



2023
Sustainability Report



DRIVING GREEN FINANCE

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Message from the Chairman of the Board of Directors

Dear shareholders, clients, partners, and colleagues!

On behalf of the Board of Directors of Doscredobank, I am delighted to welcome you to the pages of our first public report, which sets out our sustainability priorities and key achievements.

For over 27 years, we have been a trusted partner to over 500,000 customers nationwide. Doscredobank offers a wide gamut of products and services: from loans and deposits to money transfers and innovative green finance solutions. We pride ourselves on our sustainability, implementing digital solutions to make our services even more accessible and better.

The key areas of our Development Strategy include expanding the range of green finance instruments, developing remote and digital banking services, and introducing innovative products.

The Bank strives to align its operations with the economic, environmental and social objectives. We believe that sustainable development is key to a successful future, and this Report emphasizes our commitment to harmony between financial performance and responsibility to society and the environment.

Thank you to all our partners and clients for their trust and support. I am confident the future holds more accomplishments and successes for us!

BAKYT NARIMAN UULU,
CHAIRMAN OF THE BOARD OF DIRECTORS DOSCREDOBANK



Message from the Chairwoman of the Management Board

Dear colleagues, partners, and investors!

I am proud to present to you the first Doscredobank Sustainability Report. This Report demonstrates our aspirations to create long-term value for society and the planet. We are pleased to share our achievements and new initiatives aimed at minimizing environmental footprint, improving social conditions and strengthening corporate governance principles.

Our Bank continues to adapt to the challenges of the times by following strict sustainability standards and investing in technologies and processes that drive sustainability and social responsibility. We are confident that sustainable development is not only a duty, but also the key to future growth and success.

We place a special emphasis on the development of green finance. In 2023, our Bank issued Kyrgyzstan's first ever green bonds to raise proceeds for environmentally sustainable initiatives. Since 2021, we have been implementing the DCB Green project, which aims to finance environmentally friendly and energy-efficient projects. Moreover, the Bank has established waste separation and has introduced initiatives to reduce energy and water consumption.

Social responsibility lies at the heart of our operations. We strive to create a comfortable environment for our employees, invest in staff training and development programs, and ensure equal rights and opportunities. We are proud that Doscredobank widely supports social initiatives and invests in the development of human capital.

In the area of corporate governance, the Bank is consistently improving internal processes, strengthening control over operations and decision-making. We have introduced advanced management standards, which enable us to more effectively achieve our goals and build stronger trust of our clients and partners.

Adopted in 2024, the ESG Risk Management Policy also covering climate risks was a highlight of the year. Our risk management system now factors in ESG risks at every stage of lending.

We will continue to move towards achieving our strategic goals while promoting sustainable development.

Thank you to all who support us on our journey to implement the ESG-factors across our operations. We hope that our Report will inspire collaboration and help you better understand our commitment to a sustainable and equitable future.

CHOLPON ESHBERDIEVA,
CHAIRWOMAN OF THE MANAGEMENT BOARD DOSCREDOBANK





ABOUT THE BANK



Doscredobank in Numbers

27+
years

in the banking
services market

500 000+

clients

60

bank outlets

across Kyrgyzstan
(as of October 2024)

24/7

four bank outlets in
Bishkek and Osh
are open round the clock

Our Awards and Achievements

GREEN FINANCE AWARD 2023
from Astana International
Financial Center for
Outstanding Contribution to the
Development of Green Finance.



The Amcham
Awards
2023 in the
Green Leader
category.



Award for significant
contribution to green finance
in the HoReCa sector.



Waste Management Best Practice Certificate of Compliance from the WasteNet
business platform as part of the Green Waste Leaders 2023.



Debut issue of Kyrgyzstan's first-ever green bonds in 2023. It gave an impetus
for the development of green projects and brought an innovative financial
instrument to the securities market.

General Information about the Bank

Founded on June 18, 1997, Doscredobank holds License No.037 of the National Bank of the Kyrgyz Republic.

Today Doscredobank operates 60 outlets across Kyrgyzstan, offering a full range of banking operations and services.

We are Kyrgyzstan's first bank to operate four outlets providing a full gamut of banking services 24/7 in Bishkek and Osh.

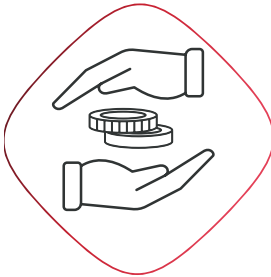
Our founders and shareholders are individuals and legal entities that are residents of the Kyrgyz Republic.

The Bank has a wide partner network both domestically and internationally. We pursue an active policy in building international contacts and have established correspondent banking relationships with a number of leading foreign banks. Being an active participant of the lending market, the Bank cooperates with leading money transfer systems such as Zolotaya Korona, UPT, Ria, Western Union, MoneyGram and others. In the near future, the Bank intends to build more mutually beneficial relationships with leading financial institutions around the globe.

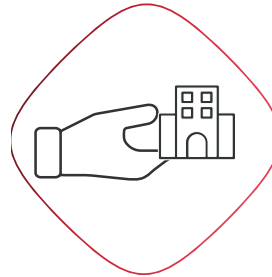
Doscredobank is among leaders of the banking system in Kyrgyzstan. For over 27 years, we have been providing our clients with a wide range of financial services, ensuring reliability, quality and convenience of service.

Doscredobank is the first bank in Kyrgyzstan to have branches with a full range of 24-hour banking services in Bishkek and Osh.

Our Key Products

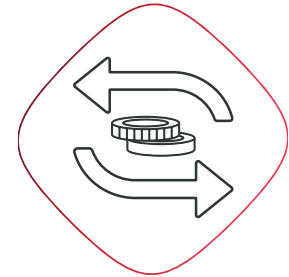


Deposits



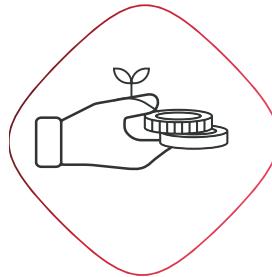
Loan products

(loans for small and medium-sized businesses, eco loans, loans under government support programs, installment loans)

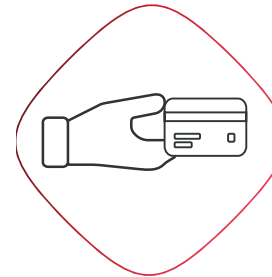


Money transfers

(Western Union, MoneyGram, UPT, Ria, Swift, Amanat)



Green financing



Card accounts, payroll projects

Our Mission and Values

Our Mission

EXCEED EXPECTATIONS

We work continuously to improve our business processes to become better and deliver the best-quality service and products. We pursue our key mission, offering top-quality financial services with speed and efficiency, leveraging innovation and advanced technology to benefit both individuals and society.

All employees work as one cohesive team promoting the Kaizen corporate culture and strive for continuous improvement.

Our values



Sort

Systematize

Clean

Standardize

Discipline

Kaizen methods rest on five pillars and are hardwired into the Bank's Code of Corporate Ethics.

Business Model

Resources

Financial capital

Assets **KGS 11,678,210,000**
(2023 data)

Capital **KGS 1,789,183,000**
(2023 data)

Production capital

60
bank outlets
across Kyrgyzstan

Human capital

982
employees

Green financing

- Doscredobank invests in green projects.
- We are implementing the DCB Green program, which facilitates the transition to an environmentally friendly future.

Reputational capital

- Kyrgyzstan's best bank 2022.
- GREEN FINANCE AWARD 2023 for Outstanding Contribution to the Development of Green Finance.
- The Amcham Awards 2023, Green Leader category.

Our products and services

Our products and services help our customers achieve their goals:

- loans
- deposits
- money transfers
- card accounts, payroll projects
- green financing

Local communities

KGS 1,347,000

allocated by the Bank for social investments, charity and sponsorship in 2023

Value created for stakeholders

Clients

Loan portfolio **KGS 5,944,286,000**
(2023 data)

24/7

Deposit portfolio **KGS 8,383,395,000**
(2023 data)

four bank outlets in Bishkek and Osh are open round a clock

Our employees

KGS 1,474,000

in investment in training and development of our employees in 2023

34%

of the Bank's employees covered by training and development programs

10.5% in the average salary increase for our employees in 2023

Government

The Bank stimulates the development of green finance in the Kyrgyz Republic. In 2023, we issued Kyrgyzstan's first ever green bonds.

Key Performance Indicators, 2022-2023

Indicator	2022	2023
Loan portfolio, KGS '000	4,345,180	5,944,286
Deposit portfolio, KGS '000	5,790,400	8,383,395

Assets, liabilities and equity

Indicator	2022	2023
Assets, KGS '000	8,373,081	11,678,210
Liabilities, KGS '000	6,988,879	9,889,027
Equity, KGS '000	1,748,202	1,789,183

Incomes

Indicator	2022	2023
Net interest income, KGS '000	433,684	609,213
Net non-interest income, KGS '000	1,494,122	813,937
Net profit, KGS '000	830,225	266,467

Key non-financial performance indicators

Indicator	2022	2023
Income tax, KGS '000	35,091	93,546
Investment in employee development, KGS '000	751.002	1,474, 470
Social investments, charitable donations and sponsorship, KGS '000	584.195	1,347.463

Highlights 2023

20.01.2023

Doscredobank is recognized as the Best Bank of Kyrgyzstan 2022 according to the Akchabar financial portal.

01.03.2023

The Bank opens an environmentally friendly office in Chynar Shopping Center.

07.03.2023

Doscredobank starts a Technical Assistance project from the Green Climate Fund as a pre-accreditation preparation for the Bank.

17.04.2023

Our employees plant more than 3,000 saplings as part of the DCB Green project.

19.05.2023

The Bank cements its leadership position in the Best Waste Management Practice from the WasteNet.KG business platform for two consecutive years.

01.06.2023

Doscredobank launches DCB KIDS, the new children's bank cards which will help children learn to manage their finances from an early age.

06.06.2023

The Bank receives the Green Finance Awards in the Outstanding Contribution to the Development of Green Finance category.

15.06.2023

The Bank makes its debut issue of green bonds.

26.07.2023

We complete the placement of the KGS 85m debut green bonds.

28.08.2023

Doscredobank receives a letter of recognition from the Deposit Protection Agency for its contribution to the development of the deposit protection system in the Kyrgyz Republic.

05.09.2023

The Bank announces the interest payment for registered green bonds.

27.10.2023

Jointly with Interbank Processing Center, Doscredobank introduces innovations for SMEs: QR codes for instant cashless payments.

01.11.2023

The Bank continues to cooperate with MoveGreen, a public environmental organization, upgrading equipment and increasing the number of air quality monitoring sensors.

06.12.2023

Doscredobank tops the Green Leader category from Amcham Awards 2023.



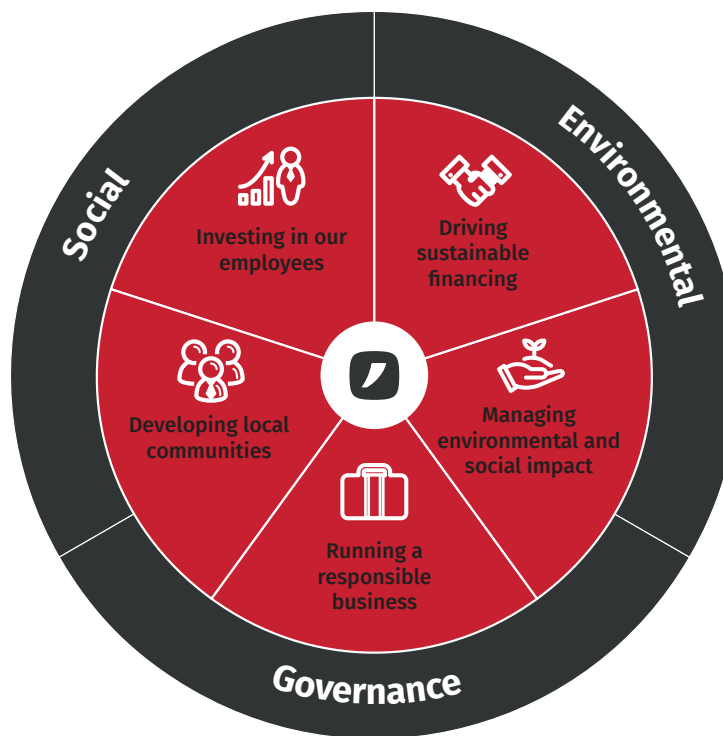
SUSTAINABILITY MANAGEMENT



Our ESG Strategy

Social:

- Human capital development, health and safety of our employees
- Human rights, diversity and inclusion
- Data privacy



Environmental:

- Green financing
- Energy efficiency and waste management
- Combating climate change

Governance:

- Effective corporate governance
- Responsible business, anti-corruption
- Openness and transparency in interaction with customers and other stakeholders

Our Sustainability Strategy

Realizing its role in the social and economic development of the Kyrgyz Republic, Doscredobank operates aligning its economic, environmental and social goals.



“Integrating ESG principles is a strategic decision to create value for both the business and society as a whole. Our commitment to environmental standards, social responsibility and effective corporate governance helps us build strong relationships and trust with our customers, partners and investors. This not only improves financial performance, but also boosts our resilience to meet economic and social challenges as well as manage environmental risks. At Doscredobank, we actively incorporate ESG principles into our operations, striving to ensure that our operations and investments contribute to environmental conservation, ensure social justice and have transparent and responsible management at their core. We strongly believe that ESG factors lay the foundations for building a sustainable and prosperous future.”

CHOLPON ESHBERDIYEVA,
CHAIRWOMAN OF THE MANAGEMENT BOARD OF DOSCREDOBANK

ESG Factors at the Bank



Economic dimension of sustainability:

- Protection of shareholders' rights and interests;
- Effective corporate governance;
- Sustainable employment and job creation;
- Expanded partnerships to share sustainability knowledge and practices.



Environmental dimension of sustainability:

- Reduced environmental footprint;
- Responsible resource consumption;
- Environmentally friendly energy- and resource-saving technologies;
- Openness and transparency of the Bank's environmental initiatives;
- Fostered environmental culture among the Bank's employees.



Social dimension of sustainability:

- Compliance with ethical principles, fight against corruption;
- Respect for human rights and equal opportunities;
- Decent work, fair remuneration and respect for employee rights;
- Health and safety at work;
- Social programs for employees;
- Investment in staff training and development;
- Investment in socially important projects;
- Affordable products and services.

Sustainability Management System

Sustainability management at the Bank is an integral part of our overall business management system. We are currently building a full sustainability management structure in line with the best international practices and will elaborate on this in our future reports. Our plans include the following steps:

- The Bank's Management Board will ensure the formation and implementation of an effective sustainability management system. The Bank's Management Board is about to approve the relevant sustainability action plan.
- In 2024 (post-reporting period), the Bank designated a structural unit in charge of sustainability.
- The Bank's structural units will implement sustainability measures, as well as provide information on the results of sustainability measures and information for inclusion in the Bank's annual reports and sustainability reports (upon request). Our structural divisions will, if necessary, make proposals to improve the Bank's operations in this area.

In 2023, the Committees of the Board of Directors considered, among other things, the following matters:

- issue of green bonds by Doscredobank;
- consideration and approval of the Green Finance Policy of Doscredobank;
- consideration and approval of the Gender Policy of Doscredobank;
- consideration and approval of the Environmental and Social Management System of Doscredobank;
- consideration and approval of the Environmental and Social Policy of Doscredobank.

Contribution to Implementation of ESG Principles in Kyrgyzstan

ESG principles encompass the principles of environmental responsibility, social justice and transparent governance in the operations of companies. When implemented, they help to reduce negative environmental impact, improve relations with employees and society, and increase trust and transparency in management.

Doscredobank is among the first businesses in Kyrgyzstan to introduce ESG principles. Our journey in this area began with the launch of DCB Green in 2021, a significant step towards a sustainable future.

The Bank adheres to the principles of responsible financing within the framework of the DCB Green project, offering its clients financing of environmentally friendly transportation, construction of houses using green technologies, and support for resource-saving technologies in the agro-sector. Our commitment goes beyond the DCB Green project. We are at the forefront of environmental initiatives in the region. Doscredobank was the first in Kyrgyzstan to sign the Green Investment Principles under the Belt and Road Initiative, an important step towards sustainable financing and green investments (for more details please see the Environmental Dimension of Sustainability section).

In 2022, we organized the first Green Investment Forum, which also highlighted our role in promoting environmentally responsible investing. Doscredobank received pre-accreditation technical assistance and was recognized as a country candidate for Green Climate Fund accreditation, potentially opening access to the Fund's resources.

Our cooperation with Unison Group, Tazar, MoveGreen, Wastenet.kg, and Green Alliance paves the way for implementing joint green and social projects.

A significant step for the Bank and Kyrgyzstan was the issue of debut green bonds. This gave impetus to projects with a climate agenda, as well as launched an innovative financial instrument in the country's securities market.

