required to cover residual credit risk. ➤ Diversification of the loan portfolio. ➤ Formation of provisions to cover possible credit risk losses.
Market risk The probability of losses associated with an adverse change in the value of the assets and liabilities of the Bank as a result of changes in prices for raw materials, goods, changes in exchange rates, and share prices. Market risk includes price risk and currency risk.	➤ Operations and transactions forming the open currency positions of the Bank. ➤ Operations for the purchase and sale of securities.	➤ Use of methodologies for measuring market risk and determining capital requirements for market risk.

» Operations for the purchase and sale of derivative financial instruments.

» The current system of limits (limiting operations and positions exposed to risk) and the procedure for setting them, strict control over compliance with limits.

» Monitoring economic conditions in order to take necessary measures to minimize the risk.

Liquidity risk

The risk of losses to which the Bank is exposed in the event of its inability to fulfill its obligations in a timely manner without incurring unacceptable losses (i.e., achieving liquidity only through the sale of assets, which will lead to unacceptable losses), including the inability to manage unplanned changes in funding sources.

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» Analysis of asset liquidity and liability stability, forecasting of cash flows for assets, liabilities, and off-balance-sheet positions at various time intervals.

» Liquidity management procedures on a daily basis and over longer time intervals.

» Determining the factors contributing to liquidity risk.

» Maintaining a diversified structure of funding sources.

» Maintaining highly liquid assets at a certain level.

» Developing contingency plans to maintain liquidity and specified funding.

» Analysis of the Bank's activity scenarios in liquidity risk stress situations.

» Exercising control over compliance of liquidity indicators with statutory ratios.

Operational risk

The risk of direct or indirect losses to which the Bank is exposed as a result of failures in the operations of the Bank or its subsidiaries caused by external events, personnel errors, as well as a result of the inadequacy or violation of processes, procedures, or control systems.

➤ All operations and business lines of the Bank, regardless of the specifics and volume of operations and transactions carried out.

➤ Identification of operational risk, collection, and registration of information on operational risk events.

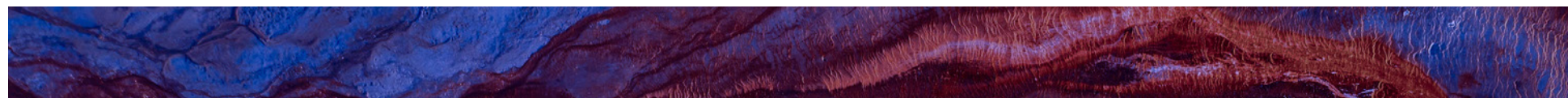
➤ Analysis of products, services, and processes to identify operational risks, including identifying risks at early stages during the development and implementation of new products, services, and processes.

➤ Monitoring of key risk indicators, operational risk level indicators, operational risk control benchmarks, and other metrics.

➤ Segregation of duties and strict control of access rights to systems.

➤ Measures to ensure and improve information security and the continuity of information systems functioning.

➤ Measures to minimize HR risks associated with a lack of personnel qualifications or numbers, errors and violations by employees, and conflicts of interest.



Environmental, Social, and Climate Risk Management

The integration of sustainability factors is carried out based on the Environmental and Social Risk Management Policy approved by the Board of Directors. The Bank proceeds from the premise that ESG factors can directly convert into financial losses over various time horizons, in particular, by reducing the solvency of borrowers.

At the current stage, social and environmental risks have not yet been incorporated into the consolidated risk appetite of the Bank due to the need for additional development. Special attention is paid to building internal ESG expertise. In 2025, specialized training programs were initiated for the management and employees of the Bank on greenhouse gas emissions, climate risks, and sustainability.

Emerging Risks

BAKAI BANK takes a proactive approach to identifying risks characterized by a high degree of uncertainty, a long-term realization horizon (more than 3–5 years), and the potential for a significant impact on financial stability or the operating model. The process of monitoring these threats is based on an annual analysis of global trends, including the methodology of the World Economic Forum (WEF Global Risks Report 2025).

The Bank highlights two priority emerging risks in the long term.

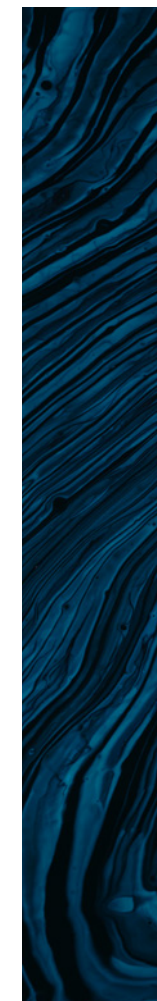
1. Technological Risk: Systemic Threats from the Development of Generative AI

The Bank views AI technologies as an important area for business, including in the context of improving customer service and operational efficiency.

At the same time, the development of generative artificial intelligence technologies represents a new, external, and rapidly evolving technological shift. For the financial sector, this creates an entirely new, previously non-existent threat landscape that goes beyond standard cyber risks.

The specifics of the risk potentially lie in the use of self-learning AI algorithms to create high-tech deepfakes and synthetic fraud capable of bypassing modern biometric and behavioral authentication systems. The potential impact on the business is significant and long-term. As AI tools become more accessible and cheaper for malicious actors, the current business model of remote banking services may face the threat of large-scale compromise. In the long term, this may require the Bank to systematically transform its IT architecture, adjust its digitalization strategy, and incur significant capital expenditures for the implementation of response and countermeasure systems.

As preventive measures, the Bank is modernizing its information security architecture and customer channel protection systems, transitioning to a Zero Trust model. This model requires continuous identification, authentication, and authorization of every user, device, and application with every attempt to access corporate resources, as well as constant real-time verification of the security status of endpoints. Continuous training programs for personnel are being expanded to cover new types of informa-



tion threats, as well as methods of interacting with AI, identifying synthetic AI content, and responding to AI-related risks.

2. Geopolitical Risk: Technological Fragmentation and the “Splinternet” Risk

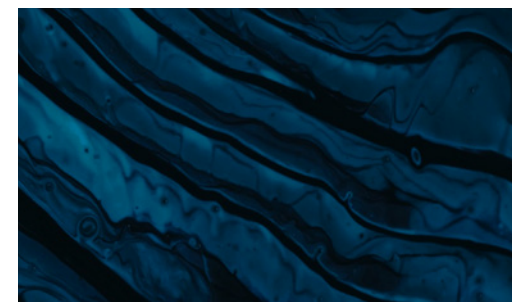
BAKAI BANK is actively focused on the digitalization of customer service and internal operations, integration into global banking and financial relations, and the application of universally recognized information security solutions.

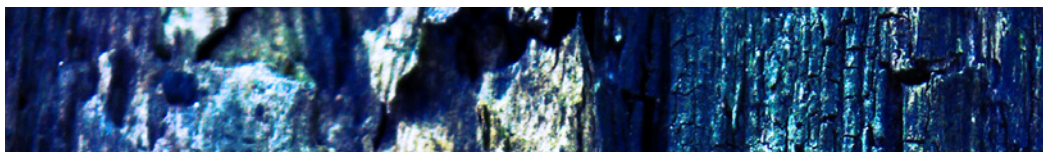
Looking to the long term, risks arise associated with the process of a potential division of the global IT infrastructure and relations into incompatible and opposing technological blocs (for example, West vs. East).

This is a geopolitical risk that could lead to restricted access to key cloud services, software up-

dates, and international data exchange standards. For BAKAI BANK, which builds its strategy on digital leadership and international partnerships (global systems such as Visa, SWIFT, and others), the fragmentation of technology and infrastructure creates the risk of a sudden loss of functionality in critically important systems. This may require a long-term and capital-intensive transformation of the entire IT architecture, transition to local solutions, or the creation of redundant infrastructures, which may temporarily reduce operational efficiency and slow down the release of innovative products.

As mitigation measures, the Bank is implementing the development of internal development centers to reduce dependence on external vendors, maintaining a diversified pool of IT suppliers, and investing in its own processing center.





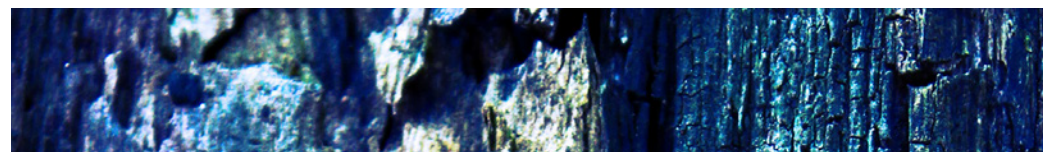
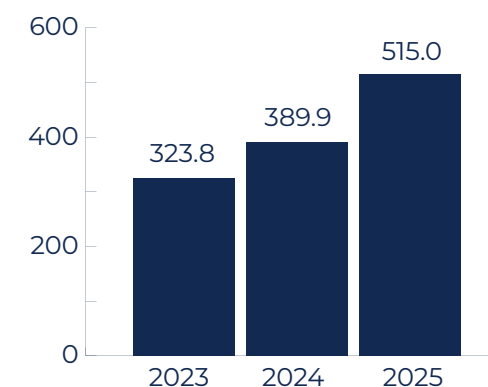
Adhering to the principles of sustainability and strong corporate ethics, BAKAI BANK acts as a responsible taxpayer, ensuring strict and timely compliance with the requirements of the Tax Code of the Kyrgyz Republic, as well as applicable international tax treaties. Since the Bank's operational activities are concentrated within a single jurisdiction, the calculation and payment of all tax levies are carried out exclusively in the territory of the Kyrgyz Republic.

In the reporting year 2025, the Bank's effective income tax rate was 13%, which exceeds the base income tax rate of the Kyrgyz Republic, set by the Tax

Code at 10%. This confirms the absence of aggressive tax optimization schemes and the Bank's focus on making a fair and significant financial contribution to the development of the state.

The deviation of the Bank's effective rate from global industry averages (including the global banking sector benchmark) is solely due to the macroeconomic and legislative conditions of the country of presence. The Bank conducts 100% of its operational activities in the territory of the Kyrgyz Republic and does not use cross-border transactions or off-shore zones to artificially lower its effective tax rate.

Income tax, million KGS



Tax Process Management

The internal control system of the Bank includes regulated tax administration architecture. The public commitments of the Bank regarding responsible tax strategy, corporate tax governance, and tax ethics are approved at the highest management level by the Board of Directors.

The foundational document is the Tax Accounting Policy approved by the Board of Directors, which integrates these principles into unified corporate approaches. The functions of practical tax accounting and reporting generation are assigned to the Accounting and Reporting Department. Direct control over the accuracy of accruals and the timeliness of transfers to the state budget is exercised by the Chief Accountant of the Bank.

The Bank adheres to high transparency standards and material information regarding tax payments is subject to mandatory disclosure as part of public financial statements, reliability of which is annually confirmed through an independent external audit.

Tax Ethics and Stakeholder Engagement

100% of the tax payments of the Bank are concentrated within a single jurisdiction, the Kyrgyz Republic.

Within the framework of compliance risk management, the Bank adheres to a zero-tolerance principle for any forms of tax evasion and excludes the initiation of fictitious (artificial) transactions lacking a business purpose to obtain an unjustified tax benefit. The Bank does not participate in the capital of organizations registered in jurisdictions that do not cooperate with the Kyrgyz Republic on tax matters (offshore zones).

Recognizing its economic responsibility, the Bank completely excludes the use of corporate structures devoid of genuine commercial substance and created solely for aggressive tax optimization, nor does it artificially shift (transfer) created value to low-tax jurisdictions.

In its operational activities and when conducting any transactions with related parties, the Bank applies the arm's length principle, ensuring

that intragroup transactions and operations with related parties are priced and executed on market terms.

When selling financial products, the Bank does not provide tax planning or advisory services to clients and does not assist in conducting transactions aimed at minimizing their tax liabilities.

Interaction with fiscal authorities is built on the principles of openness. The Bank ensures the timely and complete disclosure of data in tax reporting in strict accordance with the requirements of the legislation of the Kyrgyz Republic. To ensure maximum tax transparency, the Bank publishes key financial and tax indicators for 2025 within its audited financial statements, which are available on the official corporate website.

BAKAI BANK is committed to the principles of transparency and maintaining high standards of business ethics. Recognizing the specific nature of the regulated financial sector, the Bank views strict compliance with regulatory and compliance requirements as a systemic factor for ensuring long-term sustainability, protecting stakeholders' interests, and minimizing potential risks to prevent negative impacts on them. The Bank's strategy is based on strict compliance with the legislation of the Kyrgyz Republic, as well as on the principles of maximum openness and constructive engagement with supervisory and regulatory authorities. Effective prevention of compliance risks and ethical behavior are integrated into the corporate culture of the Bank.

Fundamental values, ethical principles, and standards of professional conduct for personnel are enshrined in the Corporate Code, which is approved by the Board of Directors. Every employee is responsible for maintaining a high level of trust in the Bank by conscientiously fulfilling their professional duties. The effectiveness of this area is ensured by a balanced compliance risk management system

built on the classic «three lines of defense» model. Key compliance control functions are centralized within the Compliance Control Department.

The principles of ethical business conduct of the Bank extend to all aspects of interaction with stakeholders. They include uncompromising requirements to observe the rules of fair market competition, prevent corruption, and preclude illegal financial transactions. BAKAI BANK strictly follows the antitrust legislation of the Kyrgyz Republic, prohibiting participation in anti-competitive agreements, abuse of a dominant position, or unfair practices. In addition, the Bank strictly adheres to established internal regulations regarding the handling of insider and confidential information.

BAKAI BANK adheres to a policy of transparent disclosure of information regarding compliance incidents and, at the end of 2025, confirmed high corporate governance discipline. During the reporting period, no confirmed cases of corruption and bribery, insider trading, or antitrust violations were recorded. Furthermore, no legal proceedings were initiated or concluded against the Bank regarding facts of unfair competition or participation in corruption schemes. No significant fines or other administrative sanctions were applied to the Bank by supervisory authorities for violating banking legislation.





It should be noted that based on the results of a comprehensive financial materiality analysis and a survey of key stakeholders, the «Anti-Corruption and Countering Financial Crimes» topic was identified as one of the material topics for ensuring the Bank's long-term performance and creating enterprise value. A flawless compliance and anti-financial crime system has a direct correlation with financial results and operational stability of the Bank, defining key risks and opportunities, including:

» Minimization of financial and regulatory risks: violations in ML/CFT and anti-corruption legislation entail the risk of significant financial losses in the form of fines from supervisory authorities, suspension of licenses, and litigation costs.

» Protection of operational activities and correspondent network: for the banking sector, the existence of a transparent AML/CFT system is a prerequisite for maintaining and expanding the network of international correspondent banks. Termination of correspondent relations due to compliance incidents carries the risk of a significant restriction on the cross-border operations of the Bank.

» Value creation and investment attraction: a strict anti-corruption culture serves as a competitive advantage. It increases trust among premium corporate clients, institutional investors, and international financial institutions, ensuring access to funding and contributing to the growth of the loan portfolio and net profit of the Bank.

Managing the «Anti-Corruption and Countering Financial Crimes» topic relies on a system of measurable indicators. Given the critical importance of these aspects for long-term sustainability and enterprise value creation, the Bank sets strict targets, the performance results of which are publicly disclosed on an annual basis. For the reporting year 2025 (target year), the Bank successfully achieved the following key metrics:

» Metric 1: Number of confirmed facts of corruption, bribery, or commercial bribery involving Bank employees. Target: 0 incidents.

» Metric 2: Coverage of members of governing bodies (Board of Directors and Management Board) with familiarization of anti-corruption policies and methods. Target: 100%.

» Metric 3: Number of significant regulatory fines or sanctions for violating AML/CFT legislation. Target: 0 fines.

BAKAI BANK directly links the financial motivation of the management of the Bank to performance results in relation to compliance and business ethics. Achieving goals for the «Anti-Corruption and Countering Financial Crimes» material topic and specific non-financial metrics, such as maintaining a zero level of confirmed corruption incidents, is integrated into its remuneration calculation system. Failure to meet these targets, allowing significant compliance failures, or violating the Anti-Corruption Policy leads to a revision of the variable portion of the executive management's remuneration.

Whistleblowing Hotline and Whistleblower Protection

The Bank attaches paramount importance to providing various stakeholder groups with reliable tools to report potential or actual violations. For these purposes, specialized feedback channels have been established, managed by the Compliance Control Department, which is a functionally independent unit, accountable directly to the Board of Directors. Specifically, clients, employees, and other stakeholders can use the dedicated email address compliancehotline@bakai.kg to report potential violations of business ethics, corporate conduct, and human rights.

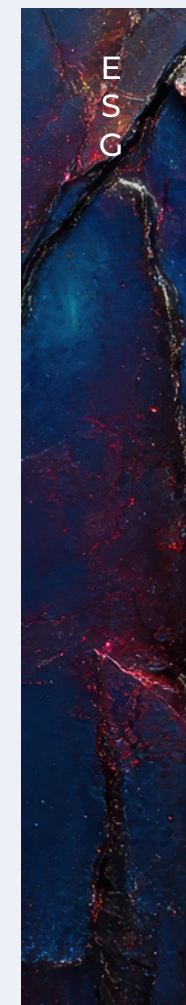
The mechanism allows reports to be submitted completely anonymously, without disclosing the name or contact details of the whistleblower. BAKAI BANK guarantees strict confidentiality – details of the reports received, including the substance of the potential violation and the identity of the applicant, are not subject to disclosure and are available exclusively to a limited circle of authorized persons directly involved in the investigation process based on a need-to-know basis (employees of the compliance control unit and, if necessary, the internal audit unit). This ensures the protection of whistleblowers from retaliation and guarantees the objectivity of the investigation.

The review of each report received is strictly regulated and includes the following mandatory stages:

- » Registration and initial analysis: Each report is subject to mandatory registration in a secure, confidential registry, after which the Compliance Control Department conducts a preliminary assessment for validity and signs of a violation.
- » Internal investigation: If initial signs are confirmed, an internal investigation is initiated involving relevant experts (provided there is a complete absence of a conflict of interest).
- » Decision-making and corrective measures: Based on the results of the internal investigation, a report is generated. If the facts of a violation are confirmed, the Bank's management approves corrective and disciplinary measures, up to the dismissal of the guilty parties and reporting to law enforcement agencies, while acting in strict accordance with the current legislation of the Kyrgyz Republic.
- » Feedback: The case is officially closed, and the whistleblower, if they left contact details, is sent a status update regarding the completion of the review.

Archive storage of investigation data is carried out under conditions of strict confidentiality. Information on the progress and results of the review is provided to the applicant to the extent that it does not violate the rights of third parties and legislative requirements.

BAKAI BANK officially declares a zero-tolerance policy towards any forms of retaliation, pressure, or persecution against whistleblowers. Any attempts to discriminate against individuals who have reported actual or potential violations in good faith are strictly unacceptable and are considered a gross violation of corporate ethics, resulting in disciplinary action up to the termination of the employment contract.



To ensure the transparency of reporting procedures, the Bank regularly conducts specialized training for all employees. As part of these initiatives, personnel are instructed on the rules and practical algorithms for using reporting channels, as well as the protection guarantees provided by the Bank.

Political Neutrality and Participation in Business Associations

Considering legislative requirements, BAKAI BANK ensures political neutrality and does not participate directly or indirectly in political activities. With this in mind, there is a prohibition on financing political parties, organizations, elected candidates, and their election campaigns, including through sponsorship mechanisms. In 2025, the Bank did not make political contributions, finance political events, or fund any lobbying organizations or lobbyists.

At the same time, BAKAI BANK is an active participant in the financial community and is a member of several industry and business associations,

including the Union of Banks of Kyrgyzstan and the American Chamber of Commerce in the Kyrgyz Republic. This participation is aimed solely at developing the financial sector, strengthening business cooperation, implementing best international practices, and supporting economic initiatives.

The Bank implements a system of strict accounting and control for all types of membership and other fees, including to ensure transparency and compliance with international reporting standards. In 2025, consolidated membership fees of the Bank for participation in industry and business associations amounted to KGS 2.36 million.

An institutional confirmation of the reliability of our compliance system and ethical standards was official accession of BAKAI BANK to the UN Global Compact in March 2025. This step solidifies the commitment of the Bank to integrating the Ten Principles of the UN Global Compact (in the areas of human rights, labor, environment, and anti-corruption) into its internal policies and procedures.





Financial Crime Risk Management

Ensuring financial security and preventing economic offenses, primarily terrorism financing, money laundering, the proliferation of weapons of mass destruction, and fraud, remain absolute priorities of corporate responsibility of BAKAI BANK. We strictly comply with the requirements of the legislation of the Kyrgyz Republic and the standards of the Financial Action Task Force (FATF), completely excluding the possibility of using the infrastructure of the Bank for illegal purposes.

In 2025, the Bank demonstrated full compliance with regulatory norms – no violations of the legislation of the Kyrgyz Republic in the field of AML/CFT, including customer due diligence procedures, were recorded.

The foundation of the compliance system is the Internal Control Policy for AML/CFT, approved by the Board of Directors. The Bank has built a clear architecture for the delegation of authority – a responsible officer has been appointed, and operational control is centralized within the Compliance Control Department (AML/CFT Compliance Control Division, Operations Monitoring and Analysis Division, Payment Control Division, E-com Operations Control Division).

Financial crime risk management is integrated

into the overall risk management system of the Bank within the framework of the approved risk appetite. We continuously improve the control environment, focusing on the automation of monitoring systems and the predictive detection of suspicious transactions. The comprehensive approach covers the entire management cycle – from risk identification and assessment to incident response and interaction with supervisory authorities.

Know Your Customer (KYC) and Customer Due Diligence Procedures

BAKAI BANK conducts mandatory comprehensive due diligence (identification and verification), as well as continuous monitoring of business relationships with all clients and beneficial owners in accordance with the legislation of the Kyrgyz Republic and FATF recommendations. Verification is carried out exclusively on the basis of reliable and independent sources of documents, data, and available information. These procedures are mandatory when establishing remote relationships through digital platforms.

To minimize the risks of remote services, the Bank applies strict regulations, including mandatory procedures for the digital or physical certification of submitted documents, as well as independent direct contact between the Bank's authorized employees and the client to confirm their identity and intentions. Interaction with politically exposed persons (PEPs) is accompanied by enhanced monitoring and requires mandatory prior approval from the Bank's senior management.

For clients with a potentially high-risk level, enhanced due

diligence is applied – daily monitoring of transactions, deep analysis of the economic rationale of operations, and confirmation of the legitimacy of the source of funds are conducted. The results of this monitoring are regularly reported to the Board of Directors and the Management Board.

