



FIRST HEARTLAND JUSAN BANK SUSTAINABILITY REPORT

OPPORTUNITIES
FOR YOU!

2022

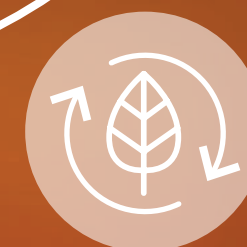




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ADDRESS BY THE CHAIRMAN OF THE MANAGEMENT BOARD

DEAR READERS!

I am glad to present to your attention the regular Sustainability Report that discloses non-financial indicators and sums up the results of activities of Jusan Bank for 2022. Jusan Bank considers it important to ensure the transparency of its activities taking into account the interests and needs of all stakeholders as much as possible.

In the reporting year we demonstrated further progress as part of the corporate ESG transformation, including in terms of building up internal competencies in various areas of sustainable development.

I would especially like to note that Jusan Bank has joined the Global Compact, the largest initiative of the United Nations that forms common corporate values and principles in the field of sustainable development for international business. Participation in the initiative is a big responsibility. But I firmly believe the Global Compact provides us with a unique long-term opportunity in terms of implementing best practices of sustainability and forming partnerships with international companies.

Jusan Bank was one of the first in the Republic of Kazakhstan to receive an international sustainability rating from the S&P CSA agency that assesses the maturity and level of implementation of various ESG practices. Despite the short period of corporate ESG transformation, Jusan Bank showed good results among 705 banks in the world that participated in the rating. We intend to improve our positions in the S&P CSA rating through the implementation of international experience in conducting responsible banking.

Jusan Bank has joined the National ESG Club, and the exchange of experience and joint cooperation with its members is considered

by us as an effective way to promote and popularize ESG. I am convinced this new partnership will give an additional impetus in terms of implementing the principles of sustainable development in our Bank.

Due to the growing importance of sustainability aspects for Jusan Bank and its stakeholders, the ESG Working Group was established in 2022 that coordinates the ESG transformation process at all organizational levels. It is planned to increase the involvement of the Board of Directors in the planning and coordination of various ESG issues.

We clearly understand that emerging ESG regulatory and legislative requirements in the Republic of Kazakhstan, especially in relation to the environmental components of the sustainability criteria, increase the importance of a thorough analysis and assessment of the loan portfolio and ESG risks. In this context Jusan Bank prepares to introduce a system for assessing social and environmental risks of borrowers.

An important long-term focus for Jusan Bank is the global UN Sustainable Development Goals that we consider when planning our activities. Several key Sustainable Development Goals have been identified where the Bank is making the most significant contribution. We welcome the efforts of Kazakhstan businesses to contribute to the achievement of the UN Sustainable Development Goals and are ready to expand mutually beneficial partnerships in their joint promotion both nationally and internationally.

Positioning itself as a bank for small and medium-sized businesses Jusan Bank is making efforts to support domestic entrepreneurs including through the promotion of various digital products and services. Lending to small and medium-sized

“ We firmly believe the strong and accessible education which is one of the UN Sustainable Development Goals forms the basis for a prosperous and stable society. ”

businesses at the end of the reporting period amounted to almost 531 billion tenge. This is a significant contribution to improving the welfare of society, development of the regions of presence and employment of the population.

The Bank is actively expanding its own ecosystem based on digitalization of products and services, thereby ensuring their wide availability, and stimulating the financial and social inclusion of the clients. I am glad that the ecosystem which includes not only Jusan Bank but also other companies of the Jusan Group is on the rise and in growing demand from our clients and partners. This is an indicator of the confidence of people and business in our Bank.

Given the strong emphasis on digital transformation, we continued to improve the system of information security and protection against cyber threats guaranteeing clients, partners and employees maximum data safety. I note that according to the results of a study conducted by KPMG Caspian in 2022, Jusan Bank became the leader among domestic banks in terms of websites and mobile applications security.

A united and motivated workforce is our most important asset. The Bank creates comfortable and safe working conditions for employees and takes measures to train them and retain talents. We are proud to be an equal opportunity employer with zero tolerance for discrimination and demonstrate respect for universally recognized human rights.

As a socially oriented financial institution, Jusan Bank makes a significant contribution to the development of leading educational institutions of the country, and implements various initiatives to support talented youth and improve the financial literacy of

the population including of the younger generation. We firmly believe the strong and accessible education which is one of the UN Sustainable Development Goals forms the basis for a prosperous and stable society. In 2022, Jusan Bank continued to implement various charity projects and develop the regions of presence.

The climate crisis remains one of the most pressing global development challenges. Therefore, in the environmental sphere much attention is paid to the carbon management system especially given the tightening of the financial regulator's approaches to the climate agenda. Jusan Bank has completed an extended quantification of greenhouse gas emissions including Scope 3. Climate risks have been identified and assessed. The Bank implements a number of initiatives to reduce environmental impact including in partnership with its stakeholders.

Summing up, I want to express my gratitude to the executive management and employees of Jusan Bank for the fruitful work in the reporting year and emphasize support for their desire to strengthen the position of the Bank as an efficient, responsible and transparent financial institution.

In the future, Jusan Bank will continue to work on implementation of best practices of environmental protection, social responsibility and corporate governance. We are confident it will bring long-term benefits to our shareholders, clients, employees and other stakeholders for whose benefit we work.

Nurdaulet Aidossov,
Member of the Board of Directors,
Chairman of the Management Board of **Jusan Bank**



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GOVERNANCE
AND ETHICS

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1 ABOUT THE REPORT



REPORT PREPARATION PRINCIPLES

The Sustainability Report for 2022 is an independent public document designed to disclose non-financial information about the activities of First Heartland Jusan Bank JSC (hereinafter referred to as Jusan Bank, the Bank, we).

Starting from 2022, the Bank has been disclosing non-financial information on an annual basis in the form of a separate sustainability report. By publishing the Report, we emphasize our intention to demonstrate maximum transparency for all stakeholders.

The Report covers the activities of Jusan Bank (Head office and branch network), excluding subsidiaries, for the period from January 1, 2022, to December 31, 2022. The Bank plans to consistently expand the boundaries of information disclosure by including subsidiaries and bring disclosures of information on all topics and indicators to the same boundaries.

The report has been prepared in accordance with the standards of the Global Reporting Initiative (GRI) as amended in 2021. The requirements of the GRI 1: Foundation (2021) standard were considered when compiling the GRI Report and Index. The GRI standards are internationally recognized sustainability reporting standards. The Report is formed in accordance with the principles of the sustainable development context, completeness, balance, comparability, accuracy, timeliness, clarity and verifiability.

The list of GRI standards is available in the GRI Content Index section of the Report, page 123. The GRI industry standard was not available at the time the Report was prepared.

The Report contains information on the most important events and performance results, the principles of activity in the field of social

responsibility and sustainable development, the impact of the Bank in economic, social and environmental spheres in the regions of presence, its approaches to stakeholders' engagement.

Where necessary and appropriate, the Report includes significant sustainability events that took place in the first quarter of 2023 along with information about the Bank's corporate short-term and strategic plans and intentions.

The Report discloses information about our contribution to the achievement of the UN Sustainable Development Goals and takes into account the priorities of the international agency that provides the Bank with ESG scoring. Every year we expand the number of indicators for disclosure so that stakeholders receive more accurate and detailed information.

The Report embraces certain requirements of international rating agencies in the field of ESG and some recommendations of the TCFD.

The data on economic and financial indicators contained in the Report are based primarily on information from the Bank's separate financial statements for 2022 that are prepared in accordance with IFRS and audited by an external auditor. Financial indicators are presented in tenge.

The main reasons for changing the wording of some information are development and improvement of the corporate reporting system, the clarification of the boundaries of indicators. Explanations are provided in case of changes in the Report indicators compared to the previous year.

Members of the ESG Working Group chaired by the Chairman of the Management Board of the Bank participated in the preparation

” The Report embraces certain requirements of international rating agencies in the field of ESG and some recommendations of the TCFD. ”

REPORT PREPARATION PRINCIPLES

and approval of the Report, the identification of material topics and content. The Report was reviewed and approved by the Management Board of the Bank.

The Report is published in Kazakh, Russian and English. Report publication date: May 2023. The electronic version of the Report is available on the official website of the Bank.

The Bank has not used an independent verification to confirm the reliability of information provided in the framework of non-financial reporting, except for data on greenhouse gas emissions. KPMG audits the Bank's financial statements prepared in accordance with IFRS.

Jusan Bank intends to further improve the quality and extent of information disclosure in its non-financial reporting in accordance with international reporting standards in the field of sustainable development.

The Bank will strive to conduct regular events and surveys aimed at monitoring the opinions and reactions of stakeholders as well as improving the quality of the Bank's services, operations, and products.

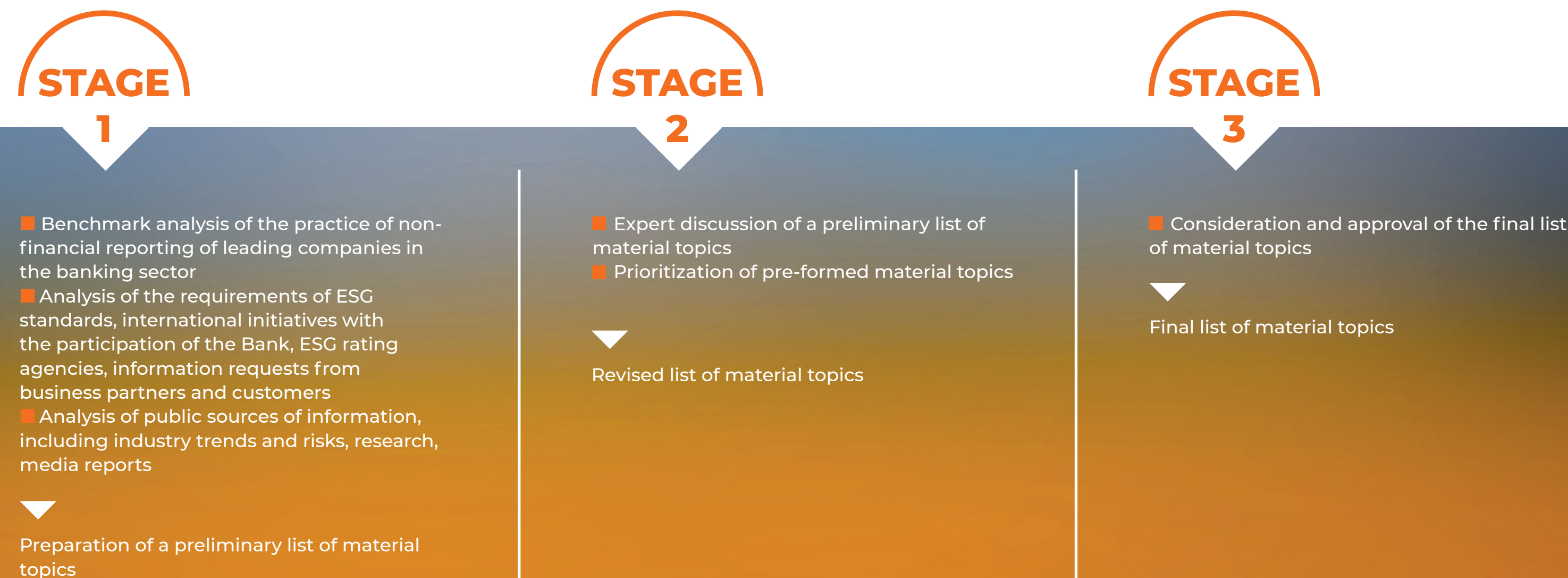
” Members of the ESG Working Group chaired by the Chairman of the Management Board of the Bank participated in the preparation and approval of the Report, the identification of material topics and content. The Report was reviewed and approved by the Management Board of the Bank.

”

DETERMINATION OF MATERIAL TOPICS

Jusan Bank focuses on full and high-quality disclosure of information that takes into account the interests and expectations of various stakeholders. To determine the most significant topics for the non-financial reporting of the Bank that require detailed disclosure, a procedure for determining material topics is carried out in accordance with the GRI Standards.

We evaluate the strategic importance of environmental, social and governance factors in two dimensions: their relative importance to stakeholders and their impact on business success, considering long-term global megatrends – urbanization, digitalization and virtualization, climate change, demand for openness. Material topics are reviewed on an annual basis.



LIST OF MATERIAL TOPICS

As a result of the materiality analysis, the list of material topics was compiled that maximally disclose the most important aspects of the activities of the Bank in the sustainability field. The list has been revised and expanded from that used in our 2021 Sustainability Report.

- Corporate governance
- Business ethics
- Anticorruption
- Risks management
- Tax policy
- Employment
- Occupational safety and health
- Employee training and education
- Motivation and remuneration of employees
- Human rights and non-discrimination
- Greenhouse gas emissions
- Charity and support for regions of presence
- Digitalization
- Information security
- Data privacy
- Support for small and medium-sized businesses

“As a result of the materiality analysis, the list of material topics was compiled that maximally disclose the most important aspects of the activities of the Bank in the sustainability field.”

STAKEHOLDER ENGAGEMENT

The Bank actively interacts with key stakeholders and takes into account their requests and expectations both in its activities and in the process of preparing strategic decisions.

Our key stakeholders include clients, employees, shareholders and investors, suppliers and partners, non-profit and public organizations, the media, society, public authorities and regulators.

The Bank annually identifies and updates the list of stakeholders. To improve the effectiveness of stakeholder engagement Jusan Bank

regularly collects feedback from stakeholders and uses the results to improve business processes and meet the needs and expectations of those who are significantly affected by the Bank's activities.

Among the ways to get feedback, various types of surveys of external and internal stakeholders, measure of the client satisfaction level and the employee engagement level can be singled out.

Ways of Jusan Bank Engagement with Stakeholders

Stakeholders

The most important ways of engagement



Clients

- Branch network, branch network specialists (personal banking services, business consultants, etc.)
- Clients service, provision of services and products including those provided remotely
- Disclosure of information about the Bank's financial services and products for various categories of clients
- Measuring clients satisfaction and expectations
- Communication through the call center, digital channels and social networks
- Corporate announcements (press releases, website)
- Acceptance and prompt response to clients complaints
- Improvement of financial literacy
- Disclosure of financial results and material non-financial information



Employees

- Personal meetings with senior management as well as online communication via e-mail, intranet on business and personnel issues
- Employee surveys including engagement measurements
- Anonymous channel for reporting violations
- Training, professional development and continuing education
- Shaping corporate culture and values
- Volunteer, sports, cultural and other events involving employees
- Implementation of human resources and social policy
- Disclosure of financial results and material non-financial information

STAKEHOLDER ENGAGEMENT

Ways of Jusan Bank Engagement with Stakeholders

Stakeholders

The most important ways of engagement



Shareholders and investors

- General meetings of shareholders
- Communication through various communication channels (meetings, presentations, e-mail correspondence, etc.)
- IR and corporate announcements (press releases, website)
- Posting information on the Kazakhstan Stock Exchange website
- Participation of the Bank's management and representatives in investment events and conferences
- Implementation of corporate governance systems in accordance with international best practices
- Disclosure of financial results and material non-financial information



Society

- Volunteer, social and charitable projects
- Educational programs, interaction with educational institutions
- Communication through the call center and social networks
- Corporate announcements (press releases, website), press conferences, interviews
- Disclosure of financial results and material non-financial information



Suppliers and partners

- Interaction on procurement procedures, information on tenders and procurement plans
- Contractual relations, interaction in the course of carrying out work or providing services
- Holding meetings, meetings, conference calls
- Corporate announcements (press releases, website), mailing notices
- Disclosure of financial results and material non-financial information

STAKEHOLDER ENGAGEMENT

Ways of Jusan Bank Engagement with Stakeholders

Stakeholders

The most important ways of engagement



Public authorities and regulators

- Full and timely disclosure of information on compliance with the requirements and norms of legislation in the field of banking, ecology and social relations
- Participation in meetings and encounters on development of the financial sector and improvement of legislation
- Notification by means of communication
- Implementation of all payments and taxes required by law
- Obtaining the necessary licenses, permits, conclusions, compliance with the law
- Disclosure of financial results and material non-financial information



Non-profit and public organizations

- Participation of representatives of the Bank in conferences, forums and other events
- Charitable and sponsorship support to public initiatives and projects
- Surveys and studies on the financial sector
- Charitable contributions and donations
- Responding to requests and enquiries from non-profit and public organizations



Media

- Publication and appropriate updating of content on the Bank's website, social networks and in the media
- Distribution of press releases
- Participation of representatives of the Bank in conferences, forums and other events
- Conducting press conferences, briefings and other media events
- Disclosure of financial results and material non-financial information



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2 ABOUT THE BANK

GENERAL INFORMATION

First Heartland Jusan Bank JSC is a private bank that provides a wide range of financial services and products for legal entities and individuals. The Bank is part of the Jusan Group that includes its subsidiaries.

The Bank operates based on the license No. 1.2.35/225/37 dated April 7, 2021, issued by the Agency of the Republic of Kazakhstan for Regulation and Development of Financial Market. The issued securities of the Bank are listed on the Kazakhstan Stock Exchange.

The activities of Jusan Bank are concentrated on the territory of the Republic of Kazakhstan.

The headquarters are in Almaty, Republic of Kazakhstan. As of December 31, 2022, the organizational structure of the Bank includes:

- Head Office that includes 71 structural divisions.
- 19 regional branches and 116 structural divisions.
- 5 VIP centres and 18 premium client service departments.

The Bank is represented in 46 cities and settlements of the Republic of Kazakhstan. By expanding the geography of our presence, we increase the availability of banking services and create new jobs. The number of employees of Jusan Bank is 6.12 thousand people.

The share in the total volume of assets of second-tier banks of

the Republic of Kazakhstan is more than 6%. Jusan Bank has been identified by the National Bank of Kazakhstan as a potential systemically important bank.

The primary business consists of commercial banking activities, lending and issuing guarantees, attracting deposits, opening and maintaining client accounts, cash and settlement operations and transactions in securities and foreign currencies.

The clients of the Bank include retail clients, micro businesses, small and medium-sized businesses, and large businesses. In its approach the Bank seeks to strike a balance between return for shareholders and a positive impact on society as a whole.

At the end of the reporting period the number of outstanding shares was 164,078,731. All of them refer to ordinary shares with one vote.

As of 31 December 2022, the largest shareholder of the Bank was Kazakhstani brokerage company First Heartland Securities JSC. There were no government or quasi-state structures among the shareholders of the Bank.

The ultimate controlling party of the Bank is New Generation Foundation registered in Nevada, United States of America.



46
cities and
settlements



5
VIP centres



18
premium client
service
departments



986
ATMs



19
branches



116
structural
divisions

#6

banking assets among
banks of the Republic of
Kazakhstan

#1

capital to assets ratio among
banks of the Republic of
Kazakhstan

#3

equity capital among the
banks of the Republic of
Kazakhstan

GENERAL INFORMATION

There were no significant changes in the shareholder structure during the reporting period. Relevant information on the ownership structure is regularly updated and published on the official Internet resource of the Kazakhstan Stock Exchange.

During the reporting period, Jusan Bank did not receive financial assistance from the government.

The Bank did not acquire significant interests or shares in other companies in 2022.

Jusan Bank is not a Global Systemically Important Bank according to the methodology of the Financial Stability Board.

” There were no government or quasi-state structures among the shareholders of the Bank. ”

Largest Shareholders of
Jusan Bank, %

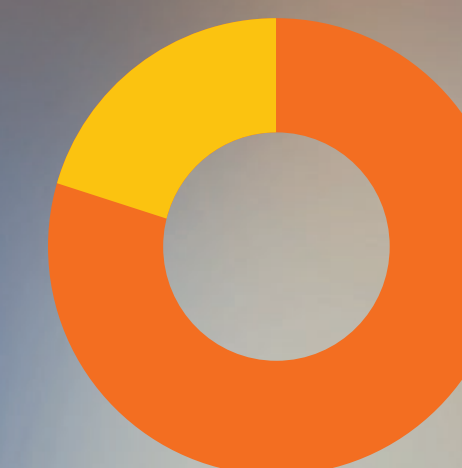
2021

78.73

AO «First Heartland Securities»

20.11

G. Sh. Yesenov



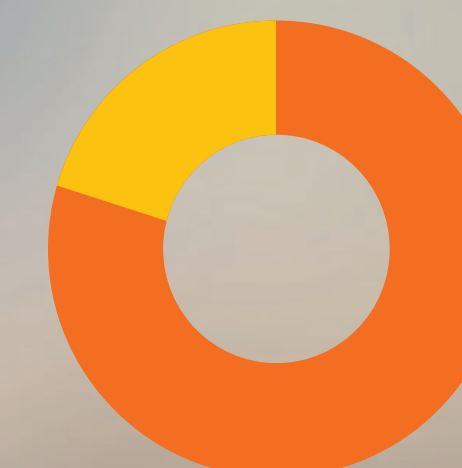
2022

78.73

AO «First Heartland Securities»

20.11

G. Sh. Yesenov



GEOGRAPHY OF ACTIVITIES



KEY INDICATORS FOR 2022

as of December 31, 2022*


6,120

Number
of employees

68%

Share of women in
the workforce

**40.06 billion
tenge**

Staff-related
costs

3 million

Clients


1.37 million

Active digital
users **

1.43 million

Issued bank
cards ****

**2,819.1 billion
tenge**

Assets


**1,105.6 billion
tenge**

Loans issued to
clients ***

**1,492.1 billion
tenge**

Current accounts and
deposits of clients

**513.6 billion
tenge**

Equity


**88.6 billion
tenge**

Profit for
the year

166%

Provision coverage of
non-performing loans (90+)

* for detailed financial results, please see 2022 audited separate financial statements of Jusan Bank

** monthly active users (MAUs) of Jusan and Jusan Business mobile apps

*** gross loans to customers

**** digital and plastic cards

KEY INDICATORS FOR 2022

as of December 31, 2022 *

 **191.2** thousand
Corporate clients


 **945.7** billion
tenge
Current accounts and de-
posits of corporate clients

 **762.6** billion
tenge
Loans issued to corporate
clients

 **2,819.5** thousand
Retail and Private Banking clients

 **546.4** billion
tenge
Current accounts and deposits
of retail clients

 **343.0** billion
tenge
Loans issued to retail clients

 Tier 1 Capital (Basel III)
473,584,901
thousand tenge

 Total exposure (Basel III)
1,584,475,246
thousand tenge

 Leverage Ratio (Basel III)
29.89%

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

During its operations, the Bank generates additional value for its stakeholders, including shareholders, employees, and society. The direct economic value generated and distributed demonstrates the value we create as a result of our activities and its subsequent distribution to key stakeholders.

Note 1.

The initial financial data is primarily taken from the audited separate financial statements of the Bank for the year ended 31 December 2022.

Note 2.

The Management Board and the Board of Directors of the Bank proposed not to pay or distribute dividends for 2022 that was supported by the decision of the General meeting of shareholders dated May 2, 2023.

as of December 31, 2022,
million tenge

Direct Economic Value Generated	180,252
Net interest income after credit losses	95,318
Net fee income	14,080
Other operating income	70,854
Economic Value Distributed	91,605
Operating expenses	(78,206)
<i>– including employee compensation with social security contributions and payroll taxes</i>	<i>(40,058)</i>
<i>– including tax expenses other than corporate income tax</i>	<i>(3,644)</i>
Corporate income tax expenses	(13,399)
Dividend payments to shareholders of the Bank	—
Economic Value Retained (Direct Economic Value Generated minus Economic Value Distributed)	88,647

RATINGS AND AWARDS OF THE BANK

As of December 31, 2022, the Bank had a credit rating assigned to the Bank by the international rating agency Moody's Investor Services and an ESG rating from the S&P Global Corporate Sustainability Assessment.