All these initiatives and activities are part of our comprehensive strategy to embed ESG principles in the Bank's operations. They enable us not only to overcome emerging challenges effectively, but also to make a real contribution to the sustainable development of Kyrgyzstan.

Our Commitment to UN Global Compact

Doscredobank adheres to the principles of the UN Global Compact in its operations.



In the area of human rights:

- The Bank ensures and respects the internationally recognized human rights;
- The Bank ensures that it has no human rights abuses.



In the area of employment relations:

- The Bank supports and recognizes the right to collective bargaining;
- We stand for the total elimination of child labor and any discrimination in labor and employment;
- The Bank supports and recognizes the right to internships and work placements for students, graduates or other professionals.



In the area of environmental protection:

- The Bank supports a precautionary approach to environmental protection;
- The Bank is undertaking initiatives to enhance its environmental responsibility;
- The Bank promotes the development and wider use of environmentally friendly technologies.









In the area of anti-corruption:




- The Bank has zero tolerance for all forms of corruption and other unlawful acts, including extortion and bribery.

Our Contribution to Achieving UN Sustainable Development Goals

Doscredobank embraces the Sustainable Development Goals adopted in 2015 by the UN General Assembly, aimed at eliminating hunger, preserving the planet's resources and ensuring universal well-being. We prioritize achieving 11 out of 17 SDGs.

SDG	SDG relevant to the Bank	Projects, initiatives, and actions by the Bank
	<p>Goal 3. Ensure healthy lives and promote well-being for all at all ages.</p>	<p>We care about the health of our employees. We have programs in place to promote healthy lifestyles among our staff members.</p>
	<p>Goal 4. Ensure inclusive and equitable quality education and promote lifelong opportunities for all.</p>	<p>We have a system of continuous staff training in place to promote lifelong opportunities for our employees.</p> <p>In addition, the Bank contributes to the development of the education system in Kyrgyzstan. In particular we financed repairs of a school in Bishkek in 2023.</p>

SDG	SDG relevant to the Bank	Projects, initiatives, and actions by the Bank
	<p>Goal 5. Achieve gender equality and empower all women and girls.</p>	<p>We ensure equal opportunities for our employees, regardless of gender.</p> <p>The percentage of women in management positions in the Bank was 48% in 2023. The share of women in top management positions reached 57%.</p>
 	<p>Goal 7. Ensure access to affordable, reliable, sustainable and modern energy for all.</p> <p>Goal 13. Take urgent action to combat climate change and its impacts.</p>	<p>We recognize the worldwide ambitious goal to increase the share of renewable energy generation and consumption.</p> <p>The Bank supports and shares the objectives of The Kyrgyz Republic's Climate Change Plan and its Contribution to Global Efforts to Reduce Greenhouse Gas Emissions (Kyrgyz Republic's Nationally Determined Contribution to the Paris Agreement, NDC).</p> <p>We seek to finance cleaner production and resource-saving projects.</p> <p>The Bank issued the green bonds in 2023, for the first time in the history of Kyrgyzstan.</p> <p>For more, please see the Environmental Dimension of Sustainability section of the Report.</p>
	<p>Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.</p>	<p>We contribute to Kyrgyzstan's economic growth by supporting SMEs and promoting entrepreneurship.</p> <p>We finance projects that have a multiplier effect and contribute to the establishment of enterprises, creation of jobs, and increase of government revenues.</p>

SDG	SDG relevant to the Bank	Projects, initiatives, and actions by the Bank
	Goal 11. Make cities and human settlements inclusive, safe, resilient and sustainable.	<p>We support projects that help stimulate the economy and create jobs.</p>
	Goal 12. Ensure sustainable consumption and production patterns.	<p>We encourage responsible consumption and production.</p> <p>The Bank strives to reduce resource consumption (water and electricity) and to apply resource-saving technologies in administrative buildings.</p> <p>We have introduced the Green Office concept at the Bank.</p> <p>For more, please see the Environmental Dimension of Sustainability section of the Report.</p>
	Goal 13. Take urgent action to combat climate change and its impacts.	<p>We are focusing on responsible investing.</p> <p>We integrate ESG factors into investment decision making. In selecting projects, the Bank follows the principles of the Environmental and Social Policy, which applies systematic procedures to screen Bank-financed initiatives for potential adverse environmental and social impacts to avoid or minimize negative impacts while promoting positive impacts.</p> <p>For more, please see the Environmental Dimension of Sustainability section of the Report.</p>

SDG

SDG relevant to the Bank

Projects, initiatives, and actions by the Bank



Goal 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

We introduce fair and transparent practices to interact with stakeholders, and prevent corruption, bribery and money laundering.

The Bank has the Conflict of Interest and Anti-corruption Policy in place, which establishes the managerial and organizational framework for the prevention of corruption offences.

To foster the anti-corruption culture, the Bank conducts anti-corruption training for its employees.

100% of employees and members of the Bank's key corporate governance bodies are aware of the Bank's anti-corruption policies and methods.



Goal 17. Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development.

We cooperate with legislative and executive authorities, civil society institutions, local communities and business associations.

The Bank is a member of the government working groups and associations that discuss, among other things, sustainable development, green finance and contribution to the fight against climate change.

Stakeholder Engagement

We recognize that effective stakeholder engagement is an essential element of sustainable development. As a financial institution, the Bank has an impact on stakeholders. At the same time, the interests and expectations of stakeholders influence the Bank's strategic goals. We strive to build a constructive dialog with our stakeholders.

Doscredobank Stakeholder Map



Channels of Communication with Stakeholders

The main forms of stakeholder engagement include joint programs and projects, memoranda of cooperation, joint working groups, presentations, reporting on the Bank's activities, meetings, publications in mass media and on the Bank's resources, and interviews.

The Bank adheres to the principles of information openness and transparency by raising stakeholders' awareness about its operations and using various communication channels for this purpose.

Key communication channels with stakeholders:

- Key information about the Bank, its activities, management bodies is available at www.dcb.kg.
- Information on the Bank's operations that is material for shareholders is published in the Bank's annual reports.
- The Bank's news is regularly published in the mass media.

Plans for the Medium Term

Doscredobank plans to improve its sustainability management system.

In 2024-2025, we plan to develop and adopt an ESG and Sustainability Strategy, which will set out the principles and focus areas of the Bank's ESG and sustainability activities; consolidate the roles, competencies, responsibilities of each body and all employees for implementing sustainability principles across the Bank; and define the link between sustainability and the Bank's key processes. In addition, we plan to develop a Roadmap for implementing ESG and sustainability principles in the Bank's operations, which will include measures and deadlines for their implementation.



**ECONOMIC DIMENSION
OF SUSTAINABILITY**

Our Strategy

The Bank has the Development Strategy 2022–2024 in place, which outlines strategic goals and priorities.

IT Bank

Building modern and reliable IT systems and infrastructure that meet future development needs.

Innovations-driven Bank

Developing and introducing innovative products

Online Bank

Developing remote and digital banking services: e-wallet, online lending, online banking, MarketPlace.

Green Bank No. 1

Building up the range of products and instruments to finance the green economy.

Bank with extensive agent network

Developing the agent network to expand coverage and client base.

Bank No. 1

To become the No.1 Bank in the country's retail segment.

Development indicators:

- 0 streamlining all operational processes to boost profitability, quality and speed of customer service;
- 0 expanding the client base with more active companies and entrepreneurs, diversifying the client base and capturing more clients effectively;
- 0 introducing advanced banking technologies and providing customers with a groundbreaking banking services;
- 0 expanding and improving the Bank's remote customer service channels using cutting-edge information protection technologies;
- 0 improving the Bank's IT platform to reduce human manual work as much as practical and minimize operational risks;
- 0 ensuring positive perception of the Bank by current and potential customers, especially legal entities;
- 0 developing and further expanding the agency network of Doscredobank, improving the efficiency of the Bank's branches;
- 0 ensuring the rational and efficient utilization of the Bank's resources and, as a result, reduction of operating costs;
- 0 strengthening the front offices as sales points for the entire line of banking products;
- 0 improving corporate governance, risk management and information systems;
- 0 integrating the principles of responsible financing as linked to the UN Sustainable Development Goals (SDGs) and ESG principles;
- 0 transitioning from a growing number of staff to higher productivity, nurturing a corporate culture aimed at self-improvement and thoughtful and creative approach to work;
- 0 upgrading the operating model and building an efficient organizational structure.

The Bank's Development Strategy seeks to integrate the principles of responsible financing as linked to the UN Sustainable Development Goals (SDGs) and ESG principles.

Business Ethics

The key values, principles, standards and norms of business conduct lie at the core of the Code of Corporate Ethics of Doscredobank.

The Code of Corporate Ethics sets out the standards of the Bank's relations with customers, competitors, partners, government officials and the media.

In line with the Bank's Code of Corporate Ethics, the key standards of corporate ethics include:

- Effective internal control system, including anti-corruption;
- Compliance with the laws of the Kyrgyz Republic, regulatory acts of the National Bank of the Kyrgyz Republic and internal documents of the Bank;
- No conflict of interest;
- Payroll rates, remuneration and incentives for the Bank's employees (including members of the Board of Directors and the Management Board) are tied not only to the Bank's performance, but also to employee's compliance with the Bank's strategic goals and compliance with professional ethics standards;
- Whistleblowing mechanisms that are in place to enable employees to report illegal, unethical or questionable actions by management.

Our
principles
of business
ethics



We at Doscredobank:

- **Do not open or serve anonymous bank accounts (deposits), bearer bank accounts (deposits) without the KYC procedures being followed in accordance with the internal Regulations and other regulatory acts of the Kyrgyz Republic.**
- **Do not establish correspondent banking relationships with banks registered in offshore areas.**
- **Do not establish correspondent banking relationships with shell banks.**



Mechanisms for Seeking Advice on Ethical Behavior and Compliance

In case of any questions regarding ethical behavior and compliance, the Bank's employees have the right to contact the Compliance Control Service or the Human Resources Department (HR Department) to resolve conflicts.

Countering Corruption

Zero tolerance to corruption lies at the heart of Doscredobank's operations. The Bank's anti-corruption practices and procedures are implemented in line with an internal document, the Policy on Settlement of Conflicts of Interest and Anti-Corruption as adopted in 2023.

All employees of the Bank shall comply with the anti-corruption laws of the Kyrgyz Republic, as well as the Bank's Policy on Settlement of Conflicts of Interests and Anti-corruption.

The Bank conducts compliance risk assessment on an annual basis. In 2022–2023, no cases of corruption risks were identified in the customer service, management decision-making or other operations of the Bank.

Raising Awareness of Employees about Anti-Corruption Aspects

The Bank raises this awareness among its employees when they are employed: all employees are required to get familiar with the Policy on Settlement of Conflicts of Interest and Anti-Corruption. In addition, information on anti-corruption aspects is posted on an internal website for staff. The Bank's employees are regularly trained in anti-corruption standards.

Bank employees trained on anti-corruption

Indicator	2022		2023	
	Employees	Share in total headcount, %	Employees	Share in total headcount, %
Total number of employees who received outsourced training. Including:	267	32%	180	18%
in senior roles	88	11%	39	4%
professionals and administrative staff	179	21%	141	14%

The Bank plans to hold anti-corruption training sessions for its employees as part of the compliance risk management.

Setting up and Controlling the Anti-Corruption System

The Bank has a Compliance Control Service, a structural unit whose key tasks are to ensure compliance of the Bank and all employees with the anti-corruption laws of the Kyrgyz Republic and implementation of the Policy and Rules on Internal Control in Combatting the Financing of Terrorism and Anti-Money Laundering.

The Compliance Control Service is independent from other structural units of the Bank and accountable to the Board of Directors of the Bank.

The Internal Audit Service audits the Compliance Control Service on an annual basis.

Any person, including employees and customers, may contact the Compliance Control Service in case of:

- ◆ **corruption offenses and fraudulent actions involving the Bank's employees;**
- ◆ **money laundering and terrorism financing using the Bank's services;**
- ◆ **a conflict of interest involving employees of the Bank.**



Plans for the Medium Term

- ◆ The Bank's Compliance Control Service will continue to implement anti-corruption measures envisaged for 2024 and subsequent periods, developed in accordance with the laws of the Kyrgyz Republic and the Bank's internal regulatory documents.
- ◆ We will continue to promote anti-corruption culture by organizing training sessions for the Bank's employees.

Procurements

The Bank strives to take a responsible approach to supplier relations and cooperate with bona fide and reliable partners.

The Bank carries out procurements in line with the following principles:

- ◆ designated and efficient use of funds in procurements;
- ◆ openness and transparency of the procurement procedures, respect for the trade secret rights and/or legitimate interests of suppliers (until the tender results are announced);
- ◆ fair competition among potential suppliers;
- ◆ responsibility of procurement actors;
- ◆ zero tolerance to corruption;
- ◆ level playing field for potential suppliers to participate in the procurement procedures.

The Bank has introduced several documents regulating procurements:

- ◆ Regulations on Procurements of Goods, Works, Services and Sale of Property of Doscredobank;
- ◆ Rules for Procurement of Goods, Works and Services applied in Tender Procedures of Doscredobank;
- ◆ Conflict of Interest and Anti-Corruption Policy.

In the future, the Bank plans to develop cooperation approaches, mechanisms and procedures to ensure that business partners (including suppliers) comply with responsible business practice standards, industrial and environmental safety requirements, and safe working conditions.

Information Security

Doscredobank puts information security and data protection of its clients as our priority. We are committed to developing and implementing a robust information security management and customer data protection system.

In its operations, the Bank complies with the laws of the Kyrgyz Republic, requirements of the Regulator represented by the National Bank of the Kyrgyz Republic, as well as adopts the best practices and standards in the area of information security. All this is enshrined in the Bank's Information Security Policy.

Information Security Department is a structural unit responsible for information security across the Bank. The Head of the IS Department reports directly to the Chairman of the Management Board of the Bank. The Bank allocates significant resources to ensure an appropriate level of information security management. Doscredobank has an effective information security management system in place, which includes such products as anti-virus protection, new generation firewalls, data leakage prevention system, log analysis and collection system, as well as incident response, privileged user control systems, security code analysis system and vulnerability detection system. Fault tolerance is also hardwired into these systems.

We are regularly audited by external independent auditors and the internal audit service for the effectiveness of the applied measures in the field of information security, including the protection of personal data of customers. We keep up with the times and implement the most efficient information security solutions.



Key Principles of Data Security

Information security in the Bank lies on three main pillars: confidentiality, integrity, and accessibility. Applying these principles in the design of any process in the Bank's lifecycle enables information security to be in place and continuously improved. We also follow the principle of minimum privileges and regular monitoring of access granted. Regular assessment of the information security risks provides an opportunity to reduce the negative impact on the Bank's operations.

The Bank collects and processes personal data of customers for the clearly defined and declared purposes only after obtaining consent from the owners of personal data or their legal representatives, except for cases provided for by law. Access to personal data is limited and provided to the Bank's employees to the extent that is minimal and sufficient for the performance of their duties.

Plans for the Medium Term

In the near future, the Bank plans to continue improving its information security system.

Measures to Ensure the Security of Customer Data

The Bank's Information Security Department conducts regular training sessions, tests (the internal portal is used), and mailings of up-to-date information to raise awareness of the Bank's employees in the area of customer data privacy. Information security systems are being implemented to improve the security of the Bank's services that are key to the quality of customer service.

All employees of the Bank without exception are trained on information security at least once a year. Staff also receive regular mailings from the Information Security Department.

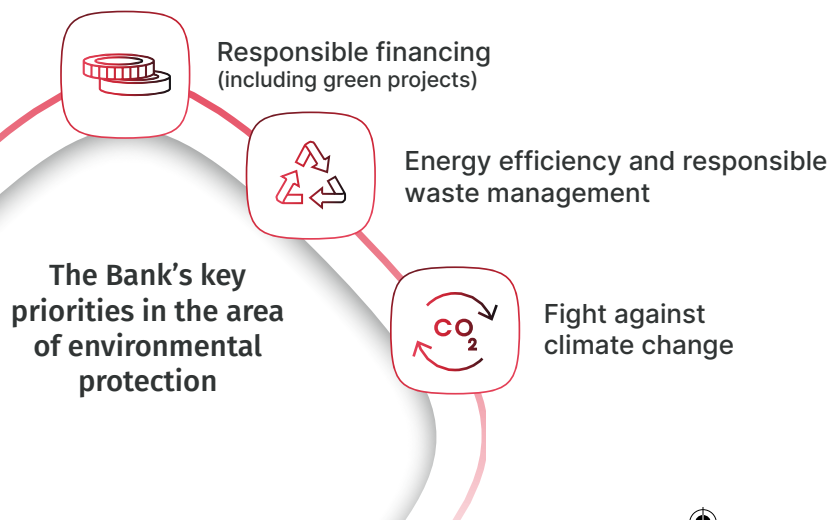


**ENVIRONMENTAL DIMENSION
OF SUSTAINABILITY**

Our Approach

In its operations, Doscredobank cares for the environment and contributes to the fight against climate change. We pursue approaches to rational resource consumption and implement waste management and energy efficiency programs. In addition, the Bank implements the DCB Green program, which supports our customers in their transition to renewable energy sources, and thus to an environmentally friendly future.