To rule out involvement in terrorism financing, mandatory screening of clients is conducted against official sanction lists of individuals associated with terrorist and extremist activities. Mandatory procedures have been implemented for the identification, regular monitoring, and periodic review of the profiles of politically exposed persons and their related parties.

If a potential or existing client (including PEPs, as well as clients associated with high-risk jurisdictions, specific types of business, or complex products) presents an increased risk of money laundering or terrorism financing, enhanced due diligence is applied. Establishing or continuing business relationships with such clients requires mandatory review and direct approval by the Bank's senior management. As part of enhanced customer due diligence, daily transaction monitoring, deep information analysis, and review of payment purposes are conducted to identify operations that lack an obvious economic rationale or legitimate purpose.

The results of this monitoring are regularly reported to the Board of Directors and the Management Board.

The Bank invests in automating transaction monitoring systems and initial customer identification procedures, especially in remote banking, which reduces operational compliance costs while simultaneously increasing the probability of detecting suspicious transactions.

Restrictive Measures

BAKAI BANK adheres to strict prohibitive practices:

- » The establishment of business relationships is not allowed if the implementation of due diligence procedures is impossible or if there are reasonable suspicions regarding the potential client's illegal intentions.
- » The opening of anonymous accounts, bearer accounts, and conducting transactions without identifying all parties (correspondent banks, clients, beneficiaries) is strictly prohibited.
- » Establishing correspondent relationships with shell banks, their affiliated structures, and financial institutions from high-risk and offshore jurisdictions (based on the lists of the relevant Commission of the Kyrgyz Republic and FATF statements) is excluded.



Upon identifying signs of financial crimes, the Bank immediately transmits comprehensive information to the authorized state bodies. In the event of reasonable suspicions of money laundering, terrorism financing, or fraud, the Bank blocks service channels, imposes restrictions, or completely terminates business relationships with the client.

All documentation on AML/CFT procedures and compliance monitoring results is subject to mandatory archival storage for a period of at least 5 years. To ensure maximum efficiency and transparency of the internal control system, compliance monitoring procedures, as well as the overall AML/CFT system, are subject to an annual independent assessment. This assessment is conducted by the Bank's Internal Audit Department or engaged independent external auditors, which guarantees objective control over compliance with the Bank's policies and procedures, as well as their alignment with the current regulatory requirements of the legislation of the Kyrgyz Republic and FATF.

Personnel Training and Compliance Culture

A key element of the defense system is the continuous professional development of the team. In 2025, 2,097 Bank employees underwent specialized training in compliance risk management and

AML/CFT. Personnel are regularly informed about the entry into force of new laws and regulations.

The Bank has a strict escalation procedure in place. Upon detecting corruption and other violations in the field of business ethics by colleagues, employees are obliged to immediately notify their manager and the Compliance Control Department. At the same time, the Bank observes the principle of investigation confidentiality – unauthorized disclosure of information is considered a serious violation and entails administrative liability.

Protecting Clients from Fraud and Social Engineering

Reacting to the global rise in fraud using social engineering methods, BAKAI BANK strengthens its preventive protection for clients. We implement systemic information campaigns to improve financial literacy and risk awareness. Fraud monitoring units have been created within the organizational structure of the Bank, which are engaged in the continuous tracking of fraudulent activities. An emergency support protocol is provided for affected clients and includes the prompt blocking of accounts, advisory assistance, and maximum facilitation in the recovery of compromised funds within the legal framework.

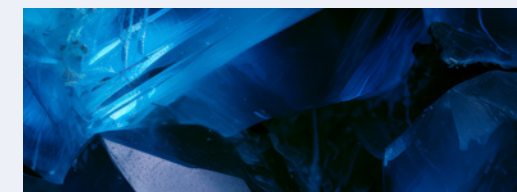
EFFECTIVE FRAUD PREVENTION

440

SUCCESSFULLY PREVENTED EXTERNAL FRAUD ATTEMPTS AGAINST THE BANK'S CLIENTS IN 2025

5.76 million KGS

THE AMOUNT OF PREVENTED DAMAGE TO THE BANK'S CLIENTS IN 2025



Bribery and Corruption Prevention

BAKAI BANK adheres to a zero-tolerance principle toward any forms of bribery and corruption, both in internal business processes and in interactions with clients and business partners. We categorically exclude our participation in any unethical or illegal business practices. Bank employees and representatives maintain impeccable trust in the brand and avoid situations associated with undue influence. Direct or indirect participation in offering, extorting, giving, or accepting bribes, commercial bribery, as well as any intermediation in these offenses, is strictly prohibited.

In the reporting period, the Bank confirmed the high effectiveness of the applied preventive measures – 0 confirmed cases of corruption, bribery, abuse of trust, or commercial bribery were recorded. No legal proceedings were initiated against the Bank or its employees regarding violations of anti-corruption legislation, and no disciplinary dismissals were applied on these grounds. Also, in 2025, not a single case of termination of contracts with the Bank's business partners due to corruption violations was recorded.

The Bank's anti-corruption monitoring system is based on the results of an annual comprehensive assessment of corruption risks, covering 100% of business units and operational processes. This

assessment makes it possible to identify the most vulnerable areas and implement targeted control procedures. Based on the results of the 2025 assessment, the level of residual corruption risk in all key processes of the Bank was recognized as low.

The foundation of the internal control system is the public Anti-Corruption Policy, which is updated and approved annually by the Board of Directors. The owner of the Policy is the Compliance Control Department, which coordinates comprehensive anti-corruption measures. The requirements of the document are unconditional and mandatory for execution by members of the Board of Directors and all Bank employees without exception. The scope of the Policy is also projected onto the external environment – the Bank's counterparties, including suppliers, agents, and consultants, are obliged to comply with it. To legally secure these obligations, the Bank implements a systematic practice of including special anti-corruption clauses in the texts of contracts with partners. Violation of these requirements is considered a serious misconduct resulting in disciplinary liability for employees, as well as administrative or criminal liability measures in strict accordance with the legislation of the Kyrgyz Republic.

In accordance with best international practices, the Anti-Corruption Policy of the Bank establishes strict guidelines regarding vulnerable areas of interaction.

**BAKAI BANK MAINTAINS
A ZERO-TOLERANCE AP-
PROACH TO ALL FORMS OF
BRIBERY AND CORRUPTION.**



The Bank has clear regulations that define the criteria for the admissibility of business gifts and representation expenses, and exclude the possibility of using them as a hidden tool for bribery. The Bank applies control mechanisms to social activities. The use of charitable contributions and sponsorship support as a means of legalizing bribery or obtaining improper commercial advantages is strictly prohibited. Furthermore, BAKAI BANK maintains political neutrality and explicitly prohibits making any political donations – contributions in favor of political parties, movements, or individual candidates.

Reporting and Escalation Channels

The Bank has established transparent escalation procedures. In case of suspicions of a committed corruption offense, the existence of a conflict of interest, or the use of the services of the Bank for unlawful purposes, employees must immediately inform the Compliance Control Department or their manager, unless the suspicions relate to the manager themselves.

The Bank is also open to feedback and welcomes the willingness of external stakeholders to report reasonable suspicions through a dedicated confidential communication channel – the email address compliancehotline@bakai.kg. This tool makes it possible to identify potential facts of bribery, con-

licts of interest, and other violations of business ethics and compliance at early stages, minimizing or preventing potential financial and reputational damage to the business.

To ensure objectivity and protect the interests of applicants, the Compliance Control Department, which administers the Hotline, holds the status of functional independence and reports directly to the Board of Directors. We guarantee complete confidentiality and protection from any forms of retaliation for individuals who report suspicions of violations in good faith.

To ensure the inevitability of punishment, formalized incident response procedures and procedures for investigating corruption violations have been implemented in the Bank. Upon receiving reasonable reports of potential facts of bribery, commercial bribery, or other corruption manifestations, the Bank initiates an independent internal investigation involving the Compliance Control Department and, if necessary, the Internal Audit Department. Confirmed facts of violations result in the application of corrective and disciplinary measures, up to the dismissal of guilty employees and the transfer of materials to the authorized law enforcement agencies.

Anti-Corruption Culture and Training

To form a sustainable ethical anti-corruption environment, a mandatory procedure has been introduced for employees to sign personal commitments to strictly comply with the Anti-Corruption Policy. The Bank implements continuous training programs on combating corruption and minimizing associated risks, which mandatorily cover all Bank employees, regardless of their position and role. As of December 31, 2025, 1,724 employees of the Bank successfully completed specialized anti-corruption training. The strategic tone from the top is fully ensured – a share of members of governing bodies (the Board of Directors and the Management Board) familiarized with anti-corruption policies and methods at the end of the reporting year was 100%.

Conflict of Interest Management

To prevent any potential damage to stakeholders' interests, the Bank has formed an effective conflict of interest management architecture. This system

is governed by the specialized Regulation on Conflicts of Interest in BAKAI BANK OJSC, approved by the Board of Directors, the scope of which covers members of the Board of Directors and employees regardless of their position and tenure.

Each employee bears personal responsibility for the proactive assessment, identification, and prevention of situations capable of triggering an actual, potential, or perceived conflict of interest. Employees are obliged to inform the responsible structural units about such risks in a timely manner. The use of one's official position to extract direct or indirect benefits for oneself or one's close relatives is strictly prohibited. Similar uncompromising requirements apply to members of the Board of Directors and the Management Board, who are obliged to immediately declare any arising conflicts of interest. Intentional concealment of information about the existence of a conflict or violation of established regulations is grounds for conducting an internal investigation and holding the guilty parties accountable.

Additionally, as part of preventive monitoring, BAKAI BANK maintains up-to-date registers of affiliated persons, and persons interested in conducting transactions. The current Anti-Corruption Policy of the Bank establishes strict requirements and procedures for employees regarding the receipt of business gifts and participation in representational events. In particular, employees are prohibited from receiving or providing gifts in cash or cash equivalents (certificates, shares). The Bank maintains centralized accounting of business gifts received and provided by employees, which makes it possible to eliminate the risks of hidden conflicts of interest.



SAFE DIGITAL ENVIRONMENT AND INNOVATION

- » Digitalization and Remote Service Channels Development
- » Information Security
- » Protection of Personal Data

57
62
70

In 2025, BAKAI BANK continued the consistent implementation of its digital transformation strategy, focusing on transferring financial services and internal business processes to a digital environment, including through the integration of artificial intelligence technologies. Scaling of remote service channels plays a pivotal role in strengthening market positions and increasing customer base loyalty in all operational segments. Digitalization allowed not only to optimize internal processes and customer centricity but also to significantly increase the transparency and manageability of environmental and social risks.

In the context of sustainability, digitalization for the Bank is a tool for systemic solutions to environmental, social, and governance tasks, ensuring the transition from traditional banking to a sustainable digital ecosystem model. In particular, digitalization solves two key tasks:

» The Bank provides clients with convenient and secure digital formats for financial management, working with credit and deposit products, as well as integration with government services.

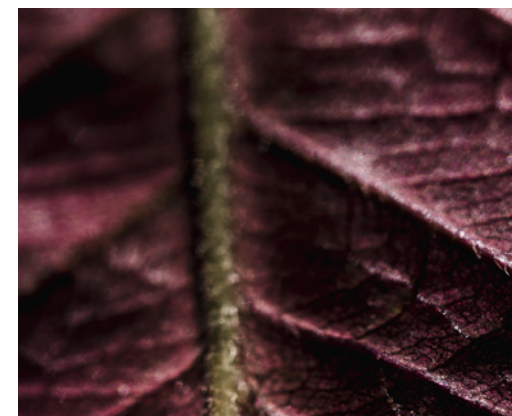
» This is critically important for increasing financial inclusion – digital solutions guarantee the availability of banking services for the population and business, including mobility-impaired groups of citizens, 24/7 from anywhere in the world, com-

plementing the physical presence of the branch network in the settlements of the Kyrgyz Republic.

» Transferring customer and internal banking processes online allows for carbon footprint optimization, strengthening the contribution of the Bank to overcoming global climate challenges.

The development of the Bank's digital ecosystem has received high international acclaim. Among other things, in 2026, TIME magazine dedicated a separate article to the transformation of BAKAI BANK from a traditional financial institution into a fully-fledged digital and technological platform, emphasizing the role of remote channels in scaling the business and strengthening ESG positions.

In 2025, the Bank continued its strategic work to expand the value proposition for clients. The core of the digital ecosystem is mobile applications – BakAi for retail clients and BakAi Business for the corporate sector, which enjoy strong and constantly growing market demand. In particular, the number of monthly active users (MAU) of the BakAi mobile application amounted to more than 479 thousand users in December of the reporting year. This is almost 4 times higher than the same indicator for December 2023. Both platforms are available for download on the App Store and Google Play platforms.

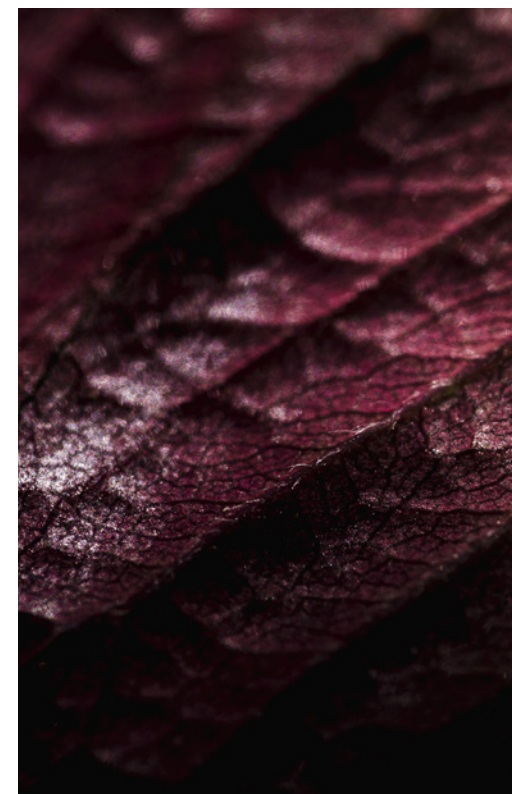


The high level of satisfaction with digital products of the Bank is confirmed by user ratings: in April 2026, the BakAi rating in the App Store was 4.8, and in Google Play – 4.5; BakAi Business ratings were 4.2 and 4.3 respectively.

In the reporting period, the Bank significantly expanded the functionality of the BakAi retail application, transforming it into a multi-service platform with deep interface personalization. Thus, in the autumn of 2025, the BAKAI Store marketplace was integrated into the ecosystem, allowing goods and services to be purchased directly in the mobile bank. The universal BAKAI Travel platform was also launched for booking air tickets, excursions, and original tours across the Kyrgyz Republic and abroad. As part of ensuring the availability of cross-border financial services for labor migrants and their families, at the end of 2025, the Bank integrated the Astrasend system into the mobile application, which significantly simplified the receipt of international transfers. To further increase the accessibility of services for corporate clients, the Bank expanded the language support of the BakAi Business mobile application by adding the Chinese language, which is especially important for international entrepreneurs.

BAKAI BANK is one of the pioneers in implementing generative AI models in the banking sector of the region. The launch of the intelligent chat assistant BakaiGPT, functioning on the basis of the Generative Pre-trained Transformer architecture, allowed automating customer support and improving the quality of consultations. Continuing its leadership in the field of artificial intelligence, in 2025 the Bank became the first in the Kyrgyz Republic to expand its self-service infrastructure by introducing self-service card terminals with the integration of the BakaiGPT system for biometric customer identification and instant card issuance.

The Bank's high level of competence in this area was confirmed by winning the KIT AWARDS 2025 in the "AI for Business" nomination. Recognizing the risks associated with algorithmic bias and information security, the Bank builds its AI innovation management system in accordance with advanced international practices, ensuring the transparency of algorithms and reliable protection of user data when working with neural networks.



BAKAI BUSINESS MOBILE APP

Key Functions and Features:

- » Account management: easy access to balances and transactions on corporate accounts.
- » Opening a term deposit, as well as a settlement account in an additional currency for a legal entity.
- » Convenient payments: payment for a wide range of services, including utility bills, internet, air tickets, mobile communications.
- » Fund transfers to individuals and legal entities, Swift international transfers, clearing/gross interbank transfers.
- » Digital signature: the ability to sign documents with one touch via Face ID/Touch ID.
- » QR payment for individual entrepreneurs.
- » Crediting salaries to employees of a legal entity.
- » Independent connection to Bakai Kassa, which allows the client to set up a point of sale with a linked cashier and accept QR payments, monitor the performance of the point of sale, with the generation of an activity report.

BAKAI MOBILE APP

Key Functions and Features:

- » Convenient payments: payment for a wide range of services, including utility bills, internet, air tickets, mobile communications, taxes, and online games, using transfers by phone number and QR codes.
 - » Government services: integration with government systems and providing access to basic popular government services, including checking court debts and insurance premiums and their repayment, passport and driver's license information, online queue, as well as access to credit history checking services.
 - » Fast financial solutions: obtaining online loans without visiting a bank office, fast money transfers to cards of selected foreign countries, as well as the ability to open a virtual card or order bank cards.
 - » Account management: managing accounts and cards easily and conveniently, tracking expenses and payments with just one touch.
 - » Islamic finance mode: opens access to Mudarabah and Murabaha banking products in compliance with Sharia standards.
- » Innovative security: remote 24/7 video identification. BAKAI Travel.

» BAKAI Travel.

» BAKAI Store.

» BAKAI Insurance.

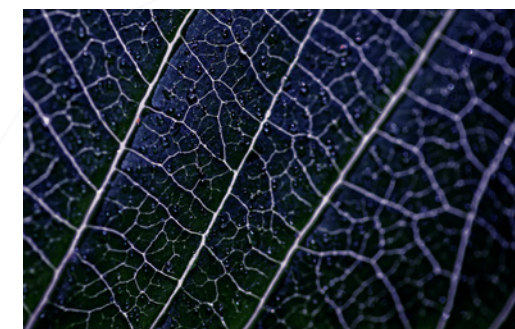
A landmark project of 2025 was the integration of the payment infrastructure of the Bank with the leading international cryptocurrency exchange Binance. This initiative was implemented with the coordinating support of the Secretariat of the National Council for the Development of Virtual Assets and Blockchain Technologies under the President of the Kyrgyz Republic, which provides a favorable environment for financial innovations. The Bank ensures the transparency of digital asset circulation in strict compliance with the requirements of the national regulator, mitigating potential risks when carrying out innovative financial operations. Integration with the cryptocurrency infrastructure is carried out within the framework of a pilot legal regime under the supervision of the National Bank of the Kyrgyz Republic and the implementation of enhanced compliance control procedures. The Bank provides end-to-end monitoring of transactions using blockchain analytics systems, guaranteeing full transparency, verification of the sources of origin of virtual assets, and the absolute elimination of terrorism financing and money laundering risks when conducting these innovative operations.

The Bank intends to continue developing remote services as the main point of interaction with customer-centric innovations. It should be noted that the Bank operates an Innovative Products Department and an Ecosystem Development Directorate, which act as a driver for integrating classic banking products with non-financial and government services, forming a single seamless digital environment. An important step in the development of the digital infrastructure was the opening of an in-house Visa processing center, which ensured control over card operations, increased transaction speed, and additional cost optimization.

In addition, as part of implementing environmental initiatives and reducing environmental impact the Bank significantly increased the issuance of digital cards in the reporting year, issuing 76.4 thousand units. Replacing physical cards with digital alternatives acts as part of a comprehensive waste management policy. In the reporting period, the issuance of digital cards prevented approximately 380 kg of PVC plastic from entering the lifecycle, also reducing the associated Scope 3 emissions

generated during the logistics and subsequent disposal of traditional bank cards.

Thus, the consistent digitalization of remote channels and internal processes in 2025–2026 strengthens the position of the Bank as an innovative and sustainable financial institution that fully complies with global ESG standards and stakeholder expectations.



In the context of accelerated digitalization of the financial sector, a more complex cyber threat landscape, and stricter regulatory requirements, BAKAI BANK prioritizes ensuring the reliability and security of its information systems. Based on the results of stakeholder engagement and the materiality assessment, the topic of “Information Security” has reaffirmed its position as one of the most critical material topics for the Bank. We recognize that potential shortcomings in the management of the information security system, cyber risks, and information assets can trigger significant reputational and legal consequences, directly affecting the sustainability and market competitiveness of the Bank. In this regard, ensuring cyber resilience is a strategic priority, the foundation of which is a developed corporate security culture.

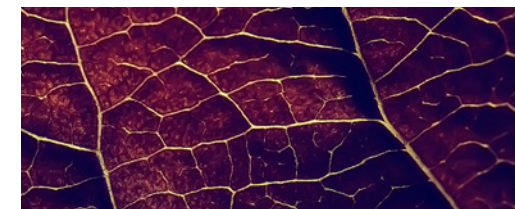
For BAKAI BANK, ensuring information security is a strategic priority directly linked to long-term corporate value creation and financial results. The Bank recognizes that shortcomings in managing information security risks and cyber risks can trigger significant reputational and legal consequences. In the context of the Bank’s business model, this poses threats of direct financial damage:

» Risks and costs: the realization of cyber threats and successful attacks on the IT infrastructure can lead to unforeseen operational expenses for system recovery, payment of compensation to affected stakeholders, and the imposition of regulatory fines.

» Revenues and opportunities: disruptions in the operation of transactional systems mean direct lost profits (foregone earnings) from the halt of customer operations. Furthermore, data compromise can undermine customer trust, which carries the risks of an outflow of the deposit base and liquidity.

Thus, proactive information security management is viewed by management not only as a technical task but also as a critical tool for protecting the Bank’s revenues and maintaining its market sustainability.

Information security management at BAKAI BANK strictly complies with the legislation of the Kyrgyz Republic and regulatory requirements, and has a systemic, continuous, and risk-oriented nature. The operational activities of the Bank are continuously adapted for preventive response to cybercrime threats. As part of its public stance and internal information security documents, BAKAI BANK officially declares its commitment to implementing and maintaining advanced standards for information system protection. The Bank guarantees confidentiality, integrity, and accuracy of data throughout their entire lifecycle. The control mechanisms applied are aimed at preventing unauthorized access to, or the alteration or destruction of, sensitive information.