Credit rating

Moody's Investor Services



B1
positive outlook

(December 2022)

ESG rating

S&P Global Corporate Sustainability Assessment



23/100, the 60th percentile in the
Banking sector

(December 2022)

RATINGS AND AWARDS OF THE BANK



CLIENT-CENTERED
APPROACH



LEADERSHIP IN THE
DIGITAL SECTOR



WORLD-CLASS
INFORMATION
SECURITY



ETHICAL AND
RESPONSIBLE
BUSINESS CONDUCT



STRONG AND
RECOGNIZABLE
BRAND



Awards

- CFI.co – 2022 Best Bank Kazakhstan Award
- CFI.co – 2022 award for Outstanding Contribution to Diversification of the Economy (Kazakhstan)
- Banks Security Review (KPMG Caspian) – The best commercial bank of the Republic of Kazakhstan for the security of websites and mobile applications
- 2022 WOW!HR Kazakhstan Award – Winner in the nomination Be Cool with the IT School Jusan educational project
- Rating of compliance services of second-tier banks for the 4th quarter of 2022 (Financial Monitoring Agency) – First place among the second-tier banks of the Republic of Kazakhstan based on the results of the analysis and assessment of measures taken to counter the legalization (laundering) of proceeds received by criminal way and terrorism financing
- Plenary meeting of the Eurasian Group on Combating Money Laundering and Financing of Terrorism (EAG) – Audience Award based on the results of the competition among compliance specialists of financial institutions of the EAG member states for the best financial analysis in the field of AML/CFT
- Rating of mobile banks 2022 Mobile Banking Rank Kazakhstan (Marksw Webb) – Second place among 10 second-tier banks of the Republic of Kazakhstan as part of the assessment of client experience of mobile banking users
- 2022 Rating of the second-tier banks of Kazakhstan (Forbes.kz and Baker Tilly Qazaqstan Advisory) – Fourth place among second-tier banks of the Republic of Kazakhstan

THE MOST IMPORTANT ESG EVENTS

JUNE 2022

Establishment of an ESG Working Group led by the Chairman of the Management Board of **Jusan Bank** to coordinate corporate actions in the sustainability field

AUGUST 2022

Jusan Bank is recognized as the leader among commercial banks of the Republic of Kazakhstan in terms of website and mobile application security according to the study by KPMG Caspian

AUGUST 2022

Pilot assessment and verification of **Scope 1** and **Scope 2** greenhouse gas emissions

SEPTEMBER 2022

Publication of the first Sustainability Report

DECEMBER 2022

Obtaining the first international **ESG** rating from **S&P Global Corporate Sustainability Assessment**

DECEMBER 2022

Jusan Bank joins the **National ESG Club**

” **Jusan Bank** is recognized as the leader among commercial banks of the Republic of Kazakhstan in terms of website and mobile application security according to the study by KPMG Caspian ”

SUPPORTED BEST PRACTICES OF SUSTAINABILITY

Jusan Bank recognizes the UN Sustainable Development Goals as unconditional global priorities and emphasizes the key role of financial institutions in mobilizing capital for the transition to a socially oriented, low-carbon, resource-efficient and inclusive economy.

The Bank considers the UN Sustainable Development Goals during its operations and strategic planning. We believe it is important that business, society and other stakeholders work together to achieve all of the UN Sustainable Development Goals by 2030. Jusan Bank aims to contribute to their achievement through partnership and dialogue with stakeholders.

In addition, Jusan Bank highlights a number of international and national initiatives, principles and standards that it seeks to take into account or adhere to in its activities including:

- Principles of the UN Global Compact.
- UN Environment Program Finance Initiative Principles for Responsible Banking.
- Greenhouse Gas Protocol Standard.
- IPCC Guidelines for National Greenhouse Gas Inventories.
- Classification (taxonomy) of green projects that is in force in the Republic of Kazakhstan.

SUSTAINABLE DEVELOPMENT GOALS

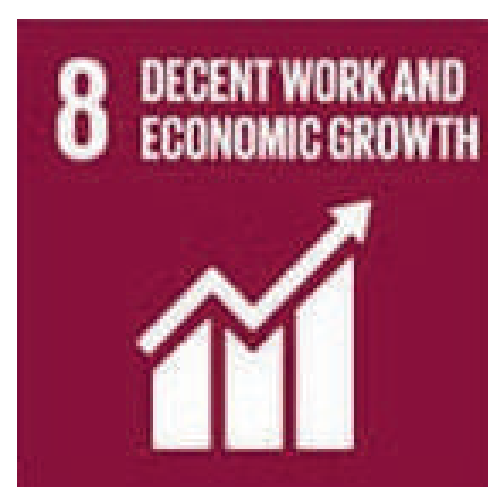


PRIORITY UN SUSTAINABLE DEVELOPMENT GOALS

Priority Goals



- Support for educational institutions of the Republic of Kazakhstan, projects and initiatives
- Training and professional development of the employees of the Bank
- Improvement of financial literacy for external stakeholders
- Increase of the number of people with in-demand skills for employment, decent jobs and entrepreneurship



- The Bank is a responsible and large taxpayer
- Services and products for small and medium-sized businesses
- Creation of the Bank's own jobs and geographical expansion
- Creation of comfortable and digital workplaces for employees
- Training and employment opportunities for young professionals and talented young people
- Diversity and equal opportunities
- Business ethics and human rights
- Focus on local suppliers in the supply chain

Priority Goals



Jusan Bank Practical Contribution

- Support for entrepreneurship and start-ups
- Services and products for small and medium-sized businesses
- Investments in innovation, digitalization
- Modernization of industrial enterprises and infrastructure
- Development of remote mobile and Internet banking
- Promoting employment growth in industry and infrastructure



- Participation in international and Kazakhstan sustainable development initiatives, associations and groups
- Participation in events dedicated to sustainability as well as their organizational and financial support by the Bank
- Development of sustainable development cooperation with companies in the financial sector and other sectors of the economy in the field of

PARTICIPATION IN ASSOCIATIONS

Jusan Bank takes part in the activities of national and foreign business and industry associations and groups. Membership in them allows the Bank to communicate its position and build a dialogue with financial market companies, the business community, industry regulators and international organizations.

Among these associations and groups are:



We express our readiness for mutually beneficial cooperation with other companies, business associations, public and professional organizations on various issues related to the promotion of the ESG agenda and principles of sustainable development.

” In January 2023, Jusan Bank joined the leading international business initiative – the UN Global Compact. ”



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CORPORATE GOVERNANCE OVERVIEW

The activities of Jusan Bank are based on an efficient and transparent corporate governance system. Jusan Bank adheres to the practice of consistently improving the corporate governance system and compliance procedures to achieve strategic goals, further improve operational and financial efficiency.

In the field of corporate governance, Jusan Bank is guided by the requirements of the current legislation of the Republic of Kazakhstan as well as the best domestic and global practices.

The main internal documents
of Jusan Bank
in the corporate governance field:

- Charter.
- Corporate Governance Code.
- Regulation on the Board of Directors.
- Regulation on the Management Board.

” The corporate governance system is aimed at ensuring effective interaction between all authorized bodies: the General Meeting of Shareholders, the Board of Directors, the Management Board of the Bank and their committees. The distribution of powers and functions between the Board of Directors and the Management Board is carried out in accordance with the legislation of the Republic of Kazakhstan, the Charter and internal regulatory documents of the Bank.

”

CORPORATE GOVERNANCE OVERVIEW

Board of Directors

The Board of Directors is a permanent collegiate governance body that exercises general governance and control over the activities of the Bank, except for issues falling within the competence of the General meeting of shareholders. Decisions of the Board of Directors, adopted within its powers, are binding on the Management Board as well as all structural divisions and branches of the Bank.

The Board of Directors ensures full transparency of its activities to shareholders in accordance with the legislation of the Republic of Kazakhstan and the Charter of Jusan Bank. Members of the Board of Directors are accountable to the General meeting of shareholders and must act in good faith in the interests of the shareholders and the Bank.

The election of members of the Board of Directors is carried out by the General meeting of shareholders in the manner prescribed by the legislation of the Republic of Kazakhstan and the Bank's internal regulations including the Regulation on the Board of Directors. Members of the Board of Directors are elected individually, nomination of candidates for members of the Board of Directors can be carried out both at the initiative of shareholders and at the initiative of the Bank. The election of members of the Board of Directors takes place within the framework of a transparent procedure that enables shareholders to obtain information about candidates sufficient to provide insights on their personal and professional qualities.

The Regulation on the Board of Directors establish that at least 30% of the Board of Directors must be independent directors. At the same

time the number of members of the Board of Directors must be at least three people.

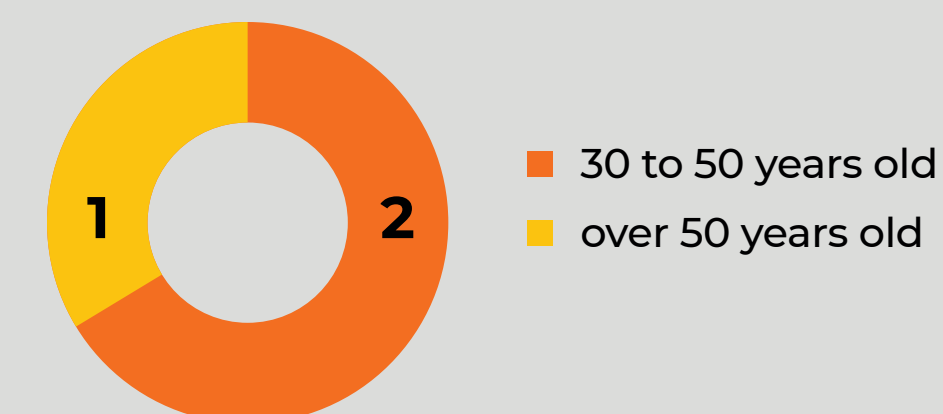
The term of office of the Board of Directors is established by the General meeting of shareholders and expires at the time of the General meeting of shareholders, at which a new Board of Directors is elected. The term of office of independent directors is one year.

No restrictions on grounds of ethnic and racial affiliation, gender or other distinctive features are allowed when forming the composition of the Board of Directors.

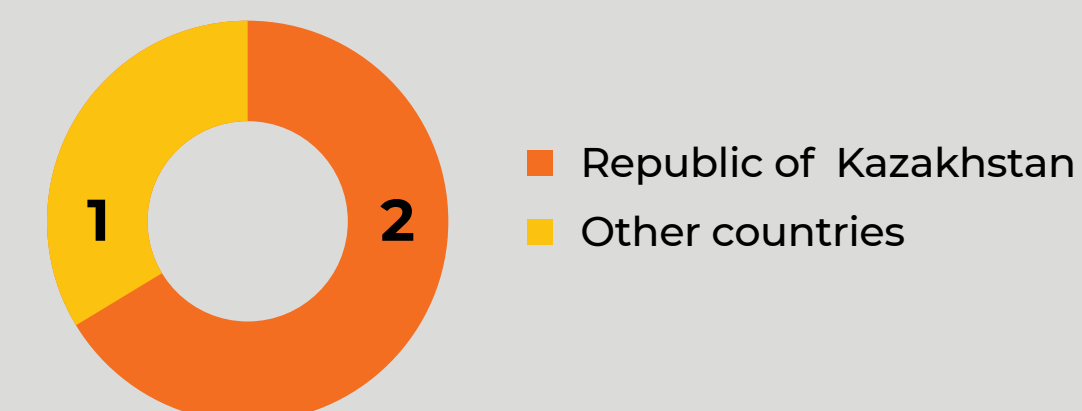
As of December 31, 2022, the Board of Directors consisted of 3 people. The average term of office of the members of the Board of Directors is 21 months. All members of the Board of Directors are men. It should be noted that 80% of persons from among the top governance bodies of the Bank (members of the Board of Directors and the Management Board) represent the local population – they are citizens of the Republic of Kazakhstan. For the Board of Directors, the figure is 66%.

The roles of the Chairman of the Board of Directors and the Chairman of the Management Board are separated in accordance with the requirements of the legislation of the Republic of Kazakhstan and the Regulation on the Board of Directors: The Chairman of the Management Board cannot be the Chairman of the Board of Directors at the same time. The current Chairman of the Board of Directors is a non-executive director.

Age structure of members of the Board of Directors



Citizenship of members of the Board of Directors



CORPORATE GOVERNANCE OVERVIEW

Members of the Board of Directors are highly qualified and multidisciplinary specialists who have the necessary competencies in the financial sector and strategic business planning.

In the reporting period, the composition of the Board of Directors was balanced in terms of age, competencies, seniority and work experience including abroad. These factors allow its members to comprehensively and objectively consider the most important issues of the Bank's activities. Number of members of the Board of Directors, excluding executive members, with experience in the banking sector in accordance with the industry classification Global Industry Classification Standard (GICS) level 1 are 2 members of the Board of Directors.

In terms of independence criteria of members of the Board of Directors, Jusan Bank regularly checks whether the association criteria for independent directors are met by both candidate members of the Board of Directors and current members.

The independence criteria of directors are laid down in the Corporate Governance Code of Jusan Bank and comply with the requirements of the legislation of the Republic of Kazakhstan, primarily the Law of the Republic of Kazakhstan On Joint Stock Companies. An independent director must meet the following requirements:

- not be an affiliated person of the Bank and not be such a person during the three years preceding the election to the Board of Directors (except for the case of holding the position of an independent director of the Bank);
- not be an affiliated person of the Bank's affiliates;
- not be subordinated to officials of the Bank or organizations that are affiliated with the Bank, and not be subordinated to these persons during the three years preceding the election to the Board of Directors;
- not be a public servant;
- not be a representative of a shareholder at meetings of the bodies of the Bank and not be a shareholder during the three years preceding his election to the Board of Directors;
- not participate in the audit of the Bank as an auditor working as part of an audit organization, and not participate in such an audit during the three years preceding the election to the Board of Directors.

” In the reporting period, the composition of the Board of Directors was balanced in terms of age, competencies, seniority and work experience including abroad.”

CORPORATE GOVERNANCE OVERVIEW

Meetings of the Board of Directors are held as needed. During the reporting period, 44 meetings were held, at which 263 issues were considered. In the sustainability field such issues as personnel and remuneration issues, social issues, risk management and internal control issues, and others were considered and while discussing the strategic guidelines for the development of the Bank they were also given due attention.

The average attendance of the meetings of the Board of Directors in 2022 was 100%. In accordance with the Rules for the Consideration of Issues by the Board of Directors, a meeting of the Board of Directors is held in the presence of a quorum and is considered competent to make decisions if at least half of the total number of members of the Board of Directors participate in it.

The Regulation on the Board of Directors establishes that the assessment of the performance of its members is carried out on a periodic basis at least once a year, based on the results of the work of the Board of Directors for the reporting year, by May 31 of the year following the reporting year. The financial results of the Bank's operations serve as criteria for evaluating the activities of members of the Board of Directors. The Board of Directors makes assessment by one of the following ways:

- on its own by questioning each member of the Board of Directors based on the questionnaire that is then used by the Corporate Secretariat of Jusan Bank to generate a summary report on the results of the assessment, in which the average score is calculated for each assessment criterion, a comparison with previous periods is indicated, and the results of the assessment are summed up;
- with the involvement of an external expert in accordance with the procedure established by the Bank, in compliance with the procedures existing in Jusan Bank for the procurement of goods, works and services, disclosure of confidential information.

Information on the results of the assessment may be submitted by the Board of Directors for consideration by the General meeting of shareholders. Information on the results of the assessment of an external expert and questionnaires filled out by members of the Board of Directors are confidential information and are not subject to disclosure to third parties, with the exception of the authorized body to which information is provided in the manner prescribed by the legislation of the Republic of Kazakhstan, the Charter of Jusan Bank and the internal regulatory documents of the Bank regulating the procedure providing confidential information.

” Meetings of the Board of Directors are held as needed. During the reporting period, 44 meetings were held, at which 263 issues were considered. ”

COMPOSITION OF THE BOARD OF DIRECTORS



SHIGEO KATSU

Chairman of the Board of Directors

Date of birth: February 9, 1952

Citizenship: Japanese

Date of first election to the Board of Directors:
February 6, 2019

Date of election to the current Board of Directors:
February 6, 2019

He is the President of Nazarbayev University, Chairman of the Board of Trustees of the Nazarbayev Intellectual Schools and a member of the Board of Trustees of the Nazarbayev Foundation. He has headed Nazarbayev University since December 2010. Prior to that he held senior positions at the World Bank for 30 years including the position of Vice President for Europe and Central Asia. He led institutional reforms and banking system restructuring in Central Asia, Eastern Europe and Africa, and was involved in reforming the financial sector in China.



NURDAULET AIDOSSOV

Member of the Board of Directors, Chairman of the Management Board

Date of birth: June 7, 1987

Citizenship: Republic of Kazakhstan

Date of first election to the Board of Directors:
April 29, 2022

Date of election to the current Board of Directors:
April 29, 2022

He has three higher educations and more than 15 years of experience in Kazakhstan and international financial institutions. Professional competencies cover the areas of banking, investment banking and custodial management. The work experience includes various positions in investment and banking structures such as SB RBS Kazakhstan JSC, SB HSBC Bank Kazakhstan JSC, VISOR Capital JSC, First Heartland Bank JSC, First Heartland Capital JSC, Jusan Invest JSC. Since March 2022, he has been the Chairman of the Management Board of Jusan Bank JSC. He received a bachelor's degree in business administration from KIMEP, an MBA from Warwick Business School (United Kingdom), a bachelor's degree in law from Turan University. He was awarded the Honoured Financier Public Order and the Merer Order for a significant contribution to the development of the financial sector of the Republic of Kazakhstan. He is also the Chairman of the Board of Directors of Optima Bank OJSC, Jusan Invest JSC.



SANZHAR ZHAMALOV

Member of the Board of Directors, independent director

Date of birth: May 20, 1985

Citizenship: Republic of Kazakhstan

Date of first election to the Board of Directors:
April 29, 2022

Date of election to the current Board of Directors:
April 29, 2022

He has experience in Kazakhstan and international companies. The professional portfolio includes various positions in such organizations as Kazkommerts Securities JSC, Kazakhtelecom JSC, ING Bank N.V. (United Kingdom), the National Bank of the Republic of Kazakhstan, as well as the Representative Office of ING Bank N.V. (Netherlands) in Kazakhstan, where he rose to the position of head of the representative office. He received a bachelor's degree in financial mathematics from Charles University (Czech Republic), a master's degree in international financial analysis from Newcastle University (United Kingdom), an Executive MBA from the University of Cambridge (United Kingdom). He is a CFA Charterholder. He is also a member of the Boards of Directors of Bolashaq Investments, Otbasy Bank JSC and Jusan Invest JSC.

COMMITTEES OF THE BOARD OF DIRECTORS

The effective fulfillment of the duties assigned to the Board of Directors is ensured, among other things, by means of committees of the Board of Directors that preliminarily consider the most important issues related to the competence of the Board of Directors.

ADVISORY COMMITTEE

In the reporting period, 15 meetings were held, and 33 issues were addressed in accordance with its goals, objectives and competence. However, there was no change in the direction or policy of the Committee. Among the important issues considered by the Committee in 2022 are issues related to financial and strategic planning (determination of main priority areas of the Bank's operations and approval of their forecast indicators), such as the approval of the budget and development strategy of Jusan Bank. During the consideration of management reporting, the Committee monitored, controlled and assessed the results of the analysis of implementation of the development strategy and execution of the budget of Bank. The Committee also considered various issues related to implementation of the HR policy including changes to the organizational structure of the Bank, appointment/termination of powers of executives and employees reporting to the Board of Directors, granting consent to members of the Management Board to work in other organizations part-time, etc. In addition, the Committee reviewed the drafts of Bank's internal regulatory documents and amendments thereto within the competence of the Committee.

As of December 31, 2022, the Bank had 3 committees of the Board of Directors permanently operating, the activities of which are regulated by separate regulations:

INTERNAL AUDIT COMMITTEE

In the reporting period, 20 meetings were held, and 43 issues were addressed in accordance with its goals, objectives and competence. However, there was no change in the direction or policy of the Committee. At the meetings of the Committee in the reporting period, issues of internal audit were considered including the audited separate and consolidated financial statements of Jusan Bank for 2021, reporting on results of the audit of the activities of branches and subsidiaries, and results of the audit of the Bank's processes. The Action Plans for elimination of comments and violations and implementation of recommendations based on results of the audit, reporting on results of monitoring the activities carried out by the Bank's divisions based on results of internal and external audits were considered. In the reporting period, a number of issues related to organization of the activities of the internal audit unit, issues of external audit were considered. The Committee also considered issues related to organization of its direct activities including the report on results of the Committee's activities for 2021, the Committee's working plan for 2022.

RISK MANAGEMENT AND INTERNAL CONTROL COMMITTEE

In the reporting period, 11 meetings were held, and 32 issues were addressed in accordance with its goals, objectives and competence. However, there was no change in the direction or policy of the Committee. At the meetings during the reporting period, Jusan Bank's management reporting on risk and internal control issues was considered including on results of assessment and management of compliance risks; on internal control; on results of compliance checks of processes; on results of the analysis of the impact on the Bank's activities; on results of the contingency risk analysis; on results of back-testing of market risk assessment models; on results of the analysis of the Contingency Funding Plan; on results of financial monitoring and ML/TF risk assessment; on the exposure of the Bank to financial risks on a consolidated basis; on liquidity risk management; on market risk management; on capital management; on credit risk management; on operational risk management, on information technology and information security risks, and others. In addition, the Committee preliminarily considered issues related to the approval of internal regulatory documents of the Bank, development and consideration of which fell within the competence of the Committee.

CORPORATE GOVERNANCE OVERVIEW

The quantitative and individual compositions of committees of the Board of Directors including election of the chairmen of the committees and terms of office of the committees are determined by the decision of the Board of Directors. The committees consist of members of the Board of Directors and experts (expert members of committee) who have the necessary professional knowledge to work in a particular committee, except for the Internal Audit Committee which must consist exclusively of members of the Board of Directors.



As of December 31, 2022:

Chairman of the Board of Directors of Jusan Bank Shigeo Katsu is a member of the Internal Audit Committee.



Member of the Board of Directors Nurdaulet Aidossov is a member of the Advisory Committee, the Risk Management and Internal Control Committee and the Internal Audit Committee.



Member of the Board of Directors, independent director Sanzhar Zhamalov is the Chairman of the Advisory Committee, the Risk Management and Internal Control Committee and the Internal Audit Committee.

CORPORATE GOVERNANCE OVERVIEW

Management Board

The Management Board of Jusan Bank is a permanent collegial executive body and is accountable to the Board of Directors.

Its quantitative and personal composition as well as early termination of the powers of members of the Management Board is carried out by decision of the Board of Directors. Members of the Management Board of the Bank except for its Chairman cannot be elected to the Board of Directors. The Chairman of the Management Board of the Bank is not entitled to hold the position of the head of the executive body or a person solely performing the functions of the executive body of another legal entity. The Chairman of the Management Board of the Bank is not entitled to hold the position of a member of the executive body in other banks including those that are non-residents of the Republic of Kazakhstan, branches of a non-resident bank of the Republic of Kazakhstan, except if the banks are parent and subsidiary organizations in relation to each other.

The Management Board organizes implementation of decisions of the General meeting of shareholders and the Board of Directors. The Management Board manages the current activities of Jusan Bank in accordance with the chosen business model and risk profile. The Management Board is responsible for the management of the Bank in accordance with the legislation, the Charter and its powers, taking into account the interests of shareholders, employees and other stakeholders.

Control over the activities of the Management Board is carried out by the Board of Directors including by monitoring implementation by the Management Board of the strategy and policies approved by the Board of Directors, decisions of the General meeting of shareholders. The performance of the Management Board is assessed by the Board of Directors according to the criteria established by the Regulation on the Management Board.

As of the end of 2022, the Board of Jusan Bank consisted of 7 members, of which 2 were women. The composition is balanced including qualifications of its members, their experience, knowledge and business qualities.

Meetings of the Management Board are convened as necessary by the Chairman of the Management Board or a person replacing him. A total of 159 meetings were held during the reporting period.

Within the Management Board there are committees, directorates and working groups that coordinate actions and analyse information in various areas of the Bank's operations. Under the chairmanship of the Chairman of the Board, the ESG Working Group functions that ensures development and promotion of implementation of key decisions and initiatives, events and action plans in the sustainable development field, coordination of activities of main structural divisions of Jusan Bank within the framework of the corporate ESG agenda.

” Meetings of the Management Board are convened as necessary by the Chairman of the Management Board or a person replacing him. A total of 159 meetings were held during the reporting period. ”

CORPORATE GOVERNANCE OVERVIEW

Corporate Secretariat

The Corporate Secretariat is accountable in its activities to the Board of Directors. The Corporate secretariat ensures that activities of the Board of Directors comply with corporate procedures and its efficient operation, coordinates interaction between the members of the Board of Directors and the executive management as well as the Bank's actions to protect the rights and interests of shareholders. The activities and functions of the Corporate Secretariat are governed by the relevant regulation.

” The activities and functions of the Corporate Secretariat are governed by the relevant regulation. ”

REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE MANAGEMENT BOARD

Jusan Bank provides fair remuneration to key management personnel that allows to attract highly qualified specialists with the experience and skills necessary for the successful long-term development of the Bank.

In 2022, the total amount of remuneration paid to key management personnel amounted to 2,616 million tenge.

The procedure for charging and payment of remuneration to members of the Board of Directors of Jusan Bank is regulated by the legislation of the Republic of Kazakhstan and the decision of the General meeting of shareholders. The amount of remuneration is submitted for consideration by the General meeting of shareholders and is established by an annex to the minutes of the General meeting of shareholders. The opinion of the shareholders is considered in the framework of the voting of the General meeting of shareholders on the issue of determining the amount of their remuneration.

According to the results of the annual financial statements, the members of the Board of Directors may be paid remuneration for the annual results by decision of the General meeting of shareholders. For members of the Board of Directors, bonuses or incentive payments upon hiring as well as compensation in case of early termination of their powers are not provided but may be approved by decision of the General meeting of shareholders.