We follow the principles of responsible financing, which include, among other things, the selection of projects that promote environmental sustainability and social responsibility, as well as the principle of avoiding financing those activities that may have a negative environmental footprint.



Environmental Policy

The Bank has the Environmental and Social Policy in place, which outlines commitments and procedures that ensure universally recognized principles of sustainable development.

We implement the Policy by:

- incorporating environmental and social aspects into the Bank's business processes;
- defining, for both the Bank and its clients, the respective roles and responsibilities for achieving sustainable results in line with the criteria and objectives of the Environmental and Social Policy;
- setting a strategic objective to support projects that promote environmental sustainability and social responsibility.

Green Finance Policy

Since 2022, the Bank has had the Green Finance Policy in place to formalize, unify and apply the best global practices and approaches to raising funds through green finance instruments.

Green financing includes bonds, loans, and other financing instruments to fund environmental projects:

- ◆ green bonds issued in accordance with the Policy and the Green Bonds Principles, International Capital Market Association (GBP, 2021);
- ◆ green loans issued in accordance with the Policy and the Green Loan Principles of Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications & Trading Association (GLP, 2021);
- ◆ other forms of financing that can be consistent with the principles of green finance and sustainable development.

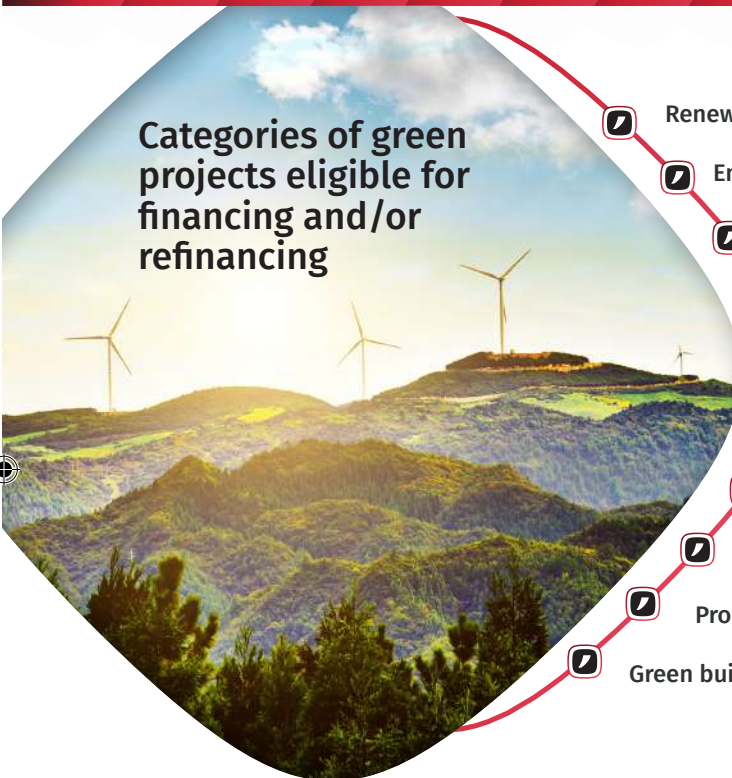










The Bank commits to four key principles for each transaction using green finance instruments:

- ◆ use of proceeds;
- ◆ project evaluation and selection;
- ◆ management of proceeds;
- ◆ reporting.

The Green Finance Policy also states that 100% of the proceeds from the green bonds or green loans raised will be used to finance and/or refinance green projects that have specific environmental benefits that can be quantitatively and qualitatively measured.



Categories of green projects eligible for financing and/or refinancing

- 
-  Renewable energy
 -  Energy efficiency
 -  Pollution prevention and control
 -  Environmentally sustainable natural resource management and land use
 -  Conservation of terrestrial and aquatic biodiversity
 -  Environmentally friendly transportation
 -  Sustainable management of water resources and waste water
 -  Adaptation to climate change
 -  Products, technologies and processes adapted to the circular economy
 -  Green buildings

Our Green Finance Policy was externally reviewed in the form of the second-party opinion for its alignment with the Green Bonds Principles of the International Capital Market Association and the Green Loan Principles of the Loan Market Association.

Following the external review and the Green Bond Principles compliance mapping, AIFC Green Finance Center has assigned the Excellent level to the Bank, which means that Doscredobank demonstrates a high level of management, allocation of proceeds, selection of projects, quality of proceeds management, reporting and disclosure of information about the implemented environmental projects.

Our Key Achievements and Awards in Environmental Protection

Award from GREEN FINANCE AWARD 2023, an international award established by the Astana International Financial Center to recognize and encourage achievements in the development of green and sustainable finance in Central Asia, the Caucasus, EAEU countries, Western China, Mongolia and Eastern Europe.

The issue of Kyrgyzstan's first-ever green bonds 2023 by Doscredobank gave impetus to projects with a climate agenda, as well as added an innovative financial instrument to the country's securities market.

Award for significant contribution to green finance for the HoReCa sector 2023, recognizing the high quality of green finance products in the tourism and hospitality sector to promote environmental protection.

The Amcham Awards 2023 in the Green Leader category, awarded for contribution towards creating new environmentally responsible products and services for customers.

Waste Management Best Practice Certificate of Compliance from the WasteNet business platform as part of the Green Waste Leaders 2023. This certificate is a prototype of voluntary certification of the organization's internal waste management system compliance with the requirements and criteria of the Improving the Efficiency of Waste Collection and Recycling System in the Kyrgyz Republic project, enabling the organization to use the Best Recycle Practice merit badge for public demonstration of environmental responsibility.

Green Bonds

The issuance of green bonds was a landmark in green finance in 2023. Kyrgyzstan's first-ever green bonds issued by Doscredobank gave impetus to projects with a climate agenda, as well as added an innovative financial instrument to the country's securities market.

Kyrgyz Green Bonds

	2023
Placement value	85,000,000
Number of securities	85,000
Nominal value	KGS 1,000
Maturity	3 years
Yield	16%
Payment of interest	Quarterly
Exchange	Kyrgyz Stock Exchange
Financial broker	SENTI financial company
External review provider	Excellent AIFC Green Finance Center (Astana, Kazakhstan)

Bond proceeds are used exclusively to finance environmental projects. The total value of actually placed bonds (85,000) reached KGS 85,000,000.

The issuance was financially supported by USAID's Strengthening Entrepreneurship and Enterprise Development.

More information about the green bonds is available in the Prospectus and the Terms and Conditions of the Public Offering at www.dcb.kg



“We strive to develop the green finance sector, and our team is making every effort to introduce new innovative solutions. Our goal is not only to provide profitable investment opportunities, but also to create positive changes for our Kyrgyzstan and future generations.”

NARIMAN UULU BAKYT,
CHAIRMAN OF THE BOARD OF DIRECTORS,
DOSCREDOBANK



“Climate change is on agenda not only in the financial sector, but also across science. I am delighted that Kyrgyzstan is taking the first steps in this direction and Doscredobank is a trailblazer. I would like to extend my thanks to Doscredobank for all the initiatives you are taking to develop the green dimension in the country, I wish you every success on your journey! Green victories to you!”

AZAMAT TEMIRKULOV,
DEPUTY MINISTER OF NATURAL RESOURCES, ECOLOGY AND
TECHNICAL SUPERVISION OF THE KYRGYZ REPUBLIC



“Climate finance is critical to tackling climate change because large-scale investments are needed to significantly reduce emissions. Demographic, economic, social and climatic changes are putting more pressure on natural resources. A rising water and energy demand threatens our ecosystems. In this context, finding ways to use these resources sustainably is the highest priority for national and global agendas. USAID is very pleased to partner with Doscredobank in promoting climate finance in the Kyrgyz Republic. I hope this initiative will encourage others in the private sector to look for green solutions that will improve the environment.”

JOSHUA TEMPLETON,
DIRECTOR OF THE ECONOMIC DEVELOPMENT OFFICE (EDO) FOR USAID IN THE KYRGYZ REPUBLIC



"I want to extend my sincere congratulations to Doscredobank for issuing the first green bonds! Doscredobank is a new member of GIP and I am very proud of the fact that such a productive journey has been accomplished in such a short time. The issuance of green bonds will provide an important incentive to expand key sectors of the green finance market, including taxonomy, disclosure, product innovation, capacity building, and active international cooperation."

CHENG LIN,

DIRECTOR OF THE CENTRE FOR INTERNATIONAL COLLABORATIONS AT THE BEIJING INSTITUTE OF FINANCE AND SUSTAINABILITY (BIFS), THE HEAD OF SECRETARIAT OF THE BEIJING OFFICE FOR THE GREEN INVESTMENT PRINCIPLES (GIP) FOR THE BELT AND ROAD



"Congratulations to the Doscredobank team on their debut green bond issue, a critical step towards building and expanding the green finance framework. AIFC Green Finance Center has provided an external review in the format of Second Party Opinion, which assigned the Excellent level to Doscredobank. The Bank demonstrates an excellent level of governance, project selection, reporting and disclosure of ongoing projects of environmental significance."

DANIYAR KELBETOV,

CHAIRMAN OF THE BOARD OF DIRECTORS, AIFC GREEN FINANCE CENTER



"Today is a historic day for our financial market with the debut issue of Doscredobank's green bonds. This shows the maturity of the Kyrgyz economy, demonstrates the readiness of the business sector to work to international standards and will undoubtedly give a new impetus in expanding the range of relevant financial instruments. Congratulations to Doscredobank and best wishes for continued success!"

MEDETBEK NAZARALIEV,

PRESIDENT OF THE KYRGYZ STOCK EXCHANGE



“We are very proud to be underwriting this issue, thank you to all participants and partners. Together we are building a green future and making an important contribution to the fight against climate change.”

MEERIM ASKARBEKOVA,
DIRECTOR OF SENTI FINANCIAL COMPANY



“Doscredobank’s green bonds are sought-after among investors. This unique financial instrument offers not only favorable investment conditions, but also helps improve the environment in Kyrgyzstan.”

CHOLPON ESHBERDIYEVA,
CHAIR OF THE MANAGEMENT BOARD, DOSCREDOBANK



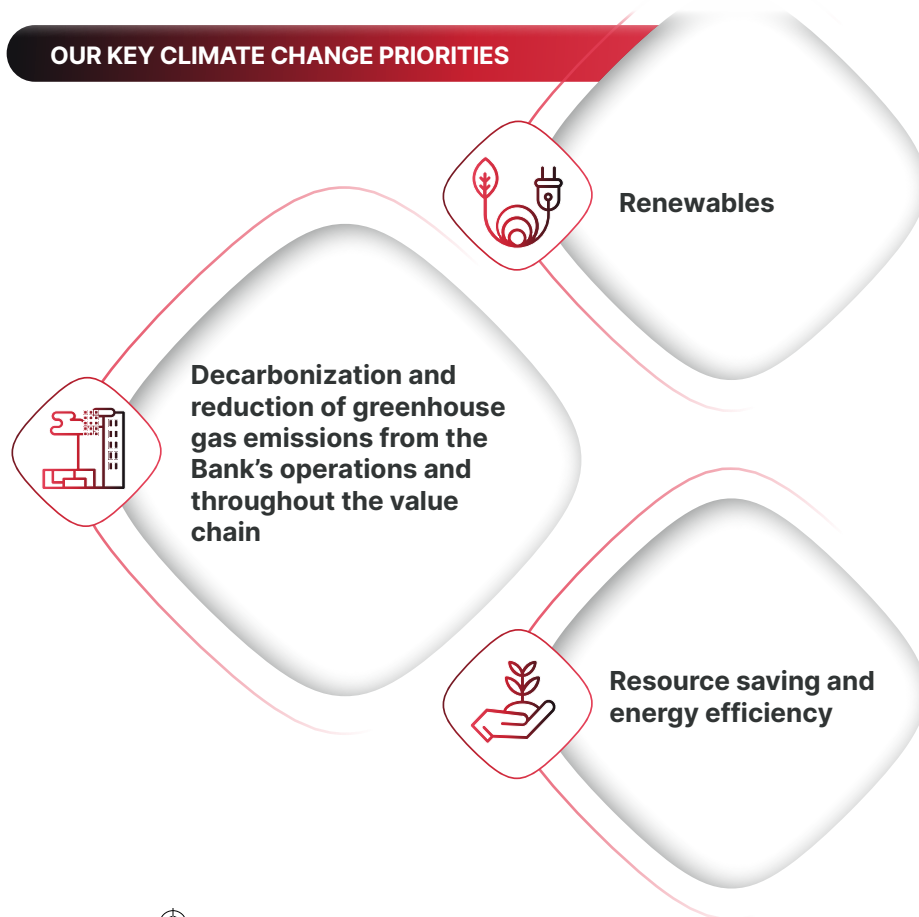
Our Climate Strategy

The Kyrgyz Republic has committed to achieving carbon neutrality by 2050. This was first announced by the President of the Kyrgyz Republic Sadyr Zhaparov in Glasgow at the World Leaders Summit at COP26 on November 2, 2021.

Doscredobank strives to contribute to climate change mitigation and the implementation of the Paris Agreement by supporting and sharing the Kyrgyz Republic's Climate Change Plan and its contribution to global efforts to reduce greenhouse gas emissions.

Recognizing the importance of promoting the climate agenda in Kyrgyzstan, the Bank participates in the working groups for the development of national standards of green taxonomy (National Bank of the Kyrgyz Republic, Ministry of Economy and Commerce of the Kyrgyz Republic and the Ministry of Finance the Kyrgyz Republic).

OUR KEY CLIMATE CHANGE PRIORITIES

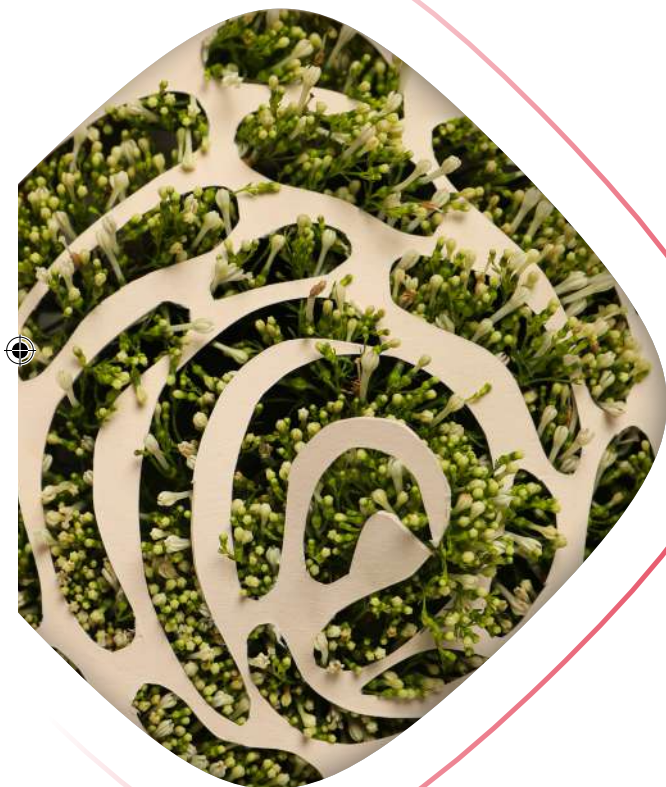


Climate Risk Management

The Bank is improving its corporate risk management system, including adding climate (environmental) risks to the risk map. In 2024, the Bank took an important step on that front by developing and implementing an ESG Risk Management Policy, which also covers climate risks. The ESG Risk Management Policy stipulates that credit risk management should consider ESG risks at all stages of lending, in the risk profile of sectors and geographical areas, risk classification procedures, and collateral appraisal.

In particular, the ESG Risk Management Policy describes the processes for identifying climate risks in the short, medium and long term, as well as recommendations for developing a climate risk management strategy.

In the future, the Bank plans to develop processes for managing climate risks, including procedures and standards for their identification, assessment, management and monitoring, taking into account the TCFD recommendations on climate-related financial disclosures and the IFRS S2 (including disclosure of information on climate-related risks and opportunities that will be helpful for users of general-purpose financial statements). We will also analyze scenarios related to climate change and develop a plan to adapt to the identified climate risks. The appointment of a senior climate risk manager is also a task for the future. We will talk more about this in our next reports.



Responsible Financing

Doscredobank implements the principles of responsible financing to achieve sustainable development of the Bank and high financial results while preserving the environment and respecting human rights.

We integrate ESG factors into investment decision making. When selecting projects, the Bank follows the principles of the Environmental and Social Policy introduced in 2021 and updated in 2023. The Policy applies systematic procedures to screen Bank-financed initiatives for potential adverse environmental and social impacts to avoid or minimize negative impacts while promoting positive impacts.