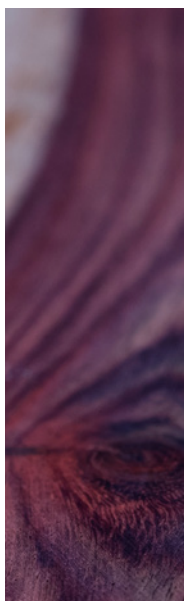
COMPLIANCE WITH INFORMATION SECURITY REQUIREMENTS IN 2025

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FINES AND PRESCRIPTIONS FROM REGULATORY BODIES RELATED TO INFORMATION SECURITY VIOLATIONS

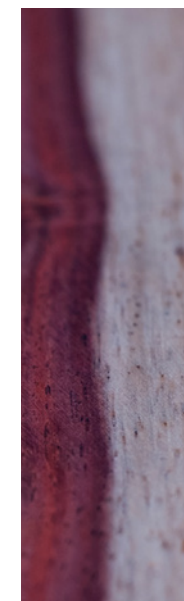
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TOTAL RECORDED DATA BREACHES AND SIGNIFICANT INCIDENTS RELATED TO UNAUTHORIZED ACCESS TO CONFIDENTIAL STAKEHOLDER INFORMATION



We recognize that the cyber threat landscape is dynamic; therefore, the Bank implements the principle of continuous improvement of the information security management system to maximize asset protection and create long-term value for all stakeholders. The Bank regularly monitors changes in the regulatory framework for the timely updating of internal methodologies. Procedures for assessing potential vulnerabilities, analyzing incidents, and their possible consequences are subject to meticulous documentation. The approach of the Bank to responding to information security threats includes a commitment to maintaining transparency in interactions with affected stakeholders – in the event of discovering significant vulnerabilities or incidents, the Bank guarantees timely notification and disclosure of information regarding the measures taken to minimize consequences and prevent future risks, in accordance with the approved cyber incident response plan and damage mitigation strategies.

In the event of the realization of critical information security and cyber risks, the Bank has updated business continuity plans in place. These plans include a set of procedures aimed at proactively mitigating potential threats, limiting damage (contingent measures) in the event of their realization, as well as the prompt recovery of information systems and the Bank's transactional activities. At the same time, guided by the principles of reasonable precaution, the Bank does not disclose detailed information about specific software and hardware complexes, the protection architecture, or the volume of investments in information security systems, as the publication of such information could reduce the effectiveness of the established security system and provoke additional threats.



Corporate Governance in Information Security

The corporate information security governance architecture is based on the Information Security Risk Management Policy approved by the Board of Directors, which is reviewed at least once a year. The document establishes mandatory standards for relevant structural units of the IT block and all owners of information assets. Considering the confidential nature of internal information security regulations, the Bank discloses the basic principles of this Policy within the framework of this Report.

The strategic management level is represented by the Board of Directors and the Management Board; at this level, the risk profile, the acceptable level of risk, key regulations, and the design of control systems are approved. The Risk Management Committee under the Board of Directors oversees the status of the Bank's exposure to risks associated with information security.

Management control over the information security system is exercised by the Management Board. The Bank's authorized structural unit – the Informa-

tion Security Division, headed by a CISO-level executive and reporting to the Chairman of the Management Board – coordinates protection measures, identifies, and monitors information security risks jointly with the Risk Management Department. To comply with the principle of segregation of duties, the Information Security Division functions independently of the Data and Digital Architecture Management Department and the Information Systems Operation Division. The Information Security Sector of the Settlement Center performs a dedicated function to ensure the security of payment card data.

Annually, the Internal Audit Department conducts an independent assessment of the information security management system, informing senior management. Based on the results of the 2025 audit, no material deficiencies were identified in the functioning of the information security management system.

During the reporting period, BAKAI BANK recorded no critical information security incidents

that could result in financial losses or cause a negative public reaction. There are also no confirmed facts of leaks of confidential corporate information or trade secrets affecting the interests of the Bank, its clients, and partners. Regulatory bodies did not issue any prescriptions or impose fines related to violations of information security legislation by the Bank.

MATERIALITY METRICS AND TARGETS

To transparently measure the effectiveness of the chosen business strategies and monitor the impact of the «Information Security» material topic on the long-term value creation process, BAKAI BANK uses an approved system of metrics.

These metrics are directly linked to the business case of the Bank: They make it possible to quantitatively assess the success of preventive measures to protect against direct financial damage, operational costs for system recovery, and the risk of customer liquidity outflow.

As a key measurable indicator, the Bank establishes the following metric: The number of realized

critical information security incidents resulting in a documented leak of confidential stakeholder (customer, employee) data or the unauthorized halt of key transactional systems.

Target: Zero tolerance (0 incidents / 0 leaks).

Target year: 2025.

Due to its specificity and criticality, this target is continuous. Guided by the principle of zero tolerance for data compromise, the Bank annually sets the current reporting year as the target to confirm the absolute protection of information assets and customer funds.

Audit, Testing, and Infrastructure Protection

BAKAI BANK applies a multi-level strategy for protecting the transactional environment, confirmed by independent certification conducted in 2025 according to the PCI family of standards (DSS, 3DS, PIN Security). The integration of these standards ensures a continuous security cycle – from protecting the data storage infrastructure (PCI DSS) and verifying online operations (PCI 3DS) to ensuring the physical and cryptographic integrity of PIN blocks in the acquiring network (PCI PIN Security). This approach minimizes the probability of fraud and guarantees the safety of customer funds across all service channels.

Passing the independent audit under the SWIFT Customer Security Programme (CSP) in 2025 confirms the Bank's compliance with strict security requirements when working with the international settlement system. Meeting the SWIFT CSP benchmarks acts as a guarantor of the Bank's cyber resilience and ensures the reliability of interbank communications. This is important for maintaining the Bank's reputation as a stable international financial partner.

The Bank's systemic approach is based on annually engaging qualified independent auditors to assess compliance with international regulations PCI DSS, PCI 3DS, PCI PIN Security, and SWIFT CSP. In 2025, their external verification revealed no signifi-

cant deviations, which indicates the effectiveness of the corporate information security management system and its ability to adapt to the changing cyber threat landscape. The successful completion of these audits indicates that high-level logical (IT protection), physical, and procedural controls have been established in the Bank. This confirms that the Bank applies comprehensive preventive measures to effectively protect customer funds from offline fraud and skimming, a fact that serves as the basis for social stability and stakeholder trust. Ensuring the confidentiality and integrity of customer data at the level of international requirements is the Bank's practical contribution to protecting the rights of consumers of financial services and strengthening trust in the digital economy of the Kyrgyz Republic.

The effective protection of the information infrastructure in 2025 made it possible to avoid operational losses and maintain business continuity amid transaction volume growth. Strict compliance with regulations, including SWIFT and PCI, creates reliable prerequisites for the safe scaling of the Bank's innovative products over the long-term planning horizon until 2030.

The information security unit systematically conducts a comprehensive vulnerability analysis of the IT infrastructure and software applications. This process is strictly regulated and includes determination, identification, classification, and prioritization of vulnerabilities, providing the Bank with the necessary understanding of the threat landscape for a timely and adequate response. Furthermore, at least once a year, the Bank initiates independent penetration testing and conducts training simulations of phishing attacks to test personnel vigilance.

Information Security Culture and Personnel Work

Regardless of their position, every employee bears personal responsibility for compliance with corporate information security standards, which is enshrined at the level of employment contracts. Violation of requirements can lead to disciplinary sanctions and other measures against employees if there are legal grounds. The Bank has regulated escalation channels in place – clearly defined responsibilities and action algorithms have been implemented for all employees, according to which personnel are obliged to monitor and immediately inform the Bank's relevant structural units of any suspicious activities or potential incidents.

The Bank sets strict information security requirements for third parties, such as IT solution providers and partners, obliging them to comply with corporate information security standards. The relevant requirements for ensuring information security and data protection are mandatorily integrated into contracts and agreements with contractors. Strict compliance with information security policies and the protection of shared IT infrastructure are a mandatory prerequisite for initiating and continuing business cooperation with BAKAI BANK.

A key element of preventive defense is raising awareness. In 2025, all BAKAI BANK employees

completed scheduled internal training in the field of information security, including countering current threats. Additionally, in the reporting year, the Bank implemented training sessions to improve the digital literacy of employees for the effective and safe operation of implemented software solutions.

In addition to internal processes, the Bank conducts continuous educational work with clients, regularly sending instructions and recommendations on the safe use of financial products and warnings about current fraudulent schemes via mobile banking applications, SMS notifications, and social media.



Use of Artificial Intelligence

In the context of scaling artificial intelligence technologies, in particular BakAI GPT solutions, BAKAI BANK implements a comprehensive program for the responsible use of artificial intelligence. Robust mechanisms for protection against specific threats exploiting AI model vulnerabilities are integrated into the security architecture. AI risk management in the Bank is based on the following key elements:

» Responsible and ethical governance: The Bank implements strict measures to restrict access to sensitive AI functions and infrastructure, including biometric recognition and automated decision-making technologies, thereby ensuring their operation exclusively by authorized personnel. Systemic assessments of deployed AI models for fairness and absence of bias are conducted regularly to prevent any forms of discrimination.

» Control over decision-making: When implementing and operating algorithmic systems, the Bank strictly adheres to the “Human-in-the-loop” (HITL) approach. Implemented AI models are not empowered to make high-risk decisions in a fully autonomous mode. The Bank’s authorized employees have the unconditional right to operational intervention, override (cancellation) of a system de-

cision, as well as its escalation, retaining the authority of final approval. All critical conclusions generated or supported by artificial intelligence are subject to mandatory documented oversight by the Bank’s relevant experts.

» Transparency and user rights: Tools for clearly labeling content and the results of AI solutions have been implemented, proactively informing users about interaction with algorithmic systems in remote service channels.

» Algorithm reliability: To ensure the long-term relevance of systems, continuous monitoring mechanisms are applied, allowing for the timely detection and correction of deviations or degradation of AI models over time.

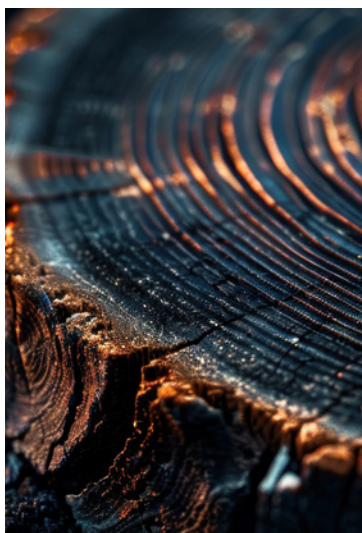
» Stakeholder rights: To protect the interests of stakeholders, the Bank provides for the possibility of filing appeals, which allows clients and affected third parties to challenge any decision or result generated by artificial intelligence systems.

» Personnel training: Technical specialists, developers, and employees of the Information Security Division mandatorily undergo specialized training on protecting AI systems from vulnerabilities, the principles of safe interaction with AI systems, and

the ethical use of artificial intelligence.

» Data protection and minimization: When developing, calibrating, and training AI models, the Bank applies depersonalization and anonymization algorithms. Customer personal data and sensitive financial information are not used in raw form for machine learning, which completely eliminates the risk of compromise or unauthorized generation of confidential information by algorithms.





External Impact Assessment: Data Protection and Information Security

BAKAI BANK views the assurance of information security not only as a measure to protect its own operating revenues but also as a critically important topic for preventing negative impacts on external stakeholders, primarily clients.

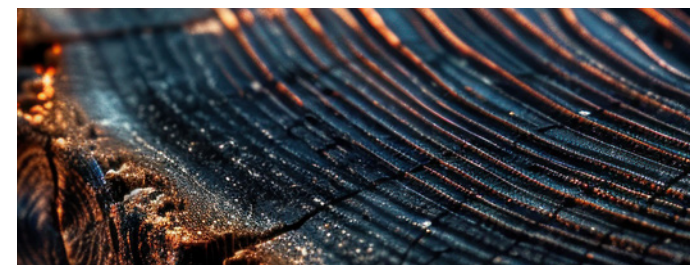
» Material topic for external stakeholders: information security and cybersecurity.

» Performance indicator: the number of prevented external cyberattacks, fraudulent actions, and data breach incidents. In the reporting year, thanks to the established multi-level protection architecture that covers all the Bank's clients (1.39 million individuals), including certification according to PCI DSS, PCI 3DS, and SWIFT CSP standards, the Bank recorded 0 confirmed data leaks and significant incidents related to unauthorized access to clients' confidential information. Anti-fraud systems successfully blocked 440 external fraud attempts involving social engineering.

» Impact assessment: The Bank expresses its operational results in terms of the «Prevented Social Costs» category. In the context of accelerated

digitalization, ensuring cyber resilience is a matter of protecting clients' fundamental rights to privacy and the safety of property. By protecting the infrastructure, the Bank prevents direct negative impacts on its stakeholders – financial losses of clients from fraud, compromise/theft of confidential information, and associated moral distress. Reliable protection is the basis for social stability and trust in the Bank and the country's economy as a whole.

» Impact indicator: The volume of prevented direct financial (social) damage to clients as external stakeholders of the Bank. In 2025, this quantitative impact indicator amounted to KGS 5.76 million – this is the exact amount of personal funds of clients of the Bank saved from fraudsters, which is a measurable equivalent of prevented social costs.



The protection of personal data and ensuring the digital privacy of stakeholders is an invariable priority of operational activities of BAKAI BANK. Based on the results of a comprehensive materiality analysis and stakeholder survey, «Personal Data Protection» was identified as one of the most critical non-financial topics directly affecting long-term value creation of BAKAI BANK.

In the context of the active digitalization of banking operations, the Bank's ability to protect the personal data of clients and other individuals has a direct financial projection. The leak or compromise of sensitive information represents a significant operational risk capable of triggering direct financial losses in the form of regulatory fines and litigation costs. Moreover, the realization of this risk can lead to long-term reputational losses, such as a critical decline in customer trust, which would provoke an outflow of the deposit base and loss of market share, having a direct negative impact on corporate financial performance.

Reliable protection of personal data and responsible handling of it is not only a matter of regulatory compliance but an important tool for protecting operating revenues, retaining the customer base, and ensuring sustainable competitiveness of BAKAI BANK.

Given the specifics of the financial sector, which requires the processing of significant arrays of information, the Bank considers the right to privacy as a fundamental human right. Our practice is based on the principles of ethical, secure, and transparent data handling, as well as zero tolerance for any privacy violations.

COMPLIANCE WITH PERSONAL DATA PROTECTION REQUIREMENTS IN 2025

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CASES OF VIOLATION OF THE RIGHTS OF PERSONAL DATA SUBJECTS AMONG INDIVIDUALS

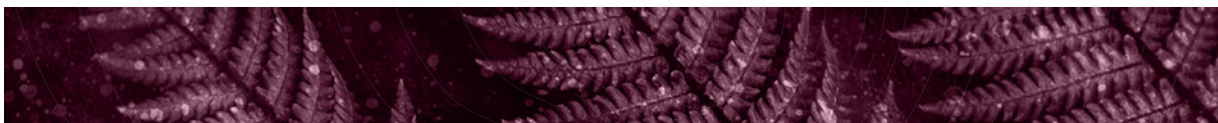
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CONFIRMED INCIDENTS RELATED TO THE LEAK OR UNAUTHORIZED DISCLOSURE OF CLIENTS' PERSONAL DATA

The foundation of the management system in this area is the Policy on Personal Data Processing in BAKAI BANK OJSC, approved by the Board of Directors. The document regulates automated and non-automated work with personal data and covers all operational activities of the Bank across structural units and branches. The data protection architecture is functionally and logically integrated with the overall cyber defense processes of the Bank (detailed information on technical and software protection measures is presented in the «Information Security» section). It is important to note that the requirements of this corporate Policy mandatorily apply to all counterparties and service providers of the Bank involved in interacting with our stakeholders' personal data.

Operational control and responsibility for the proper functioning of the personal data protection system are assigned to the Information Security Division, which is accountable to the Chairman of the Management Board. To ensure continuous monitoring and consulting, the Bank has appointed a responsible officer for personal data protection.

Privacy management is not an isolated IT process: it is integrated into corporate-wide risk management system and compliance control system of BAKAI BANK. Risks associated with personal data protection are classified as material operational and reputational risks. To ensure an independent assessment of the effectiveness of the established processes, the Internal Audit Department of the Bank initiates audits for compliance with personal information protection regulations at least once a year. In addition to internal audits, privacy and personal data protection processes regularly become the subject of an independent external information security audit, including as part of certification/audits under international PCI DSS standards, which guarantees an objective assessment of the reliability of the established architecture.



Regulatory Compliance and Risk Minimization

In its activities, BAKAI BANK strictly complies with the requirements of the legislation of the Kyrgyz Republic in the field of personal information. The main condition for processing personal data is the mandatory obtaining of informed consent from the personal data subject, except for a list of exemptions strictly defined by law. The Bank guarantees that no collection, storage, or processing of personal data is carried out without first obtaining the explicit consent of the client (Opt-in principle). At the same time, clients have the opportunity to exercise their right to opt out and withdraw previously provided consent for personal data processing by contacting the Bank through official communication channels.

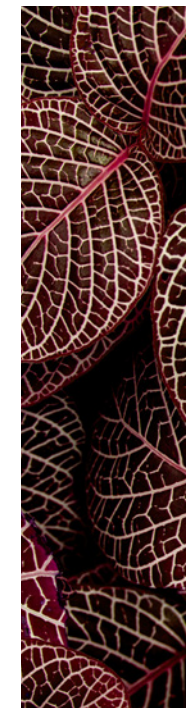
Prior to the provision of information, the Bank informs clients and other individuals in advance about the composition of the collected data, the legal grounds for their collection and processing, as well as potential scenarios for transferring information to third parties. Interaction with private and government entities is strictly regulated by internal procedures for disclosing information to third

parties, which exclude unauthorized data exchange. BAKAI BANK prohibits the commercialization of client data – the share of clients whose personal information is used for secondary purposes, such as selling data profiles to third parties or transferring them to unaffiliated marketing agencies for targeted advertising, is 0%.

As part of a risk-oriented approach and minimizing the probability of compromising sensitive information, BAKAI BANK does not collect and process personal data that includes information about racial or ethnic origin, nationality, political, religious, and philosophical beliefs, as well as data on health status and intimate life.

The Bank operates a dedicated and secure escalation channel – any employee, client, or partner can confidentially report a potential privacy policy violation or vulnerability by contacting the Bank directly through the whistleblowing hotline.

To maintain a high level of discipline, the Bank applies the principle of the inevitability of punishment – if facts of violation of requirements and regulations on personal data management are revealed, the guilty employees, if there are legal grounds, are brought to proportionate disciplinary, administrative, and other liability provided for by law.



MATERIALITY METRICS AND TARGETS

As part of managing the material topic «Personal Data Protection» and to prevent the realization of operational and reputational risks, BAKAI BANK establishes strict quantitative metrics for the effectiveness of the established security system.

The key performance metric for the Bank is the number of confirmed incidents related to the leak or unauthorized disclosure of clients' personal data.

Target: Zero tolerance (0 incidents).
Target year: 2025.

Due to its specificity and criticality, this target is continuous. Guided by the zero-tolerance principle, the Bank annually sets the current reporting year as the target, which confirms the continuous nature of control and the immutability of client data protection standards.

Realization of Data Subjects' Rights

The Bank guarantees compliance with the legal rights of personal data subjects and ensures the functioning of transparent channels for processing relevant requests. Individuals interacting with the Bank have the right to:

- » Receive comprehensive information about the facts and parameters of their data processing, including legal grounds, purposes, applied methods, and storage periods.
- » Access their data and receive copies of relevant records (within the limits established by law) free of charge.
- » Demand the clarification, blocking, or irretrievable destruction of information if it is incomplete, outdated, contains inaccuracies, was obtained illegally, or is no longer required for the stated processing purposes.
- » Use legal protection mechanisms provided by law, including by applying to the authorized state body for personal data protection.
- » Request the porting (transfer) of their personal data to other service providers in a structured and machine-readable format, if technically feasible and does not contradict the Bank's information security requirements.

SOCIAL CAPITAL AND SUSTAINABLE VALUE CREATION

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A commitment to respecting human rights is an important element of the operational activities and corporate culture of BAKAI BANK.

In our practice, we are strictly guided by the Constitution and labor legislation of the Kyrgyz Republic, recognizing the protection of human rights as the foundation for developing a safe and equal society. The Bank's activities are also based on the provisions of the Universal Declaration of Human Rights, as well as the International Covenants on Civil and Political Rights and on Economic, Social and Cultural Rights. In terms of integrating human rights issues into corporate governance, the Bank is committed to the UN Guiding Principles on Business and Human Rights.

These corporate commitments cover the activities of the entire Bank and extend not only to its own direct operations, products, and services under development, but are also mandatorily cascaded across the entire supply chain, including requirements for suppliers, contractors, and business partners. The foundational specialized document is the Human Rights Policy approved by the Board of Directors. This Policy is publicly available on the corporate website and is subject to mandatory application by all governing bodies, structural units, and employees of the Bank.

Non-Discrimination and Working Environment Standards

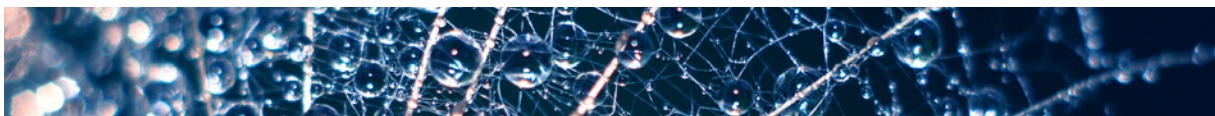
BAKAI BANK applies a principle of absolute zero tolerance toward any manifestations of discrimination, bias, or infringement of rights based on gender, age, ethnicity, race, religion, social status, property status, or other individual characteristics regarding all categories of stakeholders. Any forms of persecution, harassment, threats, and violence, including physical, psychological, and sexual, are strictly prohibited. The Bank assumes obligations to prevent any violations of basic freedoms and guarantees compliance with the following fundamental rights within its sphere of influence:

➤ Prevention of forced labor and human trafficking: The Bank categorically prohibits the use of any forms of forced labor and shows zero tolerance toward any forms of modern slavery and human trafficking in its operations and supply chain.

➤ Prevention of child labor: We exercise strict control over the use of child labor, unconditionally complying with legislative requirements regarding the minimum age for concluding employment contracts and protecting children's right to physical and mental development.

➤ Freedom of association and collective bargaining: The Bank unconditionally recognizes and respects the right of its employees to freedom of association, the creation of organizations of their choice, as well as the right to conduct collective bargaining to discuss working conditions without the risk of persecution or discrimination.

The Bank maintains strict political neutrality, providing no financial or other support to political parties, organizations, or candidates. At the same time, we respect the civil liberties of our employees and do not restrict their right to personal participation in political life, provided there is a complete absence of a conflict of interest with the activities of the Bank.