The Bank compensates the members of the Board of Directors for the expenses incurred in connection with their participation in the meetings of the Board of Directors and the performance of the assigned duties:

- travel expenses to and from a place of performance of duties based on documents confirming travel and booking expenses;
- expenses for renting a dwelling during the time spent on a trip to perform duties on the basis of documents confirming the expenses for renting a dwelling and for the reservation;
- the amount of money (per diem) paid to a member of the Board of Directors for the time spent on a trip to perform duties;
- expenses incurred in issuing entry and exit permits (visas) based on documents confirming such expenses.

REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE MANAGEMENT BOARD

The procedure for calculating the amount of remuneration for members of the Management Board and the procedure for their payment is governed by the relevant internal regulatory document of the Bank, namely, the Policy on remuneration, accrual of monetary remuneration as well as other types of material incentives for executive employees that was approved by the Board of Directors in September 2022.

The remuneration system for the Chairman of the Management Board and members of the Management Board consists of fixed and non-fixed remuneration.

Fixed remuneration includes official salary, payments of a permanent nature (for example, payments for holidays and days off, social and compensation payments, etc.) that are paid in cases stipulated by the labour legislation of the Republic of Kazakhstan and the employment contract.

The salary of the Chairman of the Board and members of the Board is determined by the decision of the Board of Directors of Jusan Bank. The Chairman and members of the Management Board are employees of the Bank, therefore, in accordance with the Labour Code of the Republic of Kazakhstan, labour contracts have been concluded with them that include mandatory requirements for the terms of remuneration. Payment of wages is carried out in compliance with the requirements of labour legislation and is paid once a month on the last day of the reporting month.

Variable remuneration is not of a permanent nature and is paid for the purpose of material motivation of the Chairman of the Management Board and members of the Management Board. The payment of variable remuneration is carried out in the form of:

- bonuses paid depending on the performance evaluation results for the reporting financial year;
- one-time bonuses paid for the successful completion of certain assigned tasks, especially important and responsible tasks;
- shares of the Bank, while the total size of the block of shares for variable remuneration by transferring the Bank's shares to its managers taking into account all previously transferred shares as a non-fixed remuneration cannot exceed 5% of the total number of voting shares. A prerequisite is the ownership of these shares for at least 3 years without the obligation to repurchase these shares by the Bank.

The amount of variable remuneration based on the results of work for the reporting financial year is related to the financial results of Jusan Bank, that is, performance, non-performance, or over-performance on financial targets. According to the results of the Bank's activities for the reporting financial year, the target performance ratio is calculated taking into account achievement of the main indicators including profit, risk level, capital and within the limits determined by the Bank. The amount of variable remuneration is calculated individually for each top manager.

DIVIDEND POLICY

The procedure for accrual and payment of dividends is regulated by the Regulation on Dividend Policy that complies with the legislation of the Republic of Kazakhstan.

The conditions for paying dividends to Jusan Bank shareholders are:

- net profit of the Bank based on the results of the previous financial year;
- no restrictions on the payment of dividends provided for by the Law of the Republic of Kazakhstan On Joint Stock Companies;
- decision of the General meeting of shareholders on payment of dividends on ordinary shares based on the results of a financial year, quarter or half year.

Possibility of paying dividends is considered by the Board of Directors taking into account the norms of the Regulation on Dividend Policy on the basis of results of financial and economic activities of Jusan Bank at the end of the past financial year, based on the data of the annual financial statements, the annual report submitted by the Management Board as well as from proposals of the Management Board for the distribution received net profit, including the share of net profit that is expedient to use for the payment of dividends on shares.

The decision to pay dividends based on the results of the past financial year, including decisions on the amount of the dividend, the procedure and form of its payment on shares of each category, are taken by the annual General meeting of shareholders. The decision to pay dividends on ordinary shares of the Bank based on the results of a quarter or half a year is made only by decision of the General meeting of shareholders.

Dividends are not accrued or paid on shares that have not been placed or have been redeemed by the Bank itself.

” The procedure for accrual and payment of dividends is regulated by the Regulation on Dividend Policy that complies with the legislation of the Republic of Kazakhstan. ”

APPROACHES TO SUSTAINABILITY MANAGEMENT

Jusan Bank positions the high quality and efficiency of ESG corporate governance as an important element of business success. Sustainability management is being gradually integrated into the existing corporate governance system of the Bank at all organizational levels.

Powers in decision-making on economic, governance, environmental and social issues are distributed among the management bodies of Jusan Bank.

Development of strategic directions in the sustainability field, approval of final decisions and policies, assessment of the results achieved is carried out by the Board of Directors and by the Management Board if there are relevant functions. In addition, the Management Board exercises control over the activities of structural units in the sustainability field.

The Board of Directors and the Management Board seek to strengthen involvement in management, coordination and control of issues on various topics and areas of ESG focusing on an effective and balanced ESG transformation of Jusan Bank to create long-term value for stakeholders.

The Board of Directors, as the Bank's governing body responsible for approving the corporate development strategy, overseeing the

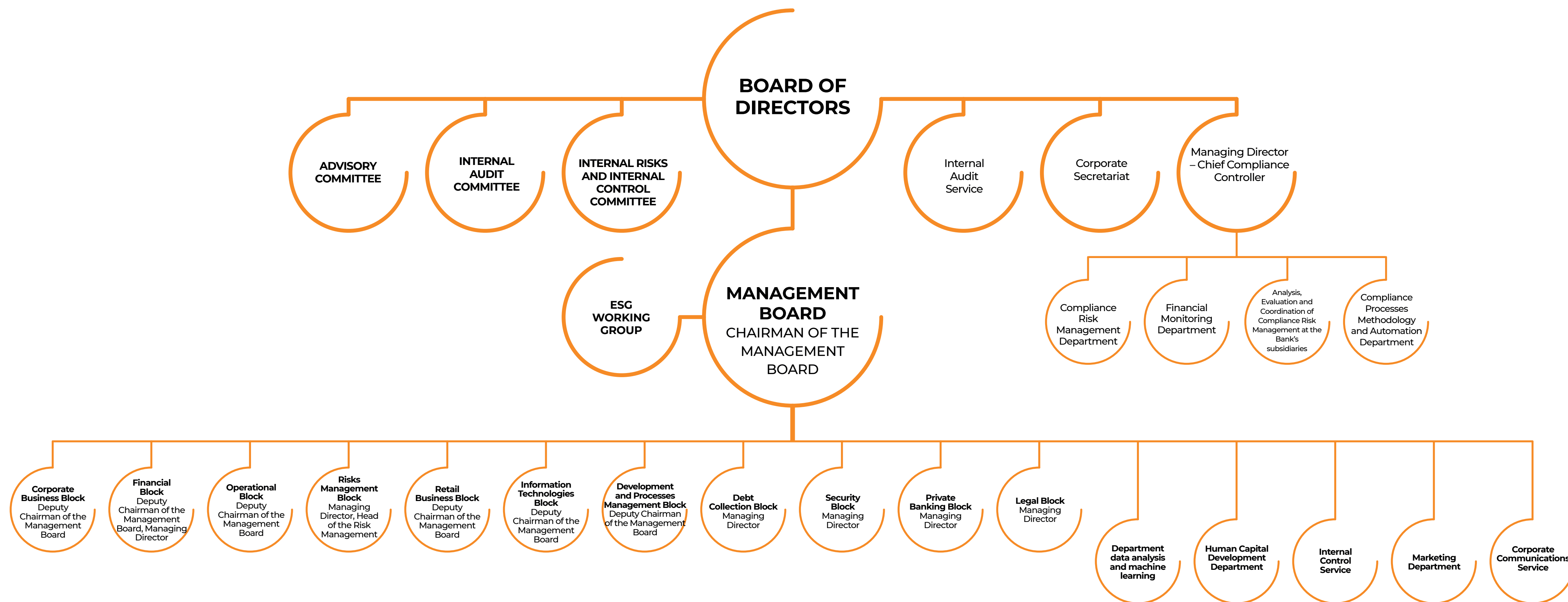
strategic planning of sustainable development issues, determining the strategic directions of Jusan Bank's activities in the sustainability field and approving key internal regulatory documents, aims to support the Bank's ESG transformation and integration into strategic planning the principles of responsible banking as key to ensuring the sustainable development of the Bank, introduction of best practices and corporate governance standards that are applied in the global banking sector and do not contradict the legislation of the Republic of Kazakhstan. Currently, the Bank is reviewing the internal regulatory documents package to further implement the ESG principles in our activities.

Coordination of activities in the sustainability context is the responsibility of the Managing Director for ESG and the Corporate Communications Service. The consultative and advisory body responsible for developing proposals in the sustainability field is the ESG Working Group headed by the Chairman of the Management Board that includes all members of the Management Board. The heads of the relevant structural divisions are responsible for practical implementation of certain activities and initiatives.

Since 2022, Jusan Bank has been publishing non-financial sustainability reports, constantly improving the process of collecting, analysing and disclosing information in them.

” Jusan Bank positions the high quality and efficiency of ESG corporate governance as an important element of business success. ”

ORGANIZATIONAL STRUCTURE OF JUSAN BANK





BUSINESS ETHICS

We are convinced that ethical and fair business conduct, adherence to principles of integrity and openness are a prerequisite for successful operation as well as a guarantee of stakeholders' trust. Jusan Bank values open and honest relationships we have been able to build with our stakeholders.

The Bank forms a corporate culture based on guidelines and attitudes in behaviour and actions of our employees which are necessary both for successful implementation of the business strategy and for uniting a diverse team to achieve common corporate goals.

Business ethics management is the responsibility of the Compliance Unit. Control over compliance with the Code of Corporate Culture is carried out by the Board of Directors, the Management Board, and heads of structural divisions of the Bank.

Jusan Bank has a Corporate Culture Code approved by the Board of Directors and available for public on the corporate website.

The Code is considered as an integral part of the corporate governance system and is designed to help increase the efficiency of each employee, improve interaction and mutual understanding, set guidelines for behaviour in complex, ambiguous situations related to work ethics and a culture of business conduct.

The Corporate Culture Code contains generally binding rules of conduct that apply to all employees of the Bank regardless of their

position. The Code is designed to promote an open, diverse and inclusive environment where our employees understand what the Bank expects of them.

For effective implementation of the Corporate Culture Code Jusan Bank takes measures to increase awareness of employees about its principles and provisions.

Employees are required to familiarize themselves with the Code of Corporate Culture. Corporate events are held that are aimed at ensuring the commitment of the Bank's employees to ethical principles and values.

Employee performance assessment systems include compliance with the Code of Corporate Conduct. In particular, Jusan Bank has a system for paying bonuses to employees based on results of performance evaluation that is measured by assessing compliance of an employee with corporate values and competencies.

In 2022, there were no violations of business ethics in the Bank including in such strategic areas as corruption and compliance with the Code of Corporate Conduct.

Imposition of disciplinary measures is provided in case of violation of the principles of business ethics by an employee. According to their job descriptions employees bear disciplinary responsibility for improper or untimely performance of duties enshrined in the Corporate Culture Code.

” **Jusan Bank** has a Corporate Culture Code approved by the Board of Directors and available for public on the corporate website. ”

BUSINESS ETHICS

Employees can report violations of the requirements of the Corporate Culture Code directly to the Chief Compliance Controller by sending a confidential or anonymous message through the Jusan Bank Portal / I-Manager Service.

Jusan Bank respects and strictly complies with applicable laws, encourages a culture of openness and transparency where the opinion of each employee and all stakeholders is valued.

We demonstrate zero tolerance for any form of fraud, corruption in any form, anti-competition, discrimination or harassment.

Jusan Bank does not finance political campaigns, political organizations, lobbyists, trade associations or other tax-exempt groups whose role is to influence political decisions. Jusan Bank does not support charitable projects that are purposefully carried out to influence the process of making decisions in favour of the Bank by government and local authorities or related persons.

In addition, we do not finance charitable and sponsorship projects to obtain commercial advantages in specific projects of the Bank.

The Bank strives to adhere to principles of responsible marketing and pays great attention to marketing communications to prevent a negative reaction or misleading our clients. Jusan Bank does not accept advertising that does not meet ethical standards or may violate the rights of the client.

” **Jusan Bank respects and strictly complies with applicable laws, encourages a culture of openness and transparency where the opinion of each employee and all stakeholders is valued.**

”

ANTICORRUPTION

Adhering to the principle of zero tolerance, Jusan Bank strives to implement all reasonable measures for strict anti-corruption control and prevention of corruption risks.

During the reporting period, no confirmed corruption violations were identified in the Bank, and no fines or non-financial sanctions were imposed in connection with corruption violations. Through feedback channels with employees and clients there were no substantiated complaints about corruption in the Bank's activities.

In its daily activities, the Bank is guided by the legislation of the Republic of Kazakhstan in the field of combating corruption. We strive to ensure adherence to advanced anticorruption standards including the relevant principles of the UN Global Compact.

Jusan Bank has the Policy on Preventing and Combating Corruption approved by the Board of Directors. The requirements of the Policy are binding on all employees of the Bank.

The Policy was developed to identify, prevent and minimize cases of illegal, unethical, corrupt behaviour of the Bank's employees. It is aimed at developing a uniform understanding among all employees of the essence of corrupt acts, their forms and manifestations in order to prevent and suppress situations and actions that, including potentially, may violate the requirements of the legislation of the Republic of Kazakhstan and applicable international law.

When countering corrupt practices, the Bank is based on the following principles:

- legality and ethics;
- non-acceptance of corruption and acts of corruption in any form and manifestation;
- irreconcilable attitude to manifestations of corruption and acts of corruption at all levels of corporate governance;
- inadmissibility of corrupt practices including manifestations of a conflict of interest in the Bank;

- active involvement of officials and employees of the Bank in the work on combating corruption.

The Bank's operations are subject to anticorruption assessment.

Employees of Jusan Bank are prohibited in any form from committing actions that are considered as corrupt acts including but not limited to giving a bribe, receiving a bribe, mediation in bribery, commercial bribery, abuse of power and other illegal use of their official position contrary to the legitimate interests of the Bank to obtain financial or other benefit or advantage.

It is envisaged to bring to responsibility employees and other persons who have committed acts of corruption in accordance with the legislation of the Republic of Kazakhstan.

The Management Board and the Board of Directors of Jusan Bank are responsible for compliance of the Bank's activities with the requirements of the legislation of the Republic of Kazakhstan, ensuring compliance with the requirements of the legislation in the field of combating corruption, and exercising general control over the fulfilment by the Bank's employees of the requirements of the Policy. The heads of divisions and branches of the Bank are obliged to carry out control and monitoring to prevent and combat corruption on a permanent basis.

In accordance with its powers and competencies granted, the Compliance Control Block has the right to initiate and participate in internal audits and investigations in the field of combating corruption.

The requirements of the Policy are observed when the Bank establishes contractual and other business relations with individuals and legal entities. Contracts with contractors and suppliers include anticorruption clauses.

The Bank makes reasonable and available efforts in the circumstances to minimize the risk of violation of the applicable anti-corruption legislation of the Republic of Kazakhstan when establishing business relationships with customers, counterparties and other persons who have been or may be involved in corrupt activities. In this regard, the Bank:

” Jusan Bank has the Policy on Preventing and Combating Corruption approved by the Board of Directors. ”

ANTICORRUPTION

- analyses business reputation of potential clients, counterparties and other persons, their shareholders and beneficial owners in accordance with the procedure established by the Bank including for presence of negative information in publicly available sources;
- informs potential clients, contractors or other persons about the principles and requirements of the Bank in the field of combating corruption, established in the Policy including by writing the relevant anti-corruption clauses in agreements and contracts concluded with these persons;
- considers their willingness to comply with the principles and requirements in the field of combating corruption as well as to provide mutual assistance to prevent corruption.

Jusan Bank conducts regular training of employees on main provisions of the Policy on Preventing and Combating Corruption. When hiring, all employees are required to familiarize themselves with the requirements of the Policy on Preventing and Combating Corruption.

During the reporting period, various measures were taken to detect and suppress corruption including testing technical solutions in the field of information security, checking the Bank's employees and counterparties for reliability and conflicts of interest.

It should be noted that if an employee of the Bank has information or suspicions about possible corrupt actions or inaction of other employees, clients, counterparties or other persons interacting with the Bank, he/she must notify the Compliance Control Block by sending a memo in the electronic document management system or via anonymous channel. Information provided by employees through an anonymous channel is classified as confidential information.

The Bank guarantees the observance of the principle of confidentiality in relation to all employees, and also that the declared information will be checked as soon as possible and the employee who provided the information will not be subject to sanctions if he reported an alleged fact of corrupt acts, including if the facts specified in the appeal did not receive confirmation during the investigation.

Jusan Bank supports implementation of its own anti-corruption policies by its subsidiaries that are in line with the main principles of our Policy on Preventing and Combating Corruption.

Business partners are informed that the Bank does not accept any form of violation of anticorruption laws. Each contract with counterparties contains a rule on the need to comply with anticorruption requirements.

” Business partners are informed that the Bank does not accept any form of violation of anticorruption laws. Each contract with counterparties contains a rule on the need to comply with anticorruption requirements. ”

Bank employees trained on anticorruption issues

Members of governing bodies	33%
Other employees, total	98%
Head office	90%
Almaty branch	91%
Capital branch	98%
South Kazakhstan branch	98%
Karaganda branch	98%
Pavlodar branch	99%
Almaty regional branch	100%
North Kazakhstan branch	100%
Zhambyl branch	100%
Aktobe branch	98%
Atyrau branch	98%
Mangystau branch	100%
Kostanay branch	100%
Akmola branch	99%
East Kazakhstan branch	97%
Turkestan branch	99%
West Kazakhstan branch	100%
Kyzylorda branch	100%
Semey branch	100%
Zhetysu branch	100%

COUNTERING FINANCIAL CRIME

Jusan Bank demonstrates no tolerance for financial crime and any attempt to circumvent the Bank's policies and related financial crime controls.

In accordance with national legislation, the Bank has developed a system for managing the risk of legalization (laundering) of proceeds received by criminal way and terrorism financing. As a subject of financial monitoring Jusan Bank strictly complies with the requirements of regulators and adheres to the best practices in the field of compliance and AML/CFT.

The AML/CFT management system is based on a risk-based approach and adherence to three lines of defence, where the first line of defence are all employees of Jusan Bank; the second line of defence is the Financial Monitoring Department; and the third line of defence is the Internal Audit Service that evaluates effectiveness of the internal AML/CFT management system. The Financial Monitoring Department exercises control over combating financial crimes.

The Bank has the Policy for Managing the Risk of Legalization (Laundering) of Proceeds Received by Criminal Way and Financing of Terrorism and Internal Control Rules to Combat the Legalization (Laundering) of Proceeds Received by Criminal Way and Financing of Terrorism that take into account the FATF recommendations. The provisions of these documents are mandatory for execution by officials and employees of the Bank and are recommended for subsidiaries of Jusan Bank to comply with.

Effective control and knowledge of our clients through client due diligence procedures are essential components in the fight against financial crime.

The Bank has the Client Identification Regulation for due diligence of a client and implementation of a client identification program, the Regulation for monitoring and studying client transactions and own operations that defines a program for monitoring and studying client transactions. Control through Know Your Client procedures ensures that all clients are subject to proper identification, risk assessment and periodic reviews. Client due diligence is provided when establishing

business relationships remotely. Transaction controls prevent or detect risky transactions and generate alerts that are analysed and investigated.

Considering the requirements of the Policy for managing the risk of legalization (laundering) of proceeds from crime and financing of terrorism, the Bank provides for among other things:

- prohibition or special enhanced financial monitoring when servicing foreign trade contracts, when accepting payments and transfers in foreign currency for execution with participation of clients and/or counterparties that are residents of foreign states included in the list of states and territories that do not comply or insufficiently comply with the FATF recommendations;
- identification and verification of politically exposed persons, regardless of the citizenship of such a person, and/or members of his/her family and close relatives for involvement in AML/CFT cases when establishing or continuing business relations;
- refusal to establish business relations with a client, if the client (his representative) and/or beneficial owner is on the list of terrorists and extremists, sanctions lists.

Documents and information obtained as a result of due diligence of a client as well as documents and information on transactions with money or other property subject to financial monitoring and on suspicious transactions are kept by the Bank for at least 5 years from the date of termination of business relations with a client or a transaction.

” Jusan Bank demonstrates no tolerance for financial crime and any attempt to circumvent the Bank's policies and related financial crime controls. ”

COUNTERING FINANCIAL CRIME

Training of Employees in the Field of AML/CFT

The professional training of employees in the AML/CFT field is regularly updated. It is aimed at ensuring that employees understand the Bank's regulatory obligations, main mechanisms and specifics of specific financial crimes such as money laundering and are able to identify and manage the risks of financial crimes. Jusan Bank has a Regulation for training employees on compliance risk management, including the risks of legalization (laundering) of proceeds received by criminal way and financing of terrorism.

The Bank has compliance managers (Compliance Control Block) who coordinate professional training activities of employees in the AML/CFT field.

The following types of employee training are provided:

- mandatory training (familiarization) of all employees;
- thematic training;
- internal training on AML/CFT issues.

Mandatory training of employees on ML/TF risks is a remote familiarization with the process of managing them. When hiring and transferring an employee within the Bank to positions related to the implementation of AML/CFT legislation, all employees undergo mandatory training prior to performing functions related to their compliance with the AML/CFT legislation and requirements. The mandatory training course can be made in the form of a presentation that is posted on the internal network resource of Jusan Bank.

The main type of risk-based approach is thematic intranet training based on a case study that is carried out after detection of compliance violations and identified ML/TF risks, to minimize possible ML/TF risks in the future and increase the level of knowledge of employees of departments on issues. Thematic remote training and testing of employees is carried out using the Bank's software product "WebTutor System of Training, Evaluation, Development and Recruitment of Personnel" (WebTutor

Distance Learning System). If an employee receives a result below an acceptable value, he/she has 2 additional attempts to pass a test.

The internal training course on AML/CFT issues contains a due diligence procedure for a client, case study, description of actions of Jusan Bank employees when a client is blacklisted, signs of suspicious transactions, legalization (laundering) schemes for money obtained by criminal means. Internal intranet training is carried out in the WebTutor Distance Learning System.

Scheduled internal training on AML/CFT issues is conducted once a year in manner and terms specified in an annual training plan, and in accordance with a list of the Bank's departments that must be trained on AML/CFT issues. The executives of Jusan Bank annually undergo training in ML/TF risk management. Based on the results of internal training on AML/CFT issues, the WebTutor Distance Learning System tests employees to determine the level of knowledge gained.

In addition to remote training of employees in the WebTutor Distance Learning System, Jusan Bank uses following forms of internal training on AML/CFT issues:

- remote training for heads of structural divisions conducted by the compliance control unit via video link;
- face-to-face seminars and training courses for employees of the Head Office conducted by employees of the compliance control unit;
- face-to-face and remote seminars for employees of the Bank's branches conducted by heads of structural divisions, and in some cases by the compliance control unit.

For employees of the Bank from the Compliance Control Block training is provided with involvement of external experts and organizations, as a result of which certificates and diplomas are issued and attached to the personal files of employees when maintaining HR records.

Efforts to raise employee awareness allow early identification of the risks associated with money laundering, terrorism financing and circumvention of international sanctions as well as taking quick and proactive measures to prevent them.

” Jusan Bank has a Regulation for training employees on compliance risk management, including the risks of legalization (laundering) of proceeds received by criminal way and financing of terrorism. ”

CONFLICT OF INTEREST MANAGEMENT

Adhering to the principle of zero tolerance Jusan Bank strives to implement all reasonable measures to strictly control and prevent conflicts of interest.

Conflict of interest management is a significant task of corporate governance to exclude unfair practices when making decisions by the Bank.

In its activities, Jusan Bank seeks to avoid conflict between the personal interests of officials and employees of the Bank and their professional duties.

During the reporting period there were no confirmed incidents related to a conflict of interest that resulted in financial or reputational damage to the Bank.

The Bank has approved the Conflict of Interest Management Policy. Comprehensive measures have been taken to identify and resolve conflicts of interest that may arise for employees while performing their professional duties.

Among the most important measures for managing conflicts of interest are the following:

- Strict observance of their duties by employees in accordance with the legislation of the Republic of Kazakhstan, the Bank's internal regulatory documents and job descriptions.
- Availability of a balanced organizational structure, where the areas of responsibility of divisions, powers and responsibilities of each employee are clearly delineated.
- Restriction of employment of relatives in positions that provide for subordination to another relative or possibility of influencing the setting of tasks and assessing effectiveness of their implementation.
- Avoidance of activities that could give rise to a conflict of interest, and, in particular, employees should refrain from engaging in operations or transactions that involve persons with whom they or members of their families have a personal connection or financial interest.
- Prohibition of disclosure of confidential information to third parties that may be used by them to promote and conclude commercial transactions that are contrary to the interests of Jusan Bank.

- Prohibition of offering, giving or receiving any incentives or gifts that imply hidden rewards or that could harm business reputation of the Bank.

To prevent conflicts of interest among the members of the Board of Directors and the Management Board, the list of interested parties of the Bank is regularly updated, and the practice of mandatory informing members of the management of Jusan Bank about persons controlled by them or related to them as well as about positions held in other companies is used.