When selecting the projects to finance, the Bank seeks to ensure that the projects:

- are socially and environmentally sustainable;
- respect the rights of workers and local communities affected by these projects;
- are developed and implemented in line with applicable regulatory requirements and international best practices.

We prioritize projects that help addressing pressing environmental and social issues specific to Kyrgyzstan, such as climate change mitigation and adaptation; biodiversity conservation; energy- and resource conservation; poverty reduction; promotion of decent work; overcoming social inequalities, access to basic services; gender equality, transparency and social development.

Doscredobank gives preference to green finance, supporting projects with positive environmental impact and thus contributing to the development of green economy.

In addition, the Bank seeks to support projects and initiatives designed to deliver significant environmental and social benefits. This approach suggests:

- Providing technical assistance to complement ongoing or proposed projects, including developing effective financing mechanisms, assisting with energy audits and helping clients identify and implement best practices;
- Building an enabling environment to help our clients approach environmental or social issues more effectively and count on better financing terms;
- Funding pilot projects to explore opportunities for new businesses with significant environmental or social benefits.

INTRODUCING THE RESPONSIBLE FINANCING PRINCIPLES AT DOSCREDOBANK

2021–2022

- Special Green Finance Loan Programs were developed and approved.
- We launched the DCB Green program to introduce environmentally friendly technologies across Kyrgyzstan.
- Working in the private sector, Doscredobank participated in discussions on the Kyrgyz Republic's Climate Change Plan and its contribution to global efforts to reduce greenhouse gas emissions (Kyrgyz Republic's Nationally Determined Contribution to the Paris Agreement, NDCs), which contributed to the inclusion of the following issues into the country plan:
 - ◊ support of the electric vehicle market (including their importation into Kyrgyzstan and simplified taxation systems);
 - ◊ support and development of private sector gasification as an intermediate phase.
- Internal documents on responsible financing were developed and implemented: Environmental and Social Management System and Gender Policy, which are integrated into banking procedures.
- The Bank has a designated structural subdivision in place, the Green Finance Department.
- We signed memoranda on cooperation and joint implementation of GREEN ECO AUTO LOAN, GREEN ECO HOUSE LOAN, ECO AGRO LOAN and ECO TOURISM LOAN beneficial products with more than 80 partners and established contacts with major suppliers of electric cars, gas equipment, sewage treatment plant, etc.

- The Bank received technical assistance from the Green Climate Fund to align its regulatory framework with international climate finance standards.
- Doscredobank became the first bank in Central Asia to sign and adopt the GIP for the Belt and Road. This marked an important leap towards promoting the principles of sustainable finance and green investment in Kyrgyzstan.
- Doscredobank, GIP Regional Chapter in Central Asia and AIFC Green Finance Center held the first Green Investment Forum in Kyrgyzstan.
- The Bank adopted the Green Finance Policy to formalize, unify and apply the best global practices and approaches to raising funds through green finance instruments and use the proceeds for projects consistent with the Bank's objectives and principles for environmentally focused projects.
- With the support of the Ministry of Natural Resources, Ecology and Technical Supervision of the Kyrgyz Republic, Doscredobank implemented a Green Climate Fund project, Technical Assistance to Support Pre-accreditation of Doscredobank to bring the Bank's regulatory framework in line with the international standards of the Green Climate Fund.
- We signed a Memorandum of Cooperation with the Astana International Financial Center, opening opportunities for sharing knowledge, practices and resources.
- Doscredobank signed a Memorandum of Cooperation with Unison Group as part of the Promoting Energy and Resource Efficiency in the Tourism Industry of Kyrgyzstan (PERETO) initiative supported by the European Union.

2024

- The Bank adopted the ESG Risk Management Policy.

DCB Green

With its unique natural ecosystems, Kyrgyzstan places a special emphasis on the rational use of biosphere resources, taking measures to combat the negative effects of climate change. To spearhead green economy in Kyrgyzstan, Doscredobank launched a special project, DCB Green, in 2021 to introduce and drive environmentally friendly technologies through a range of green lending products.

DCB GREEN PROGRAM IS DRIVING ENVIRONMENTALLY FRIENDLY TECHNOLOGIES THROUGH A RANGE OF GREEN LENDING PRODUCTS



GREEN ECO HOUSE LOAN

Providing special loans for the construction of buildings and premises made of environmentally friendly materials using green and energy-efficient technologies.



ECO AGRO LOAN

Providing special loans for agricultural development through supporting women entrepreneurs and youth in adopting various green technologies.



GREEN ECO AUTO LOAN

Providing special loans for our clients to purchase environmentally friendly vehicles, as well as installing chargers for electric vehicles.



ECO TOURISM LOAN

Providing special loans for bringing green technologies into the tourism sector.



GREEN ECO HOUSE LOAN

A loan/installment plan provided for gasification, insulation, and upgrade of the heating systems of both commercial and non-commercial properties.

This green loan can be used for both commercial and non-commercial purposes:

- gasification of private houses and commercial properties;
- installation of energy efficient boilers;
- improvement of the heating systems;
- home insulation.

It is available to individual entrepreneurs, individuals, legal entities and pensioners.



Loan range:

**KGS 10,000 -
KGS 8,000,000**



ECO AGRO LOAN

ECO AGRO LOAN program contributes to the growth of agricultural sector, including domestic organic farming by supporting and expanding women's entrepreneurship in agriculture, as well as attracting young entrepreneurs to adopt green technologies in agriculture. ECO AGRO LOAN is intended for individuals, individual entrepreneurs, and farms engaged in:

- cattle breeding and poultry farming;
- crop production, field crop cultivation, and tillage;
- collection, processing and production of agrofood, meat and dairy products;
- production and sales of traditional crafts;
- sales of produce in value added chain and other agricultural activities that are in line with the Bank's environmental policy.



Loan range:

**KGS 50,000 -
KGS 12,000,000**

RESPONSIBILITY BONUSES:

Borrowers who repay the ECO AGRO LOAN on time and in full are entitled to a 10% refund of the paid interest on the loan (cashback).



GREEN ECO AUTO LOAN

A loan/installment plan for the purchase of eco-friendly vehicles for commercial and consumer needs:

- purchase of electric, hybrid or gas-powered vehicles;
- purchase of electric motorcycles and bicycles;
- installation of LPG systems in cars for commercial and consumer needs.

This type of green finance is available to individual entrepreneurs, individuals and legal entities.



Loan range:

**KGS 10,000 -
KGS 12,000,000**



ECO TOURISM LOAN

The loan is intended for driving the tourism sector in Kyrgyzstan and introducing energy-efficient and resource-saving technologies in the domestic tourism business.

It is available to individual entrepreneurs engaged in tourism and hotel services, as well as legal entities such as cafes, restaurants, hotels, guest houses, yurt camps, health resorts and health centers.

The loan can be used for the following purposes:

- insulation of buildings to reduce heating and cooling costs;
- green and renewable energy technologies;
- water-saving technologies: installation of drip irrigation, waste treatment facilities, and rainwater harvesting;
- upgrade of heating, cooling and ventilation systems;
- energy efficient lighting;
- installation and operation of energy and water efficient equipment;
- purchase of waste sorting bins and press-packing machines for used plastic and other energy- and resource-conservation initiatives.



Loan range:

**KGS 50,000 -
KGS 12,000,000**

RESPONSIBILITY BONUSES:

Borrowers who repay the ECO TOURISM LOAN on time and in full are entitled to a 10% refund of the paid interest on the loan (cashback).

We have granted 13 loans to legal entities for recreation centers on the Issyk-Kul Lake coast, including for installation of modern purification and treatment facilities.

DCB GREEN ACHIEVEMENTS

11.56%

green projects share in the
Bank's loan portfolio at the
end of 2023

2,237

green loans totaling more
than KGS 700 million
issued by the Bank
(2021-2023)



33%

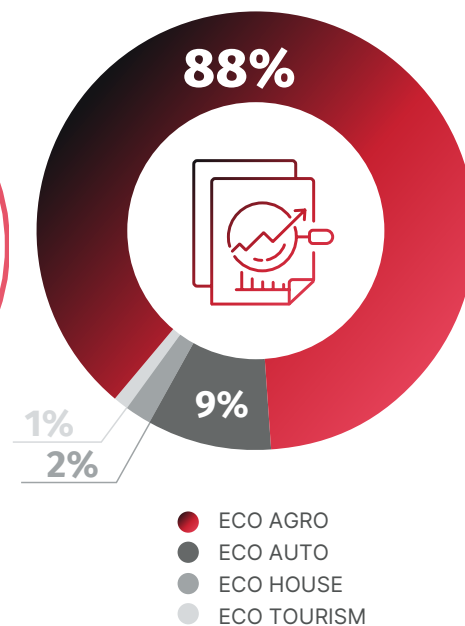
of loans to male
entrepreneurs/
individuals



67%

of loans to female
entrepreneurs/
individuals

Green loans issued under
DCB Green by area



E-Vehicle Charging Stations

As part of the DCB Green project, Doscredobank launched Kyrgyzstan's first chain of free fast charging stations for e-vehicles in 2022.

The first fast charging point was installed in the Boom Gorge on the way to the Issyk-Kul Lake biosphere area and is open 24/7.

Another fast-charging station was opened in the center of Bishkek, in the parking zone of Chynar Shopping Mall in 2022. Owners of electric cars can charge their vehicles there for free.

Caring for Environment

Due to the nature of its operations, the Bank has no significant impact on the environment and the quality of life in the regions where it operates. The Bank seeks to minimize its footprint on ecosystems through rational use of resources, energy efficiency, implementation of the Green Office concept, and responsible waste management programs.

Air Emissions

To combat the negative effects of air pollution and climate change, Doscredobank implements a joint project with MoveGreen environmental organization to collect and transmit real-time air quality data to the interactive map of the World Air Quality Index.

An independent sensor network with high-speed data transmission is deployed across our 17 branches. Data on air quality cover 3-5 parameters, namely the concentration of the most harmful pollutants: nitrogen dioxide (NO₂) in the form of yellow-brown gas with acrid odor that can block the respiratory tract, and suspended particles PM1, PM10 and PM2.5, the air pollutants, which include solid micro-particles and tiny droplets of liquids.

Responsible Resource Consumption

The main resources consumed by Doscredobank are electricity, thermal energy and water.

In its operations, the Bank strives to reduce resource consumption by introducing the Green Office concept and energy-efficient technologies. All our employees are committed to efficient water consumption and responsible waste management.

We take water from municipal water supply systems and no other sources.

Improving energy efficiency is a key area of focus for us. We implement measures to minimize electricity and thermal energy consumption:

- we replace fluorescent lamps with LED lamps in the Bank's offices;
- we install motion/presence sensors for the lighting system;
- a sleep mode has been set up to automatically shut down our employees' computers.

The Bank has introduced the separate collection and disposal of waste for the Bank's employees and customers, designating special places and containers in line with the waste management criteria of the Tazar social movement. The Tazar team conducted trainings for the Bank's staff on separate waste collection and disposal. In addition, we are a member of the WasteNet.KG business network for the development of sustainable waste management, and implement the requirements of the Best Recycle Practice, an independent environmental initiative of the best waste management practices by introducing separate waste collection for waste recycling and reuse.

The Bank is also rolling out a number of measures to reduce the use of printed materials and plans a gradual transition to electronic format, which also contributes to reducing negative environmental footprint. Between 2022 and 2023, the Bank recycled one ton of waste.

Plans for the medium term


- ◆ Building up the range of products and instruments to finance the green economy.
- ◆ Further integration of ESG principles across the Bank's operations, including assessment of projects (initiatives) financed by Doscredobank for potential adverse environmental and social impacts in order to avoid or minimize negative impacts while stimulating positive impacts.
- ◆ Promoting the climate agenda by:
 - ◇ developing processes for managing climate risks, including procedures and standards for their identification, assessment, management and monitoring, taking into account the TCFD recommendations on climate-related financial disclosures;
 - ◇ analyzing scenarios related to climate change and developing a roadmap to adapt to the identified climate risks.
- ◆ Continued implementation of the DCB Green program.
- ◆ Continued implementation of the Green Office concept, including responsible waste management.





**SOCIAL DIMENSION
OF SUSTAINABILITY**

Our Employees

RESPONSIBLE EMPLOYER

 Our employees
are our
greatest value.

 We respect human
rights and equal
opportunities.

 We establish zero tolerance for any form of
discrimination based on gender, age, ethnicity, religion
or other characteristics.

We invest in professional
development of our employees

38%

of the Bank's employees
covered by training and
development programs

KGS **1.5** million

in investments in
staff training and
development in
2023



Young and
ambitious
team

982
employees

32
years
the average
age of our
employees

48%
women
in middle
management

57%
women
in senior
management

data as of October 2024

Our Approach to HR Management

We attract professional and motivated individuals to our team and strive to maintain our status as an employer of choice.

The Bank's key priorities in HR management:

- ◆ **creating opportunities for our employees for self-fulfillment and professional development;**
- ◆ **offering a competitive pay and equal opportunities for career development;**
- ◆ **caring for health and safety of our employees.**

The Bank has built and is improving its HR management system and has an HR Department in place. The key objectives of the HR Department are:

- ◆ building employee relations in line with the Bank's general development goals and specific areas of HR policy in order to achieve results and drive professional development of employees;
- ◆ building a system of staff recruitment, assessment and adaptation;
- ◆ conducting personnel performance assessment, building a talent pool, running the personnel training system;
- ◆ shaping and instilling corporate culture, as well as performing other tasks.

The Bank's employer-employee relations are regulated by several internal regulatory documents: the Code of Corporate Ethics, Corporate Governance Code, HR Policy, Policy on Payroll and Remuneration of Employees, as well as other internal documents of the Bank.

We provide our employees with comfortable working conditions, competitive pay and equal career growth opportunities. We have an effective system of staff incentivization and development, as well as develop corporate culture.

Headcount and Staff Demographics

The Bank's headcount was 976 as of December 31, 2023. The Bank employed 323 men and 653 women as of December 31, 2023. In 2023, the average age of our staff members was 33 years.

The Bank ensures a level playing field when hiring employees. The percentage of women in various positions in the Bank was 67% in 2023. The percentage of women in manager roles across the Bank was 49% in 2023.

Employees aged 30 to 50 account for a major part of the staff, making 48% of the Bank's total headcount.

In 2023, we hired 447 staff members (159 men and 288 women).

The Bank's employee turnover rate reached 3% in 2023 (3% in 2022).

Bank's headcount, 2022–2023

Indicator	2022	2023
Number of full-time employees as of December 31 of the reporting period	836	976



Staff breakdown by age, 2022–2023

Indicator	Total	2022						Total	2023					
		Under 30		30-50		50+			Under 30		30-50		50+	
		Number	Share, %	Number	Share, %	Number	Share, %		Number	Share, %	Number	Share, %	Number	Share, %
Actual headcount as of December 31 of the reporting period	836	335	40%	429	51%	72	9%	976	435	45%	467	48%	74	8%
Including: Manager roles (middle and senior management)	114	13	11%	90	79%	11	10%	128	15	12%	103	80%	10	8%
Administrative staff	722	322	45%	339	47%	61	8%	848	420	50%	364	43%	64	8%

Staff breakdown by gender, 2022–2023

Indicator	Total	2022				Total	2023			
		Men		Women			Men		Women	
		Number	Share, %	Number	Share, %		Number	Share, %	Number	Share, %
Actual headcount as of December 31 of the reporting period	836	291	35%	546	65%	976	323	33%	653	67%
Including: Manager roles (middle and senior management)	114	55	48%	59	52%	128	65	51%	63	49%
Administrative staff	722	236	33%	486	67%	848	258	30%	590	70%

Breakdown of governing bodies by age, as of December 31 of the reporting period, 2022–2023

Indicator	Total	2022						Total	2023					
		Under 30		30-50		50+			Under 30		30-50		50+	
		Number	Share, %	Number	Share, %	Number	Share, %		Number	Share, %	Number	Share, %	Number	Share, %
Board of Directors	5	-	-	1	20%	4	80%	5	-	-	1	20%	4	80%
Management Board	5	-	-	4	80%	1	20%	4	-	-	3	75%	1	25%

Breakdown of governing bodies by gender, 2022–2023

Indicator	2022				2023			
	Women	Share, %	Men	Share, %	Women	Share, %	Men	Share, %
Board of Directors	2	40%	3	60%	2	40%	3	60%
Management Board	3	60%	2	40%	2	50%	2	50%

Diversity and Equal Opportunity

Doscredobank adheres to the principles of social responsibility, respects human rights established by the Constitution and laws of the Kyrgyz Republic, as well as follows international human rights standards, including the UN Universal Declaration of Human Rights.

The Bank has zero tolerance for the use of child labor or any other form of forced labor. Any form of discrimination based on gender, age, ethnicity, nationality, religion, family status, political beliefs, origin and other individual characteristics is prohibited in the Bank.

**Doscredobank offers
equal professional growth
opportunities to every
employee.**

The Bank has implemented the employee performance evaluation to assess the performance of their job responsibilities and contribution towards the achievement of goals. We are committed to pay equity for women.