Risk Management and Due Diligence Procedures

To ensure end-to-end and systemic control, approved procedures and mitigation plans for human rights risks are mandatorily applied to all structural units and branches of the Bank. Furthermore, these risk minimization tools are integrated into the decision-making process for the corporate lending portfolio of the Bank. For the systemic management of impacts on human rights, the Bank implements Human Rights Due Diligence (HRDD) procedures, relying on Principle 17 of the UN Guiding Principles on Business and Human Rights. To minimize potential negative impacts at an integrated corporate level, a monitoring system is in place, including the analysis of legislative changes, updates to corporate policies, disclosure of relevant non-financial information, and regular specialized personnel training.

The practice of regular human rights risk mapping is subject to systematic review. A comprehensive risk assessment in this area is conducted at a set frequency of once every three years. The first assessment cycle was successfully implemented in 2024, covering key stakeholder groups: the Bank's employees and clients, local communities, as well as matters of protecting the rights of women and chil-

dren. Due diligence procedures focus on analyzing the risks of child and forced labor, compliance with freedom of association, ensuring gender equality, forming a safe working environment, as well as preventing discrimination in employment and when serving the customer base.

Based on the results of the analysis, no material human rights risks were identified for the Bank. The assessment cycle conducted in 2024 allowed the Bank to identify priority areas for continuous monitoring, including ensuring occupational health and safety standards in the supply chain and adhering to non-discrimination principles in customer service. The Bank focuses its due diligence procedures on these aspects. The results of regular monitoring confirm that the identified potential risks are under effective management and have not transitioned into the category of realized incidents.

In addition to assessing risks in its own operations, the Bank implements targeted programs to reduce the risks of indirect impacts on human rights within its business relationships. In the process of lending and investing, the Bank applies the following mechanisms:

» Exclusion of high-risk activities: The Bank maintains a list of exclusions, refusing to finance companies and projects whose activities involve the use of forced or child labor.

» ESG screening of clients: As part of the lending process, the Bank conducts reviews of corporate borrowers for compliance with labor legislation.

» Financing terms and monitoring: Upon identifying potential ESG risks, the Bank reserves the right to integrate special ESG covenants into loan documentation, requiring the borrower to strictly observe human rights, as well as monitor their execution and engage in an active dialogue with the client to reduce identified risks.

To foster a sustainable human rights culture, the Bank ensures that personnel are familiarized with the approved Human Rights Policy.

Feedback Mechanisms and Reporting Year Results

For a prompt response to incidents potentially negatively affecting human rights and dignity, several reporting channels are provided in the Bank. The key tool is a dedicated hotline (compliancehotline@bakai.kg). It is available not only to clients and employees, but also to workers of contractors, representatives of local communities, and other external stakeholders of the Bank to confidentially report any facts or signs of human rights violations. The Bank guarantees a comprehensive review of each report in accordance with established procedures, and also ensures complete protection of applicants from any forms of pressure or persecution.

If justified facts of direct human rights violations are revealed, an internal investigation is initiated. The Bank implements comprehensive remediation procedures aimed at restoring the rights of affected individuals or groups to the state they would have been in if the impact had not occurred. Depending on the nature of the incident, remediation mechanisms may include official apologies, restitution, or proportionate financial or non-financial compensation to the affected party. Corrective measures and guarantees of non-repetition of the incident in the future are mandatorily developed.

In cases where the Bank is not directly the cause of a negative impact but is linked to it through business relationships – for example, in the event of a human rights violation by a borrower – the Bank can use available leverage tools to persuade the non-compliant client to remediate the damage caused. Bank employees bear personal responsibility, up to the application of disciplinary action, for any discriminatory actions and human rights violations while performing their duties.

Following the results of 2025, the Bank officially confirms that it was not the cause of and did not contribute to any negative impacts or human rights violations in its operational activities and value chain – no facts of human rights violations, discrimination, or harassment of clients, employees, or other stakeholders were recorded, and no such confirmed complaints were received through any official feedback channels. Personnel decisions regarding hiring and promotion were made solely on the basis of an objective assessment of professional competencies.

Due to the complete absence of incidents in the reporting period, the Bank had no need to apply practical remediation measures. No confirmed complaints regarding discrimination based on gender, religion, or other criteria, or human rights violations were received through any official feedback channels, including the contact center.





At the core of operating model of BAKAI BANK lies the principle of client-centricity, which implies the continuous improvement of service quality and the development of functional digital solutions in synergy with a high level of traditional offline service. To ensure a deep understanding of the needs of various customer segments, a comprehensive customer experience management system operates within the Bank. This system relies on regular marketing research and structured work with feedback. A dedicated team of experts ensures effective customer relationship management at all stages of their lifecycle.

The Bank purposefully develops the physical and digital accessibility of banking services. A balanced combination of a wide local presence and advanced remote channels guarantees effective and safe daily interaction with the audience. In the reporting

year, the Bank continued to develop its self-service infrastructure, increasing the number of 24/7 zones. This initiative expands the uninterrupted access of the population to basic financial services.

Customer experience analysis serves as a guideline for improving the Bank's product portfolio. Feedback received through digital channels and branches is systematized and analyzed by authorized structural units, allowing customer requests to be transformed into specific technical specifications for IT and business units. The Bank applies a continuous improvement approach, ensuring not only the adaptation of products before they are launched on the market but also subsequent monitoring of the success of implemented changes based on repeated measurements of the CSAT index.

CUSTOMER SATISFACTION

The Bank regularly conducts a comprehensive assessment of the level of customer satisfaction with the quality of services provided.

78.6%

CUSTOMER SATISFACTION SCORE (CSAT) AS OF THE END OF 2025.

The target for the CSAT customer satisfaction index is at least 70%.

The assessment results are used by the Bank to identify areas requiring improvement and to take appropriate measures to enhance service quality management.

NON-DISCRIMINATORY APPROACH TO CLIENTS

BAKAI BANK does not tolerate any forms of customer discrimination.

0 CASES OF CUSTOMER DISCRIMINATION IN 2025.

During the reporting period, no significant human rights violations or discriminatory incidents related to the Bank's activities were recorded with respect to clients.

Financial Inclusion and Support for Vulnerable Groups

BAKAI BANK systemically integrates the UN Sustainable Development Goals into its activities, which is formalized in the Sustainability Policy and the Human Rights Policy. The development of specialized products for socially vulnerable categories of the population acts as a key tool for promoting financial and social inclusion. The creation of such solutions is based on a thorough study of market trends and the specific requests of these groups.

In 2025, the Bank continued the implementation of targeted programs for pensioners:

» «Pensioner's Card» is a social card product providing free issuance, re-issuance, and no annual fee. The product includes a monthly accrual of 2% on the balance of funds exceeding KGS 10 thousand. The card features a loyalty system providing an increased cashback of 5% on purchases in pharmacy chains within the territory of the Kyrgyz Republic. As of December 31, 2025, 55.8 thousand active pension cards were issued, with the number of transactions for the year reaching 1.72 million.

» «Pension» and «Pensioner Bakai» deposit products are pension savings solutions for individuals over 55 years of age with an increased

interest rate. At the end of 2025, the Bank serviced 2.77 thousand such accounts with a total portfolio volume of KGS 2.48 billion.

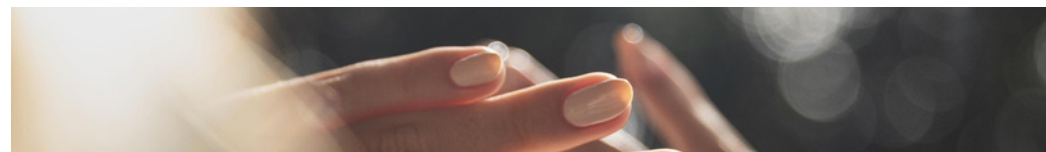
In addition to developing specialized products, the Bank develops inclusive infrastructure for elderly clients and people with disabilities. Specifically, mechanisms for improving service quality include the physical adaptation of branches through the installation of ramps and call buttons. Priority and detailed counseling algorithms are provided for these categories of citizens.

A significant step in stimulating financial inclusion and supporting small entrepreneurship was the launch of the «Online Loan for SMEs» automated product in July 2025. The integration of the credit conveyor into the BakAi Business platform allowed entrepreneurs to receive financing 24/7 without visiting Bank branches or submitting paper document packages. Thanks to the digitalization of the scoring process, the application approval time was reduced to 3 minutes, and operational costs of the Bank were optimized. This digital product serves as an effective tool to support the uninterrupted operation of micro and small businesses across the country.

The Islamic Financial Center (IFC) acts as a further catalyst for involving the population in the financial system. BAKAI BANK is the first traditional financial

institution in the Kyrgyz Republic to receive a license to operate under Islamic principles. The IFC provides services fully compliant with Sharia standards of AAOIFI (Accounting and Auditing Organization for Islamic Financial Institutions), including through digital channels. At the same time, the IFC strictly follows the principles of inclusion – products are available to all clients regardless of their religion.





Responsible Financing and Protection of Client Rights

The Bank adheres to a zero-tolerance policy toward any forms of discrimination. In 2025, not a single incident related to customer discrimination or a significant human rights violation was recorded within the operational activities of the Bank.

In the lending process, we implement the practice of responsible financing. The Bank conducts thorough underwriting and assesses the financial stability of potential borrowers, preventing the risks of their over-indebtedness and excessive financial vulnerability. This approach allows not only managing the portfolio's credit risk but also performing an important social function to protect the financial well-being of society.

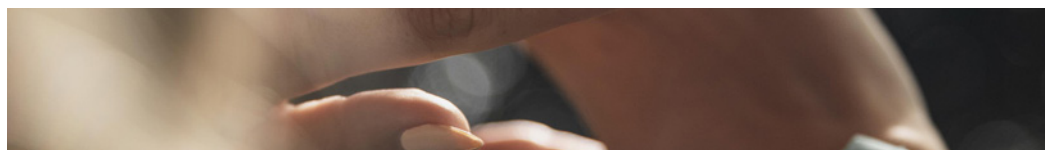
In practice, this approach is implemented through strict control of the debt burden ratio in

accordance with the current regulations of the National Bank of the Kyrgyz Republic. To preventively avoid over-indebtedness, the Bank applies a differentiated creditworthiness assessment scale. In cases where borrowers experience objective financial difficulties, the Bank offers restructuring tools, including the extension of loan maturities and adjustment of payment schedules to minimize default risk.

At the same time, the Bank ensures the protection of vulnerable borrowers from an exponential growth of the debt burden. The total amount of accruals on a consumer loan, including interest, commissions, fines, and penalties, including during the restructuring procedure, is limited and cannot exceed 60% of the originally issued loan amount. The maximum amount of the penalty for the entire duration of the contract is limited to 10%. A strict internal limit on refinancing serves as an additional

systemic mechanism of protection against the “debt spiral” – the same consumer loan can be refinanced by the Bank no more than two times.

The Bank is a full participant in the state deposit insurance system of the Kyrgyz Republic, ensuring the safety of client funds in accordance with national legislation. For 2025, the volume of the Bank's allocations to the Deposit Protection Fund amounted to KGS 145.5 million.



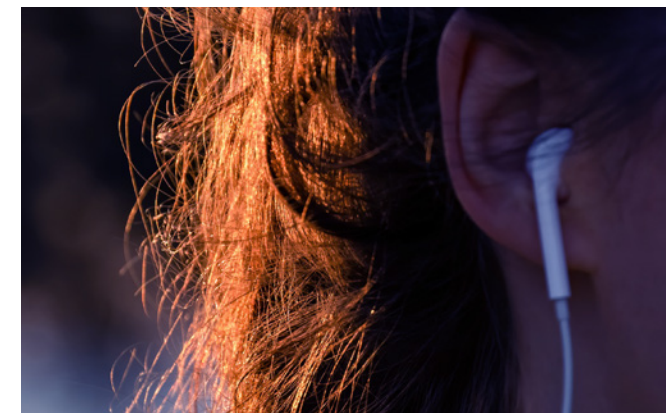
Marketing and Communications Ethics

BAKAI BANK conducts marketing activities based on the principles of responsibility, fairness, and maximum transparency. These standards extend to all communication channels, including the corporate website, online banking systems, social media presence, interaction with the media, and sponsorship projects. Following the results of 2025, the Bank recorded no significant violations of regulatory requirements in relation to marketing communications.

To maintain high standards of service, a quality management system operates in the Bank.

Front-office employees regularly undergo specialized training on customer-centricity standards. A special emphasis in training is placed on the ethics of personal interaction, a strict prohibition on the use of aggressive sales methods (misselling), and the inadmissibility of discriminatory attitudes toward any groups of clients.

In connection with the introduction of artificial intelligence tools into service processes, including an intelligent chat assistant, the Bank regularly monitors and calibrates algorithms to ensure the accuracy of the provided financial information and exclude any forms of algorithmic bias.



Omnichannel Feedback System

The Bank views customer complaints as a valuable resource for process improvement and encourages stakeholders to send feedback, claims, or suggestions regarding service quality through an extensive network of channels:

- » Dedicated email address: dialog@bakai.kg.
- » In-person through branches of the Bank (complaint and suggestion books are available in every branch).
- » Official feedback form on the website of the Bank with mandatory authorization for substantive review.
- » 24/7 Contact Center (short number 6111).
- » 24/7 online support chat in the official BakAi mobile application.
- » Intelligent AI-powered chatbot integrated into the digital channels of the Bank.

The Bank has implemented a standardized process for managing complaints and appeals. All incoming requests are centrally registered and processed according to strict internal corporate

regulations. Upon receiving a request through any of the available channels (the AI chatbot in the BakAi application, the 24/7 Contact Center line, online forms, and in-person requests in branches), the system notifies a client about the registration of their appeal. To ensure maximum transparency, the client is informed of the regulatory timeframes for reviewing the claim, which are governed by internal policies of the Bank and the legislation of the Kyrgyz Republic. BAKAI BANK guarantees complete safety of the complaint filing process and categorically excludes the possibility of any pressure or harassment of appealing individuals.

The high level of operational efficiency and customer-centricity of the remote channels of the Bank is regularly confirmed by independent international experts. In March 2026, the BAKAI BANK Contact Center received recognition from the jury of the prestigious industry award CCGURU AWARDS, known as the «Crystal Headset», and became the winner in the «Best Contact Center with up to 100 Agents» nomination. This award serves as direct independent proof that the omnichannel infrastructure of the Bank provides clients with a service that meets advanced standards of quality, availability, and speed of request resolution.





Ensuring a sufficient volume and availability of financing is a key condition for the successful transition of the economy of the Kyrgyz Republic to a low-carbon and sustainable development model. Recognizing its role as a responsible financial institution, BAKAI BANK contributes to this transformation through the mobilization and targeted allocation of capital into projects that generate a measurable positive ESG effect and contribute to the achievement of the UN Sustainable Development Goals.

The Bank's strategic focus is aimed at expanding credit support for initiatives and activities that generate a positive ESG effect and make a measurable contribution to the implementation of the UN Sustainable Development Goals. The Bank forecasts a growth in demand for green, social, and other ESG-adapted financial products from the country's retail and corporate sectors. Integrating the principles of sustainability and the climate

agenda into our long-term business strategy, we assist clients in accelerating the transit transition in those industries that are of paramount importance for achieving the Bank's climate ambitions and ESG goals.

An important priority of the Bank within the framework of implementing the social component of the ESG agenda is comprehensive financial support for small and medium-sized businesses. The Bank views the SME sector not only as a key customer segment but also as a driver of inclusive economic growth, job creation, and overcoming socio-economic stratification in the regions of presence. Active funding of small and medium-sized enterprises serves as a direct mechanism for the Bank to implement corporate commitments to achieve the UN Sustainable Development Goals, including SDG 8 (Decent Work and Economic Growth), SDG 9 (Industry, Innovation and Infrastructure), and SDG 10 (Reduced Inequalities).



SUSTAINABLE FINANCING OF CLIENTS BY BAKAI BANK AS OF DECEMBER 31, 2025

3 504 187.8 thousand KGS **10.2%**

GREEN AND SOCIAL FINANCING OF SMES AND CORPORATE BUSINESS

SHARE OF SUSTAINABLE FINANCING IN THE TOTAL FINANCING PORTFOLIO OF SMES AND CORPORATE BUSINESS

1 036 590.2 thousand KGS **7.8%**

GREEN AND SOCIAL FINANCING OF RETAIL CLIENTS*

SHARE OF SUSTAINABLE FINANCING IN THE TOTAL FINANCING PORTFOLIO OF RETAIL CLIENTS

* excluding Murabaha financing

Sustainable financing product offering of BAKAI BANK is structured along the following lines:

» Green lending (retail segment, SMEs, and corporate business): Targeted financing of transactions, operational activities, and projects with verifiable environmental and climate impacts, including improving the energy efficiency of buildings, implementing renewable energy sources, and environmental protection measures. For business clients, the “Business Green” programs and a specialized program “ESG - Air Quality Improvement” have been introduced. In the retail segment, the “Air Quality Improvement” program is implemented, focusing on financing environmentally friendly heating systems for private households in the city of Bishkek, as well as a loan program for purchasing electric vehicles.

» Social lending (retail segment, SMEs, and corporate business): Targeted financing of activities and projects with a pronounced positive social impact. The key area here is a specialized ESG program to support women's entrepreneurship with a funding period of up to 60 months. This initiative is a targeted contribution of the Bank to the implementation of SDG 5 (Gender Equality). By providing women entrepreneurs with preferential access to capital to create and scale businesses,

the Bank contributes to increasing their economic independence, reducing the gender gap in the business environment, and forming an inclusive business community. In 2025, within the portfolio of retail programs aimed at improving social well-being, outstanding loans remained under a subsidized socially oriented mortgage program that enhances housing affordability through reduced interest rates.

» Islamic window: The Bank offers Islamic finance products integrated with the sustainability agenda.

To ensure transparency and eliminate the risk of greenwashing, BAKAI BANK applies strict criteria for the classification of loan products. The category of green and social loans (in corporate, SME, and retail segments) includes exclusively those instruments that have a strict targeted use of funds directed to financing or refinancing projects with clearly defined and measurable environmental or social effects. In the SME segment, the Bank does not classify standard loans for working capital replenishment or business development as “sustainable”. The status of green financing for SMEs is assigned exclusively to credit lines that have additional environmental covenants or a targeted purpose (for example, modernization of production assets to increase

energy efficiency). The Bank aligns with the official green taxonomy of the Kyrgyz Republic, and to ensure compliance with the best practices of syndicated and bilateral lending, the Bank also takes into account the Loan Market Association's Green Loan Principles (LMA Green Loan Principles).

Such a conservative approach guarantees the portfolio's compliance with advanced international standards. At the same time, the Bank clearly realizes that in the macroeconomic realities of the Kyrgyz Republic, the systemic provision of the SME sector with accessible capital is a critical factor in social stability. Therefore, without including standard SME loans in the calculation of a narrow pool of the “sustainable portfolio”, the Bank considers small business lending as its fundamental contribution to basic financial inclusion and the achievement of the UN SDGs at the national level.



Integration of ESG Factors into the Financing Process

In accordance with the statements set forth in the «Sustainability Governance» and «Risk Management» sections, the Bank's Board of Directors approved the Sustainability Policy and the Environmental and Social Risk Management Policy.

This corporate framework regulates the application of environmental and social assessment procedures for clients. By conducting a comprehensive ESG assessment of potential counterparties, the Bank stimulates the introduction of responsible business conduct practices into its value chain. The integration of ESG factors into standard customer due diligence procedures and the «Know Your Customer» process at the pre-due diligence stage is being implemented.

When assessing projects and borrowers of the corporate block and the SME segment, the Bank analyzes a specific set of sustainability criteria. Environmental factors include environmental im-

pact assessment. Social factors cover compliance with human rights, occupational health and safety standards, and non-discrimination. Governance factors include analysis of ownership structure transparency, corporate governance quality, business ethics, and anti-corruption practices.

In the consumer lending and mortgage segment, the integration of environmental and social factors is carried out by the Bank at the level of product design and screening. The Bank conducts proactive work with the population, informing individuals about the benefits of an eco-friendly and sustainable lifestyle, thereby stimulating demand for specialized products, such as financing for energy-efficient heating. Social factors in retail are integrated into underwriting processes through strict control of debt burden indicators, which protects borrowers from the risk of over-indebtedness and contributes to the financial well-being of clients.

Potential borrowers and projects of the corporate block and the SME segment undergo social and

environmental screening to make an informed decision on the possibility of providing financing. Based on the results of the analysis, borrowers are assigned an individual ESG risk category – low, medium, or high. Upon identification of material environmental and social risks, mitigation mechanisms are developed, including the approval of corrective action plans for clients with a high-risk profile. Such a categorization system ensures effective assessment and control of ESG risk concentration at the portfolio level. The Bank continuously monitors the risk profile of clients throughout the entire loan lifecycle, conducting a proactive review of risk categories to maintain their adequacy.



The Sustainability Policy establishes a list of sectors and activities excluded from the scope of the Bank's financing due to their unacceptable negative impact on the environment or society. Thus, the Bank has established a ban on lending to the following areas:

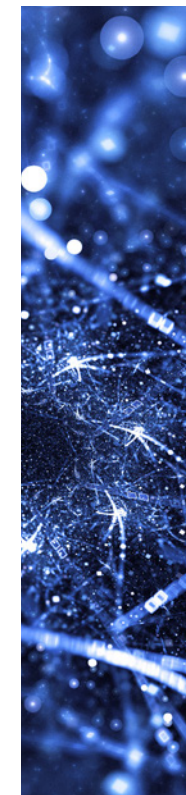
- » Casinos, gambling, and wagering (including the online segment).
- » Production and trade of weapons and military goods.
- » Tobacco cultivation and production of tobacco products.
- » Exploration and extraction of crude oil.
- » Activities utilizing forced labor or violating the legislation of the Kyrgyz Republic regarding child labor.
- » Cross-border trade in rare species of flora and fauna (in strict accordance with the provisions of the CITES Convention).

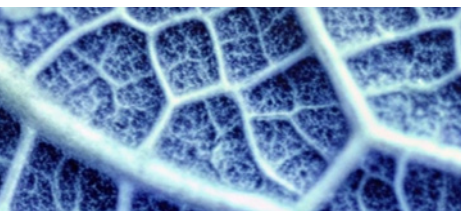
» Direct financing of pawnshop activities.

In addition to the approved list of exclusions, the Bank reserves the discretionary right to refuse to provide capital to any borrowers or projects if they are unable to ensure adequate remediation of identified environmental and social issues within acceptable timeframes, or if the level of residual negative impact is recognized by the Bank as unacceptably high.