In accordance with the current Regulation on the Board of Directors, members of the Board of Directors must refrain from voting on issues in which they have an interest in making decisions, with disclosure to the Board of Directors of both the very fact of such interest and grounds for its occurrence.

No activity of officials and employees of Jusan Bank should violate obligations to the Bank or damage its reputation. Abuse of the Bank's resources is prohibited. Officials and employees of the Bank need to consider the nature of their actions and avoid situations that may be perceived as a conflict of interest.

The Bank implements control procedures that are focused on identifying signs of a conflict of interest. Control and monitoring of conflicts of interest is a responsibility of the Compliance Control Block.

Based on results of control procedures in 2022, the presence of certain signs of a conflict of interest was established, all of which were resolved:

- number of working relatives – 122 couples, of which 6 signs of a conflict of interest were identified;
- number of part-time employees – 49, of which 3 signs of a conflict of interest were identified.

” Conflict of interest management is a significant task of corporate governance to exclude unfair practices when making decisions by the Bank. ”



HUMAN RIGHTS AND NON-DISCRIMINATION

As a large employer that makes a significant contribution to the development of the regions of presence, Jusan Bank takes into account the special responsibility in the sphere of human rights.

The Bank complies with the Constitution and legislation of the Republic of Kazakhstan, international norms and standards in the field of human rights protection that are enshrined in the United Nations Universal Declaration of Human Rights of December 10, 1948, the International Covenant on Economic, Social and Cultural Rights of December 16, 1966, the United Nations Global Compact.

Jusan Bank has adopted the 2023 Human Rights, Diversity and Equal Opportunity Policy that defines our human rights, diversity and equal opportunity principles. The requirements of the specified Policy are obligatory for execution by all divisions of the Bank.

Our main approach is that all human beings are free and equal in dignity and rights regardless of gender, language, age, religion, ethnicity and race, social origin, property status, or other features or characteristics.

We strive to create an atmosphere of mutual respect in the work collective. Guaranteeing diversity, equal opportunities and inclusion for employees is an important factor for us to ensure long-term competitiveness.

The Bank does not welcome any action that promotes, encourages or incites other people or other organizations to violate human rights.

The Bank does not accept including from its business partners forms of child labour that do not comply with the legislation of the Republic of Kazakhstan, any form of forced labour, as well as any practices related to human trafficking.

Jusan Bank does not allow any form of direct and indirect discrimination and infringement of human dignity based on individual features and characteristics. Employees who feel that they are not protected from discrimination are entitled to apply through the available feedback channels.

During the reporting period, there were no confirmed incidents of

discrimination based on gender, religion, ethnicity and race, social origin, property status, or other forms of discrimination in the Bank. Identification of the involvement of an official or employee of the Bank in discriminatory behaviour and infringement of human dignity entails disciplinary liability.

All employees are treated with respect regardless of their political views and worldview. The Bank respects the rights of employees to freedom of expression and collective bargaining. None of the Bank's employees may be restricted in their labour rights, except in cases and in the manner prescribed by the legislation of the Republic of Kazakhstan.

The Bank provides equal opportunities to all applicants for jobs and employees in accordance with clearly defined and generally accepted rules for hiring and rationing of labour taking into account existing competencies and within the limits of job descriptions, regardless of individual distinctive characteristics that are not related to the business qualities of a person.

This principle applies to all aspects of the employment of the Bank's employees including pay and working conditions, training, career advancement, behaviour at work, disciplinary procedures, termination of labour relations in accordance with job descriptions. In dealing with employees, the Bank seeks to ensure equal remuneration for work of equal value.

At the same time, to ensure employment of the population of the regions of presence, when hiring, the Bank strives to give priority to candidates from among the local population if they have the necessary experience and competence.

The Bank complies with such norms of labour legislation as working hours and rest periods for employees. Thus, we ensure the right of employees to privacy while maintaining a balance between work and personal time.

As of the end of the reporting period, the Bank did not introduce the practice of collective agreements. Reason is that none of the parties (the employer and employees represented by their representatives) expressed

” As a large employer that makes a significant contribution to the development of the regions of presence, Jusan Bank takes into account the special responsibility in the sphere of human rights. ”

HUMAN RIGHTS AND NON-DISCRIMINATION

a desire to start collective bargaining agreement in accordance with article 156, paragraph 2 of the Labour Code of the Republic of Kazakhstan.

Jusan Bank is committed to identifying and preventing any adverse human rights incidents and consequences within its operations through due diligence.

We intend to improve corporate practices in support of human rights through open dialogue with stakeholders, risk monitoring and implementation of best practices.

The Bank welcomes the observance by clients, suppliers, business partners and other stakeholders of human rights, the basic principles of diversity and equal opportunities.

As part of its activities, Jusan Bank is not present in indigenous peoples' territories and does not influence them. At the same time, we support the principle of respect for the rights, cultural and customary practices of indigenous peoples.

” Jusan Bank is committed to identifying and preventing any adverse human rights incidents and consequences within its operations through due diligence. ”

” We intend to improve corporate practices in support of human rights through open dialogue with stakeholders, risk monitoring and implementation of best practices. ”

FEEDBACK MECHANISMS

One of the tools for introducing ethical principles and anticorruption policy into the daily operations of Jusan Bank is incident response and reporting of violations that allow to effectively identify violations of the Corporate Culture Code, the Policy on Preventing and Combating Corruption and other corporate documents.

The Bank established communication channels through which employees have the right to report violations of the legislation of the Republic of Kazakhstan and corporate principles.

The Bank provides an anonymous channel through which employees can send information about possible violations including breaches of legal requirements and internal regulatory documents, corruption cases and conflicts of interest. Notifications can be submitted in two ways: through the Bank's internal portal (an anonymous message to the Chief Compliance Controller) and the Bank's external website to compliance@jusan.kz.

According to the Bank's Procedure for Reviewing Confidential and Anonymous Reports of Violations, confidential messages received by the Compliance Risk Management Department are stored separately and are considered confidential information, access to which is exclusively for the Compliance Risk Management Department. Anonymous messages received by the Chief Compliance Controller are considered by the Chief Compliance Controller.

The Compliance Risk Management Department keeps a record of all reports of violations as they are received. The head of the Compliance Risk Management Department involved in the processes specified in the above-mentioned Procedure is responsible for organizing and maintaining effective internal control in the course of receiving and

processing reports from the Bank's employees on violations of the requirements of the legislation of the Republic of Kazakhstan by other employees related to the operation of the Bank.

Jusan Bank expects employees to report violations, suspected wrongdoing, and suspicious incidents promptly and in good faith.

The Bank is guided by inadmissibility of disciplinary, discriminatory or any other adverse retaliatory measures as well as threats of their use against a whistle-blower who responsibly reported a violation.

We are committed to improving our whistleblowing procedures that govern the principles for reporting any violations, suspected wrongdoing or suspicious incidents relating to Jusan Bank including misconduct leading to unethical business practices.

Jusan Bank clients are provided with various channels for submitting complaints and claims through:

- branches of the Bank;
- corporate mail Info@jusan.kz;
- call-centre 7711;
- SMM.

It is mandatory to bring to the client-applicant the results of consideration of his/her complaint by providing feedback on oral or electronic complaints or one copy of a written response, with results of consideration and options for resolving the issues and requirements of the client-applicant.

” The Bank established communication channels through which employees have the right to report violations of the legislation of the Republic of Kazakhstan and corporate principles. ”

RISK MANAGEMENT

Jusan Bank operates a multi-stage risk management and internal control system linked to all business processes and operations that contributes to corporate sustainability. The risk management system ensures the identification, assessment and control of risk changes in both the internal and external environment in relation to economic and operational activities.

The Bank complies with the requirements for the risk management system established by the financial regulator.

The Bank has approved the Banking Risk Management Policy to organize an effective risk management system in accordance with international standards and ensure its proper functioning.

Jusan Bank forms a risk appetite and a system of limits restricting the maximum level of accepted risks. The Risk Appetite Strategy was approved, and it outlines the limits the amount of risks taken within which the Bank operates as part of implementation of the overall development strategy, and it also determines the risk profile to prevent the realization of risks or minimize their negative impact on the financial position.

The process of regular risk identification and risk mapping is regulated by the Risk Appetite Strategy. Among other things it covers such stages as:

- Identification of risks and identification of significant risks.
- Assessment of significant risks.
- Determination of the total amount of risks taken and assessment of capital adequacy under normal and stressful conditions using current and planned values.
- Definition of risk appetite and business planning of key business indicators considering the established risk appetite, capital consumption and available resources on a periodic basis.
- Reporting and monitoring of indicators of risk appetite as well as limits for certain types of risks.

The Bank strives to comply with risk-based supervision based on the SREP (Supervisory Review and Evaluation Process) model.

RISK MANAGEMENT

As part of the risk management system the Bank determines the risk appetite for the main (significant) types of risk, and the aggregated risk appetite based on all types of risks. Risk appetite levels are determined by setting quantitative criteria (credit, market, operational risk) and qualitative statements (reputational risk, compliance risk, legal risk).

When determining risk appetite levels, Jusan Bank assesses how the established risk appetite is acceptable in the current period of time and how it will be acceptable in the future taking into account shareholders' expectations regarding the level of return; international regulatory standards (Basel); current and expected volumes of financial transactions; current and expected future volumes of significant risks; current and expected volumes of total capital; current state and forecasts for development of the economy of the Republic of Kazakhstan.

As of the end of the reporting period, the Bank's risk structure was dominated by credit risk (79% of total risk-weighted assets), operational

risk (respectively 17%) and market risk (respectively 4%). The maximum aggregate level of risk appetite for 2022 was 41.6% including in the context of the main (significant) types of risk: credit risk – 24%, market risk – 16.5%, operational risk – 1.1%.

The Risk Appetite Strategy provides that to analyse the risks inherent in the Bank's activities, a regular risk identification procedure is carried out and at least once a year previously identified risks are reviewed to determine their relevance and significance level for the Bank. As a result, some of the previously identified risks may be considered irrelevant due to the weakening of the Bank's exposure to them.

To diversify risks, Jusan Bank does not want to allow high concentration by borrowers and industries. In the area of lending, the Bank plans to begin accounting for social and environmental risks in addition to the above-mentioned risks.

RISK MANAGEMENT

In addition to traditional banking risks, among the long-term emerging risks that can have a significant impact on the Bank over a time horizon of more than 3-5 years, the following can be distinguished as an example:

Risk	Introduction of carbon taxation of installations, processes, goods and services in the Republic of Kazakhstan, the emissions of which are not regulated under the national emissions trading system	Sharp tightening of climate regulation for large and medium-sized businesses in the Republic of Kazakhstan
Category	Economic risk	Regulatory risk
Description	Only large sources of greenhouse gas emissions are currently subject to regulation under the emissions trading system in the Republic of Kazakhstan, emissions of which account for about 43% of all greenhouse gas emissions in the country. Taking into account the adoption of the Strategy on Achieving Carbon Neutrality of the Republic of Kazakhstan, it is predicted that a carbon tax will be introduced for non-quota sectors of the economy and sources of greenhouse gas emissions that are not currently covered by the national emissions trading system. It is assumed that it will be paid by stationary and mobile sources of direct greenhouse gas emissions, whose emissions are not quota-based under the current cap-and-trade system. If adopted, the carbon tax rate could reach 25-30 euros per tonne of CO ₂ -eq by 2030.	According to the Strategy on Achieving Carbon Neutrality approved in 2023, the Republic of Kazakhstan envisages achieving carbon neutrality by 2060. At the same time, taking into account international trends in the field of climate regulation, legislative requirements for large and medium-sized businesses can be sharply strengthened in a short time, that stipulate without providing large business with an adequate "adaptation" period: 1) accelerated (compared to current forecasts oriented towards 2060) transition to carbon neutrality; 2) preparation of extended climate reporting based on the TCFD and the IFRS climate standard.

RISK MANAGEMENT

Impact	<p>Depending on its configuration the carbon tax on non-quota-based sectors of the economy and sources of greenhouse gas emissions will increase the long-term financial burden on the Bank and its corporate clients, especially under scenario of accelerated implementation of the tax or in the event of prolonged adverse macroeconomic trends. In particular, the Bank and borrowing companies will need additional long-term expenses to implement measures to reduce carbon emissions and to offset the additional cost growth in fuel and energy resources arising from the carbon tax. This may affect the creditworthiness of some of the Bank's corporate clients, primarily small and medium-sized businesses in all parts of the production chain.</p>	<p>If the risk materializes, it will have a negative impact both directly on the Bank's operations and financial results, and on the financial stability of its clients especially those representing carbon-intensive sectors of the economy. In this context, the Bank will face a deteriorating business environment including scenarios where some customers are unable to meet their obligations to the Bank and the Bank is forced to terminate relationships with certain customers whose activities are associated with significant emissions. Significant investments will be needed in a short timeframe to ensure the Bank accelerates implementation of the carbon neutrality package including given the continued dependence of the national energy and industrial production on coal generation, as well as underdevelopment of renewable energy. In the initial period, the Bank's exposure to fines and other sanctions from the regulator and other supervisory authorities may increase significantly.</p>
Bank Mitigation Actions	<ul style="list-style-type: none">• Initiating development of the Bank's corporate climate strategy and steps to phase down emissions.• Creation of a climate risk management and control system and climate planning at the level of the Bank's Board of Directors and executive management.• Avoiding a significant concentration of lending in carbon-intensive sectors of the economy including through expanding the list of exclusions for Bank financing.	<ul style="list-style-type: none">• Annual accounting and verification of Scope 1, 2, 3 emissions as well as preparation for evaluation of financed emissions.• Conducting regular assessments of climate risks and opportunities.• Initiating development of the Bank's corporate climate strategy and steps to phase down emissions.• Creation of a climate risk management and control system and climate planning at the level of the Bank's Board of Directors and executive management.• Initiation of annual climate disclosures in line with the TCFD recommendations.• Avoiding a significant concentration of lending in carbon-intensive sectors of the economy including through expanding the list of exclusions for Bank financing.

RISK MANAGEMENT

When introducing new products and changing existing products in the Bank, a comprehensive risk analysis is mandatory. The procedure for agreeing and evaluating new and existing products for the presence of risks is provided for in the Business Process Management Rules and in the Regulation for Development, Implementation and Exclusion of Products. In particular, the Regulation for Development, Implementation and Exclusion of Products determines the procedure for interaction between structural divisions in development and implementation of new products, modification, exclusion of existing products from the Bank's product line. Risk management departments evaluate and communicate this information to the product owner.

In the medium term, sustainability risk management focuses on two priority areas:

- Assessment of risks of direct impact on the environment because of the Bank's own operations. Due to the specific nature of the operations and taking into account the measures being developed to reduce the

adverse impact, the risks of the Bank's direct impact on the environment are assessed as insignificant.

- Inclusion of ESG risks into the Internal Capital Adequacy Assessment Process (ICAAP), integration with credit, operational, market and liquidity risk management strategies. Jusan Bank intends to switch to assessing and monitoring ESG risk factors on a regular basis as part of a comprehensive risk analysis and management system.

Jusan Bank plans to form a climate risk management system based on international approaches, such as the TCFD recommendations. In 2022, work was carried out on the preliminary identification of physical and transitional climate risks (see the sections "Climate Risks" and "Climate Opportunities").

In accordance with applicable law, operations of Jusan Bank are not subject to environmental impact assessment. However, we are developing measures to properly assess our direct and indirect impacts on the environment and society to manage them responsibly through application of preventive and mitigating measures and initiatives. Jusan Bank adheres to the principle of precaution and due diligence in relation to social and environmental issues.

” Jusan Bank plans to form a climate risk management system based on international approaches, such as the TCFD recommendations.”

RISK MANAGEMENT

Organization of the Risk Management System

Jusan Bank ensures distribution of functions related to acceptance and management of risks among structural divisions so that implementation of operations related to acceptance of risks and risk management are not included in the functions of one division. Control over functioning of the risk management system is carried out at all levels of the organizational structure in accordance with functional responsibilities and internal documents on risk management.

The organizational structure of the Bank's risk management complies with the requirements of the national financial regulator. The risk management function is structurally independent of business lines.

The Board of Directors of Jusan Bank participates in determining risk-taking approaches and ensures that they are in line with the Bank's corporate development strategy and capital size. Within the structure of the Board of Directors there is a specialized Risk Management and Internal Control Committee that coordinates the risk management process in the Bank.

Taking into account the priorities of the corporate development strategy and decisions of the Board of Directors, the Management Board exercises executive control over the risk management system, risk management processes and procedures including to comply with the legislation of the Republic of Kazakhstan, the requirements of the financial regulator and internal documents.

THE THIRD LINE OF DEFENCE that includes the Internal Audit Service carries out an independent assessment of effectiveness of the risk management system.

THE SECOND LINE OF DEFENCE is represented by the independent Risk Management Block that performs the functions of monitoring, analysis and control of risks as well as other structural divisions responsible for the risk management.

THE FIRST LINE OF DEFENCE is represented by the structural divisions that accept risks as part of their operating activities and perform operations within the approved levels of the Bank's risk appetite.

The Bank's employees are obliged to inform their immediate supervisors and risk management departments about realized or potential risks that they have identified during their activities or become aware of through the available communication channels.

” The risk management function is structurally independent of business lines. ”

TAX POLICY

Jusan Bank recognizes the important role that taxes play for public finances and society's ability to achieve long-term priorities including in line with the UN Sustainable Development Goals and the Paris Climate Agreement.

The Bank is a large taxpayer that maintains transparent tax records and applies a balanced tax accounting policy that ensures the maximum balance of interests of the state budget and the Bank. The Bank's effective tax rate in 2022 was 13.1%.

The Bank demonstrates a strict commitment to comply with the requirements of the legislation of the Republic of Kazakhstan in the tax field. We focus on the timely fulfilment of all obligations related to filing of tax returns and other documents, payment of taxes in the appropriate amount and terms in accordance with applicable law.

In the reporting period, there were no significant changes in the tax administration, control and risk management in the Bank, the tax strategy and Bank's approaches to taxation.

The tax policy is determined by an internal document that is the Tax Accounting Policy (hereinafter referred to as the Tax Policy), approved by the decision of the Board of Directors. It was elaborated in accordance with the Tax Code and regulatory legal acts of the Republic of Kazakhstan,

international financial reporting standards, the Bank's Accounting Policy and internal documents governing certain business processes of Jusan Bank as well as accounting for banking and business transactions.

The tax policy determines the approaches of Jusan Bank in terms of fulfilment of tax obligations, establishes the ways and methods used by the Bank for tax accounting and disclosure of information for tax reporting in compliance with the requirements of the tax legislation of the Republic of Kazakhstan.

Decision-making regarding the recognition of objects of taxation, income and expenses for purpose of calculating tax amounts is carried out using the consolidated judgment of the Bank's employees, whose job responsibilities include control over fulfilment of tax obligations of Jusan Bank. The professional judgment of these employees is always based on the principles of reasonable discretion and includes conclusions about the position of state bodies, results of tax control and tax accounting practices of other taxpayers, and other factors that can influence the decision-making process.

The Bank uses a conservative approach to the decision-making process in relation to uncertain tax positions. Using this approach means recognizing the priority of the tax authorities' position in relation to a

” The Bank demonstrates a strict commitment to comply with the requirements of the legislation of the Republic of Kazakhstan in the tax field. ”

TAX POLICY

norm of tax legislation, the procedure for implementation of which is ambiguous.

Jusan Bank does not engage in aggressive tax planning and tax evasion schemes including encouraging the use of tax havens or jurisdictions that do not cooperate with competent tax authorities for tax purposes. The Bank does not provide tax advice to clients, and does not promote services, products or transactions related to tax evasion.

The structure of the tax management and the system of tax control in the Bank are determined in accordance with the Tax Policy and the Regulation on the Tax Administration Division. Compliance with tax obligations and the corresponding system of control is ensured at several levels.

The responsibility for compliance with the Tax Policy rests with the Chairman of the Management Board and the Chief Accountant of Jusan Bank.

The Tax Administration Division that is organizationally part of the Financial Block headed by the Deputy Chairman of the Management Board - Financial Director is the responsible unit for the taxation area including tax accounting, calculation and reporting to the tax authorities. Being a member of the first line of defence of the Bank's internal control system, the Tax Administration Division exercises general control over implementation of the Tax Policy on an ongoing basis.

Monitoring of relevant issues is enhanced by internal control measures and organization of external audit. Tax risks are identified, managed and controlled in accordance with internal processes. Incidents or suspicions of tax violations can be reported both within the Bank and to third parties using the established communication channels of the compliance service.

The Bank seeks to effectively interact with the state tax authorities and comply with their requirements on all issues stipulated by the legislation of the Republic of Kazakhstan.

” The Bank seeks to effectively interact with the state tax authorities and comply with their requirements on all issues stipulated by the legislation of the Republic of Kazakhstan. ”

COMPLIANCE WITH LAWS AND REGULATIONS

Jusan Bank does not allow cases of gross violation of the legislation in the field of banking activities and the requirements of the financial regulator of the Republic of Kazakhstan.

During 2022, the Agency of the Republic of Kazakhstan for Regulation and Development of Financial Market applied 5 supervisory response measures against the Bank including 1 recommendatory measure; 1 measure impact in the form of a written caution; 7 fines totalling 4.44 million tenge, in particular 1 fine due in January 2023.

The Bank strives to exercise maximum control over compliance with the rules of professional business conduct including assessment and monitoring of compliance risks associated with professional business conduct and corporate ethics, in particular conflicts of interest, use of insider or confidential information.

We strictly adhere to antitrust laws and do not oppose competition in the market. During the reporting period, the Bank did not receive fines for violation of antimonopoly laws. No lawsuits have been filed or pending against the Bank for anticompetitive or antitrust violations.

” Jusan Bank does not allow cases of gross violation of the legislation in the field of banking activities and the requirements of the financial regulator of the Republic of Kazakhstan. ”



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4 RESPONSIBLE BUSINESS

RESPONSIBLE ATTITUDE TO CLIENTS

Impeccable customer service is the foundation of the Jusan brand. We treat clients with respect and professionalism, build trusting and long-term relationships including through responsible marketing communication. The pool of our clients is more than 3 million.

Our priority is to develop an ecosystem based on three platforms, namely Jusan Retail, Jusan Business and Jusan Private Banking, through which each client can easily satisfy his/her financial needs.

Number of clients of Jusan Bank

as of December 31, 2022, thousand

2,819.5

Retail and Private
Banking clients

191.2

Corporate
clients

including

190.1

*SMEs and
microbusinesses*

By a responsible attitude to clients the Bank means, among other things, that:

- Clients are offered quality financial products and services.
- Advertised and sold financial products and services are designed to meet the needs of certain groups of clients and have an appropriate focus.
- Clients are provided with clear and reliable information in a timely manner, we do not encourage clients to purchase financial products and services they do not need to fulfil their financial plans.
- Clients are informed about significant risks, restrictions and limits associated with specific financial products and services.
- Clients are provided with agreements and contractual terms drawn up in accordance with the requirements of the legislation of the Republic of Kazakhstan.

” We treat clients with respect and professionalism, build trusting and long-term relationships including through responsible marketing communication. ”

RESPONSIBLE ATTITUDE TO CLIENTS

Jusan Bank is a member of the Kazakhstan Deposit Insurance Fund, the main purpose of which is to protect the interests of depositors in the event of forced liquidation of a bank member of that fund. As of December 31, 2022, the maximum amount of insurance coverage for savings deposits in national currency is 15 million tenge, for bank cards, accounts and other deposits in national currency is up to 10 million tenge, and in foreign currency is up to 5 million tenge.

The Bank has the Rules on Client Service Standards that define uniform requirements for the employee behaviour of and standards of business communication with clients, requirements for organization of their service. These standards are mandatory for all employees whose functional duties include direct interaction with clients. In case of violation of standards by employees, the Bank has the right to apply disciplinary and other measures to them in accordance with the Civil Code, the Labour Code and other legislative acts of the Republic of Kazakhstan.

To improve the quality of service provided to the Bank's clients, the Retail Network Development Department developed and approved a motivation program for employees of the retail network of Jusan Bank

based on results of retail sales and service quality in a branch. Within the framework of the motivation program a reduction coefficient for bonuses is applied to employees who while serving clients violated the requirements of internal documents or made mistakes, leading to justified client complaints.

The Bank regularly measures the level of client satisfaction. In particular, the level of client satisfaction with service in branch offices (t-NPS) averaged 82% for 2022 with a target value at least 80%. The Bank monitors compliance with service standards using the Mystery Shopper method for the sale of one of the target products (express loans, debit cards, quick transfers). The average result for 2022 is 86% with a target value at least 80%.

We value feedback and carefully study client requests. The Bank regularly requests feedback from clients and uses the information received to carefully analyse their needs and interests. The Bank is attentive to customer reviews that contributes to increasing client loyalty, improving the quality of products and services provided.