In 2023, Doscredobank representatives met with Ulziisuren Jamsran, a representative of UN Women. At the meeting, the Bank shared its values and vision related to supporting gender equality and women in various fields. The Bank emphasized its goal of promoting sustainable development and improving the quality of life of women. Doscredobank's management and representatives of UN Women discussed the prospects for long-term cooperation.

GENDER POLICY

The Bank recognizes that an integrated gender approach makes climate change interventions more effective, sustainable and efficient.

In 2022, we developed and adopted the Gender Policy. The Bank developed the policy to meet the accreditation requirements of the Green Climate Fund (GCF), which considers gender as a key element of its overall agenda.

The paper reflects the international and national gender commitments that underpin climate finance.

In line with the Gender Policy, the Bank recognizes that climate change impacts and adaptive capacity are not gender neutral. Climate change affects women and men differently, they respond differently to impulses, prefer different solutions and perceive and adapt to the effects of climate change differently. At the same time, women are seen as drivers and implementers in the climate change processes.

In line with the Gender Policy, we take gender equality concerns into account throughout the project cycle. This applies to all projects, not just those that were originally designed for women or have a gender focus. An integrated gender approach is fundamental to the implementation of any project.

Key objectives of the Gender Policy:

- ◆ support climate change interventions and innovations based on a comprehensive gender mainstreaming approach, both within the Bank and among its partners;
- ◆ promote investments in climate change measures that promote gender equality through climate change mitigation and adaptation measures and minimize social, gender and climate-related risks;
- ◆ contribute to reduce the gender gap in social, economic and environmental vulnerabilities and exclusion exacerbated by climate change through climate change investments.

Recruitment

The Bank seeks to attract and retain skilled professionals to fill vacant positions. Candidates for vacant positions in the Bank are selected through open and transparent competitive procedures in line with the Bank's HR Policy. The procedures are compliant with the laws of the Kyrgyz Republic, including regulations of the National Bank of the Kyrgyz Republic.

The Bank is building up a talent pool for future appointments to middle and senior management positions.

Internal selection for vacant positions is prioritized to retain key specialists in the Bank. If there are no candidates from the talent pool, the Bank announces an external competition for the vacant position. To ensure a level playing field and fairness, the Bank's vacancies are published on the Bank's official website as well as on recruitment platforms.

To attract young personnel, the Bank cooperates with universities by attending Career Days and providing internship opportunities for the most talented students.



Staff Motivation and Remuneration

The Bank has an efficient and transparent personnel motivation system in place. We provide our employees with decent and competitive remuneration.

At Doscredobank, the remuneration system is regulated by internal documents developed in line with the labor laws of the Kyrgyz Republic. The underlying document is the Remuneration Policy of Doscredobank.

The Bank applies a grading system, implementing a structured approach to classifying various positions within the Bank according to the level of responsibility, complexity of tasks performed and required qualifications.

To boost motivation, the Bank assigns new qualifications (career development) to employees every two years and revises salary levels.

Every year, the Bank conducts personnel appraisal, which does not only show what results an employee has achieved, but also helps identify areas for development. In 2023, the Bank additionally implemented a 360-degree feedback, a multi-faceted assessment for employees, including for managers.

10.5%

**average salary
increase for our
employees
in 2023**

Social support

Social support is a part of the Bank's HR policy and includes providing employees with basic social benefits and compensations provided for by the applicable laws of the Kyrgyz Republic. Social support for employees is an important element in building favorable working conditions and retaining skilled specialists.

The Bank provides social support:

- financial aid for health improvement;
- maternity leave pay;
- bereavement pay.

All our employees are entitled to childcare leave in line with the Labor Code of the Kyrgyz Republic. The Bank also provides additional vacation for its employees. In particular, the Bank has introduced the Family Day since 2022 to give employees one paid day off every quarter to spend with their families.

The Bank encourages employees to switch to environmentally friendly modes of transportation. We offer installment plans to our employees to buy bicycles, electric scooters and electric cars.

Staff Training and Development

We realize that developing the professional potential of our employees is important for achieving the Bank's strategic goals and objectives. We invest in staff training and development and strive to motivate them for personal and professional development.

We identify areas of training for our employees, taking into account the goals and objectives set for them, as well as their annual performance appraisal and their individual development plans.

Our investments in employee training, 2022–2023

Indicator	2022	2023
Investments in employee training, KGS '000	751.002	1,474.470

The key topics of staff training in 2023 included:

- changes in tax legislation;
- sustainability reporting and ESG reporting;
- legal regulation of accounts receivable;
- pre-legal and legal debt recovery;
- business management tools in ISO standards;
- correspondent banking and international standards for foreign currency payments under the Swift system;
- digital services and their security in Central Asia, etc.

739

employees

received internal
training in 2023

180

employees

received external
training in 2023

In 2023, we held training workshops for employees of operational departments and cashiers to improve their professional skills and knowledge of banking operations and psychology of customer relations.

HR PORTAL

Since 2024, the Bank has been operating an HR portal, an internal educational platform, which the Bank intends to develop intensively in the future. As of October 2024, more than 30 programs were available on the HR portal about the Bank's operations, lending, safety compliance, Green Office standards, serving customers with disabilities, and other topics.



Employee- Management Relations

The Bank strives to create an environment for employees where they can unlock their potential and openly express their views. Our employees can openly voice their opinions, report concerns, and provide recommendations on what can be improved in our operations. The Bank has a Diamond Journal where employees can share their ideas and proposals. All ideas are reviewed by the Bank's management. We are set to implement the most relevant ones, and employees whose ideas have been successfully implemented are additionally rewarded. Since 2022, the Bank has been annually conducting the eNPS survey, the employee retention and loyalty assessment. According to the survey, the employee loyalty index was 77% in 2023 (57% in 2022).

Health and Safety at Work

Our Approach to Health and Safety

Health and safety (H&S) of employees are our utmost priority. We provide a safe working environment for our employees and care for their health.

The Bank has the Health and Safety Guidelines in place developed in compliance with the Constitution of the Kyrgyz Republic, the Labor Code, and the Law of the Kyrgyz Republic On Occupational Health and Safety. The Guidelines establish universal requirements for occupational health and safety and other occupational safety rules, which are to be followed by all our employees when on duty.

Every newly appointed employee of the Bank has a mandatory initial briefing on fire safety and H&S. In addition, employees in charge do additional briefings, which is noted in the logs and familiarization sheets.

The Safety and Security Department oversees occupational health and safety in the Bank.

Every year, the Department develops the Bank's Occupational Health and Safety Action Plan, which includes, inter alia:

- ♦ visits and rounds to all the Bank's facilities to monitor workplaces, working conditions and fire safety systems;
- ♦ initial and repeated briefings on fire safety and H&S;
- ♦ fire drills;
- ♦ regular inspections of the premises in case of any irregularities or malfunctions.

Risk Identification and Emergency Preparedness

Doscredobank's risk register does not contain risks related to health and safety at work, as these risks are insignificant for the Bank due to the specificity of its operations. As part of the Bank's procedures, employees can report workplace hazards through the feedback system and internal communication channels. All concerns raised by the employees are reviewed and feedback is provided.

Occupational Injuries

To prevent occupational injuries, the Bank conducts regular occupational safety briefings, monitors the workplaces and compliance with occupational safety standards, and implements measures outlined in the annual occupational health and safety plans. Unfortunately, the Bank recorded one occupational injury that resulted in temporary disability of our employee in 2023. We investigated the case and provided financial aid to the employee as per Resolution No.49 adopted by the Management Board on June 15, 2023.

H&S Training for Employees

All employees of the Bank are annually briefed on health and safety. In addition, the Bank's head office and branches had training sessions with the local emergency services. Training covered the following topics: earthquakes, evacuation in emergency situations, fire safety, and health & safety.

Total number of employees trained in H&S, 2022–2023

Indicator	2022	2023
Number of employees who received H&S training	165	277

Caring for Health of Employees

Doscredobank has programs in place that promote a healthy lifestyle among its employees. Among the elements in the social support provided by the Bank are annual payments for employee health improvement. They used to have a general medical checkup and seek consultations of specialist doctors. Sports tournaments are regularly organized for employees, including football and volleyball matches.

Plans for the medium term

Staff training and development:

- Launching a training program based on the RSBP platform;
- Developing and conducting sales technique training;
- Drafting and implementing the Adaptation Program for new employees;
- Conducting a large-scale soft skills training for the back office employees.

Employee engagement:

- Developing new incentive programs, monitoring the salary market;
- Introducing achievement-based rewards.

HR process automation:

- Introducing an electronic approval system, changes in personnel records management, accelerating the approval and execution, signing and storing documents in electronic form.

Community Engagement

In its operations, Doscredobank strives to contribute to the improvement of the people's welfare, as well as to the national social and economic development.

The Bank pays tax in full, on time and with a high level of transparency, which contributes to the development of local communities. We support socially significant and philanthropic projects and initiatives in education, culture and sports.

KGS
93,546,000

in taxes paid by the
Bank in 2023
(profit tax)

KGS
1,347,000

in social investments,
sponsorship and
philanthropy

We help make renovations to public and music schools and support chess tournaments.

For many years since 2017, Doscredobank has been supporting the National Bank's program to improve financial literacy. The program is designed to improve financial literacy, particularly among children and youth. Our employees organized workshops for students of various universities to introduce them to the financial instruments of saving and accumulation, various sources of income, setting and achieving financial goals, and building a financial plan. Young people learned about how money is earned, spent and saved, what income opportunities exist, and how to make good financial decisions.



In 2023, ahead of Children's Day, Doscredobank has launched new DCB KIDS children's bank cards to help teach children how to manage their finances from an early age.

With these cards, parents will be able to teach their children:

- ◆ plan spending and savings;
- ◆ learn the principles of using ATMs and replenish your card through payment terminals;
- ◆ make cashless payments for goods and services.

These accounts can be opened by parents for their children aged 7+. More account plans are available on the Bank's website.

Philanthropy and Charity

The Bank regularly provides aid to children, orphanages, rehabilitation centers, and low-income families and supports socially significant projects.

In 2023, we also provided aid to the victims of the earthquake in Turkey by transferring KGS 1 million to a special account of the Embassy of the Republic of Turkey in Kyrgyzstan and provided humanitarian aid in the form of chargers and blankets.



Volunteering

The Bank encourages employee volunteering in philanthropic and charity work. Taking care of the environment, the Bank's employees annually take part in cleaning parks and public gardens during city-wide clean-ups. An annual DCB Green tree planting took place in 2023 under the auspices of the national Zhashyl Muras campaign, seeking to increase the forestation areas. The event brought together more than 100 employees of Doscredobank, as well as representatives of the Ministry of Agriculture of the Kyrgyz Republic, Forest Service and Frunze Forestry. More than 3,000 seedlings of pistachio and almond trees with closed root system were planted on the area of 5 hectares on the territory of Frunze Forestry. In addition, the Bank's employees took part in planting greenery in Karakol as part of DCB Green.

WE PARTICIPATE IN INITIATIVES AIMED AT EMPOWERING GIRLS AND WOMEN IN KYRGYZSTAN

Post-Report Events.

In January 2024, Doscredobank partook in a STEM4ALL x MentoringHer mentoring program started by Roza Otunbayeva Foundation.

This initiative aims to empower girls and women in Kyrgyzstan, especially in areas such as science, technology, engineering and math (STEM).

As part of the project, our representatives held a lecture where they shared their experience and knowledge about the role of fintech in today's world, discussed how digital innovations could be a powerful tool for success in STEM fields and how important it is to support and develop women's leadership in these fields.

We believe that through our participation in the STEM4ALL x MentoringHer initiative, we can make STEM education and career opportunities more accessible and attractive to girls and women in Kyrgyzstan.





CORPORATE GOVERNANCE

Bank's Corporate Governance System

The Bank bases its corporate governance on the principles of fairness, honesty, responsibility, openness, transparency, professionalism and competence.

The main principles of the Bank's corporate governance are:

- ◆ **protection of the Bank shareholders' rights and interests;**
- ◆ **effective management;**
- ◆ **accountability and responsibility;**
- ◆ **transparency and objectivity of information disclosure regarding the Bank and its operation;**
- ◆ **lawfulness and ethics;**
- ◆ **effective dividend policy;**
- ◆ **effective HR policy;**
- ◆ **environment;**
- ◆ **active contribution to the Kyrgyz Republic financial system development.**

Doscredobank fixed the above-mentioned corporate governance principles in the Corporate Governance Code.

The Doscredobank's Corporate Governance Code aims to ensure effective protection of rights and interests of all the Bank's shareholders, fair treatment, decision-making transparency, professional and ethical responsibility of the Bank's Board of Directors and the Board members, other officials and employees. The Corporate Governance Code also regulates the Bank's relations with third parties, as well as provides for the expansion of information transparency and development of the system of business and professional ethics norms.

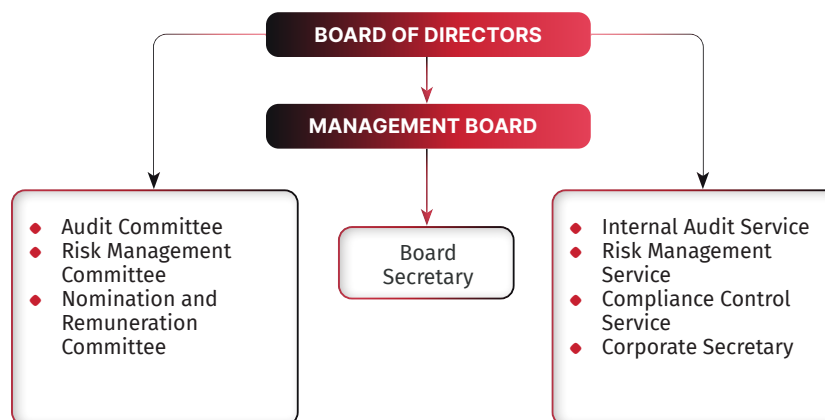
Bank's Corporate Governance Structure

The Charter and other Bank's internal regulatory documents define its corporate governance structure.

The Bank's governing bodies are:

- The supreme governing body – the General Meeting of Shareholders;
- Management body responsible for general management of the Bank – the Board of Directors;
- Collegial executive management body – The Management Board.

ORGANISATIONAL STRUCTURE OF DOSCREDOBANK'S CORPORATE GOVERNANCE



Board of Directors

The Board of Directors performs strategic management of the Bank, determines main principles and approaches to the organisation of the risk management and internal control system in the Bank, controls activities of the executive bodies of the Bank.

The Board of Directors' main objectives are to create conditions for the Bank to maximise profits and increase its assets, to control the implementation of the General Meeting of Shareholders' decisions and to ensure the protection of the rights and legitimate interests of all groups of the Bank's shareholders as a whole by monitoring and controlling the management of the Bank by its other management bodies on a regular basis.

The Board of Directors guides its activities in compliance with the legislation of the Kyrgyz Republic, the Bank's Charter and other internal regulatory documents.

Only individuals having full legal capacity and meeting the requirements of impeccable business reputation, professional suitability and work experience set by the National Bank of the Kyrgyz Republic may be elected as the Bank's Board of Directors members.

Key functions of the Bank's Board of Directors:

- defining the strategic goals of the Bank and formulating its policies;
- implementing effective corporate governance in the Bank;
- formulating, approving and periodically updating the Bank's business strategies and policies;
- ensuring that the activities of the Bank and its governing bodies comply with the laws of the Kyrgyz Republic, regulatory legal acts and the requirements of the National Bank;
- forming and maintaining ethical and honest standards;
- organising a system for identifying and preventing conflicts of interest;
- ensuring transparency of the Bank's activities, timeliness and completeness of information disclosure;
- ensuring effectiveness of the risk management system in the Bank.

The General Meeting of Shareholders elects the Board of Directors of the Bank. Members of the Bank's Board of Directors elected at the Meeting of Shareholders get approval in the National Bank of the Kyrgyz Republic in accordance with the procedure set forth by the legislation of the Kyrgyz Republic.

Composition of the Board of Directors

The size of the Bank's Board of Directors facilitates constructive discussion, prompt and balanced decision-making, and efficient operation of the Board of Directors.

Given the fact that this Report is published in Q4 2024 and to provide up-to-date information, we show the Board of Directors' composition as of October 2024.

The Bank's Board of Directors consists of five members: the Chairman of the Board of Directors and independent directors. There are three men (60%) and two women (40%) in the Board of Directors of the Bank.

COMPOSITION OF THE BOARD OF DIRECTORS

Bakyt Nariman uulu

Chairman of the Board of Directors

Date of current election to the Board of Directors: 30 March 2021.

Educational background

2009–2012

London Academy of Education and Development (UK).

Professional experience

2021–to date

Doscredobank OJSC.

Chairman of the Board of Directors.

2012–2021

Doscredobank OJSC.