It should be noted that the Bank does not provide financing and has no current credit exposure to projects and companies related to the extraction of unconventional hydrocarbons, including such as the development of bituminous (oil) sands; exploration and extraction of shale oil and shale gas; oil and gas projects in the Arctic region; deepwater offshore hydrocarbon extraction; infrastructure projects, including the production of liquefied natural gas, if the raw material base is formed from the aforementioned unconventional sources.

BAKAI BANK in its current loan portfolio also has no financial exposure to assets related to thermal coal, including those related to the exploration, extraction, and processing of thermal coal, the construction of new or expansion of existing coal-fired power plants.





External Impact Assessment: Financial Inclusion and SME Support

Within the framework of the double materiality concept, the Bank views ensuring access to financing as a material topic that generates a direct, large-scale positive impact on external stakeholders, primarily the clients of the Bank.

» Material topic for external stakeholders: Financial inclusion and accessibility of financial services.

» Performance result indicator: Volume of financing issued to target groups. This direct quantitative business result is expressed in the volume of the small and medium business lending portfolio, which in 2025 amounted to KGS 22.6 billion, forming around 47% of the total loan portfolio of the Bank. A separate target result was the issuance of KGS 3.5 billion within the framework of supporting women's entrepreneurship.

» Impact assessment: Providing accessible capital for SMEs and supporting women's entrepreneurship solve practical socio-economic problems in the Kyrgyz Republic. The impact of the Bank lies in stimulating the real sector – the issued loans allow businesses to create new jobs, reduce regional unemployment, and develop local infrastructure. Expanding access to financial services builds the economic independence of vulnerable population groups and levels out social imbalances.

» Impact indicator: The share of financing that generates a measurable social and environmental value for society. Following the results of 2025, the volume of targeted green and social financing of SMEs and corporate business exceeded KGS 3.5 billion, amounting to 10.2% of the entire business lending portfolio. This indicator is a direct quantitative metric of a real change in the social environment thanks to the provided access to capital.



In a highly competitive financial sector, professional competence, employee engagement, and efficiency act as key factors for strategic growth. The long-term sustainability of BAKAI BANK, its market positions, and the quality of customer service directly depend on the performance and cohesion of the entire team. In this regard, attracting, retaining, and developing motivated talent remains a critical priority for the Bank.

The foundation of corporate governance in the area of labor relations is formed by the Corporate Code and the HR Policy of

the Bank. The implementation of the HR strategy and operational personnel management fall within the area of responsibility of the HR Department, which reports directly to the Chairman of the Management Board.

As a major employer, the Bank makes a significant socio-economic contribution to the regions of its presence by providing stable employment. As of December 31, 2025, the number of employees of the Bank reached 2,282 people, demonstrating an increase compared to the previous year.



Labor Rights and Working Conditions

BAKAI BANK conducts its operations in strict compliance with the labor legislation of the Kyrgyz Republic. At the corporate-wide level, the Bank assumes an obligation to strictly respect and observe labor rights. This commitment extends to all operational activities of the Bank and ensures the fulfillment of the following fundamental principles:

- » Ensuring the payment of decent wages that cover the basic needs of employees and their families.
- » Establishing strict limits on maximum working hours.

- » Purposely preventing and reducing excessive working hours and overtime.
- » Ensuring equal remuneration for men and women for work of equal value.
- » Mandatory provision and full payment of annual labor leaves.
- » Establishing minimum periods for preliminary notification and holding mandatory consultations prior to any mass redundancy procedures.

The standard working hours are limited to 40 hours per week. Engaging personnel in overtime work or work on weekends is allowed only in exceptional cases, exclusively with the employee's written consent, and is accompanied by an increased rate of pay. The Bank has implemented a system for continuous monitoring and documented tracking of working hours. This tracking system is used by the Bank not only for the correct calculation of payments but also as a control tool to prevent excessive working hours, which can negatively affect the health and well-being of the personnel. The Bank sets a maximum limit on working hours within a week and implements organizational measures to minimize the need for overtime work.

Each employee is guaranteed an annual paid leave of at least 28 calendar days. The Bank not only declares this right but also implements systematic control over the actual use of vacation days. To protect the mental and physical well-being of the personnel, as well as to prevent professional burnout due to excessive working hours, the HR

subdivision regularly monitors vacation schedules to ensure that employees take their paid leave in a timely manner and in full.

In the event of a change in significant working conditions, including adjustments to the remuneration system, working hours, or combination of positions, the Bank notifies employees in writing in advance – no later than 1 month – followed by the conclusion of supplementary agreements. A similar notice period (1 month) applies when an employment contract is terminated at the initiative of the employer. Special protection measures are applied in cases of structural business changes. Should the need arise to carry out organizational and staffing measures entailing the mass redundancy of employees, the Bank initiates preliminary consultations with the authorized representatives of the workforce. Official notification of upcoming mass redundancies is provided to all affected employees no less than 1 month (minimum notification period) prior to the actual termination of contracts, with time allocated during this period for career consultations and employment assistance. This period guarantees employees sufficient time for adaptation, search for alternative employment, and receipt of social support.

EMPLOYEE ENGAGEMENT

As part of the human capital management strategy, BAKAI BANK conducts regular studies of the employee engagement level. These surveys serve as an important tool for two-way communication, allowing for an objective assessment of satisfaction with working conditions, team motivation, and the perception of the Bank as an employer.

80.7%

EMPLOYEE ENGAGEMENT LEVEL. THE TARGET INDICATOR FOR THE EMPLOYEE ENGAGEMENT LEVEL IS AT LEAST 70%.

The Bank supports the freedom of association – employees have the right to conduct collective bargaining, conclude collective agreements, and form trade union organizations.

Within the framework of these rights, the Bank has built a mechanism for continuous social dialogue. The Bank's management regularly holds meetings and consultations with employees or their authorized representatives to discuss current working conditions, compliance with safety standards, and social support programs. This ensures that the opinions and needs of the workforce are directly taken into account when forming corporate policies.

To ensure a work-life balance, by agreement with line managers, personnel may be offered options for remote work or part-time employment.



EMPLOYEE ENGAGEMENT

About 40% of employees of the Bank voluntarily participated in the 2025 survey, which forms a representative sample for making high-quality management decisions. To comply with the principles of inclusivity and equal opportunities, the analysis of the engagement level was carried out using demographic and functional segmentation – by gender, age, work experience, and Bank divisions. This approach allows the Bank to identify areas for improvement and build targeted support programs for each category of employees.

The survey results demonstrate a high level of the team's meaningful and emotional attachment – employees realize the significance of their personal contribution to achieving common results and share the strategic vector of ESG transformation of the Bank. The feedback analysis also revealed a high level of personnel trust in top management and confidence in the sustainability of the business model.

Personnel Performance Evaluation

In the context of dynamic development, BAKAI BANK is systematically transforming its approaches to personnel evaluation, moving to a comprehensive model of continuous performance management. This system is aimed not only at monitoring qualifications but also at building an open dialogue, identifying areas for growth, and creating a fair remuneration system.

In 2025, the Bank's evaluation system was based on the following key approaches:

» Management by objectives – the performance evaluation of back-office employees and managers is based on individual key performance indicators (KPIs). These goals are set at the beginning of the reporting period during a joint discussion between the employee and their line manager. This ensures the transparency of expectations and a direct link between personal objectives and the Bank's strategy.

» Team and multi-dimensional evaluation – the Bank applies a two-level approach to evaluation when necessary. Thus, the motivation and evaluation system for branch network employees (front office) includes not only individual sales metrics but also team indicators for the fulfillment of the

business plan by a specific branch. Furthermore, the Bank introduces elements of multi-dimensional evaluation – the performance of the front office is assessed taking into account external customer feedback (satisfaction and service quality indices). This makes it possible to comprehensively evaluate the employee's contribution to the development of corporate values.

» Regular feedback – to maintain high engagement, the practice of continuous feedback is encouraged at the Bank. Line managers hold regular meetings with employees on a monthly or quarterly basis, discuss current barriers at work, professional development, and promptly adjust tactical objectives.

As a supplement to the behavioral evaluation and evaluation by objectives, the Bank operates a multi-level system of regular professional knowledge verification (attestation), which directly affects performance evaluation and staff rotation. In 2025, it included:

» Onboarding and initial testing – a two-stage verification of knowledge and practical skills for new front office and contact center employees with the participation of corporate trainers.

» Quarterly evaluation of the front office – a regular assessment of the assimilation of the product line and service standards, the results of which are integrated into the bonus remuneration system.

» Quarterly management review (attestation of directors) – a regular hybrid (in-person and online) evaluation of the managerial competencies of the heads of structural units and branches to maintain high leadership standards.

» Targeted evaluation (upon request) – an individual audit of the competencies of structural units or branches to promptly identify the need for additional training.



LOYALTY AND BRAND ADVOCACY

To gain an in-depth understanding of personnel loyalty, the Bank has introduced an international satisfaction assessment metric – the Employee Net Promoter Score (eNPS). This indicator measures the team's willingness to recommend the Bank to their friends and acquaintances as an attractive and reliable place to work.

54.1 points

ENPS INDICATOR.

In global HR practice, an eNPS result above 50 points indicates a high level of personnel loyalty. The achieved indicator confirms that the majority of employees act as active ambassadors of the corporate brand. This is a direct result of the Bank's investments in ensuring decent wages, developing a transparent evaluation system, and creating a safe and inclusive corporate culture. High loyalty allows the Bank to retain key expertise and attract talent in the highly competitive financial market of the Kyrgyz Republic.

Ensuring Human Rights and a Fair Working Environment

By integrating sustainability principles, BAKAI BANK does not limit itself to basic compliance with the Labor Code of the Kyrgyz Republic but also focuses on the fundamental conventions of the International Labor Organization.

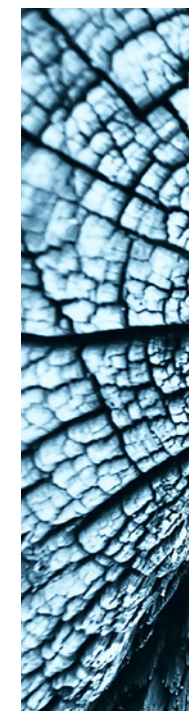
To preventively identify potential violations of labor rights, including issues of ethics and discrimination, an official mechanism for submitting and reviewing complaints is in operation. Employees have the right to use it anonymously, while they are guaranteed the non-application of any retaliatory pressure and persecution. All incoming appeals are registered, analyzed, and, if necessary, reviewed and resolved within the framework of internal corporate investigations. At the same time, no appeals and incidents related to discrimination or violation of human rights in the field of labor relations were recorded in 2025.

To assess personnel loyalty and satisfaction, the Bank practices conducting regular engagement surveys involving independent consultants.

Inclusivity, Diversity, and Equal Opportunities

Workforce diversity allows the Bank to flexibly adapt to macroeconomic challenges and understand the needs of various customer segments. As a responsible employer, the Bank guarantees equal opportunities at all stages of interaction with personnel – from hiring to promotion and remuneration. As of December 31 of the reporting year, the share of women among employees of the Bank was 65.7%. Staffing is carried out exclusively on a competitive basis.

We strictly suppress any forms of discrimination or harassment. Selection and evaluation criteria do not contain discriminating factors based on gender, age, national origin, religion, or physical abilities. At the end of 2025, representatives of various nationalities successfully work in the BAKAI BANK team – 91.3% Kyrgyz, 3.3% Russians, 1.5% Kazakhs, and 3.9% representatives of other nationalities.



HR Brand Development and Social Initiatives

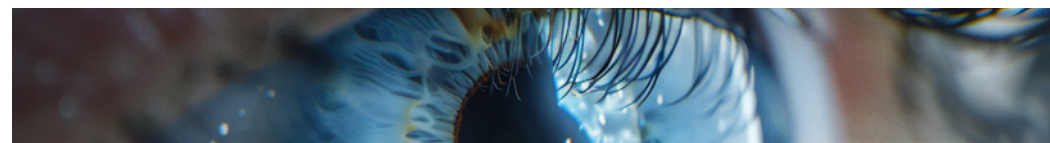
BAKAI BANK considers personnel costs not as operating expenses, but as strategic investments in human capital that ensure the long-term competitiveness of the business. To assess the effectiveness of these investments and personnel development programs, the Bank calculates the international Human Capital Return on Investment (HC ROI) indicator. The calculation is based on the data of the audited financial statements for 2025 according to a standardized international methodology:

HC ROI for 2025	
Metric	Value (KGS)
a) Total revenue	18 312 625 000
b) Total operating expenses *	14 315 125 000
c) Total employee-related expenses	3 358 479 000
HC ROI (calculation result: $(a - (b - c)) / c$)	2.19

* Note: the indicator "Total Operating expenses (b)" includes all items of the Bank's operating costs, including personnel expenses (c). This ensures the correct calculation of the human resource's net contribution to the Bank's value creation.

The Bank systematically invests in the development of the employer brand, paying special attention to attracting talent and young professionals. Long-term partnerships have been built with leading educational institutions of the Kyrgyz Republic, which ensures an influx of talented graduates.

An analysis of the personnel outflow structure shows that the overall turnover rate is primarily driven by dynamics in the segment of mass starting front-office positions and among employees under the age of 30. This trend reflects high competition in the financial market of the Kyrgyz Republic and natural migration of young professionals. At the same time, the Bank demonstrates high stability in its core expertise – turnover among employees over 50 years of age is only 17.1%, and the retention rate of key management personnel remains consistently high. To systematically reduce overall turnover in 2026, the Bank is focusing on onboarding programs for the front office and improving working conditions in the regional network.



An important element of the corporate culture is the support for sports and a healthy lifestyle. Acting as an official partner of the National Olympic Committee, BAKAI BANK promotes these values within the workforce as well. Employees are actively involved in corporate sports events and external competitions. In particular, the teams of the Bank traditionally participate in interbank football and table tennis tournaments, and also massively participate in running races. Thus, in April 2025, more than 150 employees took the start of the traditional spring half marathon Bakai Bank Jaz Demi 2025, and in June the Bank's team won a convincing victory in the final of the Kyrgyzstan Banks Cup in football.



Number of employees of the Bank			
	2025	2024	2023
Average number of employees	1 871	1 919	1 798
— Managers of senior, middle and junior levels	390	437	428
— Specialists	1 433	1 431	1 356
— Administrative and support staff	48	51	14
Number of employees at the end of the reporting year	2 282	2 029	1 861
— Managers of senior, middle and junior levels	439	421	423
— Specialists	1 793	1 560	1 386
— Administrative and support staff	50	48	52
Employees with open-ended employment contracts	1 450	1 091	877
— Women	996	769	605
— Men	454	322	272
Employees with fixed-term employment contracts	832	938	984
— Women	502	607	641
— Men	330	331	343

Note: Members of the Board of Directors are excluded from the statistics as no employment contracts are concluded with them.

Gender structure of the workforce at the end of the reporting year			
	2025	2024	2023
Men	783	664	615
Women	1 499	1 365	1 246
Employees by gender and job position			
Managers of senior, middle and junior levels			
— Women	291	285	275
— Men	148	136	148
Specialists			
— Women	1 207	1 078	962
— Men	586	482	424
Administrative and support staff			
— Women	1	2	9
— Men	49	46	43
Women's representation			
Share of women in all management positions, as % of the total number of management positions in the Bank	66.3%	68.0%	65.0%
Percentage of women among members of the Management Board	28.6%	43.0%	57.0%
Share of women in senior management positions (maximum two levels away from the Chairman of the Management Board), as % of the total number of senior management positions in the Bank	55.6%	7.0%	8.0%
Share of women in management positions in revenue-generating functions, as % of all management positions in revenue-generating functions	64.9%	44.0%	43.0%
Share of women in STEM-related positions, as % of total STEM positions in the Bank	24.0%	33.0%	28.0%

Note: Significant change in the 'Share of women in senior management positions (maximum two levels away from the Chairman of the Management Board), as % of the total number of senior management positions in the Bank' metric in 2025 was due to a grading review, the impact of staff turnover, and changes to the organizational structure.



Age structure of the workforce at the end of the reporting year			
	2025	2024	2023
Employees by age at the end of the reporting year			
Under 30 years old	1109	1 059	993
— Women	737	729	675
— Men	372	330	318
30–50 years old	1023	848	764
— Women	680	563	514
— Men	343	285	250
Above 50 years old	150	122	104
— Women	82	74	57
— Men	68	48	47
Employees by age and job position			
Managers of senior, middle and junior levels			
— under 30 years old	87	106	120
— 30–50 years old	312	288	276
— above 50 years old	40	27	27
Specialists			
— under 30 years old	1018	954	870
— 30–50 years old	685	530	461
— above 50 years old	90	76	55
Administrative and support staff			
— under 30 years old	4	2	3
— 30–50 years old	26	28	27
— above 50 years old	20	18	22

Parental leave			
	2025	2024	2023
Total number of employees that took parental leave in the reporting year (all are women)	119	102	n/a
Total number of employees that returned to work in the reporting year after parental leave ended	45	62	n/a
Total number of employees due to return to work in the reporting year after taking parental leave	72	65	n/a
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	46	49	n/a
Return to work rate of employees who took parental leave	62.5%	95.0%	n/a

Employee Turnover			
	2025	2024	2023
Total employee turnover rate	31.2%	36.5%	45.6%
— Voluntary employee turnover rate	30.6%	29.6%	38.1%
Total employee turnover rate by gender			
— Women	29.0%	36.3%	35.5%
— Men	34.7%	36.1%	47.5%
Total employee turnover rate by age			
— under 30 years old	39.9%	36.7%	43.8%
— 30–50 years old	23.4%	26.2%	36.7%
— above 50 years old	17.1%	16.4%	27.7%



Total number of new employees	833	802	849
— Women	468	518	522
— Men	365	284	327
— under 30 years old	608	538	592
— 30–50 years old	203	237	239
— above 50 years old	22	27	18
Additional metrics			
Employee turnover due to discrimination and human rights violations	0	0	0
Absentee rate	2.0%	2.9%	3.1%

Employee Development

Systematic development of personnel competencies is a priority for BAKAI BANK. For us, specialized training serves not merely as a tool for increasing operational efficiency, but as a condition for retaining talent and adapting the team to the further development of the business.

In 2025, the Bank's total expenses on personnel training and development programs amounted to KGS 31.6 million, and the expenses for internal and external training per 1 employee averaged KGS 16.9 thousand. This confirms our commitment to the principles of continuous education.

The corporate training system is based on the results of the regular performance evaluation (attestation) of employees and current business needs of the Bank. Professional training programs are differentiated and cover three key areas:

- » Mandatory training – programs aimed at minimizing compliance risks and operational risks. They include regular briefings on AML/CFT, information and cybersecurity, occupational health and safety, as well as business ethics and ESG principles.
- » Professional development – specialized courses, trainings, and certification programs aimed at deepening the highly specialized knowledge and skills of employees in accordance with their functional responsibilities, such as risk management, credit analysis, customer service, and so on.
- » Development of leadership, managerial, and behavioral competencies – programs for the talent pool and current management, focused on developing leadership, emotional intelligence, critical thinking, and effective team management.
- » Digital transition programs – as part of the Bank's large-scale digitalization, courses are implemented to adapt personnel to new IT tools, automated systems, and data analysis fundamentals, which ensures a more efficient and seamless transition to new operating models and digital solutions.



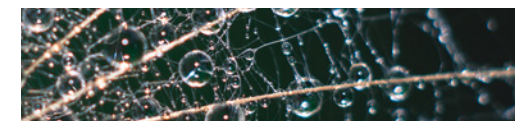
In the context of the large-scale transformation of the financial sector, the introduction of artificial intelligence, and deep automation of processes, the Bank recognizes the risks of technological unemployment and the obsolescence of traditional professional skills. To mitigate the negative consequences of the industrial transition for personnel, the Bank implements preventive retraining and advanced training programs. Such initiatives are aimed at adapting employees to new requirements – employees whose routine functions are subject to automation undergo retraining to work with new IT tools, AI models, and data analysis systems. This approach allows the Bank not only to increase operational efficiency but also to prevent the risk of job losses, guaranteeing the preservation of employment and the long-term demand for employees in the modern labor market.

To ensure maximum coverage and effectiveness, the Bank applies a hybrid learning model. It includes internal trainings conducted by in-house experts, distance e-learning courses, self-study, and the engagement of leading external educational service providers. It is important to note that corporate professional development programs and access to the educational digital platform extend not only to full-time employees but also to part-

time personnel, as well as employees engaged under fixed-term employment contracts within the Bank's staffing table.

As part of the development of the personnel management system, a mentoring system was introduced and successfully implemented, aimed at accelerating the onboarding of new employees and increasing their engagement in work processes. A mentor is assigned to each new employee, providing practical support, helping to master functional duties, and guiding them during the onboarding period. Additionally, constant support for both the employee and the mentor is provided by the immediate supervisor, which allows for timely identification and resolution of emerging issues. The implementation of this practice has had a positive impact on reducing staff turnover by increasing the level of onboarding, engagement, and employee satisfaction with working conditions. Furthermore, the Bank encourages learning through cross-functional collaboration. The Bank operates internal expert communities and working groups to share the best practices, where employees from various structural units can share cases, study new practices, and work together on innovative solutions outside their direct functional duties.

The onboarding system for all employees is structured in stages and begins from the first day of employment. During the onboarding period, employees complete a mandatory training track on the HR portal, which includes courses, internal materials, and practical mastery of work processes. An individual training route with set deadlines and checkpoints is formed for each employee. The process of onboarding and training is under constant control by specialized employees of the Training Center and the Recruitment and Personnel Development Department. A comprehensive approach to onboarding contributes to a faster assumption of duties by employees, an increase in work efficiency, and a decrease in the staff turnover rate.





In the reporting period, the focus was placed on transforming customer experience and increasing the operational efficiency of the front office. As part of this focus area, the Bank successfully implemented two flagship programs with measurable business results:

1. “Sale of Banking Products” Program. Large-scale offline training for front-office employees, excluding cashiers, across the Bank’s entire branch network with the involvement of an external certified trainer.

» Goal and business impact: stimulating sales of banking products, developing cross-selling skills, and increasing front-office efficiency.

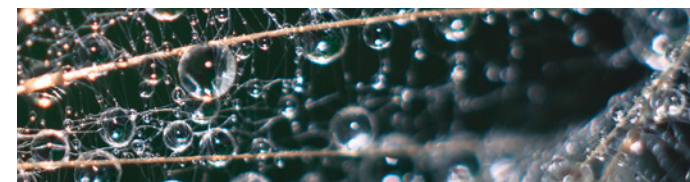
» Performance: the implementation of the “Sale of Banking Products” program, covering 484 employees, led to a documented 12.5% increase in employees’ professional competencies (the average test score increased from 72% to 81%), which directly contributes to the growth of service conversion and customer satisfaction.