Jusan Bank has a system for processing and responding to complaints, claims and requests from clients, both individuals

” The Bank regularly measures the level of client satisfaction. ”

RESPONSIBLE ATTITUDE TO CLIENTS

and legal entities, including procedures for working with oral and electronic requests. The main divisions of the Bank that are involved in registering, recording, investigating customer complaints and providing feedback are the Retail Business Client Service Department for retail clients and the Legal Entity Services Department for legal entities.

Much attention is paid to improving the quality and speed of customer service by our call centre. In particular, we have automated the call centre using artificial intelligence technology that processes up to 40% of all incoming calls. A help service (FAQ section) was introduced with video materials and a targeted map of Jusan Bank branches and ATMs.

To ensure maximum accessibility of financial products and services, the Bank offers various digital and innovative solutions for clients. Our approach allows people with disabilities, people with limited mobility, pensioners, residents of all regions of the country to be served by Jusan Bank without visiting a branch taking into account their special needs. For example, a digital card provides the distribution of financial services to remote areas without a banking presence, it is enough to have an Internet connection for its registration and use. The Bank's new ATMs support modes for blind clients, they can voice transactions.

” To ensure maximum accessibility of financial products and services, the Bank offers various digital and innovative solutions for clients. ”

RESPONSIBLE ATTITUDE TO CLIENTS

The Bank has socially oriented financial products, for example:

- Social Card, intended for payment of pensions, alimony and allowances for the population.
- Multi-currency Children's Card for clients from the age of 6 to 16 years that includes parental control of transactions, as well as enables children to manage their money and learn the basics of investing through the Jusan Junior mobile application.
- Co-brand Cards for higher education institutions – we issue bank cards that combine both the functions of a payment instrument, a student identification system (student ID card), an access control system to university campuses and dormitories.
- Aqyl Educational Savings Deposit with an additional premium of up to 7% to the main rate from the state – a unique solution for paying for tuition in technical and professional, higher and postgraduate (master's) education programs.

Unlike many banks we lend to young people, students and pensioners (age groups of clients from 18 to 70 years old) without imposing additional conditions on them, and we also consider it as socially oriented lending.

There is a joint project with the mobile operator Kcell and the international payment system Mastercard to launch OGO banking

products in the Kcell/Activ mobile applications that improves banking opportunities for the population. The product line includes the OGO Card digital multicurrency payment card, the OGO Deposit bank deposit system, and the OGO Credit unsecured loan.

The Bank also offers Private Banking services to its clients that are focused on working with wealthy clients based on an individual approach.

Today, Private Banking is an independent business vertical in the Bank with its own brand, philosophy, financial instruments, development strategy, and stable client base.

As part of the medium-term development strategy, the Bank focuses its efforts on the following products for Private Banking clients:

- Deposits.
- Payment cards.
- Safe services.
- Advising on investment products.
- Insurance products.
- Lifestyle services.
- Legal and tax support.

” Unlike many banks we lend to young people, students and pensioners (age groups of clients from 18 to 70 years old) without imposing additional conditions on them, and we also consider it as socially oriented lending. ”

INFORMATION SECURITY

Jusan Bank pays great attention to issues related to information security based on compliance with the requirements of the legislation of the Republic of Kazakhstan as well as the PCI SSC recommendations.

In the reporting year, there were no confirmed information security incidents, because of which clients and employees of the Bank suffered from theft or leakage of data as part of information security incidents.

Jusan Bank has an Information Security Policy that defines the general provisions and directions in the scope of the Bank's information security management system. Employees are responsible for non-compliance and (or) improper implementation of this Policy. Failure to comply with the procedure and rules for use of information systems and information security measures adopted by the Bank entails liability in accordance with the current legislation of the Republic of Kazakhstan and the Bank's internal documents.

Business continuity plans and information security incident response procedures have been implemented and are tested at least once a year.

The Information Security Incident Management Regulation was approved that defines in detail the escalation process for the Bank's employees in case of suspicious actions and incidents. The Regulation is used to determine the procedure for monitoring information security events, identifying information security incidents, responding to them, and participants interaction in the incident management process both between divisions of Jusan Bank and external companies.

It is planned to develop an information security strategy for the Bank. The responsible unit in the field of information security is the

Information Systems Protection Department that is headed by a director equivalent to the Chief Information Security Officer. The Department organizes the information security management system, coordinates and controls the activities of structural divisions to ensure information security and measures to identify and analyse threats, counter attacks and respond to information security incidents.

The Board of Directors controls the effectiveness of Jusan Bank's activities in the information security field. As a member of the Risk Management and Internal Control Committee of the Board of Directors, Nurdaulet Aidossov is a member of the Board of Directors in charge of information security issues.

In 2022, to ensure the compliance of the Bank's information systems and networks with the requirements of international security standards, certifications were carried out in accordance with the international security standards PCI DSS and SWIFT. Comprehensive Penetration Test is conducted by an external company.

Incident response is carried out 24/7. The average response time to incidents by the Bank's information security specialists with its complete solution is ~25 minutes.

The Bank's specialists are working to timely identify and prevent incidents related to information security and cybersecurity. During 2022, the number of incidents identified at early stages and stopped in a timely manner was 44. The number of confirmed information security violations was 2. None of them led to financial losses on the part of clients, employees or the Bank itself.

” Business continuity plans and information security incident response procedures have been implemented and are tested at least once a year. ”

INFORMATION SECURITY

The Bank uses, among other things, such protection systems as:

- anti-virus protection systems (various ones for workstations, servers and ATMs);
- NGFW system to protect the perimeter from attempts of unauthorized access from outside the corporate network;
- WAF system to protect applications based on web services from unauthorized access attempts;
- database activity monitoring system (DAM) to detect anomalous requests to databases of key systems;
- Antifraud system;
- system for collecting and analysing configurations of key network equipment.

In 2022, Mobile Device Management system (MDM) was introduced in pilot operation mode.

The Information Systems Protection Department takes various measures to minimize the risks of information leakage, in particular:

- standardization of access for employees of the Head Office;
- scheduled inspections of the Bank's critical information systems for compliance with information security requirements;
- planned introduction of Data Leak Prevention system (DLP).
- delimitation of access to the Bank's information systems and to removable storage media in accordance with approved access matrices;
- restriction of access to instant messengers and cloud storages;
- use of measures to improve the security of remote connections when organizing remote access, such as communication channel encryption, two-factor authentication, etc.;
- use of a specialized software and hardware protection system for critical workstations.

To minimize the risk of data leaks due to the activity of employees, training of employees on information security issues, inventory of places where customer data is stored and processed as well as continuous monitoring of access to data and their use by employees are regularly held, taking into account the assessment of the compliance of such actions of employees with their job duties. Access to information systems of Jusan Bank is carried out by identifying and authenticating users of information systems.

” The Bank's specialists are working to timely identify and prevent incidents related to information security and cybersecurity. ”

INFORMATION SECURITY

Training on Information Security

Jusan Bank takes systematic actions to train employees on topics related to information security.

There is the Regulation on Increasing the Level of Knowledge of Employees in the Field of Information Security that defines measures and procedures for increasing the competence and awareness of employees on information security.

In particular, in accordance with the specified Regulations, distance learning is organized for new employees of the Bank within one month from the date of employment with further mandatory testing for knowledge of information security requirements. At least once every two years each employee of the Information Systems Protection Department undergoes mandatory external training (attending courses, seminars). Employees whose functional duties are regulated by the PCI DSS international standard must undergo training and testing at least once a year.

As part of measures to raise awareness of employees of the Bank on information security, different methods of conveying information are used including information distribution by corporate e-mail, notifications and/or informational messages on the corporate portal, face-to-face training and/or online presentations, thematic screensavers, posters, videos and others.

Work is underway to increase client awareness regarding information security aspects including through placement of informational messages and notices on the corporate website, social networks and offices of Jusan Bank.

” There is the Regulation on Increasing the Level of Knowledge of Employees in the Field of Information Security that defines measures and procedures for increasing the competence and awareness of employees on information security. ”

DATA PRIVACY

The Bank strictly observes the legislation of the Republic of Kazakhstan in the field of data confidentiality protection.

Operations with personal data is regulated by the Policy on Information Constituting Protected Information and Basic Measures to Organize its Protection, the requirements of which are mandatory for all departments and employees. Among other things, the Policy governs the procedures regarding the personal data of customers and their representatives; personal data of counterparties; personal data of employees and officials of the Bank, shareholders-individuals, persons connected with Jusan Bank by special relations.

Jusan Bank has a unit responsible for organizing the processing and ensuring the security of personal data – the Information Systems Control Division that is accountable to the Information Systems Maintenance Department.

The collection and processing of personal data is carried out only with the consent of the subject of personal data or his/her legal representative, except for cases of collection and processing of personal data provided for by the legislation without consent. The processing of personal data in the Bank is limited to the achievement of specific, predetermined and legitimate purposes.

We also understand personal data as any information provided through the Internet resources of Jusan Bank and / or collected using such Internet resources, relating directly or indirectly to any subject of personal data, including personal data that is entered in the data fields on corporate Internet resources and data on the location of devices of users of the Jusan Bank mobile application when it is used by users.

In accordance with the Law of the Republic of Kazakhstan On Personal Data and Their Protection, clients and other subjects of personal data have the right to access their personal data and the right to receive information regarding the processing of their personal data. When dealing with personal data, the rights of the subject of personal data are observed, including, among others:

- the right to demand clarification of his/her personal data (changes and additions to personal data if there are grounds confirmed by relevant documents), their blocking if there is information about a violation of conditions for collecting and processing personal data, as well as destruction, if their collection and processing were carried out in violation legislation and on the grounds provided for by legislation;
- the right to receive information about availability of the Bank's personal data, including confirmation of the fact, purpose, sources, methods of collecting and processing personal data; about the list of personal data processed by the Bank and the sources of their receipt; about the terms of processing personal data, including the terms of their storage;
- the right to demand notification of all persons who were previously informed of incorrect or incomplete personal data of all exceptions, corrections or additions made to them;

” Jusan Bank has a unit responsible for organizing the processing and ensuring the security of personal data – the Information Systems Control Division that is accountable to the Information Systems Maintenance Department. ”

DATA PRIVACY

- the right to protect his/her rights and legitimate interests, including compensation for losses and (or) compensation for moral injury by judicial procedure;
- the right to withdraw consent to collection, processing, distribution in public sources, transfer to third parties and cross-border transfer of personal data, except in cases where this is contrary to the applicable law, or in the presence of an unfulfilled obligation to the Bank.

Access of employees and officials of Jusan Bank to personal data is carried out only to that information, the possession of which is necessary for the proper performance of their official, functional and other duties. When interacting with suppliers and third parties, the Bank ensures control over the security of personal data of customers and employees.

In 2022, a complaint was received from one client of the Bank regarding a breach of confidentiality and personal data that was not

caused by a human factor but by a technical failure. The Bank has taken the necessary measures to prevent the repetition of cases of violation of client data privacy.

Disclosure of information constituting the personal data of employees and officials of the Bank, persons connected with it by special relations, related parties of the Bank, its clients, counterparties in violation of the legislation of the Republic of Kazakhstan, consents and concluded agreements, illegal use of such information, loss of documents containing this information, entails liability in accordance with the applicable law.

Responsibility, among other things, may include disciplinary sanctions, up to termination of the employment contract, criminal liability as well as civil liability in terms of compensation for losses caused to Jusan Bank and its clients because of the disclosure of confidential information.

” Access of employees and officials of **Jusan Bank** to personal data is carried out only to that information, the possession of which is necessary for the proper performance of their official, functional and other duties. ”

DIGITALIZATION

Taking into account the evolution trends of the financial sector, we are striving to develop beyond classical banking through promotion and popularization of ecosystems and super applications. Jusan Bank focuses on creating flexible, customizable, convenient, and customer-oriented digital ecosystems integrated with payment and financial offers based on a high level of security and protection of personal data. We believe that introduction and commercialization of new technologies improves business processes and financial results.

2022 has demonstrated the demand for our digital solutions. The number of monthly active users (MAUs) of the Bank's main digital platforms, the Jusan and Jusan Business mobile applications, approached 1.4 million as of December 31, 2022, compared to 0.9 million a year earlier. During the reporting period, our clients became owners of 934.6 thousand digital cards. Digital cards account for 65% of total bank card issuance at Jusan Bank.

Digitalization is a key tool not only for increasing the customer base and its marginality, but also for increasing the availability of financial services for clients, expanding financial and social inclusion. Given the sharp increase in the importance of the climate factor, we also take into account the fact that digital solutions can reduce the impact of Jusan Bank and its clients on the environment and reduce carbon emissions.

As part of customer care, Jusan Bank strives to offer the most personalized and easy-to-use digital products, development of which is based on the analysis of user feedback. We create an environment where clients are protected from potential threats such as personal data leakage. Among the important long-term tasks is to ensure equal access to our solutions for every person, regardless of his/her characteristics and capabilities.

The bank places special emphasis on in-house digital developments by its own IT specialists, given the importance of ensuring banking secrecy and data confidentiality. We are also increasing our expertise in the field of artificial intelligence technologies, data analytics and machine learning, including for risk assessment and work with client profiles.

Among the latest digital innovations for clients are opening an account online, obtaining a loan for individual entrepreneurs and LLPs, connecting the Jusan Tole payment acceptance system and acquiring, custodian services, treasury operations with securities, opening escrow accounts. Jusan Travel has successfully launched its own branded service where customers can purchase air and train tickets at affordable prices and with a loyalty program, which is already among the leaders in terms of the number of sales of air and train tickets among similar services provided by second-tier banks. Jusan Bank is one of the first participants in the Kazakhstan Instant Payment System that allows p2p transfers by mobile phone number between citizens-clients of second tier banks connected to the system. In January 2023, a new service was launched on the Jusan Business platform, now individual entrepreneurs are able to do bookkeeping directly in the application.

Jusan Bank focuses on the gamification of its services. In 2022, the Million for Good Deeds campaign was successfully held with the gamification of banking services with daily tasks and valuable prizes that allowed increasing MAU by more than 12%.

The active development of the quality and range of products and services has ensured a significant increase in the user ratings of our mobile applications and products. For example, the rating of the Jusan mobile application in the Apple Store reached 4.7 out of the maximum possible 5.0, and Jusan Business – 4.9, respectively.

” 2022 has demonstrated the demand for our digital solutions. The number of monthly active users (MAUs) of the Bank's main digital platforms, the **Jusan** and **Jusan Business** mobile applications, approached 1.4 million as of December 31, 2022, compared to 0.9 million a year earlier. ”

JUSAN MOBILE APPLICATION

Application with a wide range of services. In one application, clients have access to all the products of the Jusan ecosystem.

As of December 31, 2022:

MAU reached

1.26 million

The increase in MAU for 2022 is

52%



JUSAN STORE

- 0-0-24 Instalment plan for goods and services
- Bonuses for purchases in installments
- Purchases on credit for up to 24 months
- Free grocery delivery from supermarkets
- Payment by card of any bank
- More than 1 million goods, services and food



JUSAN INVESTMENTS

- Free opening of a brokerage account and its replenishment
- Buying and selling shares
- Analytics and investment ideas



JUSAN MULTICURRENCY CARD

- Instant and free online issuance
- Increased bonuses up to 15%
- 10 favorite bonus categories to choose from



JUSAN INSURANCE

- Auto insurance online in three clicks without visiting the office and calls from the manager
- Compulsory insurance of civil liability of vehicle owners with a 10% discount and 25% Jusan bonuses as a gift
- KASKO car insurance
- Accident insurance
- Travel insurance



JUSAN MOBILE

- Free SIM card at any branch
- Free calls and mobile internet for the first month
- Free communication when buying from 50 thousand tenge per month with Jusan card from the second month
- Self-configured resources (calls, SMS or internet)
- Digital operator with no hidden subscriptions



JUSAN JUNIOR

- Issuing a card for a child online
- Junior application for investing



OTHER FEATURES

- Online registration, account and card opening
- Online loan formalization up to 6 million tenge for up to 5 years
- Payment for services without commissions (TV, Internet, utilities, mobile communications, transport, etc.)
- Instant money transfers between your accounts, to a Jusan client or to cards of other banks
- Card limit managing and blocking
- Changing the card PIN in the application
- Controlling balances and moving funds on all cards, accounts and deposits

JUSAN BUSINESS MOBILE APPLICATION

Mobile application for business:

online account opening, payments, conversion, transfers, savings on commissions, taxes in one click. The mobile application allows quick and convenient conducting financial and tax transactions, reducing operating costs and doing business without being tied to an office or city.

As of December 31, 2022:

MAU reached

114 thousand

The increase in MAU for 2022 is

136%



MAIN FEATURES

- Online account opening
- Payments and transfers
- Scanning invoices and sending payments to contractors
- Online payment of taxes and social payments as well as customs payments
- P2P transfers
- Formation of statements and references
- Cards for business (corporate and for individual entrepreneurs)
- Foreign currency conversion
- Push notifications for transactions
- Archive and quick search of any operation
- Export of statements to an accounting systems of a company
- Creating and saving payment templates
- Possibility to set the level of access for employees
- Exchange rates, reference and financial information
- Application availability in roaming



JUSAN TOLE

- Selling goods, accepting payments for goods and services using a QR code
- Minimum fee
- Instant receipt of funds to the account
- Bonuses for clients, installment purchases and credit



INDIVIDUAL PACKAGE – TARIFF CONSTRUCTOR

- Creating a package of required banking services, saving on fees for payments and transfers

DIGITAL SOLUTIONS FOR RETAIL CLIENTS

DIGITAL SOLUTIONS FOR RETAIL CLIENTS INCLUDE:

- "Digital Card" Product provides an opportunity to open a card without visiting a Bank branch and carry out a full range of operations available for a plastic card: purchases payment using NFC technology, cash withdrawal from ATMs by code, QR payment, payments and transfers by card number, phone number and account number.
- Online loans to obtain a loan via the Jusan application and the Kcell / Activ mobile application in the amount of up to 6 million tenge for a period of up to 60 months, online approval in a minute. The client does not need to physically visit the Bank to submit a loan application and receive a loan.
- Receipt of a card via a card vending machine as well as instant printing of a card in a branch using a mini-embosser.
- Contactless payments Apple pay / Samsung pay / Google pay.
- Biometric identification of a client when issuing a payment card in a mobile application.
- Cash withdrawal from an ATM by SMS code.

SUPPORTING SMALL AND MEDIUM-SIZED BUSINESSES

We position ourselves as a bank for small and medium-sized businesses, offering convenient and affordable solutions based on the Jusan Business mobile application. We strive to become the preferred financial platform for SMEs in the Republic of Kazakhstan. Promoting employment by supporting SMEs through high-quality credit and digital tools is one of the Bank's strategic sustainable development goals.

Our SME clients, including micro businesses, are more than 190,000 companies and entrepreneurs.

As of December 31, 2022, SME lending by the Bank amounted to 530.8 billion tenge compared to 463.3 billion tenge a year earlier. Financing is aimed at launching a new and expanding existing business. This made it possible to create 175 thousand jobs in the Republic of Kazakhstan. We pay great attention to supporting micro-businesses. During the reporting period, the volume of financing for the microbusiness segment amounted to 72.4 billion tenge.

The main structural divisions of Jusan Bank responsible for this area are the Small and Medium-Sized Business Department in terms of lending, and the Development and Sales Support Department in terms of transactional business.

Jusan Bank products and services for SMEs include but are not limited to:

- Standard, simplified and unsecured lending programs.
- Deposits for different terms and purposes.

- Business cards including digital ones.
- Bank guarantees.
- Settlement and cash services.
- Payments, transfers and acquiring.
- Remote banking and online services (online accounting, online consulting and others).

The Bank continues to expand the range of financial products and services based on the Jusan Business Internet banking system that enables SMEs to conduct various financial and tax transactions quickly and conveniently in one application. The Jusan Business digital platform allows conducting online accounting, generating tax reports and payments, controlling retail outlets and maintain financial records, receiving online loans and insuring property and transactions, and participating in concessional financing under government business support and development programs. Entrepreneurs can effectively develop their online business based on our Jusan Store marketplace. Tap2Phone technology has been introduced that enables receiving payment by card via smartphone. In turn, Jusan Tole allows accepting payments and selling goods using QR, including such opportunities for SME customers as 12 months instalment or 24 months loan. It should be noted that our portfolio of POS and mPOS terminals for business is almost 100 thousand devices.

The Bank has successfully implemented a digital product for SMEs – an unsecured online loan for up to 100 million tenge and up to 3 years.

” The Bank continues to expand the range of financial products and services based on the Jusan Business Internet banking system that enables SMEs to conduct various financial and tax transactions quickly and conveniently in one application. ”

SUPPORTING SMALL AND MEDIUM-SIZED BUSINESSES

The loan is issued without analysing the financial condition and is issued online via the Jusan Business application. Additionally, in 2022, the online loan “Damu” (1st direction) was launched up to 5 million tenge for the replenishment of working capital. The bank also offers entrepreneurs an unsecured revolving credit facility to close cash gaps up to 50% of turnover.

In 2022, the Bank participated in the following government business support programs:

1. National Entrepreneurship Development Project for 2021-2025 (tools: subsidies and guarantees):

- Support for Entrepreneurs/Subjects of Industrial and Innovative Activity Direction: 820 projects in the amount of 12.2 billion tenge.
- Support for entrepreneurs/subjects of Industrial and Innovative Activity Direction ": 1,384 projects were subsidized in the amount of 72.2 billion tenge, 1,208 projects were guaranteed in the amount of 29.3 billion tenge.

2. Economy of Simple Things (a mechanism for lending and financial leasing of priority projects) (tools: subsidizing and guaranteeing): 28 projects in the amount of 16.4 billion tenge.

3. Nurly Zher State Housing Construction Program (subsidizing): 1 project in the amount of 0.5 billion tenge.

4. Program for Subsidizing Interest Rates for Lending to Agro-Industrial Complex Entities as well as Leasing for the Purchase of Farm Animals, Machinery and Technological Equipment (subsidizing): 9 projects in the amount of 1.4 billion tenge.

5. Damu Optima Guarantee Program: 18 projects in the amount of 4.7 billion tenge.

6. Loan insurance of KazakhExport Export Insurance Company JSC: 1 project in the amount of 0.2 billion tenge.

7. Ken-Dala Program (lending to subjects of the agro-industrial complex and agricultural cooperatives for spring field and harvesting work): 10 projects in the amount of 3.1 billion tenge.

We would like to highlight the National Entrepreneurship Development Project that provides subsidies for SMEs for industrial and innovative activities in the amount of a loan of up to 3 billion tenge. Subsidizing from the state allows reducing a loan rate to 8%, and for single-industry towns and small towns – to 7%.

SUPPLIER RELATIONS

Jusan Bank is committed to responsible supply chain management to ensure the cost-effectiveness of procurement activities and reduce the financial and non-financial risks associated with it. The Bank carries out procurement activities in accordance with internal documents regulating the Bank's procurement process.

The Bank builds partnerships with suppliers who share high standards of business conduct.

We are guided by the principles of transparency, equal opportunity, cost-effectiveness and strive to attract reliable and responsible suppliers who share these values. New suppliers undergo mandatory due diligence, AML/CFT compliance, etc.

Supply chains of Jusan Bank cover various areas of activity including administrative support, IT, marketing, PR and others.

As of December 31, 2022, the number of Jusan Bank suppliers was more than 4 thousand, the share of SMEs among them was over 85%.

The Bank supports Kazakhstan producers of goods and services. The share of local suppliers in the total number of suppliers is more than 90%, in the total volume of the procurement budget is over 85%. Legal entities and individuals who are subject to taxation in the territory of the Republic of Kazakhstan are referred to as local suppliers by the Bank.

The Bank does not have information that the activities of certain suppliers are associated with a significant risk of forced labour and child labour.

The process of interaction with suppliers and procurement procedures are governed by the Rules for the Procurement of Goods, Works and Services approved by the minutes of the Management Board of the Bank. Regarding procurement, the Purchasing Department, its initiator and cost centres are responsible for interaction with suppliers.

In 2023, Jusan Bank approved the Policy of a Responsible Supplier of Goods, Works and Services that formulates the values and principles of ethical, social and environmental behaviour, implementation of which is expected from suppliers. We applaud suppliers' efforts to maximize business disclosure in the area of sustainability.

The Bank believes that it is important to the fullest extent for suppliers to respect the human and labour rights of employees, to avoid discrimination, to create a safe and comfortable working environment, to counteract corruption and concealment of conflicts of interest.

” As of December 31, 2022, the number of **Jusan Bank** suppliers was more than 4 thousand, the share of SMEs among them was over 85%. ”



MENU

A hamburger menu icon consisting of three horizontal orange lines.

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5 SOCIAL IMPACT

EMPLOYMENT

Jusan Bank is a large employer in the Republic of Kazakhstan. We understand the importance of continuous development of our team as one of the key factors for business success. We strive to create a work collective as a community of motivated, qualified and talented like-minded people united by common long-term goals and ethical principles.