Held various positions:

- Member of the Board of Directors;
 - Head of Development Department;
 - Deputy Head of Lending Department;
 - Deputy Branch Director;
 - Chief Dealer of the Treasury;
 - Advisor to a member of the Board;
- Advisor to the Chairman of the Board.

Karmen Gurgenovich Oganyan

Member of the Board of Directors

Date of current election to the Board of Directors: 30 March 2021.

Educational background

1979–1986

Kyrgyz State University.
Faculty of Law.

Professional experience

2021–to date

Doscredobank OJSC.

Member of the Board of Directors.

1997–to date

ONYX FUC.

Director.

1995–1997

Law Firm SHADE.

Deputy Director.

1992–1995 Training and experimental farm of Kyrgyz Agricultural Institute.

Deputy Director for Commercial Affairs.

1986–1992 The Prosecutor's Office of the

Kyrgyz SSR. Held various positions:

- Assistant Prosecutor of the Sverdlovskiy district of Frunze;
- Investigator, senior investigator of the Prosecutor's Office of the Sverdlovsk District of Frunze.

Rustambek Turdyevich Tagaev

Member of the Board of
Directors

**Date of current election to the Board
of Directors: 30 March 2021.**

Educational background

1986–1991

Moscow Institute of Technology,
Faculty of Light Industry.

1997–2000

Kyrgyz State University.
Faculty: Finance and Credit.

Professional experience

2021–to date

Doscredobank OJSC.
Member of the Board of Directors.

2006–to date

Ak-Zhol Insurance Company OJSC.
Chairman of the Board.

1999–2005 Kyrgyz Railways, Kyrgyz
Temir Zhldoru:

- ◆ Head of the Department
of External Relations and
Information Support of the
UKZhD;
- ◆ Head of the Financial and Audit
Department.

1998–1999 Express LLC.
Commercial Director.

1996–1998 JV Trading House Dostlik.
Director.

1995–1996 Production commercial
enterprise Express.
Manager.

1994–1995 Chui Economic Company.
Director for Marketing and Market
Conditions.

1992–1994 Emgek Transport
Cooperative Society. Chairman.

1991–1992 Industrial Trade Association
Tulpar. Chemical Engineer.

Gulyanda Aynidinovna Nurmoldoeva

Member of the Board of Directors,
Independent Director

**Date of current election to the Board of
Directors: 30 March 2021.**

Educational background

1983–1985

Frunzensky Financial and Economic Technical
School.
Speciality: Bank Accounting.

1987–1992

Kyrgyz State University.
Faculty: Finance and Credit.

Professional experience

2021–to date

Doscredobank OJSC.
Member of the Board of Directors.

2016–to date

State Mortgage Company OJSC:
Head of Accounting and Budgeting Department
– Chief Accountant.

2019–2021 State Mortgage Company OJSC.
Deputy Chairwoman of the Board.

2013–2016 Doscredobank OJSC:
Head of Accounting Department – Chief
Accountant.

2009–2013 Commercial Bank KYRGYZSTAN OJSC:

- ◆ Head of the Main Operations Department;
Branch Director.

1998–2009 Aiyl Bank OJSC.

- Held various positions:
- ◆ Accountant;
 - ◆ Head-Controller of Service Department;
 - ◆ Head of back office of K AFC;
 - ◆ Chief Accountant.

1993–1998 Kyrgyzdykanbank JSCB.

- Held various positions:
- ◆ Credit Specialist;
 - ◆ Leading specialist;
 - ◆ Head of Credit Department.

1985–1987 Pervomayskiy branch, State Bank of
the USSR. Accountant.

Gulchekhra Sadyrbekovna Kamchibekova

Member of the Board of Directors, Independent Director,
Chairman of the Audit Committee.
Full Member of the Chamber of Independent Directors of
the Kyrgyz Republic.

**Date of current election to the Board of Directors:
30 March 2021.**

Educational background

1988–1993

Kyrgyz State University.
Speciality: Applied Mathematics.

Professional experience

2021–to date

Doscredobank OJSC.
Member of the Board of Directors, Chairman of the Audit Committee.

2022–to date

CJSC Alfa Telecom (Megacom).
Director for Finance.

2019–2020 Alfa Oil LLC (Red Petroleum).
Chief Financial Officer.

2013–2019 Aiyl Bank OJSC.
Deputy Chairwoman of the Board.

2013 Capital Bank OJSC.
Deputy Chairwoman of the Board.

2011–2013 Kazkommertsbank Kyrgyzstan OJSC:
Member of the Board of Directors, Chairwoman of the Audit Committee.

2006–2011 FinanceCreditBank KAB OJSC.

- ◆ Deputy Chairwoman of the Board;
- ◆ Director of the Treasury Department;
- ◆ Head of the Risk Management Division;
- ◆ Head of Legal Entities Service Department.

1996–2006 Kyrgyzpromstroibank OJSC.

- ◆ Head of the Control Division of the Main Operations Department;
- ◆ Head of the Foreign Currency Settlement Service Division of the
Main Operational Department;
- ◆ Leading specialist of the Foreign Exchange Operations
Department
- ◆ Leading specialist of the Foreign Economic Relations Department;
- ◆ Specialist of the Interstate Settlements Department.

1994–1996 KYRGYZSTAN JSCB.

Senior specialist of Credit Policy and Economic Analysis Division of Osh
Main Directorate.

Independent Directors

At least one third of the Bank's Board of Directors members should be independent directors.

To confirm the independence status, a Board of Directors member in Doscredobank OJSC should have no conflict of interest, be able to exercise independent judgement based on material independence from the Company. An independent member of the Board of Directors should hold in high esteem in the banking community, be a professional, have an impeccable reputation, and be ready to answer with his/her reputation and bear material responsibility for the decisions made.

Independent directors take an active part in the formation and work of the Board of Directors' committees responsible for the internal audit system, risk management and others, as well as interact with auditors (internal and external), control bodies and stakeholders. The only remuneration that an independent director receives from the Bank is the remuneration for his/her work in the Board of Directors.

Independent members of the Board of Directors are subject to certain criteria determining their independence. Independence means that the candidate at the time of election:

- is not and has not been an employee of the Bank or an employee of any of the Bank's related legal entities within the last five years;
- is not and has not been a member of the Bank's Board or a member of the Board of any legal entity related to the Bank within the last five years;
- has not received, directly or indirectly, any material additional remuneration, compensation, allowances or donations, other than reimbursement of expenses related to attending meetings of the Board of Directors, from or on behalf of the Bank or any of the Bank's related entities within the last five years;

- does not have any material business relationship (including granting and obtaining loans, credits) with the Bank or any of the Bank's related persons, either directly or as a partner, within the last five years;
- has not been a partner or employee of the current or former external auditor of the Bank or any of the Bank's related parties within the last five years;
- does not exercise significant participation in or control over the Bank and does not in any way represent a shareholder exercising significant participation in or control over the Bank;
- has not been a member of the Board of Directors of the Bank for the last four years.

The Board of Directors of the Bank has two independent directors possessing a high level of professionalism and extensive managerial experience. Both independent directors are women chairing the Risk Management Committee and the Audit Committee.

As at the end of 2023, the independent members of the Bank's Board of Directors met the independence criteria in full.

Conflict of Interest Management

The Bank has a Conflicts of Interest and Anti-Corruption Policy.

Doscredobank developed this Policy in accordance with the Civil Code of the Kyrgyz Republic, the Constitutional Law of the Kyrgyz Republic on the National Bank of the Kyrgyz Republic, the Law of the Kyrgyz Republic on Banks and Banking Activities, the Regulations on Corporate Governance in Commercial Banks of the Kyrgyz Republic and other regulatory and legal acts of the Kyrgyz Republic.

The Policy is a part of compliance risk management and applies to all Bank's employees.

The Policy defines conditions for prevention and settlement of conflicts of interest in the Bank to ensure inadmissibility of conflicts of interest, preserve and maintain the Bank's business reputation, carry out the Bank's operational activities, successfully fulfil the tasks and achieve the goals set for the Bank.

The Policy defines procedures and mechanisms for prevention, timely identification of situations and areas of activity where conflicts of interest and corruption schemes may arise; monitors and promotes the settlement (elimination) of conflicts of interest, prevention of corruption, and records measures aimed at preventing their consequences.

Key tasks to manage conflicts of interest and counter corruption include:

- ensuring compliance with the legislation of the Kyrgyz Republic and regulatory legal acts of the National Bank on prevention of conflicts of interest and regulation of transactions with affiliated and related persons of the Bank, the Board and the Board of Directors members, other officials related to the above persons by common interests;
- establishing principles of disclosure of information on potential conflicts of interests, mechanisms of making managerial decisions and norms for the Bank employees' behaviour in cases of conflicts of interests;
- defining the Bank's mandatory standards for managing conflicts of interest, including potential conflicts of interest.

In 2023, no conflicts of interest in the work of the Board of Directors were recorded.

Board of Directors' Committees

For efficient organisation of work, the Bank's Board of Directors has 3 standing committees: Risk Management Committee, Audit Committee, Nomination and Remuneration Committee.

The activities of all the above committees are governed by the Regulations on the Committees approved by the Board of Directors. They contain provisions on the composition, competence and functions, the procedure for electing Committee members, the procedure for the work of the Committees, as well as the rights and obligations of their members.

Audit Committee

The Bank's Board of Directors established the Audit Committee to improve its efficiency and optimise its decisions, as well as to strengthen control over the system of internal control, external and internal audit, to promote reliability of financial reporting and efficiency of the Bank's operations.

Risk Management Committee

The Board of Directors established the Risk Management Committee to determine the priority areas of the Bank's risk management activities and to create conditions for proper functioning of the risk management system in the Bank.

Nomination and Remuneration Committee

The Board of Directors established the Nomination and Remuneration Committee to control the appointment and remuneration of the Board members, managers and employees of the internal audit, risk management and corporate secretary departments, as well as to determine the level of remuneration paid by the Bank which should be sufficient to attract, motivate and retain persons with the competences and qualifications required for the Bank.

During 2023, the Board of Directors' Committees held 50 meetings. Among others, the Committees discussed at their meetings in 2023 the issues of sustainable development, including green finance, the first issue of green bonds, and environmental and social management systems.

The Bank's Approaches to Training and Improving the Professional Competence of the Board of Directors' Members

Members of the Board of Directors improve their qualifications by participating in external and internal training events (seminars/trainings), conferences (round tables, forums).

In 2023–2024, the Bank's Board of Directors members attended the following events:

- Progressive Workshop on all changes in International Standards on Auditing (ISA) and Financial Reporting (IFRS). Organiser – Alterra Training Centre.
- Professional Internal Auditor (IAPBE). Organiser – Alterra Training Centre.
- Corporate Governance. Organiser – Training Centre of the Union of Banks of the Kyrgyz Republic.
- Progressive workshop on all changes in ISA and IFRS. Organiser – PJSC Guild of Auditors.
- Countering the Financing of Terrorist Activities and Legalisation (Laundering) of Criminal Proceeds. Organiser – Training Centre of the State Financial Intelligence Service under the Ministry of Finance of the Kyrgyz Republic.
- Green and Sustainable Finance. Organised by the Academy of Sustainable Development.
- Corporate Governance for Sustainable Development. Organiser – Academy of Sustainable Development.
- Fundamentals of Sustainable Development and ESG. Organiser – Academy of Sustainable Development.



The Management Board

The Management Board is a collegial executive Bank's management body, competence of which includes issues related to the management of the Bank's current activities, except for issues referred to the exclusive competence of the General Meeting of Shareholders and the Board of Directors of the Bank.

The Management Board is the executive body of the Bank and performs operational management of its activities. The Board consists of the Chairman of the Management Board, the deputies and other employees included in the Board by the Management Board of Directors' resolution.

Given the fact that this Report is published in Q4 2024 and to provide up-to-date information, we show the Management Board composition as of October 2024.

Composition of the Management Board

COMPOSITION OF THE MANAGEMENT BOARD OF DOSCREDOBANK OJSC

Cholpon Moldalievna Eshberdieva

Chairwoman of the Management Board

Educational background

1985–1990

Kyrgyz State University.
Faculty: Finance and Credit.

1983–1985

Financial and Economic Technical College.
Speciality: Accounting in banks.

Professional experience

2021–to date

Doscredobank OJSC.
Chairwoman of the Management Board.

2014–2021

Doscredobank OJSC.
Deputy Chairwoman of the Management Board.

2013–2014 Kyrgyz-Swiss Bank CJSC.
Board member.

2012–2013 Doscredobank OJSC.
Chief Accountant.

2007–2012 IFC Bai Tushum and Partners CJSC.
Chief Accountant.

2004–2007 Bishkek Branch of the National Bank of Pakistan.
Internal auditor.

1995–2004 USAID Financial System Reform Project of the
Kyrgyz Republic.

1990–1995 Kyrgyz State National University.
Financial and Economic Technical College. Lecturer.

Aleksandr Andreevich Gorodov

Deputy Chairman of the Management Board

Educational background

2003–2010

Kyrgyz-Russian Slavic University.
Faculty: Finance and Credit.
Speciality: Financial Management.

Professional experience

2021–to date

Doscredobank OJSC.
Deputy Chairman of the Management Board.

2009–2021

Doscredobank OJSC.

Held various positions:

- Member of the Management Board – Director of the Treasury Department;
- Director of the Treasury Department;
- Deputy Director of the Bereket Branch;
- Dealer, Chief Dealer of the Treasury;
- Operations Department Specialist.

Aida Orozbekovna Ybykeeva

Member of the Management Board

Educational background

1992–1996

Kyrgyz National State University.
Faculty: Economics and Management.
Speciality: Finance and Credit.

Professional experience

2022–to date

Doscredobank OJSC.
Member of the Management Board.

2020–2022

Doscredobank OJSC.
Head of Project Management
Department.

2019–2020 Bank Kompanion CJSC.
Head of Cards and Remote Banking
Services Department.

2013–2019 AiyBank OJSC.
Head of Payment Systems Department.

2006–2013 Demir Kyrgyz International
Bank CJSC.
Head of Card Operations and Service
Department.

2002–2006 Kazkommertsbank
Kyrgyzstan OJSC.
Leading Accountant/Credit Administrator
of Banking Operations Accounting and
Administration Department.

1999–2002 JSCB Tolubai.
Economist of the Credit Management
Department.

1997–1999 Jogorku Kenesh.
Deputy Assistant.

1996–1997 JSCB Kyrgyzstan.
Senior Inspector of the General
Department.

Nasir Djumaliyev

Member of the Management
Board

Educational background

2007–2011

KIMEP University.
Faculty: Business Administration.
Speciality: Finance.

Professional experience

01.2024–to date

Doscredobank OJSC.
Member of the Management Board –
Director of the Product Development
Department.

05.2023–12.2023

Doscredobank OJSC.
Managing Director.

2022–2023

Doscredobank OJSC.
Advisor to the Chairman of the
Management Board.

2021–2022 SberVostok LLP
(subsidiary of Sberbank PJSC).
B2C Development Manager.

2019–2021 Screen Software DMCC.
UAE Office Director.

2018–2019 SB Alfa-Bank Kazakhstan
JSC.
Head of the Loyalty Direction of the
Mass Business Block.

2015–2018 Dar Ecosystem Group of
Companies.
Product Owner.

Indrahan Tashybekovna Alybaeva

Member of the Management Board

Educational background

1986–1992

Kyrgyz National University (formerly KSU named after 50th Anniversary of the USSR).
Speciality: Economist.

1981–1984

Frunzensky Financial and Economic College.
Speciality: Financier.

Professional experience

01.01.2024–to date

Doscredobank OJSC.
Member of the Management Board – Managing Director.

2022–2023 Doscredobank OJSC.
Managing Director – Chief Accountant.

2019–2022 Doscredobank OJSC.
Chief Accountant.

2019 BTA Bank CJSC.
Advisor to the Chairman of the Board on financial issues.

2000–2019 SACB Eridan, INEXIMBANK CJSC, BTA Bank CJSC.
Held various positions:

- Chief Accountant – Head of the Accounting Department, Member of the Board;
- Head of Accounting and Reporting Department of the Chief Accountant;
- Deputy Chief Accountant, Head of Accounting and Reporting Department;
- Chief Specialist of the Accounting and Reporting Department;
- Specialist of the Accounting and Reporting Department.

1999–2000 Med Express Plus LLC. Accountant.

1998–1999 State Tax Inspectorate for Pervomaiskiy District.
State Tax Inspector of the Information and Analytical Department.

1997–1998 Children's and Youth Sports School for Alpine Skiing and Tennis. Accountant-cashier.

1994–1997 Toktogul Regional Treasury Office:

- Chief Specialist;
- Deputy Head.

1984–1994 Toktogul district financial department.

Held various positions:

- Chief Accountant;
- Deputy Chief Accountant;
- Senior Economist;
- Economist.

Information Disclosure

Doscredobank OJSC adheres to the principles of information openness and transparency in its activities.

Transparency and objectivity of disclosure of information about the Bank and its activities is one of the main principles of corporate governance enshrined in the Bank's Corporate Governance Code.