2. “Customer Service Quality” Program. A specialized offline program aimed at implementing uniform high service standards, devel-

oping effective communication and objection handling skills.

» Goal and business impact: improving customer experience, increasing consumer loyalty, and strengthening the Bank’s business reputation.

» Performance: the implementation of the “Customer Service Quality” program, which trained 534 front-office employees, demonstrated an improvement in operational efficiency in terms of customer service – the level of employees’ knowledge of service standards increased by 9.5% (from 73% to 80%), which directly correlates with an increase in customer loyalty and the quality of services provided.



Statistical Indicators on Personnel Training

To ensure the transparency of non-financial information disclosure, the Bank carries out detailed tracking of training hours broken down by job categories and gender.



BAKAI BANK Personnel Training Indicators for 2025	
Total number of training hours	25 299
— Women	16 697
— Men	8 602
Number of training hours broken down by job categories	
— Managers of senior, middle and junior levels	5 235
— Specialists	20 004
— Administrative and support staff	60
Average number of training hours per 1 employee of the Bank during the reporting year	13.52
— Managers of senior, middle and junior levels	13.42
— Specialists	13.96
— Administrative and support staff	1.25
— Women	14.38
— Men	12.12

Employee Compensation, Benefits, and Motivation

As part of the implementation of the sustainability strategy and based on the results of the analysis of material topics, interaction with personnel, including fair remuneration and social support, is recognized as one of the key priorities for BAKAI BANK and its stakeholders. We strive to provide a competitive level of compensation and a favorable environment for the long-term professional growth of every team member.

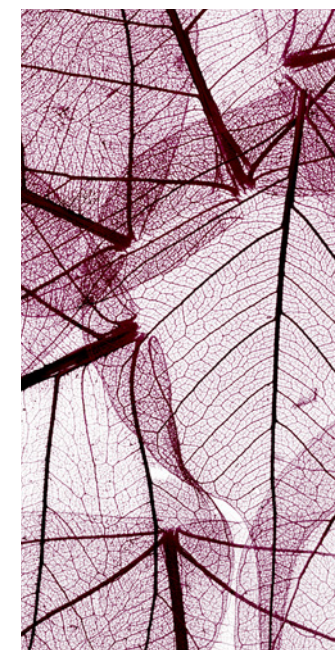
Remuneration System and Principles

The remuneration system in the Bank is based on the values of meritocracy, transparency, and equal opportunities. The main principles for forming remuneration are:

» Fairness and validity: the level of remuneration is determined by the employee's qualifications, the complexity of tasks performed, and their contribution to achieving strategic goals.

» Non-discrimination: the Bank guarantees equal pay for work of equal value, excluding the influence of gender, age, or other factors not related to professional competencies.

» Competitiveness: regular monitoring of the labor market makes it possible to maintain the income level of employees at a level that ensures the attraction and retention of highly qualified specialists. As part of labor practices management programs, the Bank focuses on providing decent wages. The base salary of employees, excluding bonuses and overtime pay, is set at a level exceeding the estimated cost of living in the regions of presence. The Bank applies a cost-of-living assessment methodology, guaranteeing that the remuneration level fully covers the basic needs of employees and their families. This approach exceeds the practice of paying the minimum wage established at the state level. The ratio of the CEO's total annual remuneration to the average annual remuneration of all other employees (excluding the CEO) is 6.48.





Analysis of the Gender Pay Gap

To achieve and maintain equal remuneration for work of equal value for men and women, the Bank applies regular monitoring of the gender pay gap. Under this methodology, the Bank annually assesses base salary indicators and bonus systems. This routine monitoring allows for the prompt identification of deviations and the adjustment of remuneration policies. Following this practice, in 2025, the Bank conducted an in-depth analysis of the gender pay gap covering over 90% of the total number of full-time equivalent employees, following the best international information disclosure practices.

➤ Salary: the average pay gap was 16.72%, and the median was 11.55% in favor of men. The Bank strictly separates the concepts of “Equal Pay for Work of Equal Value” and the “Unadjusted Gender Pay Gap”. Under the “Equal Pay for Work of Equal Value” approach, the Bank ensures the absence of a gender pay gap in base salaries for identical positions with the same grade and functional duties. The unadjusted average base pay gap of 16.72% observed in 2025 is not an indicator of discrimination. It is exclusively structural in nature and is explained by a higher concentration of men in managerial posi-

tions, in IT units, and certain other structural units where market rates significantly exceed the market average.

➤ Bonus remuneration (bonuses): the average gap in bonuses was 5.11%. At the same time, the median bonus gap was - 9.22% in favor of women – the negative value of the median gap confirms the high performance of female employees and indicates that the financial incentive system in the Bank effectively rewards personal performance regardless of gender. This median bonus gap in favor of women can be considered an outstanding result of implementing meritocracy principles, proving the absolute gender neutrality of the corporate performance evaluation system and KPIs.

Recognizing the structural nature of this gender gap, the Bank does not consider it a static norm. As part of human capital development, we are implementing initiatives to develop female leadership and promote women to managerial and high-paying positions. This will systematically level out the structural imbalance and reduce the unadjusted gender gap in the long term.

Financial Incentives and Management by Objectives

The Bank applies a performance-based remuneration concept, integrating the remuneration system with individual and team key performance indicators (KPIs).

» Individual bonuses: calculated based on achieved KPIs set within the management by objectives process.

» Team incentives: for front-office employees, payments are provided for achieving group sales plans and high quality of customer service.



Social Support

Social protection programs of BAKAI BANK purposefully expand employee coverage beyond basic state social security programs and go beyond the requirements of mandatory labor legislation, being aimed at improving the personnel's quality of life. The focus is directed at supporting employees in significant life situations:

» Financial assistance: the Bank makes payments upon employees' marriage, the birth of a child, and also provides financial support in difficult life circumstances and upon retirement.

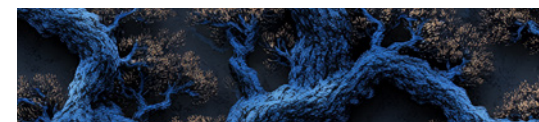
» Health and well-being: employees have access to health insurance programs and counseling support.

Non-financial Motivation and Corporate Culture

The Bank is developing an ecosystem of non-financial motivation that helps strengthen team spirit and engagement:

» Corporate events: regular celebrations, sports tournaments, and team-building events for employees and their children.

» Internal communications: regular corporate competitions and information newsletters that ensure management transparency and recognize the contribution of each subdivision to the Bank's overall success.



In its operational activities, BAKAI BANK strictly follows the principle that preserving the lives and health of employees takes unconditional priority over any other business goals, including financial results. The occupational health and safety management system is built in full compliance with the regulatory requirements of the legislation of the Kyrgyz Republic.

At the corporate level, the Bank officially commits to continuously improving the occupational health and safety management system, as well as ensuring its compliance with best international standards and the legislation of the Kyrgyz Republic.

The internal document regulating this area is the Occupational Health and Safety Rules, officially approved by the Bank's Management Board. This document serves as the Bank's comprehensive policy on occupational health and safety. The provisions of the document are mandatory – they apply to all operational processes of the Bank without exception, all employees, and are strictly binding on contractors, suppliers, and other persons carrying

out activities under the control of the Bank on its premises. As part of the practical implementation of these requirements, the Bank has introduced occupational health and safety criteria into its procurement and contracting procedures.

At the stage of selection and conclusion of contracts, requirements for compliance with occupational health and safety standards are imposed on contractors performing work at the Bank's facilities. Mandatory conditions regarding contractors' compliance with corporate occupational safety rules are integrated into relevant contracts, which allows to minimize the risks of incidents during the work of third parties.

The functions of monitoring compliance with regulatory requirements are delegated to the Head of the Security Division and branch network directors. Compliance with occupational safety standards is classified by the Bank as an integral labor duty of an employee. Ignoring or violating these requirements entails the application of disciplinary measures, up to and including the termination of the employment contract.

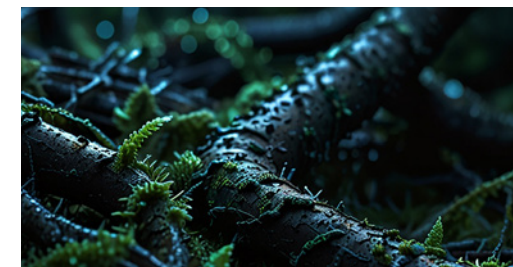
OCCUPATIONAL HEALTH AND SAFETY IN 2025

0

LOST TIME INJURY FREQUENCY RATE (LTIFR)

0

TOTAL RECORDABLE INCIDENT RATE (TRIR)



Risk Identification, Training, and Engagement

The Bank implements a proactive approach to risk management. The identification and assessment of potential hazards in the workplace, as well as regular inspections of facilities and workplaces by authorized responsible specialists of the Bank, are carried out systematically. To ensure a systematic approach to this work, BAKAI BANK forms annual action plans and prioritizes initiatives aimed at minimizing risks.

Occupational safety management at the Bank is based on the implementation of annual action plans with quantitative targets. For 2025, the Bank successfully met the following targets: a zero Lost Time Injury Frequency Rate (LTIFR) and ensuring 100% coverage of all new employees with initial safety briefings before they commence their job duties. For systematic monitoring of the effectiveness of ongoing programs, the Security Division regularly, but at least once a year, assesses progress in reducing occupational risks and preventing diseases.

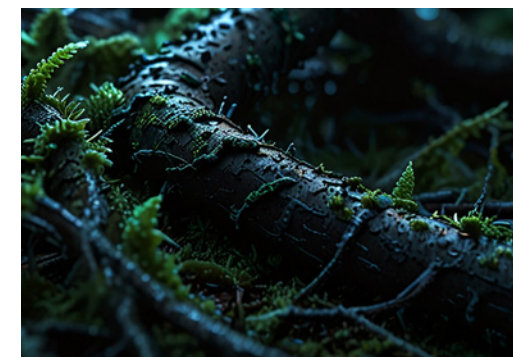
Special attention is paid to specialized training

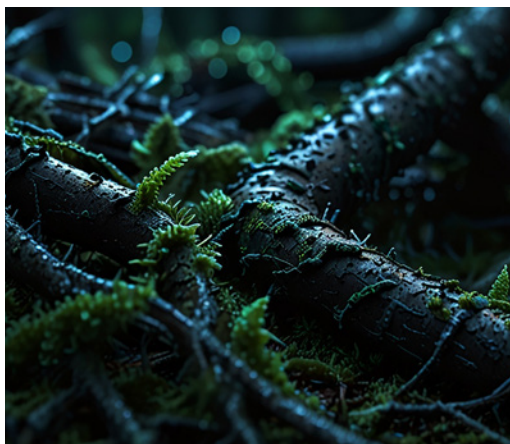
and increasing personnel awareness. Admission to the performance of job duties without a confirmed fact of familiarization with the current Rules is strictly prohibited. The onboarding process for new employees includes a mandatory initial safety briefing. Additionally, scheduled fire safety trainings are implemented, and targeted unscheduled briefings are conducted in case of the introduction of new corporate occupational safety standards. By the end of 2025, 1,136 Bank employees had successfully completed specialized training in the field of occupational health and industrial safety.

Management encourages the development of a safety culture – employees have the right to freely express their opinions, openly ask questions, and initiate proposals for improving working conditions. As part of this approach, the Bank provides systematic mechanisms for consulting with personnel and guarantees the active participation of employees in the processes of developing, evaluating, and modernizing occupational health and safety procedures.

In addition to internal inspection procedures, the Bank's occupational safety system is subject

to independent assessment. External verification of the compliance of working conditions and documentation with safety requirements is carried out within the framework of regular inspections by the authorized state supervisory bodies of the Kyrgyz Republic. Based on the results of inspections in the reporting period, no material violations were identified, which confirms the high reliability of the established management system.





Incident Response

To ensure a high level of preparedness for possible emergencies, the Bank has developed detailed regulations and procedures for emergency response. For the practical training of evacuation skills under various incident scenarios, bank-wide training drills are conducted at least once a year.

Personnel are obliged to immediately inform their immediate or higher-level manager about any factors threatening life and health, as well as about every incident, injury, illness, or deterioration of health in the workplace.

In the event of a documented occupational accident, a special investigation commission is immediately formed by order of the Chairman of the Management Board, acting in strict accordance with the procedures of the legislation of the Kyrgyz Republic. This commission is headed by a member

of the Management Board overseeing the work of the Security Division. Based on the results of the investigation, an official conclusion summarizing key findings is drawn up. The main purpose of drafting this document is to inform the entire Bank's staff about the identified hazardous factors to preventively avoid similar situations in the future.

As part of occupational risk prevention, the Bank provides personnel with the necessary personal and collective protective equipment free of charge, if the specific nature of the work performed requires their presence. Furthermore, at its own expense, the Bank organizes mandatory periodic as well as extraordinary (at the request of employees and upon medical recommendations) medical examinations. In accordance with the legislation of the Kyrgyz Republic, employees are guaranteed the retention of their jobs and average earnings for the entire period of these examinations.

BAKAI BANK considers corporate social responsibility as an integral element of its long-term ESG strategy and interaction with society. In 2025, the Bank continued its systematic work on implementing social, charitable, and sponsorship initiatives that contribute to achieving the UN Sustainable Development Goals (SDGs 3, 4, 5, 6, 8, 11, 13). The main focus of activities was directed towards the development of local communities, support for vulnerable populations, environmental protection, popularization of sports, as well as stimulating economic potential and female entrepreneurship in the Kyrgyz Republic. Total charity expenses in the reporting period amounted to KGS 118 million.



Social Charity and Local Community Support

To improve the accessibility and quality of education, the Bank provided financial assistance for the construction of an additional building for secondary school No. 14 in the city of Manas.

As part of the large-scale charity campaign “Give Good”, the Bank implemented a number of targeted infrastructure and educational initiatives with the active involvement of customers through the BakAi mobile application. The following initiatives can be highlighted:

» Ensuring access to clean water: The Bank fully financed the installation of a permanent water supply system for a specialized kindergarten for deaf children in the city of Kara-Suu and residents of the Kashgar-Kyshtak village in the Osh region. Prior to the implementation of this project, water was delivered to the facilities manually and stored in tanks. In honor of the successful completion of the project by Children's Day, the Bank organized a festive event for the pupils.

» Educational programs for women: To increase the economic independence of socially vulnerable groups, the Bank financed free training in modern IT professions for 70 women, including single mothers who found themselves in a difficult life situation. Training in the areas of “SMM Manager” and “IT Project Manager” was implemented using funds raised with the participation of the Bank and its clients.

Urban Infrastructure Development and Environmental Initiatives

In 2025, the Bank actively supported municipal enterprises in the capital of the Kyrgyz Republic to improve the environmental situation and landscaping:

» Cooperation with “Tazalyk” municipal enterprise: Modern eco-friendly special equipment was donated free of charge – four electric cargo scooters with a carrying capacity of up to 1.5 tons, two multifunctional sweepers, electric mopeds, and electric kick scooters. Additionally, the installation of 21 video surveillance cameras was financed to monitor unauthorized waste dumping. These measures contribute to reducing the carbon footprint and increasing the efficiency of cleaning hard-to-reach areas of Bishkek.

» Support for “Bishkekzelenstroy” municipal enterprise: As part of strengthening social partnership with city structures, the Bank financed the capital repair of the enterprise's building and facade, which improved the working conditions of specialists involved in the capital's landscaping.



Support for Sports and a Healthy Lifestyle

Supporting the development of high-performance sports and mass sports is one of the priority areas of the Bank's sponsorship policy:

- » Support for the Olympic movement: In the status of an Official Partner, BAKAI BANK continued strategic cooperation with the National Olympic Committee of the Kyrgyz Republic. Within the framework of this partnership, the Bank provided systemic financial support to domestic Olympians, including ensuring the crediting of Olympic scholarships to athletes on Visa Infinite premium cards.
- » Global sports partnerships: The Bank became the official bank of the largest international mixed martial arts organization UFC in the CIS countries. The partnership includes the popularization of sports and support for regional athletes.
- » Mass sports: For the seventh time, the Bank acted as the title partner of the spring half marathon Bakai Bank Jaz Demi 2025. The event brought together about 4 thousand participants, contributing to the promotion of healthy lifestyle values in society.

Sponsorship Support for Entrepreneurship and Economic Development

The Bank is traditionally a systemic institutional partner of events that stimulate the development of small and medium-sized businesses, as well as the export potential of the Kyrgyz Republic:

- » Support for female entrepreneurship: Within the Bakai Business ecosystem, strategic support was provided to the largest international forum BUSINESS AIYM 2025 that brought together more than 200 female entrepreneurs from Central Asian countries. Furthermore, the Bank officially signed the Code for Financing Women Entrepreneurs in the Kyrgyz Republic, consolidating its obligations to expand women's access to capital.
- » Development of light industry: For the second year in a row, the Bank acts as the general partner of the largest international fashion and textile exhibition TEXPO V 2025. The sponsorship is aimed at supporting the textile industry that is a key driver of Kyrgyz exports.
- » Regional development: The Bank acted as the official financial partner of the International Forum "Manas Expo - 2025" (Jalal-Abad region) that is aimed at expanding cross-border trade and attracting investment to the region.

ECOLOGY AND CLIMATE IMPACT

» Climate-Related Risk Management and
Carbon Footprint

115

Climate change and the global transition to a low-carbon economy form new landscapes of risks and strategic opportunities for the financial sector. Sharing the national priorities of the Kyrgyz Republic to achieve carbon neutrality by 2050, BAKAI BANK is consistently transforming its business model, integrating climate factors into decision-making processes, risk assessment, and the product line.

Corporate Governance of the Climate Agenda

The Bank has established a multi-level governance framework for managing climate-related issues, ensuring management involvement at all stages:

- » The Board of Directors exercises strategic oversight of the ESG strategy implementation and approves key decisions on managing material climate risks (if any). The Risk Management Committee ensures oversight of climate risks and other aspects related to the climate track.
- » The Management Board bears operational responsibility for implementing the climate agenda, achieving the set goals, and executing the decisions of the Board of Directors.
- » The Sustainability Working Group acts as a cross-functional coordination center ensuring the

interaction of specialized structural units in the implementation of climate initiatives and the preparation of annual non-financial reporting. The ESG Manager is responsible for managing the climate agenda at the operational level.

An important element of positioning of the Bank is supporting clients in the process of their low-carbon transition through the development of green financing instruments. To improve the quality of interaction with clients, the Bank implements systematic advanced training programs for branch network employees in the field of sustainability.

To minimize transition risks and ensure compliance with the global goal of the Paris Agreement (limiting warming to 1.5°C), the Bank applies a mechanism of sectoral exclusions. In particular, a strict ban has been introduced on lending to projects and borrowers whose activities are related to the exploration and production of crude oil.

Internal Carbon Pricing

To proactively prepare for the tightening of cross-border carbon regulation, assess potential financial costs, and stimulate low-carbon operational solutions, the Bank has integrated an internal carbon pricing mechanism in the format of a shadow price. The internal price is set at USD 25 per 1 ton of CO₂e for Scope 1 and Scope 2, that fully complies with the carbon tax targets recommended by the International Monetary Fund for the period up to 2030. As the data quality on financed emissions (Scope 3) improves, the Bank will consider the possibility of integrating the carbon price into the procedures for assessing credit projects in high-carbon sectors of the economy.



Carbon Footprint

The Bank conducts an annual comprehensive inventory of greenhouse gas emissions in strict accordance with the requirements of the GHG Protocol, the ISO 14064 standard, and the IPCC Guidelines, covering the following greenhouse gases: CO₂, CH₄, N₂O, HFCs. Data on its own emissions for 2023, 2024, and 2025 have been confirmed as part of an independent verification procedure.



Bank's Greenhouse Gas Emissions, tons of CO₂-e

	2025	2024	2023
Scope 1	907.02	3 210.91	2 985.98
Scope 2, location-based	671.34	213.03	282.99
Scope 3 (excluding financed emissions)	1 905.55	1 478.31	1 257.99
including Scope 3 "purchased goods and services"	66.66	62.39	65.95
including Scope 3 "employee commuting"	1 385.19	1 307.83	1 093.12
including Scope 3 "business travel"	453.70	108.09	98.92
Scope 3, financed emissions (category 15)	117 468.88	-	-
including retail consumer lending	50 280.63	-	-
including business lending	67 188.25	-	-
Total Scope 1 and Scope 2 emissions	1 578.36	3 423.94	3 268.97
Intensity of Scope 1 and Scope 2 emissions, tons of CO ₂ -e per 1 employee	0.84	1.69	1.76
Intensity of Scope 1 and Scope 2 emissions, tons of CO ₂ -e per USD 1 million of assets **	1.87	3.25	3.88

** The Bank's assets as of December 31, 2023, amounted to KGS 74,044,277,000 or USD 842,752,982, taking into account the average exchange rate in 2023: USD 1 = KGS 87.86. The Bank's assets as of December 31, 2024, amounted to KGS 91,679,126,000 or USD 1,052,090,039, taking into account the average exchange rate in 2024: USD 1 = KGS 87.14. The Bank's assets as of December 31, 2025, amounted to KGS 120,454,279,000 or USD 1,378,826,454, taking into account the average exchange rate in 2025: USD 1 = KGS 87.36.

In 2025, the Bank significantly expanded the perimeter of climate reporting, calculating indirect emissions associated with the loan portfolio for the first time (Scope 3, Category 15 - Financed Emissions).

The assessment of financed emissions for 2025 covers two segments that form the main share of the Bank's credit impact on the real sector: corporate business lending and retail consumer lending portfolios (excluding secured targeted lending). The assessment covered about 34.6% of the Bank's total portfolio of lending to retail, SME, and corporate borrowers as of December 31, 2025.

Due to the macroeconomic specifics of the region of presence and the systemic deficit of verified

primary environmental data from borrowers, the PCAF Data Quality Score (DQS) indicator for the assessed asset classes was 5, as the calculations were based mainly on sectoral economic proxy indicators.

The DQS 5 score assigned following the pilot assessment reflects the current market limitations in the field of non-financial information disclosure by borrowers. The Bank considers this result as a starting point for launching a long-term initiative to interact with clients in order to gradually collect verified environmental data, which will reduce the level of calculation uncertainty in the 2026–2030 horizons.

The calculations were performed using the following approaches.



ASSESSMENT OF FINANCED EMISSIONS FOR 2025

Business lending:

» Volume of the assessed portfolio: KGS 6.29 billion (16 large borrowers as of December 31, 2025). This constitutes 18.3% of the total SME and corporate business lending portfolio (KGS 34.42 billion) as of December 31, 2025.