As of the end of 2022, the number of employees of the Bank increased by 5% to 6.12 thousand people while the average number of employees in 2022 was 5.85 thousand people. The growth is primarily due to the scaling of the business and the completed merger of ATFBank JSC (SB Jusan Bank JSC) with Jusan Bank. All employees carry out their activities in the Republic of Kazakhstan. Our team is quite young, the average age of employees is 34 years. At the same time, the share of employees under the age of 30 is more than a third of the total staff.

In 2022, as in the previous reporting period, most employees worked full-time. However, an employee may agree to flexible working hours or a temporary transition to part-time work in the event of circumstances that prevent full-time work. The overall employee turnover was 39% while involuntary turnover was 2%. The high level of overall employee turnover was due mainly to technical

reasons, namely reorganization of Jusan Bank in connection with the completion of the merger with the previously acquired ATFBank JSC (SB Jusan Bank JSC).

To attract new employees, various communication channels are involved including targeted advertising, recruiting sites, and social networks. Jusan Bank forms its own qualified personnel on its own, for example, via IT School Jusan project. Among other things, we seek to reduce turnover during the probationary period by improving onboarding processes and induction training programs, using a mentoring system.

Providing employees with equal opportunities, regardless of individual characteristics, such as nationality, gender, social status, and others, is an important priority for the HR policy of the Bank. We strive to use this approach at all stages of relationship of an employee with the Bank. All HR procedures are based solely on the level of development of the employee's competencies and his/her labor efficiency, not allowing preferences for reasons other than professionally significant.

It should be noted that the proportion of women among all employees of Jusan Bank reaches 68%. It is comparable to the figure for 2021 (69%). The share of women in all management positions,

” Providing employees with equal opportunities, regardless of individual characteristics, such as nationality, gender, social status, and others, is an important priority for the HR policy of the Bank. ”

EMPLOYMENT

including junior, middle and senior management positions, is 60%.

Every employee of the Bank has the right to parental leave. In accordance with the Labour Code of the Republic of Kazakhstan, the right to parental leave until a child reaches three years of age have a mother or father of a child; a single parent raising a child; a guardian or relative who is actually raising a child left without parental care; an employee who has adopted a newborn child. For the duration of the parental leave, an employee retains his/her place of work. In addition, pregnant women as well as women who have given birth to a child are granted maternity leave. Standard maternity leave is granted for 70 calendar days before childbirth and 56 calendar days after childbirth. As an employer, the Bank pays maternity leave while maintaining an average wage.

An important indicator for HR management is the level of employee engagement. Starting from 2022, the Bank conducts annual employee engagement surveys. In the reporting period, 74% of Jusan Bank employees participated in measuring engagement (gender breakdown: men – 35%, women – 65%; age breakdown:

under 30 years old – 30%, from 30 to 50 years old – 62%, 50 years and older – 8%). The overall level of engagement in 2022 was 65%, while 77% of employees believed the conditions for effective work were created for them in general. The indicators identified as part of the surveys serve as the basis for inclusion in transformation projects to increase the level of happiness of employees, their performance and development of corporate culture.

The structural subdivision responsible for the organization of the personnel management system and implementation of decisions of the management bodies in the field of labour relations and HR policy is the Human Capital Development Department. The Bank has a Human Resources Policy that defines the main approaches, principles, requirements and directions for development of the personnel management function, and is mandatory for all employees.

In the reporting period, there were no cases of using forced labour or child labour not provided for by the legislation of the Republic of Kazakhstan in the Bank. Jusan Bank does not operate in countries with a high risk of forced labour or child labour.

” It should be noted that the proportion of women among all employees of **Jusan Bank** reaches 68%. It is comparable to the figure for 2021 (69%). The share of women in all management positions, including junior, middle and senior management positions, is 60%. ”

EMPLOYMENT

Number of employees

	AS OF DECEMBER 31, 2021	AS OF DECEMBER 31, 2022
List number of employees	5,827	6,120
Full-time employees	5,813	6,116
Part-time employees	14	4
Fixed-term employment contract	3,591	5,152
Open-term employment contracts	2,236	968
Number of employees by gender		
Men	1,788	1,983
Women	4,039	4,137
Number of employees by age		
Employees aged under 30	2,153	2,253 (37%)
Employees aged 30-50	3,327	3,482 (57%)
Employees aged over 50	347	385 (6%)
Number of employees by position		
Board of Directors and Management Board	12	10
Other positions	5,815	6,110
Share of people with disabilities in total workforce *	-	0.6%

* in 2021, the proportion of people with disabilities was not measured

EMPLOYMENT

Employees by regions of presence

as of December 31, 2022

Region	Number of employees	Gender	
		Women	Men
Head office (Almaty)	2,854	1,567	1,287
Almaty branch	516	381	135
Capital branch	484	383	101
South Kazakhstan branch	212	161	51
Akmola branch	195	157	38
Karaganda branch	183	146	37
Pavlodar branch	168	135	33
East Kazakhstan branch	157	139	18
Aktobe branch	145	120	25
Atyrau branch	139	127	12
Mangystau branch	135	126	9
Kostanay branch	132	111	21
Zhambyl branch	129	82	47
Semey branch	125	99	26
West Kazakhstan branch	119	105	14
Kyzylorda branch	108	81	27
North Kazakhstan branch	107	78	29
Turkestan branch	97	49	48
Almaty regional branch	81	62	19
Zhetysu branch	34	28	6

EMPLOYMENT

Women representation

as of December 31, 2022

Share of women in total workforce	68%
Share of women in all management positions, including junior, middle and top management, % of total management positions	60%
Share of women in junior management positions, % of total junior management positions	65%
Share of women in top management positions, i.e., maximum two levels away from the Chairman of the Management Board, % of total top management positions	21%
Share of women in management positions in revenue-generating functions of the Bank, % of all managers in revenue-generating functions	66%

Employee turnover for the reporting period

as of December 31, 2022

Overall employee turnover	39%
Voluntary turnover	37%
Involuntary turnover	2%
Employee turnover by age	
Employees aged under 30	52%
Employees aged 30-50	33%
Employees aged over 50	30%
Employee turnover by gender	
Men	48%
Women	35%

EMPLOYMENT

Total number of new employees hired during the reporting period *

as of December 31, 2022

Total new employees	2,545
Number of new employees by age	
Employees aged under 30	1,343
Employees aged 30-50	1,120
Employees aged over 50	82
Number of new employees by gender	
Men	1,087
Women	1,458

* when calculating, purely technical reasons were also taken into account – reorganization of the Bank, conclusion of new employment contracts by part of the employees

Total number of new employees hired during the reporting period, by region *

as of December 31, 2022

Region	Number of new employees
Head office (Almaty)	1,300
Almaty branch	260
Capital branch	193
South Kazakhstan branch	103
Karaganda branch	63
Pavlodar branch	56
Almaty regional branch	53

EMPLOYMENT

Total number of new employees hired during the reporting period,
by region * *(continuation)*

as of December 31, 2022

Region	Number of new employees
North Kazakhstan branch	51
Zhambyl branch	50
Aktobe branch	47
Atyrau branch	47
Mangystau branch	44
Kostanay branch	43
Akmola branch	41
East Kazakhstan branch	41
Turkestan branch	37
West Kazakhstan branch	34
Kyzylorda branch	31
Semey branch	28
Stepnogorsk branch	14
Zhetysu branch	8
Temirtau branch	1

* the table also shows 2 branches disbanded in 2022

EMPLOYMENT

Breakdown of employees by ethnic origin

as of December 31, 2022

	% in total workforce	% of total management positions, including junior, middle and top management
Kazakhs	85.3%	81%
Russians	9.1%	12%
Uighurs	1.1%	1%
Other nationalities combined	4.5%	6%

Parental leave

as of December 31, 2022

Total number of employees that took parental leave	732
Men	1
Women	731
Total number of employees that returned to work in the reporting period after parental leave ended	135
Men	2
Women	133
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	126
Men	2
Women	124

MOTIVATION AND REMUNERATION OF EMPLOYEES

In 2022, Jusan Bank's payroll expenses for employees amounted to 40.06 billion tenge, including social contributions and payroll taxes.

The system of remuneration in the Bank is transparent and unified in relation to all categories of the work collective. General provisions and directions on remuneration of employees are determined by the Remuneration Policy. The system of remuneration for senior executives is described in detail in the Corporate Governance Review section of the Report.

Participants in the process of managing the remuneration system are the Board of Directors; the Committee of the Board of Directors, whose competence includes consideration of issues related to personnel, remuneration and compensation; the Management Board; the HR division; the financial division of the Head Office responsible for budget planning, and other divisions of the Bank in accordance with the powers determined by the regulations on them and/or other internal regulations governing their activities.

To maintain a competitive level of financial security of employees and compliance with the wage market of second-tier banks of the Republic of Kazakhstan, the Bank conducts an individual review of employees' salaries. The external competitiveness of remuneration is based on an annual study of the reference labour market in terms of the total amount of remuneration of employees and a comparison with a group of comparable organizations. The banking sector of the Republic of Kazakhstan has been identified as a reference market. At the end of 2022, the increase in average wages amounted to 20%.

A time-based bonus system for remuneration of employees is provided by Jusan Bank in accordance with the labour legislation of the

Republic of Kazakhstan, the Remuneration Policy and other internal regulatory documents of the Bank. The remuneration system is unified for all structural divisions and branches of the Bank.

One of the basic principles of the remuneration policy is to maintain the reasonableness of payment for performance.

The given principle assumes that the labour remuneration is in line with individual performance of an employee, achievement of planned performance indicators of a unit and achievement of the Bank's business goals, and relationship of the amount of non-fixed remuneration of employees with the results of their activities, including negative financial consequences arising from realization of certain risks.

To ensure fair remuneration, the Bank's employees are subject to a pay scale, that is a set of pay categories and pay coefficients that provides for differentiation based on complexity of the work performed and qualifications of employees and assigned duties. The pay scale is a guideline for establishing a fixed part of remuneration.

The remuneration structure used by the Bank includes the following main components:

1) Basic fixed wage determines the amount of remuneration of labour in accordance with its complexity and responsibility under normal working conditions and corresponding labour costs and consists of a salary and a variable part that is set at 20% of the basic fixed wage determined in an employment contract concluded between an employee and the Bank, and is directly related to the observance of labour discipline standards.

” One of the basic principles of the remuneration policy is to maintain the reasonableness of payment for performance. ”

MOTIVATION AND REMUNERATION OF EMPLOYEES

2) Compensation payments (surcharges) are established as compensation for additional labour costs in case of existing deviations in working conditions and are personalized, i.e. are established for a particular employee.

3) Social benefits are established for persons affected by nuclear tests at the Semipalatinsk nuclear test site, environmental disaster in the Aral Sea region in accordance with the legislation of the Republic of Kazakhstan.

4) Incentive payments are established to strengthen the material interest in improving the efficiency and quality of work, setting responsibility for achieving collective and corporate goals, and setting standards of behaviour and work based on corporate values and corresponding to the corporate culture of the Bank. Incentive payments are set as follows:

- one-time bonuses (one-time payments) for the performance of one-time, especially important and responsible tasks related to the improvement of the Bank's operations, or paid by anniversaries and holidays;
- monthly, quarterly and annual incentive payments (bonuses), depending on the results achieved by the Bank for the high-quality and timely fulfilment of the tasks set as well as for personal contribution of employees to the final results of work, while periodic incentive payments are paid in accordance with the motivational programs approved in the bank:
- payment in shares that is carried out based on a relevant decision of the Board of Directors by transferring the Bank's shares to an employee, taking into account all shares previously transferred to that employee as

an incentive remuneration and it cannot exceed 5% of the total number of voting shares of the Bank as of the date of the decision on such payments.

At the same time, Jusan Bank makes other payments, including payments of night work, overtime work and holiday work, and other payments provided for by the labour legislation of the Republic of Kazakhstan and the employment contract.

The Bank allows flexible working hours and the practice of remote work if it does not interfere with the proper performance of the employee's duties. Employees may be hired on a part-time basis.

Starting from the 2nd quarter of 2022, a bonus payment program based on the results of performance assessment has been in place for the employees of the Head Office. The program is aimed at achieving a collective result by the Bank and a specific division as well as the individual efficiency of an employee that are reflected in KPI maps. Summing up by filling out KPI maps is carried out on a quarterly basis. When calculating the bonus, a final value of the KPI map, a basic size of the bonus depending on the position level, a percentage of hours worked, and presence of disciplinary sanctions are taken into account.

For employees of the Bank's branch network, there are approved incentive programs that contain a list of indicators, criteria for their assessment/performance, frequency and methodology for calculating bonuses in the following areas:

MOTIVATION AND REMUNERATION OF EMPLOYEES

■ retail business – motivation program for employees of Jusan Bank's retail network based on the results of retail sales and quality of service in branches;

■ small and medium-sized businesses (lending) – motivation program for employees of lending departments of the branch network for small and medium-sized businesses and for credit directors of the branch network of Jusan Bank;

■ small and medium-sized business (operational services and sales) – motivation program for regional directors, sales directors, employees of sales departments, employees of departments/units for servicing legal entities, employees of operational support divisions for legal entities of Jusan Bank branches.

As necessary, motivation programs are revised taking into account the changes taking place in the banking sector to fulfil sales plans, increase the efficiency of the Bank's employees, interest in and responsibility for the results of work. As a rule, revisions are made in terms of indicators (a list and number of indicators, distribution of their weighting values by priority, including between sales and service indicators), program participants, and approaches to bonus calculation depending on functions performed and duties of employees.

Jusan Bank provides all types of financial support, mandatory benefits and guarantees provided for by the legislation of the Republic of Kazakhstan to employees, including persons caring for a child, temporarily disabled and other categories. Annual mandatory insurance of employees against accidents in the performance of their work (service) duties is carried out, taking into account the class of occupational risk.

In accordance with the legislation of the Republic of Kazakhstan, the Bank carries out:

- payment of social benefits to employees for temporary disability;
- provision of basic annual paid leave of 24 calendar days;
- provision of additional paid labour leave to employees living in areas of radiation and environmental risk, disabled people of the first and second groups.

Jusan Bank provides social support to its employees in the form of material assistance in case of difficult life situations, such as the death of an employee or a close relative of an employee.

In exceptional cases, the Bank considers the provision of material assistance in the event of emergencies that led to the deterioration of the employee's living conditions because of fire or flooding of real estate, as well as to compensate for the costs of receiving medical services by the employee and the purchase of medicines for oncological diseases, diabetes, tuberculosis, radiation injuries.

The Bank provides employees with an opportunity to use the services of fitness centres at preferential corporate prices.

In 2022, the average salary at Jusan Bank, excluding the remuneration of members of the Board of Directors, amounted to 384 thousand tenge per month including 497 thousand tenge for men and 319 thousand tenge for women. Considering the norms of working hours in force in the reporting period, the average wage in hourly terms was at the level of 2,341 tenge.

” Jusan Bank provides all types of financial support, mandatory benefits and guarantees provided for by the legislation of the Republic of Kazakhstan to employees, including persons caring for a child, temporarily disabled and other categories. ”

MOTIVATION AND REMUNERATION OF EMPLOYEES

The gender pay gap was 35%. This is primarily due to the significantly higher representation of women in the Bank compared to men, including in various non-management or line positions which are characterized by lower remuneration. We are committed to making efforts to narrow the gap. At the same time, both women and men with the same responsibilities receive equal remuneration.

In case of changes in working conditions related to the reorganization or changes in economic, technological conditions, labour organization conditions, reduction in the scope of work, the Bank is guided by the requirements of the Labour Code of the Republic of Kazakhstan.

In particular, the Bank as an employer is obliged to notify an employee of a change in working conditions that occurred for the reasons indicated above, no later than 15 calendar days, unless labour or collective bargaining agreements provide for a longer notice period. When terminating an employment contract, the Bank shall notify an employee at least 1 month in advance, unless an employment contract provides for a longer notice period.

Jusan Bank uses various tools to assess the competence of employees and their effectiveness. In particular, implementation of key indicators is monitored. The Bank uses Peoples Analytics tools, such as:

- assessment of competencies using Shltools that is a system for assessing candidates and employees, including professional personality questionnaires and ability tests. In 2022, an SHL assessment was carried out to develop the competencies of the Bank's executives, which amounted to 2% of the average annual actual number of employees;

- 360-degree assessment is a method of ongoing personnel assessment that consists in identifying a degree of employee's suitability for a position held through a survey of the employee's business environment. In 2022, heads of structural divisions of the Head Office were assessed, which amounted to 1.6% of the average annual actual number of employees.

As part of the performance appraisal bonus program for employees of the Head Office, employees' performance is assessed on a quarterly basis.

The assessment is made on a five-level letter scale and is measured by assessing corporate values and competencies. Each assessment corresponds to an increasing or decreasing factor that affects increase or decrease in the result of the assessment of efficiency and the overall result via the map of key performance indicators.

As of the 4th quarter of 2022, 41.5% of employees completed a quarterly performance assessment, including by gender: women – 20%, men – 21.5%; by employee categories: management staff – 5%, employees of structural divisions – 36.5%.

” As part of the performance appraisal bonus program for employees of the Head Office, employees' performance is assessed on a quarterly basis. ”

EMPLOYEE TRAINING AND EDUCATION

Jusan Bank considers the training and development of employees as an important long-term priority that effectively contributes to achievement of strategic business development goals.

The Bank's expenses for training and professional development of employees amounted to 64.3 million tenge for the reporting period. Considering the average number of employees of the Bank for 2022, the average amount in tenge spent on training and development of one employee is 11 thousand tenge.

We annually improve training programs aimed at developing expertise in specialized areas, improving qualifications and managerial skills, and gaining knowledge in related areas.

In 2022, almost 400 events were held at the Bank as external and internal training, including:

HARD SKILLS

about 300 events on products, services, processes, work with banking electronic systems, cash discipline, AML / CFT, procedure for identifying persons related to Jusan Bank by special relations and concluding transactions with them, combating corruption, anticorruption compliance, information technology and security, accounting and taxation, policies and procedures on human rights aspects, IFRS changes, financial analysis and other areas.

SOFT SKILLS

almost 100 events on sales, service, customer focus, development of managerial competencies, personal development and other areas.

EMPLOYEE TRAINING AND EDUCATION

In particular, 323 events were held as part of internal training. Approximately 370 employees completed external training in various areas, including anticorruption compliance, information technology and security, ESG management practices, human rights policies and procedures. We provide full compensation for the cost of external training received by an employee at the initiative of the Bank.

Number of hours of employee training

	2022
Training hours, total	32,391
<i>including senior and middle managers</i>	7,603
<i>including employees of structural divisions</i>	24,788
Average hours per employee (based on the average number of employees for 2022)	5.5

Employees regularly participate in conferences, forums, webinars and other external events with involvement of third-party experts including those held on various ESG issues.

The Bank widely uses distance learning channels, such as the moodle software's Trainee portal for training interns, the Websoft HCM software training portal, Jusan Library corporate libraries and Lerna Courses for existing employees. Jusan Bank has a practice of mentoring trainees and new employees.

Programs for development and training of senior and middle managers have been introduced. All new managers are trained in managerial skills, in particular through the Jusan Leader program for existing managers. Depending on level of competence of a manager, groups are formed to participate in the training and development program (Jusan Leader HiPo, Jusan Leader, Jusan Leader Online). The training provides a systematic and consistent solution of problems within the framework of implementation of the corporate HR policy to ensure the availability of personnel capable of effectively managing tasks and processes related to the Bank's operations.

Regular control testing (remote testing) is carried out to measure the level of competence of front office employees. The average result for 2022 is 89% with a target value of at least 80%.

” Employees regularly participate in conferences, forums, webinars and other external events with involvement of third-party experts including those held on various ESG issues. ”

EMPLOYEE TRAINING AND EDUCATION

For example, here are two programs in force in 2022 that were developed to improve the skills of the Bank's employees:

	"League of Coaches" for development of internal business coaches	"Jusan Leader" by competency levels for managers
Description of the purpose of the program and benefits for the Bank's business	Building the process of development and increasing the level of competencies of bank employees. Increasing the coverage of employees in developing the necessary skills through face-to-face training	Ensuring systematic and consistent development of the Bank's management personnel. Increasing the skills of personal effectiveness and personnel management
Quantifying business impact of benefits (financial and non-financial)	<ul style="list-style-type: none"> • Saving resources for sending an employee of the Head Office for training by 80% • Saving time resource for mastering the necessary skills by 80% • Increasing the level of employee engagement (learning factor) by 10% 	<ul style="list-style-type: none"> • Talent management, succession planning and decision making • Increasing the level of employee engagement (learning factor) by 10%
% of Bank employees participating in the program	50.6% (direct and indirect participation)	15%

OCCUPATIONAL HEALTH AND SAFETY

Jusan Bank cares health and safety of employees and clients striving to comply with the legal requirements in the given area to the maximum. We focus on creating workplaces equipped with modern equipment and technologies that meet safe and comfortable working conditions.

The Bank keeps a record of injuries and cases of occupational diseases.

During the reporting period, there were no cases of employee injuries related to the Bank's operations. Consequently, the LTIFR and TRIR coefficients are equal to zero. There were no diagnosed cases of occupational diseases. There are no jobs with harmful working conditions in Jusan Bank as a financial institution.

The Bank has implemented the OHS management system that covers the assessment of possible risks in the area, integration of action plans with quantitative goals to minimize risks as well as actions to prepare for and respond to emergencies.

The internal document that regulates the area of OHS is the Occupational Health and Safety Procedures that apply to all operations and employees of the Bank, as well as to contractors. The Chairman of the Management Board exercises general control over the processes for safety and labour protection. There are regular discussions of documentation on health and risk assessment between HR divisions and executives.

In accordance with the Labour Code of the Republic of Kazakhstan, internal OHS control includes organizing the creation and implementation

of the OSH management system, monitoring the state of work conditions, conducting operational analysis of production control data, assessing occupational risk and taking measures to eliminate detected inconsistencies with OHS requirements.

Jusan Bank has appointed responsible persons for OHS, fire safety and electrical safety. Their rights and obligations are set out in job descriptions that comply with the requirements of the law and the Bank's internal regulatory documents. Information about appointment of responsible persons is sent to all employees. Contacts of responsible persons are posted on the internal information portal. Health and safety instructions have been approved for employees (drivers, electricians, and others) who are at increased risk of accidents.

In accordance with the requirements of fire safety legislation, an annual fire audit is carried out to check fire safety at the Bank's facilities. Internal audits are organized for OHS, fire safety to identify and eliminate inconsistencies with legal requirements. The persons responsible for building maintenance inspect the premises daily. On an annual basis, the Bank carries out preventive work aimed at improvement of electrical safety.

OHS briefings and fire safety briefing are organized daily for the employees of the Bank. Regular emergency briefings are provided. Compulsory training in OHS and fire-technical minimum of responsible persons are held once every three years. All new employees undergo mandatory introductory safety and labour protection training.

” The Bank has implemented the OHS management system that covers the assessment of possible risks in the area, integration of action plans with quantitative goals to minimize risks as well as actions to prepare for and respond to emergencies. ”

OCCUPATIONAL HEALTH AND SAFETY

During the briefings, employees are notified of the need to inform the relevant service divisions of the Bank about detected malfunctions and situations that can lead to adverse OHS consequences and risks, to enable the service divisions promptly respond to immediately eliminate them. We welcome the initiative appeals of employees informing about hazardous and harmful operation factors that can lead to injury or poor health.

Employees are informed about OHS and working conditions via various types of training, corporate electronic information resources, posting information in public places, including on the internal information portal of Jusan Bank. Regular mailing about the rules of safety and behaviour of employees in case of emergency is carried out.

Jusan Bank provides opportunities for employees to participate in the development, implementation and evaluation of various elements of the OHS management system. For example, information on OHS, fire safety, electrical safety is sent to employees using an electronic document management system. Each employee can respond with comments and suggestions to this or other information that is taken into account by specialized specialists in further analysis.

Also, the approving documents are subject to a respective obligatory coordination with the interested divisions of the Bank.

Procedures for investigating work-related injuries, accidents and other accidents and incidents have been developed.

Investigation of accidents is carried out in accordance with the requirements of the legislation of the Republic of Kazakhstan, under which a connection with business operation, causes of accidents, and measures to eliminate identified violations are established. In the event of an accident, responsible personnel officers with the participation of a representative of an insurer and an authorized state body conduct investigations into circumstances of the occurrence of an insured event, organize a medical and social examination and assessment of an employee to determine a degree of disability.

Independent external audits of the Bank in the field of OHS are carried out on a regular basis by specialized state bodies.

Annual mandatory insurance of employees is carried out considering the class of professional risk in accordance with the operations of Jusan Bank and the requirements of the legislation. The Bank ensures the confidentiality of personal information about the health of employees.

Considering the importance of maintaining health, Jusan Bank encourages employees to adhere to a healthy lifestyle including encouraging their involvement in corporate sports events and team building.

” Independent external audits of the Bank in the field of OHS are carried out on a regular basis by specialized state bodies. ”

CORPORATE VOLUNTEERING AND CORPORATE EVENTS

Corporate volunteering is a significant factor ensuring the cohesion of the work collective and increasing the social activity of employees.