In accordance with the Bank's Corporate Governance Code and in the manner established by the laws of the Kyrgyz Republic and the Bank's internal documents, the Bank provides its shareholders and investors (including potential ones) with free access to information about the Bank and its activities, that is necessary for them to make appropriate decisions.

The Bank timely discloses information on the main results, plans and prospects of its activities, which may significantly affect the rights and legitimate interests of its shareholders and investors.

To build trusting relationships with stakeholders, the Bank discloses information on its activities in accordance with:

- laws of the Kyrgyz Republic;
- requirements of the National Bank of the Kyrgyz Republic;
- basic principles of disclosure and provision of information set forth in the Bank's Corporate Governance Code and other internal documents.

To reach a wider range of stakeholders, the Bank discloses information, including by publishing it on its official website www.dcb.kg.

Risk Management

Risk Management Concept

The risk management process in Doscredobank OJSC inextricably links to the Bank's business processes and operations and focuses on identifying specific decisions and actions of the Bank allowing to minimise possible losses.

The Bank reviews its risk management policies and procedures on a regular basis to reflect changes in market conditions, improvements in the Bank's products and services, and to incorporate the latest risk management practices.

The Bank has adopted the Banking Risk Management Concept developed in accordance with the requirements of the regulatory legal acts of the Kyrgyz Republic.

The Risk Management Concept defines priorities in risk management based on business needs, improving the quality of customer service, and combining the efforts of various Bank's risk management divisions.

The Risk Management Concept provides separate policies for each of the Bank's risk exposures.

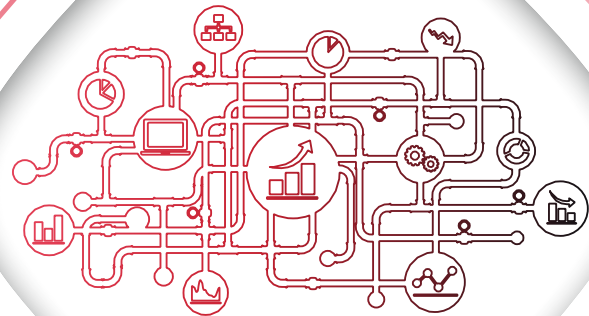
The main objectives of risk management in the Bank are:

- ◆ **unconditional provision of the Bank's financial reliability;**
- ◆ **achievement of maximum profitability of the Bank while accepting a manageable level of risks;**
- ◆ **creation of an integrated risk management system.**

The Bank ensures the achievement of the set objectives by solving the following main tasks:

- ◆ timely identification and classification of risks;
- ◆ measurement, assessment and analysis of risks in accordance with the Bank's risk profile;
- ◆ limitation of risk level, reduction of unforeseen events and losses of the Bank;
- ◆ increase of competitiveness through a common understanding of risks at the Bank's level and assurance that plans and strategies take into account the level of risk assumed;
- ◆ maintenance of sustainability by expanding the choice of products offered through adequate assessment and management of the risks assumed.

We seek to ensure that all our employees understand and accept the Bank's processes, procedures and internal policies for managing and controlling risks to minimise their impact on the Bank's financial condition. Our employees openly discuss and respond to existing and potential risks and have zero tolerance for ignoring them.



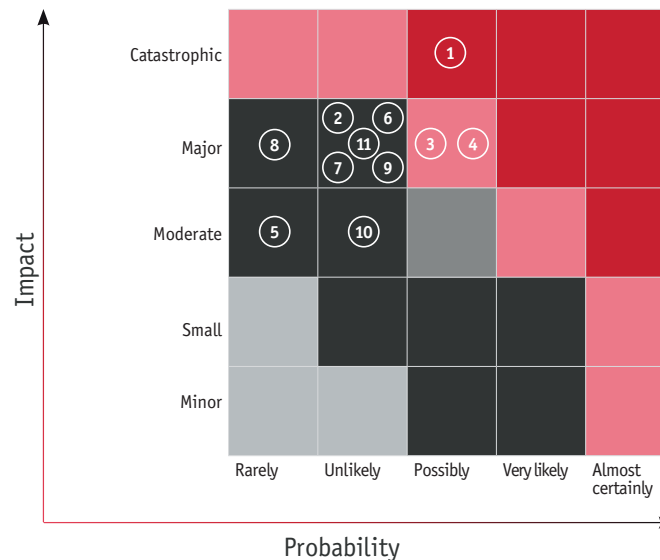
Risk Map

Doscredobank uses an internal risk classification system based on the analysis of the types of risks it is exposed to.

The Bank's risk map includes the following types of risks identified and prioritised:

1. operational risk;
2. innovation risk;
3. information security risk;
4. credit risk;
5. project implementation risk;
6. liquidity risk;
7. strategic risk;
8. reputation risk;
9. compliance risk;
10. market risk;
11. country risk.

DOSCREDOBANK'S RISK MAP



DOSCREDOBANK'S RISK REGISTER

OPERATIONAL RISK

Risk description

The risk of direct or indirect loss to which the Bank is exposed as a result of operational failures caused by external events, human error, fraud and inadequate or broken processes, procedures or controls.

Key risk mitigation measures

- ◆ Maintenance of effective internal control system for operational risk management.
- ◆ Organisation of simple and efficient document flow.
- ◆ Maximum automation of information management and control processes at the stages of data input/output to/from the ABS.
- ◆ Development of protection against unauthorised entry into the information system.
- ◆ Separation of powers and avoidance of conflicts of interest.
- ◆ Programme of staff training and development.
- ◆ Formalisation and automation of operations.
- ◆ Delegation of rights and responsibilities of bank employees.
- ◆ Other activities.

INFORMATION SECURITY RISK

Risk description

Lack of (imperfect) information protection system and/or information access procedure, improper organisation of information flows within the Bank, external malicious and non-malicious violators of information security, which may lead to financial losses, reputational risk and other types of risks.

Key risk mitigation measures

- ◆ Technological solutions and techniques aimed at reducing the possibility of employees committing errors and violations within the limits of their rights and powers when working with data.
- ◆ Administrative and procedural measures regulating the functioning of the data processing system, the use of its resources, the activities of the service personnel, and the procedure for interaction of users and service personnel with the system in such a way as to make it more difficult or impossible to realise security threats or to reduce the amount of losses in the event of their realisation.
- ◆ Physical measures based on the use of various kinds of mechanical, electrical or electronic-mechanical devices and structures specially designed to create physical obstacles to the possible paths of penetration and access of potential intruders to system components and protected information, as well as means of visual surveillance, communication and security alarms.
- ◆ Technical protection measures are based on the use of various electronic devices and special programmes performing protection functions.
- ◆ Creation of effective regulatory documents to ensure information security.
- ◆ Unification of information security requirements.
- ◆ Information security audit.
- ◆ Cryptographic protection of data.
- ◆ Backup of data and applications, etc.

INNOVATION RISK

Risk description

Risks of functioning of new business models in the Bank's operations, as well as the probability of financial losses in case of insufficient optimisation of innovative processes.

Key risk mitigation measures

- Competent personnel policy, high professionalism of Bank managers in the field of innovative technologies.
- Investments in systems for protection of technological processes and information.
- Development of the innovation policy concept as a component of strategic planning and a set of measures to ensure the Bank's competitiveness through the introduction of new financial, organisational and economic instruments.
- Organisational and legal support for the development of the innovative technologies system and other measures.

CREDIT RISK

Risk description

The risk that customers fail to fulfil their obligations in accordance with the terms and conditions of the contract, which may result in financial losses for the Bank.

Key risk mitigation measures

- Calculation of the credit risk value.
- Improvement of the credit decision-making process, information support and staff selection for the credit process.
- Improvement of the organisational structure.
- Application of information technologies.
- Qualitative management of problem loans.
- Control over the quality of the loan portfolio.
- Reservation and limitation.
- Diversification of the loan portfolio.
- Delineation of employees' powers and other measures.

PROJECT IMPLEMENTATION RISK

Risk description

A potential threat or possibility of unfavourable events or conditions that may affect the successful completion of a project. These risks can arise from a variety of sources, including technical, time, financial, human, and external factors.

Key risk mitigation measures

- Regular project reviews and audits.
- Development of contingency action plans.
- Use of expert judgement.
- Development of precautionary measures.
- Application of technological solutions.
- Analysis and management of external suppliers.
- Implementation of project monitoring and control systems.
- Involvement of the customer to regular discussions.
- Instruction of the project team in risk management.
- Establishment of clear communication procedures.
- Regular updates to the project risk register.
- Performance of scenario analyses.
- Application of project decomposition techniques.

LIQUIDITY RISK

Risk description

The risk of loss to which a Bank is exposed in case of its inability to fulfil its obligations in a timely manner without incurring unacceptable losses (i.e. to achieve liquidity only by realising assets, which would result in unacceptable losses).

Key risk mitigation measures

- Analysis of the maturity gap between claims and liabilities grouped by maturity.
- Setting limits and rates of attracting/placement of funds by individual instruments and (or) terms.
- Development of scenarios and measures to restore the Bank's liquidity.
- Control over fulfilment of the established liquidity management procedures.
- Ratio analysis.
- Control over compliance with liquidity ratios set by the regulator.
- Maintenance of a certain current liquidity reserve in the amount sufficient to fully cover the Bank's liabilities.
- Introduction of limits to restrict gaps in the structure of assets and liabilities by maturities and currencies.
- Centralised management of the Bank's structural liquidity.
- Diversification of liabilities and assets.

STRATEGIC RISK

Risk description

The risk of the Bank incurring losses as a result of strategic management errors. These errors are expressed in the absence of objective analytical information on possible threats to the Bank's activities when making strategic decisions, incorrect determination of factors for prospective development of banking operations prevented the Bank from gaining competitive advantages.

Key risk mitigation measures

- Monitoring and analysis of all emerging trends in society.
- Timely discussion of systemically important events and development of an adequate response to them, as well as strategic planning of its activities and long-term forecasting by the Bank's Board of Directors.
- Risk monitoring – a regular independent system of risk assessment and control with a feedback mechanism.
- Establishment of an acceptable level of strategic risk (risk appetite).
- Establishment of a strategic risk management system at the stage of a negative trend, as well as a system of quick and adequate response aimed at preventing the strategic risk from reaching a critically significant size for the Bank (risk minimisation).
- Making operational changes to the Bank's strategy in case of changes in external and internal factors.
- Effective information support.

REPUTATION RISK

Risk description

Risk of losses incurred by a credit institution due to unfavourable perception of the Bank's image by customers, counterparties, shareholders (participants), business partners, regulators, etc.

Key risk mitigation measures

- Creation of the Regulations on the Bank's operation according to high professional and ethical standards.
- Creation of an internal regulatory framework that will eliminate conflicts of interest between the Bank's employees and customers and counterparties.
- Continuous control over compliance by the Bank's employees, shareholders and their affiliates with legislation, including banking legislation.
- Analysis of the risk factors impact on the Bank's overall performance.
- Timely settlements on behalf of the Bank's clients and counterparties.
- Control over reliability of financial statements and other published information.
- Continuous professional development of the Bank's employees.

COMPLIANCE RISK

Risk description

Probability of losses due to non-compliance by the Bank and its employees with the requirements of the legislation, regulations of the NBKR, internal documents of the Bank, including organisation of internal control on combating legalisation (laundering) of criminal proceeds and financing of terrorist or extremist activities, regulating the procedure of rendering services by the Bank and conducting transactions in the financial market, as well as the legislation of foreign countries affecting the Bank's activities.

Key risk mitigation measures

- Expertise of contracts and documents.
- Monitoring of legislation.
- Internal approval procedure.
- Implementation of a corporate culture that helps to limit compliance risk.
- Clear definition of accountability and responsibility for compliance with legislation and the Bank's internal documents.
- Development of a comprehensive framework (plan) that includes procedures ensuring consistent compliance with all laws and regulations.
- Requirement to analyse any new banking products or activities for potential compliance risk.
- Training of the Bank's personnel on Kyrgyz law, rules and regulations that affect the Bank's operations.
- Implementation of the Policy on Combating Money Laundering and Terrorism Financing.
- Implementation of the Policy on Gift Acceptance and Giving.
- Implementation of the Conflict of Interest Policy.
- Other policies such as the Policy on Due Diligence of Customers, Counterparties and Suppliers of Goods/Services; Principles of Receiving and Handling Complaints; Staff Training Policy and other internal documents.

MARKET RISK

Risk description

The risk of loss to which the Bank is exposed in the event of unfavourable changes in the value of the Bank's balance sheet and off-balance sheet assets and liabilities as a result of changes in market interest rates, exchange rates, share and/or commodity prices.
Includes interest rate, currency, price risks.

Key risk mitigation measures

- Procedures regulating the process of market risk assessment.
- Setting personal limits on open positions for dealers.
- Setting and observance of limits.
- Delineation of authority, approval procedures and accountability for transactions.
- VaR analysis, stress testing, reports, gap analysis.

COUNTRY RISK

Risk description

- Country risk is the risk of incurring expenses (losses) due to insolvency or unwillingness of a foreign country or a foreign resident to meet its obligations to the Bank for reasons unrelated to financial risks.
- Political risk is the possibility of losses or reduction of profit resulting from government policy.
- Economic risk. Economic risk ratings measure a country's long-term overall economic development and potential as a means of assessing a country's ability to service a given level of external debt.
- Transfer risk is determined by the liquidity of a country's balance of payments, whether it has a stable national monetary unit (convertible) and its ability to meet external debt payments.

Key risk mitigation measures

- Standardisation of major banking operations and transactions.
- Establishment of an internal procedure for harmonising changes in internal documents and procedures relating to counterparties.
- Monitoring of changes in the legislation of the Kyrgyz Republic and existing regulations to identify and prevent country risk on an ongoing basis.
- Ensuring constant access of the Bank's employees to up-to-date information on the legislation and internal documents of the Bank.
- Setting limits.
- Assessment and monitoring of credit ratings of counterparty countries.

Organisational Structure of the Corporate Risk Management System

THE BOARD OF DIRECTORS

- implementing effective corporate governance in the Bank;
- improving the Bank's organisational structure;
- reviewing and approving the Bank's risk appetite;
- approving the annual budget and strategic development plan;
- approving internal regulatory documents governing risk management requirements;
- approving limits and restrictions on the Bank's operations;
- establishing an effective internal control system in the Bank.

Risk Management Committee

- assessing the existing risk management system efficiency;
- reviewing internal documents on banking risk management submitted by the Board or the Risk Management Service for approval by the Board of Directors;
- co-operating with the Risk Management Department, Compliance Control Service, Internal Audit Service and external auditor on risk management issues in the Bank;
- developing/preparing recommendations for the Bank's Board of Directors, including recommendations on improving the efficiency of the existing risk management systems.

The Management Board

- ensuring the functioning of the risk management system in the Bank;
- approving relevant procedures and rules, including establishment of rights and responsibilities, overall limits, and, if necessary, revision of risk management procedures (at least once a year);
- organising risk identification and assessment activities;
- providing the Board of Directors with timely, reliable and complete reports on management of significant risks, compliance with procedures and risk control management;
- submitting recommendations to the Board of Directors on the need to amend the Bank's risk management concept and policies.

Risk Management Service (responsible structural unit for risk management)

- setting tasks in the field of building and developing the risk management system to risk owners and control over their fulfilment;
- providing information and analytical support to the Bank's management on risk issues;
- developing internal norms and other documents regulating risk management processes in the Bank;
- independently assessing, controlling and monitoring all types of the Bank's risks;
- continuously monitoring risk-taking activities and exposures in accordance with the approved risk appetite, risk limits and capital and liquidity requirements.

ESG Risk Management

POST-REPORTING PERIOD EVENT

ESG risk management in the Bank aims at reducing the negative impact that banking activities may have on the environment and society as well as creating sustainability in the long term.

In 2024, the Bank adopted the ESG Risk Management Policy developed in accordance with the Recommendations on Identification, Monitoring and Disclosure of Financial Risks Related to Sustainable Financing Factors (ESG Risks).

The ESG Risk Management Policy implies building a unified system of responsibility in the Bank, including delegation of authority, determination and assessment of the critical importance of risks, defines the goals, objectives and principles of ESG risk management in the Bank.

Control over compliance with the established rules and procedures of the ESG Risk Management Policy is carried out within the Bank's internal control system. The Board of Directors, the Management Board, the Internal Audit Service, the Risk Management Service, as well as heads of all structural units whose decisions affect the level of ESG risk exercise this control.

ESG risk management in the Bank includes:

- ◆ **Risk Assessment and Identification**
The Bank analyses its operations and identifies potential environmental, social and governance risks.
- ◆ **Integration of ESG Factors into Strategy**
The Bank develops a strategy taking into account ESG factors and implementing them into its business processes and decision-making.
- ◆ **Procedures Development**
The Bank develops procedures to manage ESG risks, including compliance requirements, risk assessment and monitoring, employee training and other activities.
- ◆ **Measurement and Reporting**
The Bank establishes mechanisms to assess and monitor its operational and financial performance in the context of ESG factors.