» Intensity: 10.69 tons of CO₂e / KGS 1 million (934.41 tons of CO₂e / USD 1 million).

» Methodological approach: the assessment was carried out according to the PCAF standard using a fallback method based on economic proxy indicators (Option 3c). The Open CEDA by Watershed macroeconomic database was applied with the implementation of a customized country discount to adapt global coefficients to the structure of the economy of the Kyrgyz Republic.

Retail consumer lending:

» Volume of the assessed portfolio: KGS 10.24 billion. This constitutes 100% of the total consumer lending portfolio as of December 31, 2025.

» Intensity: 6.11 tons of CO₂e / KGS 1 million (533.86 tons of CO₂e / USD 1 million).

» Methodological approach: since untargeted consumer lending currently does not have an approved calculation methodology within the basic PCAF standard (Part A: Financed Emissions), the Bank carried out the calculation on a voluntary basis to ensure maximum portfolio transparency. A proxy model of flow attribution was developed, allowing the assessment of impact through the lens of macroeconomic consumption. This model distributes climate responsibility in proportion to the borrower's debt burden.

Recognizing the systemic deficit of verified environmental data from borrowers and the voluntary nature of their submission on their part, the Bank considers improving the DQS indicator a priority task. Within the framework of this initiative, a phased reduction of the DQS and an increase in the accuracy of calculating financed emissions will be carried out by improving the process of collecting and verifying clients' carbon reporting, which will allow the Bank to transition to setting specific targets for the decarbonization of the loan portfolio.



Climate-Related Risks

BAKAI BANK has identified and qualitatively assessed physical and transition climate risks for the short, medium, and long term (0–3 years, 4–10 years, and 11–30 years, respectively). Climate risk is the risk of reputational damage and/or financial loss or other harm arising from physical and transition climate risks for BAKAI BANK, our clients, and the communities in which we operate.

Climate risks are divided into:

» Physical risks, which arise from the consequences of climate change, are divided into acute physical risks arising from extreme weather events occurring with increasing severity and frequency (mudflows, floods, etc.), and systemic physical risks arising from long-term, progressive changes in climatic and environmental conditions (long-term increase in average temperature, aridization, water scarcity, etc.).

» Transition risks, arising from the process of transitioning to a low greenhouse gas emission economy, influenced by new and emerging state and international climate-related requirements and regulations, changes in technology, market conditions, business and public demands and preferences, and stakeholder expectations.

Climate risk and its associated risk factors are a “cross-cutting” risk capable of impacting both financial (credit, market) and non-financial (com-

pliance, operational, reputational) risks across the Bank’s main risk categories.

For the purpose of analyzing climate risks, BAKAI BANK used two climate scenarios in accordance with the Sixth Assessment Report of the Intergovernmental Panel on Climate Change – SSP1-2.6 and SSP2-4.5:

» Scenario SSP1-2.6 (a scenario within the framework of the Paris Climate Agreement, probability of scenario realization – 20%) implies accelerated implementation of measures that drastically limit anthropogenic greenhouse gas emissions. Greenhouse gas emissions become net negative by the end of the current century.

» Scenario SSP2-4.5 (continuation of current socio-economic and technological trends, probability of scenario realization – 80%) assumes systematic global actions aimed at reducing greenhouse gas emissions during the 21st century, sufficient to stabilize their concentration by approximately 2100.

The SSP2-4.5 climate scenario was selected as the baseline scenario for BAKAI BANK. In addition, the NGFS Phase V scenarios of the Network for Greening the Financial System (NGFS) – Below 2°C and Fragmented World – were taken into account.

Based on the results of scenario modeling and analysis of prospective processes in the short term (0–3 years), both physical and transition climate risks

are not material for BAKAI BANK, including from the perspective of lending to clients, despite the significant number of regions of our presence. At the same time, under the SSP2-4.5 baseline scenario, the Bank’s exposure to both physical and transition climate risks will potentially increase already in the medium term (4–10 years).

Among other things, political and legal risks, as the most likely material climate risks for BAKAI BANK, could lead to potential financial losses and costs in the event of further tightening of national and international requirements in the climate sphere. The main factor is the inability or significant limitation of the Bank’s ability as a financial intermediary to attract climate funding from international partners and state climate funding (due to non-compliance with requirements and covenants, including in terms of disclosing climate information and managing climate risks within the loan portfolio). Financial costs (lost profits) associated with this factor are preliminarily estimated at no less than KGS 500 million annually. This assessment is based on an analysis of the projected demand for sustainable financing products from the Bank’s



clients and the potential difference (spread) in the cost of attracting specialized climate capital compared to standard market funding instruments.

To minimize exposure to political and legal risks, the Bank is starting to implement the following measures:

- » Annual preparation and publication of climate reporting based on international standards for disclosing climate information.
- » Reduction or cessation of financing for certain carbon-intensive types of activities and industries with a high carbon footprint.
- » Regular assessment of the share of lending to carbon-intensive sectors and green lending in the total lending volume.
- » Implementation of procedures for assessing risks related to climate change, including in relation to financed clients and projects.
- » Continuous monitoring of changes in legislation in the Kyrgyz Republic and requirements of international standards in the field of climate.

» Timely informing of the Board of Directors and other management bodies about exposure of BAKAI BANK to climate risks, including political and legal risks.

» Regular training of employees on issues related to climate regulation and reporting.

» Maintaining regular contact with the financial regulator on issues related to climate regulation of the banking sector.

As part of the phased implementation of the TCFD recommendations, the Bank has begun to form an analytical base for the subsequent integration of climate factors into the bank-wide risk appetite. The current focus is directed at collecting verified data on Scope 3 emissions (financed emissions) and a qualitative assessment of the vulnerability of sectors. It is assumed that the obtained results will become the basis for developing a system of quantitative limits and stop factors, which can be submitted for consideration by the Bank's management as the internal infrastructure for assessing climate risks becomes ready.

Potential impact of physical and transition climate-related risks on operations and assets of the Bank

ESG

Significance of risks within the scenarios used

Risk category

SSP1-2.6 Scenario

SSP2-4.5 Scenario (baseline)

0-3 years	4-10 years	11-30 years	0-3 years	4-10 years	11-30 years
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Physical climate-related risks
Risks of financial losses due to natural climate factors and gradual climate change

Acute risks

- Damage to or destruction of real estate and property of BAKAI BANK as a result of exposure to natural climate factors.
- Decrease in solvency and financial stability of corporate clients of BAKAI BANK operating in sectors of the economy exposed to physical risks (for example, agriculture).
- Impairment, damage or loss of collateral as a result of exposure to natural climate factors.
- Interruption of telecommunications services and operation of information systems, decrease in the reliability of energy supply as a result of exposure to natural climate factors.
- Negative impact on liquidity reserves of BAKAI BANK because of a sharp increase in demand for liquidity from households and businesses as a result of frequent and intense exposure of clients and the economy of the Kyrgyz Republic to natural climate factors.

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Chronic risks

- Decrease in solvency and financial stability of corporate clients of BAKAI BANK operating in sectors of the economy exposed to physical risks (for example, agriculture).
- Instability in the development of sectors of the economy exposed to systemic changes in natural climate factors (for example, agriculture, hydropower, etc.).
- Increased likelihood of macroeconomic shocks and imbalances, including regional and global ones, as a result of systemic climate changes, in particular in terms of increased water resource shortages.

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Potential impact of physical and transition climate-related risks on operations and assets of the Bank

Significance of risks within the scenarios used

Risk category

SSP1-2.6 Scenario

SSP2-4.5 Scenario (baseline)

0-3 years	4-10 years	11-30 years	0-3 years	4-10 years	11-30 years
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Transition risks

Risks of financial losses in the process of transition to a low-carbon economy

Policy and legal risks

⌚ Tightening of the requirements of the legislation and financial regulator of the Kyrgyz Republic, as well as international partners of BAKAI BANK for the activities and reporting of BAKAI BANK in relation to decarbonization, climate-related risk and opportunity management, climate-related reporting.

⌚ Tightening of the requirements of the legislation of the Kyrgyz Republic for the activities and reporting of key clients of BAKAI BANK in the area of decarbonization, climate-related risk and opportunity management, climate-related reporting.

⌚ Restriction of the availability of climate funding and climate finance partnerships in the event of inability of BAKAI BANK to fully comply with the requirements of climate capital providers and international climate standards.

⌚ Reduction of client base of BAKAI BANK as a result of tightening climate regulation and market conditions.

⌚ Decrease in solvency and financial stability of corporate clients of BAKAI BANK operating in sectors of the economy that are associated with significant negative impact on the climate and are potentially subject to significant climate regulation.

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Potential impact of physical and transition climate-related risks on operations and assets of the Bank

ESG

Significance of risks within the scenarios used

Risk category

SSP1-2.6 Scenario

SSP2-4.5 Scenario (baseline)

0-3 years	4-10 years	11-30 years	0-3 years	4-10 years	11-30 years
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Transition risks

Risks of financial losses in the process of transition to a low-carbon economy

Market risks

- ⌋ Fall in demand for lending from carbon-intensive activities and industries.
- ⌋ Inability of BAKAI BANK to meet client demand for green lending and other sustainable financing.
- ⌋ Increased volatility or decrease in the value of securities portfolios and derivative financial instruments under the influence of the transition of the global and national economy to low-carbon development.
- ⌋ Decrease in the value and market demand for carbon-intensive collateral.
- ⌋ Deterioration of market conditions for corporate clients of BAKAI BANK operating in sectors of the economy that are associated with a significant negative impact on the climate, including as a result of a decrease in the value and demand for their products/services in export markets.

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Technology risks

- ⌋ The need to implement investment-cost programs and technological measures to decarbonize the activities and operations of BAKAI BANK, and introduce low-carbon technologies.

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Reputation risks

- ⌋ Negative perception of activities of BAKAI BANK by clients, business partners, international investors, the government and society in the event of active provision of financing (services) to companies or projects that have a high adverse impact on the climate.
- ⌋ Negative reputational consequences in the event of inability or unwillingness of BAKAI BANK to fully comply with state regulatory requirements and requirements of external capital providers in the area of climate-related regulation and management of climate-related risks and opportunities.

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Risk impact grading

+ – Minimal impact on the financial performance of BAKAI BANK. Does not affect the achievement of strategic and operational goals. BAKAI BANK can continue its activities as usual.

+ + – Low potential impact, that, in the event of the risk (risk factors) being realized, can lead mainly to short-term, easily mitigated (relatively low-cost) consequences for the financial performance of BAKAI BANK as a result of the risk manifestation. It is necessary to develop certain key risk mitigation measures.

+ + + – Moderate potential impact, that can lead to reversible systemic consequences, mainly short-term/medium-term, for the financial performance of BAKAI BANK as a result of the risk manifestation. There is a high probability of non-achieving certain operational goals. It is necessary to develop comprehensive risk mitigation measures, including those aimed at the long-term perspective.

+ + + + – Strong potential impact that can lead to reversible systemic consequences, primarily medium-term/long-term, for the financial performance of BAKAI BANK as a result of the risk manifestation. Inability to achieve operational goals, threat of failure to achieve strategic goals. There is a high probability of operational failures in certain areas of activity. It is necessary to implement significant financial, organizational, technological or other measures in a short time to minimize the consequences of such impacts or adapt the business to them.

+ + + + + – Critical potential impact that can have uncontrollable consequences for the overall financial stability of BAKAI BANK, its ability to achieve strategic goals and the consequences of which may be irreversible.



Climate-Related Opportunities

BAKAI BANK preliminarily identifies several long-term market opportunities related to the climate agenda.

Main opportunity:

» Increasing the volume of green lending to retail, SME, and corporate clients in the Kyrgyz Republic, including through the development of partnerships with international financial institutions. This opportunity is preliminarily estimated at no less than KGS 1.5 billion annually. A conservative transition of just 4.5% of the current SME lending portfolio to the category of green transactions fully ensures the fulfillment of this target indicator.

Additional opportunities:

» BAKAI BANK entering the market for green bonds and sustainability-linked bonds as an issuer to fund lending to clients or implement its own projects to decarbonize its activities and operations.

» Expanding the availability of international financing related to climate and low-carbon development.

CONCLUDING SECTION

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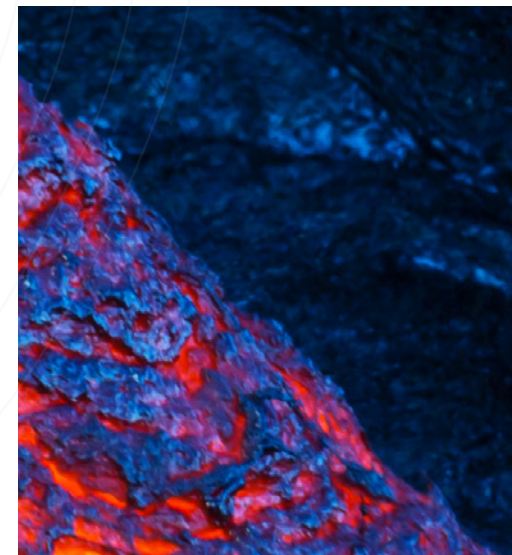
BAKAI BANK supports the 2030 Agenda for Sustainable Development adopted by the UN member states, including the Kyrgyz Republic. Recognizing the global and national significance of all 17 Sustainable Development Goals (SDGs), the Bank strives to integrate them into its long-term corporate strategy, operational activities, and stakeholder engagement processes.

Based on the results of a comprehensive materiality assessment conducted with the participation of key stakeholders, and considering the specifics of the macroeconomic environment and the impact potential of the financial sector, the Bank focused its strategic efforts on seven priority SDGs. It is in these areas that BAKAI BANK has the greatest opportunities to enhance its positive impact and minimize negative externalities.

Integration of the SDGs into the Bank's activities is carried out at two levels:

1. Internal environment – through responsible personnel management, management of its own carbon footprint, and responsible and ethical corporate governance.
2. External impact (core business) – through lending, implementation of innovative financial and digital products, and supply chain management.

A detailed overview of strategic approaches and initiatives of BAKAI BANK to achieve the priority SDGs is presented below.



Integration of Priority SDGs into Operational and Financial Activities

SDG 4. Quality Education

» Strategic focus: building a culture of continuous learning, developing the human resources potential of the financial sector, and increasing the financial inclusion of the population.

» Bank's initiatives:
» Systematically providing opportunities for the personal and professional development of employees through internal and external educational programs.

» Implementing targeted programs to improve the financial, digital, and entrepreneurial literacy of the Bank's clients and the population in the regions of presence.

» Strategic partnership with specialized higher educational institutions, including internship and dual education programs, to form a talent pool and attract young talents.

SDG 5. Gender Equality

» Strategic focus: ensuring an inclusive corporate environment and supporting female entrepreneurship as a driver of economic growth.

» Bank's initiatives:
» Strict adherence to policies preventing gender and any other discrimination at all stages of employment relations – from hiring to promotion.

» Ensuring fair and equal remuneration for work of equal value regardless of gender.

» Monitoring and systematically ensuring the representation of women in corporate governance bodies and top management positions of the Bank.

» Providing specialized credit lines and non-financial services to finance and develop female entrepreneurship.

SDG 8. Decent Work and Economic Growth

» Strategic focus: stimulating the sustainable economic development of the Kyrgyz Republic through supporting the real sector of the economy and creating high-quality jobs.

» Bank's initiatives:
» Financing micro, small, and medium-sized businesses, as well as industrial sector enterprises acting as drivers of economic growth.

» Stimulating the creation of new jobs in the Bank's regions of presence by providing affordable financing to businesses.

» Ensuring unconditional compliance with the norms of the labor legislation of the Kyrgyz Republic, implementing strict control procedures to prevent forced and child labor in its own operations and supply chains.

» Maintaining comfortable and safe working conditions that comply with advanced occupational health standards.



SDG 9. Industry, Innovation and Infrastructure

» Strategic focus: financial support for infrastructure transformation and the digitalization of banking services to increase economic efficiency.

» Bank's initiatives:

» Active financing of projects aimed at the construction, operation, and technological modernization of critical infrastructure facilities.

» Investments in the development of financial innovations and the digitalization of banking processes in order to increase the level of financial services penetration (financial inclusion).

» Financing real sector enterprises to introduce innovative production technologies.



SDG 13. Climate Action

» Strategic focus: transition to a low-carbon economy, management of climate-related risks, and promotion of loan portfolio decarbonization.

» Bank's initiatives:

» Deep integration of processes for managing climate-related risks (transition and physical) and climate-related opportunities into the overall corporate governance and risk management system in accordance with the TCFD recommendations.

» Annual calculation and disclosure of information on the volumes of direct and indirect greenhouse gas emissions within operational activities (Scope 1, Scope 2) and assessment of financed emissions (Scope 3, category 15) using the GHG Protocol standards and PCAF methodology.

» Developing and expanding the line of green financial products aimed at financing projects in the field of energy efficiency, renewable energy sources, and decarbonization of clients' assets.

SDG 16. Peace, Justice and Strong Institutions

» Strategic focus: ensuring transparency, business ethics, and strict compliance control.

» Bank's initiatives:

» Maintaining a zero-tolerance culture towards any forms of corruption, bribery, and fraud.

» Implementing comprehensive systemic measures to combat corruption at all levels of corporate governance.

» Ensuring the proper, uninterrupted functioning of AML/CFT systems in strict accordance with national legislation and international standards (FATF).



SDG 17. Partnerships for the Goals

» Strategic focus: creating synergy with state institutions, international organizations, and the financial community to achieve common sustainable development goals.

» Bank's initiatives:

» Participation in the activities of national and international specialized associations and sustainability initiatives.

» Attracting and expanding targeted funding programs from international development institutions to implement joint sustainable development financing programs and responsible ESG practices.

» Participation in specialized working groups of the banking community of the Kyrgyz Republic to develop, adapt, and promote consolidated initiatives for implementing sustainable banking principles.

» Demonstrating high tax discipline and a responsible approach to calculating and paying taxes as a contribution to the socio-economic development of the state.



BAKAI BANK considers regular and open dialogue with stakeholders (interested parties) as an important element of its corporate strategy and the process of creating long-term value. Understanding the expectations, needs, and concerns of stakeholders allows the Bank to effectively manage financial and non-financial risks, adapt its business model to changing macroeconomic conditions, and ensure a high degree of transparency in its activities.

The Bank builds interaction on the principles of inclusivity, materiality, and responsiveness. A sys-

tematic analysis of feedback from key stakeholder groups forms the basis of the double materiality assessment and determines the priority areas of the Bank's ESG transformation, including aspects of corporate governance, social, and environmental impact.

Main Stakeholder Groups

Based on the analysis of the operating environment, the scale of impact, and the degree of influence on business processes, the Bank identifies the following key stakeholder groups. The table below presents the perimeter of interaction, the communication channels used, and the expected results of this dialogue.

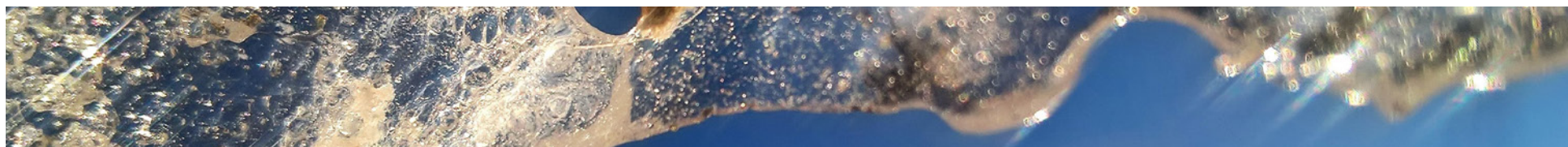


Stakeholder Categories	Why They Are Important	How Interaction is Built (Examples)	Results
Bank's Shareholders and Investors	- Shareholders and investors are the owners of the Bank and providers of capital. - Shareholders establish the structure and processes for the Bank's management and control. - Shareholders and investors are interested in the financial efficiency and stable development of BAKAI BANK.	- Holding General Shareholders' Meetings. - Presentations, online conferences. - Financial and non-financial reports.	- Effective understanding by shareholders of strategy and decisions of BAKAI BANK. - Providing comprehensive information about the Bank's activities, including issues of corporate governance and risk management.
Clients	- The Bank's financial performance and investment attractiveness depend on the demand and level of trust from clients. - Client retention is essential given the strong competition for clients in the financial sector.	- Continuous communication with clients, including physically at branches, through the contact center, in digital format, and on social networks. - Regular client satisfaction surveys.	- Maintaining close relationships with clients and increasing trust in the Bank, as well as increasing client satisfaction and loyalty. - Adapting products and services of BAKAI BANK to the needs, priorities, and expectations of clients.
Top management of the Bank	- Top management of the Bank controls the strategic development vector and is responsible for the operational efficiency and corporate culture of the Bank. - Management efficiency has a key impact on the sustainability and predictability of business development.	- Regular meetings of the Board of Directors and the Management Board, and specialized committees, including on topics related to risk management and ESG. - Internal management reporting. - Evaluating the fulfillment of established KPIs.	- Effective implementation of the Bank's business strategy. - Timely identification and minimization of financial and non-financial risks. - Ensuring transparency and accountability to shareholders and investors.

Employees of the Bank	- Employees contribute to the success of the business with their skills, experience, and engagement. - The well-being and satisfaction of employees affect the financial performance and reputation of BAKAI BANK.	- Internal communication with employees, for example, through the corporate portal. - Regular employee surveys. - Personal and collective meetings with the Bank's management.	- Ensuring that employees' opinions and interests are considered when making decisions. - The opportunity to implement initiatives that purposefully contribute to employee engagement. - Identifying problems and shortcomings, for example, in work processes. - Fostering the creation of a safe and healthy working environment, including through continuous dialogue with employees.
State Authorities and Regulators	Authorities and regulators oversee the activities of BAKAI BANK, including its compliance with the requirements and norms of applicable legislation.	- Communications through official channels. Conducting inspections and audits. - Regular submission of mandatory regulatory reporting. - Financial and non-financial reports. - Participation in round tables, forums, and conferences where authorities and regulators are represented to discuss issues of financial sector development.	- The Bank's compliance with regulatory requirements. - Promoting responsible business practices. - Reducing reputational risk.