The total number of employees participating in various volunteer activities exceeded 600 people. Any employee of Jusan Bank can become a volunteer.

A number of volunteer events were organized in 2022. In particular, in April, our volunteers held an environmental event to plant 100 trees in a pine forest in Almaty (Alatau district, Kok-Kainar microdistrict). In September, employees of the Karaganda branch of Jusan Bank provided charitable assistance to socially vulnerable students of the Karaganda State University named after E. A. Buketov, having distributed 175 food baskets. On the eve of the New Year, the New Year's Miracle action was organized, in which the Bank's employees from different divisions took part. They fulfilled the wishes of children from low-income families and small patients who were treated at the Research Institute of Oncology and Radiology.

Jusan Bank supports and develops corporate sports in various areas. Modern sports halls are rented for employees, creating full-fledged conditions for group training. The Bank's sports teams have been created both at the level of the Head Office and regional branches, and they are provided with branded sports uniforms.

The Bank paid the rent for an outdoor football field and a volleyball hall for regular training of employees in the city of Almaty during 2022. They were regularly visited by about 200 employees of the Bank.

Intra-bank sports competitions are organized, and they arouse high interest on the part of employees. For example, a corporate football tournament was held in July-September 2022 where teams and 210 employees from all branches of the Bank participated.

Our employees also take part in various sports events held in the regions where the Bank operates. Last fall, Jusan Bank employees traditionally took an active part in mass running marathons held in many cities of the Republic of Kazakhstan: Almaty Marathon 2022, Shymkent Marathon 2022, Bright Kyzylorda and others. In November-December 2022, a team of 15 employees represented the Bank at the KUZ 2022 championship for volleyball fans with an initial level of play ("Start" Division) that was held by the Amateur Volleyball Federation of the Republic of Kazakhstan in Almaty.

For employees and their families, various team building events, competitions and holidays are held.

The Bank intends to continue both the introduction of new areas of volunteer activity and work on involving the widest possible number of employees in such activities.

” The Bank intends to continue both the introduction of new areas of volunteer activity and work on involving the widest possible number of employees in such activities. ”

CHARITY AND SUPPORT FOR REGIONS OF PRESENCE

Jusan Bank pays great attention to charity and assistance to local communities.

Charitable activities are supervised by the Corporate Communications Service. In the reporting year, direct expenses for implementation of social and charitable projects were estimated at 180 million tenge.

Charitable activities of Jusan Bank are carried out within the framework of the Charitable Assistance Accounting Procedure and are aimed at material and financial support for the social interests of representatives of local communities in the regions of presence and projects of high social significance, primarily in the field of education, cultural life, and healthy lifestyle. The Bank also provides charitable assistance to socially unprotected categories of the population.

In 2022, Jusan Bank decided to write off loans and debts on them for residents of the Kostanay region who lost their homes because of major fires. Our mobile application for the Bank's clients also provided for the possibility of voluntary transfer of funds to a single public fund to help victims of fires in that region.

In December 2022, we supported the UN UNITE initiative to raise public awareness of violence against women.

We interact with initiatives focused on development of the creative economy and SMEs. For example, during the reporting year, Jusan Bank

supported both the Almaty Pop up Store, a platform that has been gathering a huge number of Kazakhstan designers for nine years, and Kraft Market, a new platform created for Kazakhstan artisans.

In October 2022, Jusan Bank acted as the general partner of the Red Jolbors Central Asian Communications Festival, one of the most popular events of the year in the advertising and marketing industry of the region. It gathered representatives of creative, communication and advertising agencies, production and design studios, marketing specialists, brand managers, PR specialists. Thus, the Bank contributes to development of creative industries.

Supporting Sports and Healthy Lifestyle

The Bank actively promotes a healthy lifestyle for employees and people in the regions where it operates through organizational and financial support for various sporting events.

From August to October 2022, Jusan Bank organized a major children's and youth futsal tournament Jusan SvojaLiga together with SD Family in Astana. The project has become an excellent opportunity for young athletes to realize their potential. 40 teams took part in the tournament, 10 in each age group: born in 2007-2008, 2009-2010, 2011-2012 and 2013-2014.

” Charitable activities are supervised by the Corporate Communications Service. In the reporting year, direct expenses for implementation of social and charitable projects were estimated at **180 million tenge.** ”

CHARITY AND SUPPORT FOR REGIONS OF PRESENCE

In September 2022, Jusan Bank supported a number of popular running marathons held in the Republic of Kazakhstan, such as:

- Shymkent Marathon 2022 that was run by about 5 thousand people, including 37 employees of the Bank. We have helped more than 200 pupils of children's sports schools and orphanages to take part in that marathon.
- Bright Kyzylorda marathon with the participation of more than 600 residents and guests of the city of Kyzylorda, including 80 of our employees.
- Almaty Marathon 2022, one of the largest athletics events in Central Asia, where about 12,000 people ran different distances, including almost 200 Jusan Bank employees.

The Bank supports sports tournaments and events for people with disabilities. For example, in November 2022, we sponsored the championship of the Republic of Kazakhstan in sitting volleyball (a Paralympic discipline) where teams from 10 regions of the country took part.

Supporting Culture and Art

A developed cultural life is an integral part of local communities' well-being. Jusan Bank pays significant attention to organization of cultural events and financial support for local cultural initiatives. We not only sponsored various cultural events, but also learned from artists who gave rise to many creative advertising integrations.

In 2022, a joint project "Kel, balalar, okylyk" was organized by Jusan Bank and Kazakh director Kuanysh Beisekov, thanks to which children from the regions of the Republic of Kazakhstan got the opportunity to take week-long master classes in creative professions such as acting, directing and art of filming. Based on the results of the project with

participation of the singer Yenlik (@yenleak) and blogger Zhenis Omarov (@zheka_fatbelly), video clips and documentaries were shot that became popular on the Internet. The uniqueness of the project lies in the fact that all the music in it is author's works written under the direction of the composer Didar Isakhan and performed exclusively on national instruments.

In April 2022, Jusan Bank together with the Repas street art and graffiti team created an open-air gallery, bringing together the works of talented artists from different regions of Kazakhstan into one art object that contributed to development of the cultural sphere and the urban landscape of Almaty. 10 author's illustrations on the inspiring theme "Opportunities for you" decorated the city at the intersection of Nazarbayev Avenue - Gandhi Street.

The Bank intends to continue the tradition of creating art canvases in other regions of the country. In particular, in the fall of 2022, Jusan Bank supported a new project in Karaganda through creation of a mural with participation of talented artists of Karaganda and the Repas team on the building of the theatre named after K. Stanislavsky. The mural has already turned into a youth art object, where residents and guests of the city come to relax and take pictures. In October, the mural appeared on the territory of the Belasar bridge in Astana. Today, that location has become a place of socialization and leisure for the youth of the city.

With the support of Jusan Bank, the author and producer Asya Shtol brought to life the Almaty Auenderi audio performance-promenade during the Styq Festival. Its plot begins in the late 1960s and leads to the present day through 11 locations, touching on places important for Almaty music in the city. The project has contributed to the strengthening of the country's musical heritage.

Jusan Bank has become an eco-partner of the largest open-air event in the summer of 2022 - the intellectual and musical festival FOURe, known to every Kazakhstani for its unique vibe. We not only placed infrastructure

” In December 2022, we supported the **UN UNITE** initiative to raise public awareness of violence against women. ”

CHARITY AND SUPPORT FOR REGIONS OF PRESENCE

for separate waste collection on the territory of the festival but also held a number of activities dedicated to protecting the environment.

In September, Jusan Bank acted as the main sponsor of the republican festival of solo performances in Uralsk. The festival was timed to coincide with the beginning of the 30th season of the regional Kazakh drama theatre and the 105th anniversary of Khadisha Bokeyeva whose name it bears. During the reporting period, the Bank also provided support to a number of well-known theatre groups and cultural institutions of the Republic of Kazakhstan such as the independent theatre ARTiSHOK, an inclusive theater for the deaf and hard of hearing people, the School of Arts and Design named after A. Kasteev.

In December 2022, the Bank supported Yeski Taspa, a musical project that reveals popular young Kazakhstan artists from a new perspective. The musicians performed old era cult songs in unexpected versions and new arrangements, thereby contributing to the revival of previously known works and introducing the new generation to the hits of the past. You can listen to all songs on the YouTube channel of the project.

On the eve of the New Year, we, together with the School of Arts and Design named after A. Kasteev held a competition among her students - the first UNESCO club in the Republic of Kazakhstan. 56 works participated in the competition, of which, according to the results of the competition, the jury chose 5 works that adorned the city, creating a special festive mood on the streets of Almaty.

Jusan Bank became the general partner of the ballet performance "The Nutcracker" performed by world stars that took place on December 27 and 28 at the Kazakh National Opera and Ballet Theater named after Abay. The main parts were performed by world stars – soloists of the Polish National Ballet Chinara Alizade and Vladimir Yaroshenko. The ballet performance has become our gift to the residents and guests of the city of Almaty for the New Year holidays.

In 2022, the Bank launched PersonaJ, a project where we bring together the brightest Kazakhstanis, whose ideas, creativity and aspirations are changing our world in completely different industries. Now, the project has gathered influencers from various fields such as music, street art, fashion, directing, mobilography, dj. It was attended by Ida Kaplan, Dmitry from the Repas team, Kyran Talapbek, Madina Aman, Kuanysh Beisekov, Enlik, Kana Beisekeyev, Zaure Rozmat and other famous creative personalities.

Jusan Bank together with its subsidiaries brings its own meaning to the art, of which it becomes a part.

Thus, to popularize Kazakh culture and draw attention to the need to care for the environment, the Bank together with Jusan Invest donated sculptures of bulls to three cities of the Republic of Kazakhstan, each of them, in addition to being associated with a symbol of prosperity and financial progress, personifies the historical episodes of our people and commitments to environmental agenda. For example, one of these art objects is made of stone and decorated with various patterns symbolizing the historical and cultural heritage of the Republic of Kazakhstan, and another sculpture is made entirely from more than a hundred car and bicycle tires indicating the importance of effectively addressing the problem of waste and environment pollution.

It should be reminded that earlier the Jusan Bank Group also financed the creation of the sculpture "Gift" in Astana. Its sketch was developed by the famous Kazakh sculptor Eduard Kazaryan. The installation is made of numerous stainless-steel cables five meters high with kinetic properties and is a symbol of gratitude to donors whose hearts have given other people a chance for a new life.

” Jusan Bank pays significant attention to organization of cultural events and financial support for local cultural initiatives. ”

SUPPORTING EDUCATION AND FINANCIAL LITERACY

Jusan Bank is committed to supporting education. It is an investment in the future of the Republic of Kazakhstan and in the younger generation given that education is the key to developing innovation and reducing social inequality. By improving the quality and accessibility of education at all levels, we contribute to building an inclusive and sustainable society.

A distinctive feature of the Bank is that its ultimate beneficiary through the New Generation Foundation endowment is the Nazarbayev University and the Nazarbayev Intellectual Schools. They are the flagships of higher and secondary education in the country, approximately 6.5 thousand students study at Nazarbayev University and over 14.5 thousand Kazakhstan schoolchildren study at 22 schools of the Nazarbayev Intellectual Schools system. Thus, a significant part of the income from the operation of Jusan Bank as a social enterprise is invested in development of these leading educational institutions of the Republic of Kazakhstan.

The Bank supports various educational and EdTech initiatives.

Thus, to promote the process of digitalization of the Republic of Kazakhstan we have developed a fully digital platform for the state educational program for the training of IT specialists TechOrda free of charge.

In October 2022, Jusan Bank became one of the partners of the Fifth Nobel Festival (Nobel Fest) that took place in Astana. This is an

unprecedented international EdTech event, held specifically for young scientists and students, where world experts, innovators, Nobel and other prestigious international prize winners, well-known businessmen speak and exchange views on topical issues. The mission of Nobel Fest is to make education and science accessible.

In 2022, the educational initiative of the visiting school Auy!Go was launched. A group of IT specialists from Jusan Bank visit remote areas and teach programming to schoolchildren for free. The visiting school already has graduates – over 50 students from several villages and auls of the country. As a result of the training, students have already created websites for their local communities and schools.

In October 2022, a joint project, the First Encyclopaedia of the Creative Industry of Kazakhstan, was launched with TheSteppe media portal that collected more than 10 million views on TikTok and more than 3 thousand applications for participation.

In November 2022, Jusan Bank provided financial support to the Eco Fest competition that was attended by schoolchildren from different cities of the Republic of Kazakhstan: Almaty, Astana, Kostanay, Semey and Aktau. As part of the competition, children presented their ideas with eco-solutions and received prizes from our Bank.

” The Bank supports various educational and EdTech initiatives. ”

SUPPORTING EDUCATION AND FINANCIAL LITERACY

IT School Jusan

In 2022, Jusan Bank initiated an advanced educational project, the IT School Jusan that was implemented based on specially created training centres in Astana and Almaty, Jusan Singularity and Jas Academy respectively.

Although the project was created for a specific request, to meet the needs of the Jusan Group in specialists in the field of digital technologies and programming, it is focused on improving the quality of training of IT specialists and promoting advanced competencies in the Republic of Kazakhstan. Thus, we strive to respond to the existing social challenges via the IT School Jusan, reducing the shortage of IT specialists in the labour market.

As part of the project, intensive four-month courses were held in a combined online and offline format, which started in the spring of 2022.

The main features of the IT School Jusan are:

- completely free education;
- motivational scholarship support;
- guaranteed employment;
- work with the best mentors;
- 24/7 educational open spaces.

the Bank paid the full cost of education for each student, along with a monthly scholarship of 100,000 tenge per month throughout the entire period of study. The total investment of the Bank in the project amounted to 150 million tenge.

The opportunity to undergo training was provided to anyone regardless of age, education, profession. The main condition for starting training is to withstand several qualifying stages. The project aroused great public interest, and over 6 thousand applications were received from applicants.

The training was conducted on example of practical cases typical for the financial sector. Representatives of the IT departments of the Bank were directly involved in development of training programs and made an assessment of graduates, and finally many of them became instructors and mentors for new specialists trained under the project.

In 2022, almost 150 IT School Jusan graduates were employed by Jusan Bank. The project made it possible to meet the needs of the Bank in various specializations such as Java, Android, iOS, Php, Frontend, Devops and Reactjs. Graduates were divided into groups, and mentors were appointed for their adaptation.

Thus, the project implementation led to significant positive reputational dividends, enhancing the attractiveness of Jusan Bank as a responsible employer for qualified IT specialists.

In addition, 270 Nazarbayev Intellectual Schools students attended a free course of lectures and master classes within the framework of the project. This is another practical contribution of the Bank to support Kazakhstan education and young talents. For a month, children learned online the basics of Java programming, participated in meetings, and solved more than 100 practical problems. 14 master classes on various IT topics were held.

Based on IT School Jusan, programs for existing employees of the Jusan Group are being prepared for implementation aiming at obtaining new knowledge and skills in the reskilling and upskilling formats.

” In 2022, almost 150 IT School Jusan graduates were employed by Jusan Bank.

”

SUPPORTING EDUCATION AND FINANCIAL LITERACY

Jusan Singularity in Astana continues to be active in training young IT professionals with such projects as Swift for teenagers with special needs, Guest lectures in NIS, Java Start, Kotlin Start, Devop engineer in 6 months, etc. Jas Academy in Almaty continues to provide training in the areas of Data Science, Python, IOS and Java. Free intensives are held on the basics of programming, and quotas are available for the state funding program for the training of IT specialists TechOrda once a year.

Financial Literacy

Jusan Bank is aware of its responsibility in terms of the need to increase the level of financial literacy and financial culture of the population, especially given the active growth of digital financial products and services. In partnership with its subsidiaries, the Bank is involved in the implementation of financial literacy projects that are the driving force behind the economic empowerment and social mobility of clients and society as a whole.

Thus, we improve the competence of people in such aspects as managing their own finances, proper interaction with financial institutions, helping to form an understanding of the basics of investing, doing business and entrepreneurship. It is important that the Bank conducts purposeful work with young people in this context.

We would like to highlight the free educational project, Jusan Academy, to improve financial literacy for the general population with a convenient online learning format in Kazakh and Russian as well as courses available 24/7 through the Jusan mobile application. After completion of testing, a certificate of the course completion is issued. Based on the Jusan Academy platform, a free online training marathon

was launched for 15 thousand high school students in all regions of the Republic of Kazakhstan in the reporting year.

The Jusan Group is committed to helping the younger generation learn financial literacy and experience in investing in the stock market from an early age.

For example, in 2022, we launched the first Jusan Junior investment application in the Republic of Kazakhstan for children and teenagers aged 10 to 16 as part of the Jusan ecosystem where they can study and invest in real securities. Before using it, it is necessary to pass preliminary training at the Jusan Academy, adapted in a playful way for school-age youth. Parental control functions have been introduced and an account of a young user of Jusan Junior is linked to an account of a parent through the Jusan mobile application. After opening a special account that provides a child with access to the brokerage section, his/her parent can monitor and accompany the financial movements and requests of a child in real time, replenish an account, set limits on number and amount of transactions. The Jusan Junior application allows trading any shares from the KASE Global list, as well as shares of Kazakhstan companies on the Kazakhstan Stock Exchange.

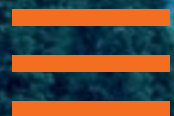
Jusan Bank also contributes to the expansion of knowledge about the financial market, financial products and services as part of its daily consulting activities when interacting with clients.

At the same time, in October 2022, Jusan Bank organized a free training for media representatives in the state language. More than 30 Kazakh-speaking journalists have completed the Bank and Investments Training in Almaty that contributes to improving the practical financial literacy of the domestic journalist community.

” Jusan Bank also contributes to the expansion of knowledge about the financial market, financial products and services as part of its daily consulting activities when interacting with clients. ”



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ENVIRONMENT PROTECTION

Considering the specifics of business processes, Jusan Bank does not have meaningful environmental aspects accompanied by high environmental risks. The level of own impact on the environment is insignificant.

At the same time, the Bank seeks to effectively manage the impact of operations on the environment including through a stage-by-stage accounting and assessment of the impact of its assets, internal operations, lending and financial activities.

Key areas of work in the long term:

- Reduction of direct negative impact through efficient use of resources, control over greenhouse gas emissions and generated waste.
- Reduction of indirect impact through improved loan portfolio management by taking into account environmental factors during interaction with borrowers.

When managing aspects related to environmental protection, Jusan Bank relies on strict compliance with the requirements of environmental legislation, monitoring and accounting of changes in which are carried out by responsible employees of the Bank on an ongoing basis.

We implement the practices of responsible waste management, rational use of resources, and energy efficiency management.

Responsibility for environmental management is assigned to individual functional divisions as well as to the Management Board of the Bank.

In 2022, the Bank did not violate the environmental legislation of the Republic of Kazakhstan and was not subject to fines from the controlling environmental authorities.

Being a dynamically growing financial institution, Jusan Bank is interested in expanding its contribution to the low-carbon development

of the Republic of Kazakhstan in the long term, including through digitalization, environmental assessment of borrowers, development of sustainable financial solutions and responsible product offer.

Given the Bank's focus on small and medium-sized businesses as well as the retail segment, the loan portfolio is not concentrated in carbon-intensive industries.

Jusan Bank intends to expand support for small and medium-sized businesses, large corporate clients in their transition to low-carbon development.

The Bank offers new solutions that are focused on solving environmental problems. Here we note, for example, the Nedra conditional deposit for subsoil users and owners of waste disposal sites. It is intended to finance work related to the liquidation of a subsoil use facility or a landfill in accordance with the legislation of the Republic of Kazakhstan.

Jusan Bank started to form elements of the environmental management system, to gradually integrate environmental risk assessment into the existing risk management system and to identify areas that potentially mitigate the negative impact of the Bank on the environment.

Due to the specifics of its operations, the Bank does not have a direct impact on biodiversity and does not pose a threat to protected species of flora and fauna, as well as protected natural areas.

The immediate plans of the Bank in terms of climate impact management include development of a corporate Climate Strategy and preparation for annual reporting in accordance with the TCFD recommendations, considering the proposed requirements of the Agency of the Republic of Kazakhstan for Regulation and Development of Financial Market.

We take into account that the main long-term climate impact of financial institutions is not through direct operations but through lending to energy and carbon-intensive sectors of the economy.

” In 2022, the Bank did not violate the environmental legislation of the Republic of Kazakhstan and was not subject to fines from the controlling environmental authorities. ”

GREENHOUSE GAS EMISSIONS

Jusan Bank performs an annual quantification of greenhouse gas emissions in accordance with the requirements of the Greenhouse Gas Protocol (GHG Protocol) and the requirements of environmental legislation regarding the regulation of greenhouse gas emissions. Coverage embraces Jusan Bank without subsidiaries.

Verification was carried out in accordance with the principles and requirements of ST RK ISO 14064-3-2019 "Specification with guidance for the verification and validation of greenhouse gas statements".

According to the GHG Protocol, the following categories of greenhouse gas emissions are included within the boundaries of the organization:

Direct emissions (Scope 1) from proprietary sources include GHG emissions from fuel combustion on equipment located directly at the Bank's facilities (e.g., emergency generators, boilers) as well as fugitive GHG emissions from industrial or domestic equipment (for example, refrigerant leaks from air conditioning systems of stationary and mobile facilities). Greenhouse gas emissions from mobile sources owned by the Bank.

Indirect emissions (Scope 2) from electricity and heat purchased from third parties for facilities owned by the Bank.

Indirect emissions (Scope 3) from sources that are leased include greenhouse gas emissions from fuel combustion on equipment located directly at the Bank's leased facilities (for example, boilers); fugitive greenhouse gas emissions from industrial or domestic equipment (for example, refrigerant leaks from air conditioning systems of stationary and mobile leased units); greenhouse gas emissions from mobile sources that are leased; indirect emissions from purchased electricity and heat energy for facilities leased from the Bank; indirect emissions from used

water, paper, generated waste at all Bank facilities; and indirect emissions from employee business travel and home-to-office travel.

The calculation of Scope 1, Scope 2 and Scope 3 greenhouse gas emissions was carried out based on the IPCC Guidelines for National Greenhouse Gas Inventories, 2006, including the use of global warming potentials (GWP) in accordance with the IPCC Fourth Assessment Report.

Greenhouse gas emissions are expressed in tonnes of CO₂-eq and cover emissions of CO₂, CH₄, N₂O, HFC. At the time of writing the Report, there is no information on emissions of sulfur hexafluoride (SF₆) and PFC at the Bank's facilities.

As part of the verified quantitative assessment carried out for 2022, greenhouse gas emissions for Scope 1 amounted to 1,969.5 tonnes of CO₂-eq, for Scope 2 – 22,198.4 tonnes of CO₂-eq.

The consolidated increase in Scope 1 and Scope 2 emissions compared to 2021 is mainly due to the merger of Jusan Bank and ATFBank JSC (SB Jusan Bank JSC), a large Kazakh bank that we acquired earlier. The increase in the number of the Bank's staff and termination of anti-covid restrictions also had an impact.

The specific factor of Scope 1 and Scope 2 greenhouse gas emissions per an employee amounted to 3.9 tonnes of CO₂-eq per an employee of the Bank. The number of employees was chosen as the denominator in calculating the intensity of greenhouse gas emissions, since the number of products is not applicable to banking institutions.

Indirect greenhouse gas emissions are based on the location-based method, since the Republic of Kazakhstan has not yet widely developed the practice of using contractual instruments, such as I-REC certificates

” Jusan Bank performs an annual quantification of greenhouse gas emissions in accordance with the requirements of the Greenhouse Gas Protocol (GHG Protocol) and the requirements of environmental legislation regarding the regulation of greenhouse gas emissions.

GREENHOUSE GAS EMISSIONS

that confirm the reliability of low-carbon energy generation. At the same time, the Bank is studying the possibility of lowering its indirect energy emissions through the purchase of I-REC certificates.

For the first time, the Bank conducted a quantitative assessment of its Scope 3 greenhouse gas emissions.

At the end of 2022, Scope 3 emissions in the above-mentioned categories amounted to 19,424.9 tonnes of CO₂-eq. Coverage embraces Jusan Bank without subsidiaries.

Scope 3 emissions calculations are based on the GHG Protocol Technical Guidance for Calculating Scope 3 Emissions with use of actual 2022 data.

As a result, the total greenhouse gas emissions of Scope 1, Scope 2 and Scope 3 by the organization amounted to 43,592.9 tonnes of CO₂-eq in 2022.

The specific factor of Scope 1, Scope 2 and Scope 3 greenhouse gas emissions per an employee amounted to 7.1 tonnes of CO₂-eq per an employee.

Because Scope 3 indirect emissions were included in the estimate in 2022, 2022 is chosen as the base year for GHG reporting purposes. In addition, emissions related to leased stationary and mobile sources have been assigned to Scope 3 in the current verified quantitative assessment.