As part of its commitment to sound environmental and social risk management and sustainable development, the Bank is implementing an Environmental and Social Management System in line with the requirements of the Green Climate Fund.

ESG risk impact assessment is comprehensive and integrated into the Bank's overall risk management system: credit, market, operational and other types of risks.

The ESG Risk Management Policy stipulates that credit risk management should take ESG risks into account at all stages of lending, in the risk profile of sectors and geographical areas, risk classification procedures, and collateral valuation.

The Bank seeks to address ESG risks by providing debt support to both traditional enterprises and environmentally friendly organisations to create conditions for sustainable economic development.

In accordance with the ESG Risk Management Policy, the Bank will undertake the following activities in the short to medium term:

- ◆ Will undertake a climate change risk identification and assessment process to evaluate potential financial implications and take appropriate measures. This includes assessing vulnerability to climate risks such as floods, droughts, hurricanes, storms, tornadoes, mudslides, landslides, avalanches and other natural disasters and temperature changes, etc.
- ◆ Will develop risk management strategies based on the Bank's risk identification and assessment, including steps to reduce vulnerability, investments in green economy projects, calculations based on climate scenarios, and improvement of data management and reporting.
- ◆ To assess the potential impacts of climate change affecting various sectors of the economy, society and natural ecosystems, the Bank uses scenario analysis based on the development and analysis of various scenarios simulating possible future climate conditions and their impact on the environment.

We will provide more details on ESG Risk Management Policy implementation in our future reports.



ANNEXES



Annex 1. About the Report

General information

This Doscredobank Sustainability Report 2023 (hereinafter referred to as the Report) is our first paper disclosing information on financial and economic performance and operations, as well as on the Bank's sustainability priorities and achievements.

The reporting period is from January 1, 2023 to December 31, 2023. The Report includes important facts that fall beyond the reporting period but are directly related to it, as well as the medium-term plans of the Bank. The Report is addressed to a wide range of stakeholders, including shareholders, management, personnel, clients, suppliers, partners, representatives of government agencies and NGOs, mass media, and other stakeholders.

All our reports are available on our www.dcb.kg.

Financial indicators are expressed in KGS, the national currency of the Kyrgyz Republic. The figures are consistent with the consolidated financial statements.

In the Report the terms “the Bank” and “we” are used to refer to Doscredobank OJSC.

Scope of the Report

The Report elaborates on the Bank's operations and performance in the following areas:

- Development strategy and business model;
- Corporate governance;
- Risk management;
- Responsible business conduct, respect for human rights, equal opportunities, anti-corruption;
- Sustainability management;
- Stakeholder engagement;
- Personnel management, development, training and interaction with employees;
- Health and safety at work;
- Responsible and green financing;
- Caring for environment, combating climate change;
- Community support and development.

Process to determine material topics

With the view to disclose the most relevant topics in the Report, the Bank analyzed the materiality of sustainability aspects for individual indicators and topics specified in the GRI 3 standards: Material Topics 2021, based on a review of the internal and external environment and the stakeholder engagement.

The materiality assessment conducted by the Bank included the following steps:

1. Defining the scope of the Report.

We analyzed our operations in the context of sustainable development in the reporting period, taking into account the interests of all stakeholders.

2. Analyzing and identifying topics.

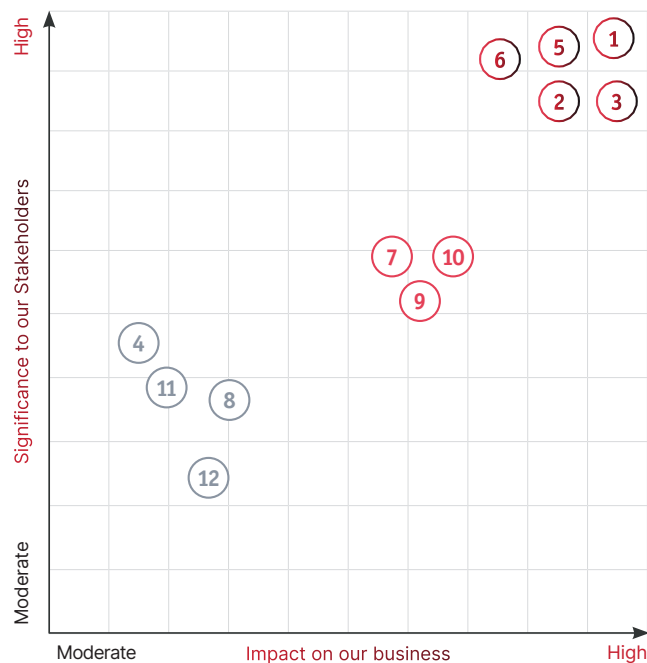
A comprehensive analysis was conducted across the value chain to identify material topics in line with international standards and best practices in non-financial reporting:

- ◆ Topics included in SASB's banking industry standards.
- ◆ Benchmarking disclosure of material topics in the performance of four similar organizations (peers).

3. Materiality assessment and prioritizing.

The Bank assessed the importance of various topics for the 2023 Sustainability Report using a five-point scale, where a higher score indicated a more significant topic. The results of the materiality assessment are summarized in the matrix below. All 12 material topics below are of importance to the Bank and its stakeholders and are disclosed in this Report.

MATERIALITY MATRIX 2023



1. Corporate governance (including risk management).
2. Anti-corruption.
3. Staff training and development.
4. Health and safety of employees.
5. Green financing.
6. Diversity and equal opportunities.
7. Climate change.
8. Waste management, including support to recycling projects.
9. Responsible business conduct.
10. Economic performance.
11. Employment and social programs for employees.
12. Confidentiality and client data privacy.

Statutory Requirements

The Report discloses key data as required by the laws of the Kyrgyz Republic, internal requirements and regulations of the Bank, as well as international corporate governance practices.

The Report relies on the following papers:

- Law No. 64 of the Kyrgyz Republic dated March 27, 2003 On Joint Stock Companies;
- International standard for sustainable development reporting, Global Reporting Initiative;
- Sustainability Accounting Standards Board (SASB) standard for banking sector (partial disclosure);
- Recommendations of the TCFD (The Task Force on Climate-related Financial Disclosures) Working Group of the Financial Stability Board (partial disclosure);
- AA1000SES Stakeholder Engagement Standard;
- Ten principles of UN Global Compact;
- UN Sustainable Development Goals 2030

Scope of the Report

The scope of the Report corresponds to the annual reporting cycle of the Bank.

The Report discloses information on the most significant results of the operations of Doscredobank. During data collection, all data of quantitative and qualitative nature, which can have a significant impact on making an informed decision on a significant issue, event or decision, is taken into account and disclosed. The Bank plans to improve collection and processing of non-financial data for the purpose of their further disclosure in reports.

Reporting principles

When scoping the Report, the Bank adheres to the recommendations of the GRI Standards. Annex 2 to the Report contains the GRI Content Index table, which provides information on the disclosure of GRI indicators.

The following key GRI principles ensure the quality of the Report:

Comparability

The information in the Report covers changes in quantities over several years, allowing stakeholders to evaluate the Bank's operations and performance over time and benchmark this against peers.

Clarity

The Report is written in language understandable to a wide audience of stakeholders.

Reliability

All data in the Report are provided by the relevant divisions of the Bank and verified for accuracy.

Timeliness

The Report presents information for the 2023 calendar year and is published in 2024.

Accuracy

Information on all material topics is detailed and allows stakeholders to evaluate the Bank's performance. All data are officially recognized by the Bank and confirmed by internal regulations and publicly available documents, including the Bank's website.

Sustainability context

The Report provides information on the Bank's economic, environmental and social contributions. The Report also elaborates on our contribution to achieving UN SDGs.

Completeness

The Report provides sufficient information to assess the impacts of Doscredobank over the reporting period.

Forward-looking projections disclaimer

This Report contains information on the plans and intentions of Doscredobank for the medium and long-term perspective, which are considered to be forward-looking statements. The plans and intentions stated in the Report are of a forecast nature, associated with risk and uncertainty as they relate to future events and circumstances. Forward-looking statements are not guarantees of the future performance of the Bank because they are beyond its control. The actual results of operations, financial position of the Bank, and development of the Kyrgyz Republic may differ materially from the forecasts described in this Report. For this reason, actual performance in future years may differ from the forward-looking statements published in this Report.

Annex 2. GRI Content Index

Indicator	Disclosure	Section in the Report/Bank's comments	Page of the Report
GRI 2: GENERAL DISCLOSURES			
2-1	Organizational details	About the Bank	7
2-2	Entities included in the organization's sustainability reporting	Annex 1. About the Report	
		Contact Information	99
2-3	Reporting period, frequency and contact point	Annex 1. About the Report	
2-4	Restatements of information	This Report is the Bank's first paper disclosing information on its operations, so no information was restated.	99
2-5	External assurance	The Report has not been externally assured.	
2-6	Operations, value chain and other business relationships	About the Bank	8,10
2-7	Employees	Social Dimension of Sustainability	59
2-9	Governance structure and composition	Corporate governance	76, 78, 79
2-10	Nomination and selection of the highest governance body	Corporate governance	77
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability Management	17

Indicator	Disclosure	Section in the Report/Bank's comments	Page of the Report
2-14	Role of the highest governance body in sustainability reporting	Sustainability Management	17
2-15	Conflicts of interest	Social Dimension of Sustainability	81
2-16	Communication of critical concerns	Economic Dimension of Sustainability	32
		Social Dimension of Sustainability	67
2-17	Collective knowledge of the highest governance body	Corporate governance	77, 83
2-22	Statement on sustainable development strategy	Message from the Chairman of the Board of Directors Message from the Chair of the Management Board	2, 3
2-23	Policy commitments	Sustainability Management	19, 20
		Economic Dimension of Sustainability	29
		Social Dimension of Sustainability	62
2-24	Embedding policy commitments	Social Dimension of Sustainability	63
2-26	Mechanisms for seeking advice and raising concerns	Economic Dimension of Sustainability	30
		Social Dimension of Sustainability	67
2-28	Membership in associations	Annex 3. Membership in associations	112
2-29	Approach to stakeholder engagement	Sustainability Management	24

Indicator	Disclosure	Section in the Report/Bank's comments	Page of the Report
MATERIAL TOPICS			
GRI 3-1	Process to determine material topics	Annex 1. About the Report	99
GRI 3-2	List of material topics	Annex 1. About the Report	99
GRI 3-3	Management of material topics	Sustainability Management	17
		Environmental Dimension of Sustainability	37
		Social Dimension of Sustainability	58
CATEGORY: ECONOMY			
Indirect Significant Economic Impacts			
GRI 3-3	Management of material topics	Social Dimension of Sustainability	70
GRI 203-1	Infrastructure investments and services supported		70
GRI 203-2	Indirect significant economic impacts		72
Procurement Practices			
GRI 3-3	Management of material topics	Procurements	33
Countering Corruption			
GRI 3-3	Management of material topics	Economic Dimension of Sustainability	30
GRI 205-2	Communication and training about anti-corruption policies and procedures	Economic Dimension of Sustainability	32

Indicator	Disclosure	Section in the Report/Bank's comments	Page of the Report
GRI 205-3	Confirmed incidents of corruption and actions taken	In the reporting period, there were no cases of corruption in the Bank.	
CATEGORY: ENVIRONMENTAL			
Energy efficiency			
GRI 3-3	Management of material topics	Environmental Dimension of Sustainability	54
Water management			
GRI 3-3	Management of material topics	Environmental Dimension of Sustainability	54
GRI 303-1	Interactions with water as a shared resource	Partly disclosed. Environmental Dimension of Sustainability	54
Climate Change and Carbon			
GRI 3-3	Management of material topics	Environmental Dimension of Sustainability	45
GRI 306-2	Management of significant waste-related impacts	Partly disclosed. Environmental Dimension of Sustainability	54
CATEGORY: SOCIAL			
Employment			
GRI 3-3	Management of material topics	Social Dimension of Sustainability	58
GRI 401-1	New employee hires and employee turnover	Social Dimension of Sustainability	59

Indicator	Disclosure	Section in the Report/Bank's comments	Page of the Report
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Social Dimension of Sustainability	65
Labor/Management Relations			
GRI 3-3	Management of material topics	Social Dimension of Sustainability	67
GRI 402-1	Minimum notice periods regarding operational changes	The minimum notice period for the Bank's employees in case of termination of employment contracts due to redundancy is not less than four (4) weeks as established by the Labor Code of the Kyrgyz Republic.	
Occupational Health and Safety			
GRI 3-3	Management of material topics	Social Dimension of Sustainability	68
GRI 403-1	Occupational health and safety management system	Social Dimension of Sustainability	68
GRI 403-2	Hazard identification, risk assessment, and incident investigation	Doscredobank's risk register does not contain risks related to health and safety at work, as these risks are insignificant for the Bank due to the specificity of its operations. The indicator is not relevant for the Bank.	68
GRI 403-3	Occupational health services	Social Dimension of Sustainability	68
GRI 403-5	Worker training on occupational health and safety	Social Dimension of Sustainability	69

Indicator	Disclosure	Section in the Report/Bank's comments	Page of the Report
GRI 403-6	Promotion of worker health	Social Dimension of Sustainability	69
GRI 403-8	Workers covered by an occupational health and safety management system	100% of the Bank's employees are covered by the occupational health and safety management system.	
GRI 403-9	Work-related injuries	Social Dimension of Sustainability	69
Training and Education			
GRI 3-3	Management of material topics	Social Dimension of Sustainability	66
GRI 404-1	Average hours of training of per employee per year	Social Dimension of Sustainability Partly disclosed. The Bank keeps records of the number of employees trained.	66
GRI 404-2	Programs for upgrading employee skills and transition assistance programs	Social Dimension of Sustainability	66
Diversity and Equal Opportunity			
GRI 3-3	Management of material topics	Social Dimension of Sustainability	60,61
GRI 405-1	Diversity of governance bodies and employees	Corporate governance	78
Non-discrimination			
GRI 406-1	Incidents of discrimination and corrective actions taken	Social Dimension of Sustainability. Any form of discrimination based on gender, age, ethnicity, nationality, religion, family status, political beliefs, origin and other individual characteristics is prohibited in the Bank.	62

Indicator	Disclosure	Section in the Report/Bank's comments	Page of the Report
Child Labour			
GRI 408-1	Operations and suppliers at significant risk for incidents of child labour	Social Dimension of Sustainability. The Bank has zero tolerance for the use of child labor or any other form of forced labor.	62
Forced or Compulsory Labor			
GRI 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Social Dimension of Sustainability. The Bank has zero tolerance for the use of child labor or any other form of forced labor.	62
Local Communities			
GRI 3-3	Management of material topics		
GRI 413-1	Operations with local community engagement, impact assessments, and development programs	Partly disclosed. Social Dimension of Sustainability.	70-74
GRI 413-2	Operations with significant actual and potential negative impacts on local communities	Not applicable. The Bank's operations do not have a negative impact on local communities.	

Indicator	Disclosure	Section in the Report/Bank's comments	Page of the Report
GRI 415: Public Policy			
415-1	Political contributions	<p>The Bank does not provide financial support to political parties, organizations or their representatives and does not participate in political activities.</p> <p>As per the Conflicts of Interest and Anti-Corruption Policy, as well as the laws of the Kyrgyz Republic On Civil Service and Municipal Service and On Combating Corruption, the Bank strictly prohibits the acceptance and provision of material valuables, goods, services or benefits to influence decisionmaking.</p>	
Customer Privacy			
418-1	Customer Privacy. Substantiated complaints concerning breaches of customer privacy and losses of customer data	Partly disclosed. Economic Dimension of Sustainability	34, 35

Annex 3. Membership in Associations

To increase the efficiency and openness of its operations, Doscredobank has joined professional associations at the national level.

The main areas of the Bank's interaction with organizations include:

- Improving the regulatory framework;
- Promoting green finance initiatives in the Kyrgyz Republic;
- Spearheading the initiatives to instill ESG awareness in the Kyrgyz Republic.

Doscredobank is a member of the following associations:

- Union of Banks of Kyrgyzstan;
- Green Alliance of Kyrgyzstan;
- AmCham American Chamber of Commerce and Industry;
- Interbank Processing Center.

Doscredobank became the first bank in Central Asia to sign and adopt the GIP for the Belt and Road in 2022. The green investment principles were announced during the 2nd Forum of the Belt and Road in Beijing on April 25, 2019. The document is based on seven guiding principles at three levels: strategic, operational and innovative, which call on signatories to ensure sustainable corporate governance, propose specific measures to minimize environmental risks, and promote the use of state-of-the-art financial green instruments.



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Contact Information



Doscredobank
92 Chui Ave., 6th floor, Bishkek, Kyrgyz Republic 720000



8686 (call center)

Feedback

Your feedback is very important to us.

If you have suggestions for sustainability partnerships or comments regarding this report, please contact us:

office@doscredobank.kg