Stock Exchange	⌋ The exchange acts as an important platform for raising capital, sets listing requirements, and ensures the transparency of market pricing.	⌋ Disclosure of information on material facts and events within the established timeframes. ⌋ Regular publication of reporting. ⌋ Interaction on issues of compliance and adherence to listing rules.	⌋ Maintaining listing status and complying with all regulatory requirements of the platform. ⌋ Access to stock market instruments. ⌋ Strengthening trust from institutional and retail investors through information transparency.
Credit Rating Agencies	⌋ Agencies provide an independent assessment of the Bank's creditworthiness, financial stability, and ESG profile. ⌋ The presence of ratings directly affects the cost of funding, investment attractiveness, and access to capital markets..	⌋ Providing regular financial, management, and non-financial (ESG) reporting. ⌋ Completing specialized questionnaires and surveys. ⌋ Prompt disclosure of information on material corporate events and changes in the risk profile.	⌋ Obtaining, maintaining, or improving the level of credit and/or ESG ratings. ⌋ Optimizing the cost of raising debt capital. Increasing trust from institutional investors, counterparties, and regulators. ⌋ Receiving independent feedback to improve internal corporate governance and risk management processes.
Suppliers and Contractors	⌋ Business partners and suppliers form a significant basis for the value proposition to the Bank's clients.	⌋ Tender procedures in the field of procurement. ⌋ Presentations, online conferences, information newsletters. ⌋ Regular feedback during the execution of contracts	⌋ Ensuring accountability in supply chains and business practices. ⌋ Proper fulfillment of contractual obligations. ⌋ Ensuring that business partners and suppliers comply with the Bank's ethical, anti-corruption, and other standards.

Mass Media	▮ The media shapes the information field and public opinion, directly affecting the Bank's business reputation, the level of public trust, and brand awareness in the region of presence.	▮ Publishing press releases, news, and official statements. ▮ Holding press conferences and briefings. ▮ Organizing interviews with the Bank's management and specialized experts. ▮ Prompt response to journalists' inquiries and monitoring of the information field.	▮ Forming an objective and positive image of the Bank in public space. ▮ Broadly informing stakeholders about the Bank's achievements, new products, and social/environmental initiatives. ▮ Effective management of reputational risks and prevention of the spread of false information.
Local Communities and NGOs	▮ Interaction and contacts with local communities and NGOs allow BAKAI BANK to more effectively understand the needs of the regions of presence, including building charitable activities.	▮ Social and charitable initiatives and partnerships at the local and national levels. ▮ Dialogue with representatives of the local population and NGOs through meetings, online conferences.	▮ Enhancing the Bank's contribution to the development of the regions of presence, implementation of charitable and sponsorship initiatives. ▮ Increasing the effectiveness of cooperation with the local population and non-profit organizations to address social and environmental problems.



Materiality assessment, including the engagement of internal and external stakeholders, is an integral part of preparing annual sustainability reporting. When determining the materiality of sustainability topics, BAKAI BANK applies the concept of double materiality:

» Impact materiality – assessment of the actual and potential, positive and negative impact of the Bank on stakeholders, the economy, the environment, and people, including the impact on human rights, within its own operations and value chain. The results are consolidated based on a voluntary survey of 235 representatives of key groups of the internal and external stakeholders of the Bank (clients, shareholders, Bank's management, employees, suppliers and contractors, the stock exchange, mass media).

» Financial materiality – expert assessment of the qualitative impact of ESG factors on the financial stability of the Bank, consisting of an assessment of risks and opportunities. As part of the financial materiality assessment, the participation of competent external consultants is ensured to guarantee the independence of opinions.

The final perimeter of double materiality in 2025 included 14 material topics, which are ranked into two priority groups and reviewed by the Board of Directors of the Bank.

The revision of material topics and the materiality assessment using the double materiality concept are carried out annually.



Stages of Determining Material Topics		
First Stage	Second Stage	Third Stage
➤ Analysis of the Bank's activities based on available financial and non-financial reporting for previous years. ➤ Analysis of legislative and regulatory requirements in force in the Kyrgyz Republic. ➤ Analysis of industry material topics used by leading global agencies, primarily the S&P Global Corporate Sustainability Assessment (CSA). ➤ Analysis of material topics disclosed by leading foreign and domestic peer banks. ➤ Analysis of the Bank's impact on key stakeholders, the economy, society, and the environment.	➤ Formulation of an expanded list of material topics (20 material topics) taking into account the results of the 1st Stage of the materiality assessment. ➤ Conducting a stakeholder survey. ➤ Conducting the financial materiality assessment. ➤ Formulation of the final assessment for the expanded list of material topics (20 material topics).	➤ Formulation of the final short-list of material topics (14 material topics) that are of the highest priority for the Bank and stakeholders. ➤ Ranking topics into two priority groups. ➤ Review of the final list of material topics by the Board of Directors of the Bank.

Due to the application of the independent materiality thresholds principle, the final perimeter of material topics that exceeded the threshold of 4.00 points on a five-point scale for at least one of the parameters (impact materiality and financial materiality) is divided into two priority groups depending on the nature of their impact on the Bank and society.



Prioritization of Material Topics

High-priority material topics: «strategic core»

7 material topics

This group includes topics that have crossed the materiality threshold (4.00) simultaneously for both criteria – both for impact materiality and financial materiality. The description of each material topic illustrates its impact on the Bank.

1. Information Security and Cybersecurity.

- » Impact type: risk reduction.
- » Business impact: preventing data breaches and cyber incidents protects the Bank from direct financial losses, client liquidity outflow, and regulatory fines.
- » Business strategy: modernization of security architecture with a transition to a zero-trust model, continuous vulnerability testing, personnel training.

2. Personal Data Protection.

- » Impact type: risk reduction, cost reduction.
- » Business impact: leakage of client personal data leads to direct financial and reputational losses from regulatory fines, lawsuits, and a critical loss of trust, provoking liquidity outflow.
- » Business strategy: implementation of strict privacy policies, access control, regular audit of data storage systems, and personnel training on the principles of processing sensitive information.

3. Responsible Interaction with Clients.

- » Impact type: revenue increase.
- » Business impact: a high satisfaction index ensures client retention, growth in transaction activity, and a stable inflow of retail deposits as an important funding base.
- » Business strategy: development of omnichannel support, implementation of transparent pricing, preventive protection of clients against fraud activities and social engineering, financial literacy programs.

Base-priority material topics: «focus areas»

7 material topics

This group includes material topics that have crossed the threshold of 4.00 points for only one of the assessment vectors. The description of each material topic illustrates its impact on the Bank.

1. Occupational Health and Safety.

- » Impact type: risk reduction, cost reduction.
- » Business impact: zero injury rate and low absenteeism level minimize direct costs for sick leaves, compensation, and insurance payments, ensuring the continuity of operational processes.
- » Business strategy: organization of ergonomic workplaces, regular inspections, mandatory briefings for employees.

2. Corporate Governance.

- » Impact type: risk reduction.
- » Business impact: systematic governance failures lead to strategic errors and the destruction of shareholder value. Effective corporate governance reduces the cost of attracting capital, as investors require a lower risk premium.
- » Business strategy: ensuring the independence of the Board of Directors, functioning of specialized committees, integration of ESG factors at the level of strategic decision-making.

3. Employee Motivation, Remuneration, and Performance Management.

- » Impact type: cost reduction, revenue increase.
- » Business impact: high engagement directly correlates with the quality of client service and reduces staff turnover, which minimizes significant recruiting and onboarding costs.
- » Business strategy: implementation of a competitive remuneration system, linking personal and team KPIs to financial and ESG results, as well as expanded employee social support packages.

4. Responsible Tax Practices.

- Impact type: risk reduction.
- Business impact: aggressive tax optimization creates significant legal and reputational risks, as well as the threat of sanctions. A transparent tax position protects reputation before the state and international investors.
- Business strategy: zero tolerance for tax evasion, tax information disclosure, application of the arm's length principle in transfer pricing, and refusal to use offshore jurisdictions.

5. Combating Corruption and Financial Crimes.

- Impact type: risk reduction, revenue increase.
- Business impact: flawless compliance protects the Bank from turnover-based fines and license revocation and also acts as a competitive advantage for maintaining international correspondent accounts and attracting institutional funding.
- Business strategy: centralization of compliance control (three lines of defense), automation of transaction monitoring systems, and application of enhanced due diligence for politically exposed persons.

6. Risk Management.

- Impact type: risk reduction, cost reduction.
- Business impact: effective risk management directly reduces the NPL level that minimizes provisioning costs and protects the Bank's capital.
- Business strategy: application of multi-level scoring at the underwriting stage, stress testing of macroeconomic shocks, and integration of risk metrics into management KPIs.

7. Digitalization and Artificial Intelligence.

- Impact type: revenue increase, cost reduction.
- Business impact: the development of the BakAi family mobile platforms and the implementation of the generative AI BusinessGPT reduce the cost of servicing one client and open access to new market segments without physical expansion of the branch network.
- Business strategy: investments in IT infrastructure, development of digital assistants for business, continuous modernization, and improvement of remote service channels taking into account client experience.

4. Personnel Training and Development.

- Impact type: revenue increase.
- Business impact: investments in human capital increase labor productivity and employee motivation. The development of competencies in new areas, including AI, allows the Bank to bring innovative and competitive products to the market faster.
- Business strategy: creation of a culture of continuous learning, development of the talent pool.

5. Human Rights and Non-discrimination.

- Impact type: risk reduction.
- Business impact: human rights violations in operational activities or the supply chain (financed projects) entail high reputational and legal risks, as well as the threat of client outflow and loss of access to international funding.
- Business strategy: ensuring gender equality, functioning of confidential whistleblowing channels, implementation of the corporate Human Rights Policy, continuous monitoring of potential human rights violations.

6. Sustainable Development Financing.

- Impact type: revenue increase.
- Business impact: the economy's transition to low-carbon models creates a demand for green capital. The development of the sustainable financing portfolio diversifies the Bank's income sources and client base.
- Business strategy: bringing targeted products to the market, ESG screening of borrowers, implementation of ESG covenants.

7. Financial Inclusion and Accessibility of Services.

- Impact type: revenue increase.
- Business impact: providing capital to SMEs and supporting female entrepreneurship expands the Bank's active client base.
- Business strategy: adaptation of loan products to the needs of micro, small, and medium-sized businesses, development of Islamic financing, expansion of coverage through remote services in the regions.

APPENDICES

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AML/CFT – anti-money laundering and counter-terrorist financing.

Bank employees – employees of the Head Office, branches, structural units, representative offices of the Bank, who work based on an employment contract concluded with the Bank.

ESG (Environmental, Social and Governance) – sustainability factors considered by the Bank in its activities, namely environmental factors, including climate ones, social factors and corporate governance factors.

FATF – Financial Action Task Force on Money Laundering.

GRI – Global Reporting Initiative.

HR – human resources management.

Human rights – inalienable rights of every person that are based on the recognition of dignity, freedom and equality.

KGS – som, the national currency of the Kyrgyz Republic.

LTIFR – lost time injury frequency rate.

OJSC – open joint-stock company.

Significant risks – risks, realization of which may lead to a deterioration in the financial stability of the Bank.

SME – small and medium business.

Stakeholders – legal entities and individuals who may be interested in the performance of the Bank and value creation and/or may have a significant impact on operations, products and services of the Bank, or whose decisions or actions may affect ability of the Bank to create value, successfully implement its strategies and achieve its goals, as well as individuals and legal entities affected by operations of the Bank.

STEM (Science, Technology, Engineering, Mathematics) – technical, scientific and engineering highly specialized positions, in particular in the sphere of information security, programming and software development, web design, database analysis, artificial intelligence.

TCFD – Task Force on Climate-Related Financial Disclosures.

UN – the United Nations.

UN Sustainable Development Goals – global goals approved by the UN General Assembly Resolution «Transforming our world: the 2030 Agenda for Sustainable Development» dated September 25, 2015.

Disclosure	Description of disclosure	Section of the Report where information is disclosed
GRI 2 GENERAL DISCLOSURES 2021		
2-1	Organizational details	BAKAI BANK OJSC Overview. Contact Information.
2-2	Entities included in the organization's sustainability reporting	About the Sustainability Report.
2-3	Reporting period, frequency and contact point	About the Sustainability Report. Contact Information.
2-4	Restatements of information	No restatements of information disclosed in prior periods.
2-5	External assurance	No external assurance of the Report, except for the assessment of greenhouse gas emissions for 2023, 2024, and 2025 carried out by an independent external verifier.
2-6	Activities, value chain and other business relationships	BAKAI BANK OJSC Overview. Key Financial and Operational Indicators. Key Sustainability Outcomes for 2025.
2-7	Employees	Interaction with Employees.
2-8	Workers who are not employees	Interaction with Employees.
2-9	Governance structure and composition	Corporate Governance.
2-10	Nomination and selection of the highest governance body	Corporate Governance.
2-11	Chair of the highest governance body	Corporate Governance. The Chairman and members of the Management Board, as well as other employees of the Bank, cannot be elected to the Board of Directors.
2-12	Role of the highest governance body in overseeing the management of impacts	Corporate Governance. Sustainability Governance. Risk Management.
2-13	Delegation of responsibility for managing impacts	Corporate Governance. Sustainability Governance. Risk Management.

2-14	Role of the highest governance body in sustainability reporting	About the Sustainability Report.
2-15	Conflicts of interest	Business Ethics and Compliance. The Bank does not have any special mechanisms for public disclosure of conflicts of interest.
2-16	Communication of critical concerns	Business Ethics and Compliance. To inform the Board of Directors about critical issues, provision is made for prompt distribution of up-to-date data, preparation of reports on aspects, etc.
2-17	Collective knowledge of the highest governance body	Competencies of the highest governance body in sustainability are maintained through regular analysis of industry-wide trends, changes in legal requirements, and other opportunities.
2-18	Evaluation of the performance of the highest governance body	Corporate Governance.
2-19	Remuneration policies	Corporate Governance. Interaction with Employees.
2-20	Process to determine remuneration	Corporate Governance. Interaction with Employees.
2-21	Annual total compensation ratio	Corporate Governance. Interaction with Employees.
2-22	Statement on sustainable development strategy	Foreword by the Chairman of the Board of Directors of BAKAI BANK OJSC. Foreword by the Chairman of the Management Board of BAKAI BANK OJSC. Support for the UN Sustainable Development Goals.
2-23	Policy commitments	Risk Management. Tax Policy. Business Ethics and Compliance. Human Rights. Information Security. Protection of Personal Data.

2-24	Embedding policy commitments	Risk Management. Tax Policy. Business Ethics and Compliance. Human Rights. Information Security. Protection of Personal Data.
2-25	Processes to remediate negative impacts	Business Ethics and Compliance. Human Rights. Interaction with Employees.
2-26	Mechanisms for seeking advice and raising concerns	Business Ethics and Compliance. Human Rights. Interaction with Employees.
2-27	Compliance with laws and regulations	In 2025, there were no significant cases of violation of the law by the Bank, and no significant fines were imposed.
2-28	Membership associations	BAKAI BANK OJSC Awards and Ratings in 2025.
2-29	Approach to stakeholder engagement	Stakeholder Engagement.
2-30	Collective bargaining agreements	In 2025, there was no collective agreement, but the Bank does not limit the possibility of its conclusion based on the requirements and conditions stipulated by the legislation of the Kyrgyz Republic.
GRI 3 MATERIAL TOPICS 2021		
3-1	Process to determine material topics	Materiality Assessment.
3-2	List of material topics	Materiality Assessment.
3-3	Management of material topics	The approach to managing material topics is described in the sections of the Report relating to the relevant material topics.
GRI 200: Economic Category		
GRI 201: Economic Performance 2016		
201-1	Direct economic value generated and distributed	Data is disclosed in the audited financial statements. The Bank maintains records and discloses financial indicators in accordance with international financial reporting standards.

201-2	Financial implications and other risks and opportunities due to climate change	Climate-Related Risk Management and Carbon Footprint.
201-4	Financial assistance received from government	BAKAI BANK OJSC Overview.
GRI 202: Market Presence 2016		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	In 2025, the minimum wage at the Bank exceeded the statutory minimum wage in the country.
202-2	Proportion of senior management hired from the local community	Local population means citizens of the Kyrgyz Republic. As of May 1, 2026, 92% of the members of the Board of Directors and the Management Board were citizens of the Kyrgyz Republic.
GRI 205: Anti-corruption 2016		
205-1	Operations assessed for risks related to corruption	As part of the compliance procedures, the Bank continuously assesses and monitors risks associated with corruption in relation to all structural units.
205-2	Communication and training about anti-corruption policies and procedures	Business Ethics and Compliance.
205-3	Confirmed incidents of corruption and actions taken	Business Ethics and Compliance.
GRI 206: Anti-competitive Behavior 2016		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Business Ethics and Compliance.
GRI 207: Tax 2019		
207-1	Approach to tax	Tax Policy.
207-2	Tax governance, control, and risk management	Tax Policy.
207-3	Stakeholder engagement and management of concerns related to tax	Tax Policy.

207-4	Country-by-country reporting	Tax Policy. Key tax information is disclosed in the financial statements of the Bank.
GRI 300: Environment Category		
GRI 302: Energy 2016		
302-1	Energy consumption within the organization	Climate-Related Risk Management and Carbon Footprint.
302-2	Energy consumption outside of the organization	The Bank does not record energy consumption outside the organization.
GRI 303: Water and Effluents 2018		
303-3	Water withdrawal	In 2025, water withdrawal was estimated at 5.64 million liters, and water discharge was 5.36 million liters.
GRI 304: Biodiversity 2016		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	As of the end of the reporting period, the Bank does not have such operational sites.
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	Climate-Related Risk Management and Carbon Footprint.
305-2	Energy indirect (Scope 2) GHG emissions	Climate-Related Risk Management and Carbon Footprint.
305-3	Other indirect (Scope 3) GHG emissions	Climate-Related Risk Management and Carbon Footprint.
305-4	GHG emissions intensity	Climate-Related Risk Management and Carbon Footprint.
GRI 308: Supplier Environmental Assessment 2016		
308-1	New suppliers that were screened using environmental criteria	During the reporting period, new suppliers were not screened using environmental criteria.
GRI 400: Social Category		
GRI 401: Employment 2016		
401-1	New employee hires and employee turnover	Interaction with Employees.

401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	The Bank provides its employees with all benefits stipulated by law. Additional benefits may vary depending on various factors and their combinations. Benefits do not apply to external part-time workers and employees providing services under a civil law contract
401-3	Parental leave	Interaction with Employees. Every employee has the right to parental leave in accordance with the legislation of the Kyrgyz Republic, regardless of gender.
GRI 402 Labor/Management Relations 2016		
402-1	Minimum notice periods regarding operational changes	The minimum period of notice of significant changes in working conditions is established in accordance with the legislation of the Kyrgyz Republic.
GRI 403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	Occupational Health and Safety.
403-2	Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety.
403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety. The Bank does not have any committees on labor protection issues with joint participation of management and employees.
403-5	Worker training on occupational health and safety	Occupational Health and Safety.
403-6	Promotion of worker health	Occupational Health and Safety.
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety.
403-8	Workers covered by an occupational health and safety management system	All Bank employees are covered by the occupational health and safety management system.
403-9	Work-related injuries	Occupational Health and Safety.

403-10	Work-related ill health	Working at the Bank does not entail a high risk of occupational diseases.
GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	Interaction with Employees.
404-2	Programs for upgrading employee skills and transition assistance programs	Information on transition assistance programs (programs to assist in the continued employment of laid-off employees or to manage career termination as a result of retirement) is not disclosed, since BAKAI BANK does not implement such programs.
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	Corporate Governance. Interaction with Employees.
405-2	Ratio of basic salary and remuneration of women to men	Interaction with Employees. The basic salary of women and men for work of equal value are no different at the Bank.
GRI 406: Non-discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	Human Rights. Interaction with Employees.
GRI 407: Freedom of Association and Collective Bargaining 2016		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	In 2025, no significant risks or violations of rights of employees to freedom of association and collective bargaining were registered in the units of the Bank or among its suppliers, taking into account the information available to the Bank.
GRI 408: Child Labor 2016		
408-1	Operations and suppliers at significant risk for incidents of child labor	In 2025, no significant risks or cases of child labor were registered in the units of the Bank or among its suppliers, taking into account the information available to the Bank.
GRI 409: Forced or Compulsory Labor 2016		

409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	In 2025, no significant risks or cases of the use of forced or compulsory labor were registered in the units of the Bank and among its suppliers, taking into account the information available to the Bank.
GRI 410: Security Practices 2016		
410-1	Security personnel trained in human rights policies or procedures	Security employees do not participate in training in the reporting year.
GRI 413: Local Communities 2016		
413-2	Operations with significant actual and potential negative impacts on local communities	In 2025, there were no cases where activities of the Bank exerted a negative impact on local communities.
GRI 415 Public Policy 2016		
415-1	Political contributions	Business Ethics and Compliance.
GRI 416: Customer Health and Safety 2016		
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	In 2025, there were no significant incidents of non-compliance with the requirements regarding the health and safety impacts of products and services.
GRI 417: Marketing and Labeling 2016		
417-3	Incidents of non-compliance concerning marketing communications	Client Relations.
GRI 418: Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	In 2025, there were no significant incidents of privacy breaches or loss of customer data. The Bank does not use client information for any purposes for which they would not have given their consent subject to the requirements of the legislation of the Kyrgyz Republic.

In 2025, BAKAI BANK continued to integrate TCFD recommendations into its operations.

Recommendations	Section of the Report where information is disclosed
Governance Disclose the organization's governance around climate-related risks and opportunities.	
a. Describe the board's oversight of climate-related risks and opportunities.	Sustainability Governance. Climate-Related Risk Management and Carbon Footprint.
b. Describe management's role in assessing and managing climate-related risks and opportunities.	Sustainability Governance. Climate-Related Risk Management and Carbon Footprint.
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	
a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Climate-Related Risk Management and Carbon Footprint.
b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Climate-Related Risk Management and Carbon Footprint.
c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Climate-Related Risk Management and Carbon Footprint.
Risk Management Disclose how the organization identifies, assesses, and manages climate-related risks.	
a. Describe the organization's processes for identifying and assessing climate-related risks.	Climate-Related Risk Management and Carbon Footprint.
b. Describe the organization's processes for managing climate-related risks.	Climate-Related Risk Management and Carbon Footprint. The Bank is in the preliminary stages of introducing climate risk management into the overall risk management system.
c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Climate-Related Risk Management and Carbon Footprint. The Bank is in the preliminary stages of introducing climate risk management into the overall risk management system.



Metrics and Targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Climate-Related Risk Management and Carbon Footprint.
b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas emissions and the related risks.	Climate-Related Risk Management and Carbon Footprint.
c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	The Bank is in the process of developing such targets.

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The Bank welcomes feedback from stakeholders. Questions, comments, and suggestions regarding this Report or the Bank's sustainability activities can be sent to adzhumabekova@bakai.kg

As part of its commitment to resource conservation principles, the Bank recommends that stakeholders use the electronic version of the Report and minimize its printing.