Verified greenhouse gas emissions,
tonnes of CO₂-eq

	2021	2022
Scope 1	2,595.2	1,969.5
Scope 2	17,709.3	22,198.4
Scope 3*	-	19,424.9

* Scope 3 was not quantified in 2021

Greenhouse gas emissions separately for each
type of greenhouse gases, tonnes

	2022
CO ₂	41,952.74
CH ₄	31.421
N ₂ O	0.1285
HFCs	0.5711
SF ₆	-
PFCs	-

Breakdown of Scope 3 greenhouse gas emissions by
the most significant sub-categories, tonnes of CO₂-eq

	2022
Business travels of the Bank's employee	11,997.5
Electricity and heat consumption for facilities leased by the Bank	3,373.1
Combustion of fuel on mobile sources that are leased by the Bank	2,854.7
Generated waste and waste water at all Bank facilities	769.8

CLIMATE-RELATED RISKS

Climate-related risks are increasingly viewed by stakeholders as one of the main risks for financial institutions.

In the long term, the Bank is exposed to potential climate risks through direct and indirect channels, for the definition of which we rely on the terminology of risks proposed by TCFD.

■ Acute physical risks refer to direct losses caused by extreme weather events, including the damage they can cause as a result of the destruction of tangible assets (real estate and/or production facilities) and the reduction of local economic activity.

■ Chronic physical risks refer to direct losses caused by long-term climate change (increasing average global temperatures, changing precipitation patterns and increased variability, unavailability or disappearance of certain resources) that could potentially affect both entire sectors of the economy and regions that are supported by Jusan Bank, as well as the own infrastructure and operations of the Bank.

■ Transition risks associated with the transition to a low-carbon economy, economic and financial impacts of low-carbon business models, government regulation to achieve carbon neutrality, changes in consumer and investor behaviour, including both the abandonment of climate-hazardous activities and the flow of capital from “brown” to “green” sectors of the economy, and the growing demand for technological improvements and innovations aimed at combating climate change.

The physical and transition risk assessment scope includes our own activities as well as the Bank’s downstream activities and the impact of risks on our clients.

” Climate-related risks are increasingly viewed by stakeholders as one of the main risks for financial institutions. ”

CLIMATE-RELATED RISKS

Risk categorization		Climate-related risk drivers	Description of identified potential impacts	Time frame		
				Less than 2 years	From 2 to 5 years	More than 5 years
Physical risk	Acute	An increase in the intensity or frequency of dangerous and extreme climatic events (heatwaves, severe frosts, heavy rains, hurricanes, etc.) that can cause adverse events such as floods, landslides or natural fires, etc.	<ul style="list-style-type: none">• Business continuity disruptions due to extreme climate events.• Financial implications for corporate and retail clients affected by extreme weather events, with possible implications for their credit-worthiness and solvency.• Losses from direct damage to facilities and property.• Deterioration or damage to collateral for loans, such as real estate.• Increase in operating expenses and loss of revenue due to interruptions in the Bank's activities.		•	•
	Chronic	Long-term change in precipitation patterns and extreme variability in weather patterns, rising mean temperatures and other long-term climate changes, that also dramatically increasing impacts from extreme climate events.	<ul style="list-style-type: none">• Decrease in clients' income and increase in operating costs for clients' production activities in certain sectors (e.g., crop and livestock production, sectors of industry with high water consumption) due to depletion of water resources, soil degradation, droughts or wildfires.• Loss of value of client assets pledged as collateral in water scarce areas.• Regional movement of people and economic activities.• Impairment of loan guarantees.• Increased operating and capital costs due to damage to facilities, early liquidation of existing assets, etc.• Impact of rising temperatures on working and living conditions, as well as on the state of local infrastructure in the regions where the Bank operates.			•

CLIMATE-RELATED RISKS

Risk categorization		Climate-related risk drivers	Description of identified potential impacts	Time frame		
				Less than 2 years	From 2 to 5 years	More than 5 years
Transition risk	Regulatory and legal	Harsh regulatory environment affecting the Bank and clients' business operations; increasingly demanding banking regulation: information disclosure, stress testing, etc.; strengthening climate disclosure obligations; higher prices for greenhouse gas emissions; stricter regulation of existing products and services, exposure to litigation, etc.	<ul style="list-style-type: none">Increased operating costs due to increased costs of complying with new regulations or implementing clients environmental monitoring and climate compliance procedures.Higher public reporting obligations and associated data collection and verification costs.Impairment of assets due to changes in regulation.Limits on greenhouse gas emissions and/or introduction of carbon taxes levied on clients operating in certain sectors of the economy.Possible worsening of solvency of clients or their ability to fulfil credit obligations.Increase in the cost of lending due to tighter control over clients.Potential reduction in the Bank's revenue in case of significant exposure to sectors of the economy more vulnerable to climate risks.Potential legal action or regulatory sanctions against the Bank or its clients for non-compliance with climate related regulations of businesses or supply chain.	•	••	••
	Technological	Initial costs of transition to low emission technologies; replacing existing products and services with options that generate lower greenhouse gas emissions, etc.	<ul style="list-style-type: none">Significant and rapid changes in the cost of production, competitiveness, supply and demand in certain sectors due to emergence of new and disruptive technologies, which may affect the credit risk of clients.Need for capital investment in development of technologies and the costs associated with spread of new practices and processes.Reduced demand for certain products and services.Possible worsening of solvency of clients or their ability to fulfil credit obligations.Financial implications for clients due to the need for capital expenditures and consequences of early retirement of existing assets.Decline in the Bank's revenue due to reduced activity in certain sectors due to technological and energy transition.		•	••

CLIMATE-RELATED RISKS

Risk categorization		Climate-related risk drivers	Description of identified potential impacts	Time frame		
				Less than 2 years	From 2 to 5 years	More than 5 years
Transition risk	Market	Changing consumer behaviour; rising cost of raw materials; higher market uncertainty, etc.	<ul style="list-style-type: none">• Reduced demand for certain products and services due to changing consumer preferences.• Unforeseen changes in energy prices affecting clients' production processes and the cost of energy consumed by the Bank.• Potential impact of high carbon costs on the cost of various raw materials and commodities.• Increased production costs due to higher raw material prices and changes in the cost of waste management.• Possible worsening of solvency of clients or their ability to fulfil credit obligations.• Decline in the Bank's revenue due to increased competition caused by growing demand for ESG products and falling demand for non-ESG services/products.• Unfavourable changes in the value of assets and liabilities in result of fluctuations in market variables, including, but not limited to, interest rates and foreign exchange rates.• Strong growth in demand for low-carbon products and services that may require changes in the production processes of producers of intermediate and final products.• Significant increase in the cost of financing clients with higher exposure to climate risks in a way that will affect their ability to repay making it difficult for them to meet their credit obligations.		•	••
	Reputational	Changing preferences of consumers and investors; increased attention from stakeholders (regulators, media, NGOs, etc.); stigmatization of industries, etc.	<ul style="list-style-type: none">• Decline in profits as a result of reduced demand for products and services.• Loss of clients because of financing of projects or activities that affect the environment.• Deterioration of corporate reputation due to financing of projects or activities that affect the environment.• Deterioration of investment attractiveness and reduced availability of external funding.• Clients' requirements to the Bank to limit the direct impact of its operations.• Climate stigmatization of certain sectors of the economy financed by the Bank and their transformation into assets with questionable value (the so-called stranded assets).		•	••

- *Potential moderate impact*
- *Potential high impact*

CLIMATE-RELATED RISKS

However, Jusan Bank believes that climate-related risks do not represent a new category of risks but rather act as an amplifying long-term factor for traditional types of risks, whether financial (credit risks, etc.) or non-financial (operational risks and etc.) risks, and affect the Bank either directly through its own operations and assets or indirectly through its financial activities.

These already existing risk categories are defined as follows:

- Credit risk – the probability of losses resulting from the inability of customers or other counterparties of the Bank to meet financial obligations.
- Market risk – the probability of financial losses caused by unfavourable changes in market interest rates, foreign exchange rates, market value of financial instruments, goods.
- Liquidity risk – the probability of losses as a result of the Bank's inability to meet its obligations in a timely manner without significant losses.

- Operational risk – the probability of losses resulting from inadequate or insufficient internal processes, human resources and systems, or external events, including legal risk.
- Compliance risk – the probability of losses due to non-compliance by the Bank and its employees with the requirements of civil, tax, banking and other legislation.
- Reputational risk – the probability of losses, failure to receive planned revenues as a result of narrowing of the client base, decrease in other development indicators due to the formation in society of a negative perception of the reliability of the Bank, the quality of its services or the nature of the Bank's operations as a whole.
- Information technology risk – the probability of damage due to failure (disruption of functioning) of information and communication technologies operated by the Bank.

In the short term, we do not expect a significant impact of climate-related risks on operations of Jusan Bank. The cost of actions that will be taken to manage the risks described in this section of the Report are under continuing analysis.

” In the short term, we do not expect a significant impact of climate-related risks on operations of Jusan Bank.”

The definition is given on the basis of the following document: “On approval of the Rules for formation of risk management and internal control system for second-tier banks” Resolution of the Board of the National Bank of the Republic of Kazakhstan dated November 12, 2019 No. 188.

Risks	Physical risk	Transition risk
Credit risk	<p>Long-term climate change and extreme natural disasters such as droughts, floods or fires that are more likely under different climate scenarios can cause serious economic damage. This can affect the solvency of customers, especially those operating in highly dependent sectors of natural resources or in particularly vulnerable regions. Physical risk could increase the likelihood of default by the Bank's clients, directly damaging their assets in affected regions and indirectly impacting their business model by disrupting their supply chain and access to markets. In the event of an active default by a client, physical risks may also make it difficult for the Bank to recover part of its liabilities.</p>	<p>The solvency of clients and asset values may be affected by changes in regulation and implementation of policies aimed at reducing greenhouse gas emissions. In particular, tightening GHG emissions regulations or higher GHG prices could lead to significant adjustment costs and lower profitability and productivity, especially in the metals, coal, oil and gas and other sectors. The ability of clients in carbon-intensive sectors to earn revenues and meet their financial obligations could be drastically weakened, and some of their collateral to be potentially worthless if they do not take steps to adapt business models or if they fail to finance the necessary adaptation measures. The development of market preferences towards more climate-resilient sectors may affect the profitability of clients outside these sectors. The Bank is likely to change the structure of its portfolio in favour of more stable clients.</p>
Market risk	<p>Revaluation of foreign exchange rates, market values of financial instruments, commodities in result of extreme weather events and long-term weather changes may increase market risk for Jusan Bank. Extreme events and long-term climate trends can trigger volatility, affecting supply chains and commodity prices.</p>	<p>Transition risks can lead to a sharp revaluation of securities and derivatives, for example, for companies and goods that are associated with assets of questionable value (the so-called stranded assets). Expectations of tighter international/national policies on carbon emissions or breakthroughs in clean technologies may affect the volatility of market variables such as interest rates, commodity prices or credit spreads. Differentiated pricing of assets and instruments based on the climatic characteristics of the underlying security or issuer that may provoke market distortions, loss of trading liquidity or sudden changes in value. Likely increased volatility or decline in the value of financial assets as a result of changes in investor preferences.</p>

Risks	Physical risk	Transition risk
Liquidity risk	Potential damage caused by extreme climate events may lead to a decrease in the value of the Bank's assets and increase the need of clients in funding to recover from damages. Therefore, the Bank may experience adverse cash flow effects that potentially affect its ability to meet its financial obligations.	Tightening climate policy may affect the price of securities, leading to additional collateral requirements and higher costs for carbon-intensive companies, and leading to an increase in the use of dedicated credit/liquidity lines. A sharp revaluation of securities potentially reduces the value of high-quality liquid assets that would adversely affect the Bank's liquidity buffers.
Operational risk and Compliance risk	Extreme climatic events, their increase in intensity and frequency may affect the continuity of the Bank's business and its supply chain, as well as disrupt the functioning of infrastructure networks, telecommunications services, electricity and water supply, and emergency response services. The Bank's activities may be disrupted for an extended period due to critical damage to its property and infrastructure, branches and data centres as a result of extreme weather events. It may also not be possible to ensure uninterrupted availability of Bank employees as a result of extreme weather events.	Higher costs and potential disruption to operations due to the Bank's own operations moving to low-carbon infrastructure. New climate regulations and tougher environmental legislation may increase the risk of the Bank's non-compliance that would lead to litigation and fines, which would also negatively affect the Bank's reputation and financial condition.

Risks	Physical risk	Transition risk
Reputational risk	Physical damage to the Bank's property and infrastructure, branches and data centres as a result of extreme climate events may trigger an increase in reputational risk for the Bank due to a partial inability to adequately fulfil obligations and interact with customers.	Against the backdrop of changing public sentiment towards climate protection and tightening environmental regulations, funding clients and projects that are not climate resilient may damage the Bank's reputation. Some stakeholders may perceive Jusan Bank's actions to achieve carbon neutrality and to support clients in this direction as insufficient that will also have a negative impact on reputation.
Information technology risk	The negative impact of dangerous and extreme climatic events on the stability of the Bank's information systems, including their serious damage and disruption of functioning.	No significant impact was identified.

Based on the results of the risk analysis, the Bank will seek to implement the following measures among other things in the foreseeable future:

- Regular reporting, monitoring and verification of greenhouse gas emissions Scope 1, Scope 2, Scope 3 in accordance with the Greenhouse Gas Protocol and the IPCC Guidelines.
- Initiating an assessment of financed emissions.
- Reducing energy consumption through investments in energy efficient technologies and solutions.
- Increasing the share of low-carbon energy sources in the overall energy mix through available market mechanisms.

- Elaboration of a medium-term Climate Strategy.
- Preparation of regular climate-related reporting based on the TCFD recommendations and the recommendations of the Agency of the Republic of Kazakhstan for Regulation and Development of Financial Market.
- Systematic approach to monitoring and disclosure of information on climate risks within the framework of the TCFD recommendations.
- Expansion of financing for borrowers and projects with a positive impact on climate.

CLIMATE-RELATED OPPORTUNITIES

Climate-related opportunities for financial institutions are driven primarily by client demand for capital to achieve their low-carbon development goals and advance climate business strategies, changing client preferences and expectations for new products and services, increased technology innovation, and growth of new financial markets, such as ESG finance that help make businesses more resilient to climate change in the face of both physical and transition risks.

As a provider of capital, we see key opportunities primarily in expanding funding for climate-friendly activities and projects.

Significant potential can be seen in the implementation of environmental efficiency measures and initiatives in the Bank's internal operations and the gradual increase in the share of renewable energy sources in our energy mix.

Among the key areas for financing, the potential of which will increase already in the short term (next 1–2 years), we highlight the following:

Renewable energy	Financing the production of electricity, heat, cooling from renewable energy sources, primarily solar and wind
Energy efficiency and energy saving	Purchasing, replacing, upgrading equipment, systems, or products to reduce energy consumption
Sustainable and green buildings	Energy efficient renovation of buildings and structures, implementation of projects that comply with green building standards with certificates such as LEED, BREEAM, as well as support for green mortgages
Clean transport	Financing of electric and hybrid transport, as well as its wider use by the Bank itself
Clean production	Financing the modernization of existing and the creation of new industries and projects of small and medium-sized businesses focused on reducing climate impact and solving problems of energy efficiency and energy saving
Sustainable infrastructure	Financing the construction, expansion, equipping, operation or maintenance of infrastructure for sustainable utilities, urban development, urban projects and sustainable transport
Innovation support	Funding for start-ups focused on the energy transition

CARBON RELATED ASSETS

Jusan Bank has initiated the disclosure of concentrations of credit risk on carbon-related assets based on the 2021 update of the TCFD guidelines that include an expanded definition from the 2017 TCFD guidelines.

As at 31 December 2022, lending to carbon-intensive sectors and activities represents 20% of total lending provided by the Bank. At the same time, we additionally highlight sectors and activities that, in our opinion, are subject to stronger climate risks in the long term (marked in brown in the table), their share in total lending is 7%, respectively.

	Lending volume, million tenge
Agriculture, food production and forest products	55,916.73
Agriculture (crop and livestock)	8,003.35
Food and beverage manufacturing	47,367.84
Manufacture of tobacco products	0
Timber and timber processing, paper and paper products	545.54
Energy sector	164.58
Coal mining	1.94
Oil and natural gas production	162.64
Electricity generation except for solar, wind farms and other renewable energy facilities, as well as electricity transmission and distribution activities	0
Manufacturing and construction	150,348.78
Extraction of metal ores, metallurgical production	26,936.64
Manufacture of chemical industry products, rubber and plastic products, coke and refined petroleum products	9,552.40
Cement production	20,578.81
Building construction, civil engineering	91,180.37
Manufacture of finished metal products, machinery and equipment	2,100.56
Transportation	13,959.78
Air transport activities	229.51
Activities of passenger rail transport, freight rail transport	263.08
Activities of road freight transport and other passenger land transport	13,467.18
Activities of water transport, as well as auxiliary activities of water transport	0
TOTAL	220,389.87
SHARE IN TOTAL LENDING (%)	20%

FUEL AND ENERGY RESOURCES CONSUMPTION

The total consumption of fuel and energy resources by the Bank's own offices and vehicles is equivalent to 142.4 thousand GJ in the reporting period.

Significant year-on-year increase in consumption of fuel and energy resources is mainly due to completion of the merger of the previously acquired ATFBank JSC (SB Jusan Bank JSC) with Jusan Bank and the lifting of anti-covid restrictions.

Fuel and energy resources are purchased from third parties. The Bank does not supply electricity to third parties.

Accounting for the consumption of thermal energy and electrical energy is carried out based on meter readings. Consumption of other fuel and energy resources is estimated based on actual data.

Among the measures implemented by the Bank to improve energy efficiency and reduce energy consumption, the following can be distinguished:

- installation and use of energy efficient equipment and low energy consumption lamps;
- automation of external and internal lighting control;
- automation of air conditioning and ventilation systems;
- timely reconstruction and modernization of engineering systems;
- automatic shutdown of employees' computer systems (screens after 30 minutes, hard drives after 20 minutes of inactivity);
- proper thermal insulation of pipelines;
- fulfilment of technical requirements for the vehicle fleet and periodic technical inspection of vehicles.

The Bank does not use coal as a fuel and energy resource at its own stationary power plants, taking into account its negative impact on the environment.

Jusan Bank welcomes the expansion of its employees in the use of environmentally friendly transport including electric cars, bicycles and electric scooters.

” The Bank does not use coal as a fuel and energy resource at its own stationary power plants, taking into account its negative impact on the environment. ”

Consumption of fuel and energy resources by own offices and vehicles of Jusan Bank

	2021	2022
Electric Energy		
kWh	9,693,775	14,620,944
GJ	34,897	52,635
Thermal energy		
Gcal	11,141	16,961
GJ	46,649	71,012
Diesel fuel		
thousand litres	25.4	31.4
GJ	941	1,162
Petrol		
thousand litres	207.3	219.7
GJ	6,778	7,184
Gas		
thousand cubic meters	159.7	267.6
GJ	6,229	10,436
Total consumption of fuel and energy resources, GJ	95,494	142,429

Note.

The corresponding coefficients and data mainly from:

- Methods for the formation of the fuel and energy balance and the calculation of individual statistical indicators characterizing the energy industry (approved by the order of the Chairman of the Statistics Committee of the Ministry of National Economy of the Republic of Kazakhstan No. 160 dated August 11, 2016).
- IPCC Guidelines for National Greenhouse Gas Inventories, 2006.

WASTE AND RESPONSIBLE RESOURCE MANAGEMENT

The organization of waste management and waste accounting is carried out in the Bank in accordance with the legislation and waste classification in force in the Republic of Kazakhstan.

Most of the waste that is generated during the Bank's operations is classified as non-hazardous waste. In accordance with the concluded agreements the generated waste is transferred to specialized organizations that have permits for its collection, transportation, processing, utilization, and disposal. Waste accumulation is carried out only in places specially installed and equipped in accordance with the requirements of the legislation of the Republic of Kazakhstan.

The volume of mixed municipal solid waste generation in the own offices of Jusan Bank for the reporting period amounted to 2,107 tonnes (10,534 cubic meters). In 2021, this figure was 1,123 tonnes (5,613 cubic meters).

The growth was mainly due to both the completion of the merger of ATFBank JSC (SB Jusan Bank JSC) with Jusan Bank and the termination of anti-covid restrictions.

Since third-party organizations that remove waste do not provide the Bank with detailed statistics on the further use of waste, there is accordingly no confirmed data on the volume of their processing, reuse and disposal.

At the same time, the Bank itself implements certain measures to reduce the amount of waste sent to landfills through the organization of their sorting and recycling.

Since the end of May 2022, the Bank has been implementing the Green Office initiative, under which employees are trained in responsible waste management practices and further participate in the separate

collection of waste (paper, cardboard, glass, plastic) in offices and banking service centres. Since the launch of the initiative until the end of the reporting period, 2.8 tonnes of waste were collected and sent for recycling (primarily wastepaper in amount of 1.6 tonnes and plastic in amount of 0.7 tonnes).

Waste generation, tonnes

2021	2022
1,123	2,107

Paper consumption for 2022 is estimated at 232.5 tonnes. Among the practical measures that the Bank has taken to control its use, we single out a phased transition to electronic document management, digitalization and automation of various internal and external processes, refusal to print documents without the need, optimization of the printing process (two-sided printing, etc.), refusal to use of individual printers and transition to use of "corridor" multifunctional devices and printers.

The above measures made it possible to limit the demand for paper from Jusan Bank despite the merger with such a large financial institution as ATFBank JSC (SB Jusan Bank JSC) and the intensification of office operations amid the complete lifting of coronavirus restrictions. At the same time, the Bank introduces the practice of using paper from recycled raw materials.

” Bank itself implements certain measures to reduce the amount of waste sent to landfills through the organization of their sorting and recycling. ”

² При расчетах плотность смешанных отходов принята на уровне 0,2 тонны/куб. м в соответствии с нормативами, утвержденными в Республике Казахстан.

WASTE AND RESPONSIBLE RESOURCE MANAGEMENT

In the sphere of marketing communications, the Bank focuses on the widespread use of electronic formats and reduction of the use of printed materials. We initiated the recycling of advertising banners together with the MASP Public Association that supports people with special needs.

Jusan Bank understands the importance of cooperation with specialized organizations that provide services for disposal and, if necessary, recycling of hazardous waste such as chemical power sources (batteries of various types), car tires, decommissioned office equipment, electrical and electronic equipment.

The Bank is making efforts to reduce the amount of hazardous waste. In particular, we have abandoned the use of mercury-containing lamps. Malfunctioning office equipment is not subject to automatic decommissioning but is analysed for repairability. This approach reduces the disposal of electronic equipment classified as hazardous waste.

In terms of waste reduction and responsible use of resources, we

assign a special role to expanding the issuance of digital cards that are very popular among the Bank's clients.

In 2022, our clients received 934.6 thousand digital cards of Jusan Bank. This has prevented the use of 4.9 tonnes of plastic (compared to 2.3 tonnes in 2021) that is hazardous to the environment. The issuance of plastic cards for retail clients and legal entities is estimated at 499 thousand, it is equivalent to the consumption of 2.6 tonnes of plastic.

Based on the foreseeable future, a further reduction in clients demand for plastic cards is predicted. Despite this, Jusan Bank is exploring the possibility of issuing plastic cards from recycled plastic.

The Bank also welcomes the minimization of the use of disposable plastic tableware by employees.

” In terms of waste reduction and responsible use of resources, we assign a special role to expanding the issuance of digital cards that are very popular among the Bank's clients. ”

WATER USE

Domestic cold-water supply for the Bank's branches comes from centralized water supply systems. Depending on the region of presence, hot water is either used from centralized hot water supply systems or produced locally by heating centrally supplied cold water using local water heaters, including for heating offices.

Jusan Bank does not use the practice of direct water intake from surface water resources or underground resources, including in water-deficient areas.

In accordance with the GRI methodology, the Bank withdraws (purchases) only fresh water, except for its branches in the city of Aktau, where water obtained by desalination of the Caspian Sea is supplied to the centralized water supply system.

In 2022, the total consumption of cold water and hot water by the Bank's own offices amounted to 57.7 million litres and 8.4 million litres respectively that in total is 66.1 million litres. In addition, the consumption of bottled drinking water in our offices during the reporting period is estimated at 0.4 million litres.

The volume of water consumed is determined mainly based on readings from commercial water meters.

At the same time, in connection with the peculiarities of contractual conditions with suppliers, data on heat supply and hot water supply are consolidated in certain branches of the Bank. For this reason, in the absence of accurate information on the consumption of hot water for

some offices, calculations were made on the basis of standard water consumption values.

The increase in 2022 water use is associated both with the completion of the merger of ATFBank JSC (SB Jusan Bank JSC) with Jusan Bank, and the suspension of the previously existing anti-covid restrictions.

To ensure rational water use, the Bank maintains water supply networks in good condition and uses meters to measure consumption. The Bank aims to expand the use of water-efficient sanitary ware in its own offices.

In 2022, the volume of wastewater disposal from Jusan Bank's own offices is estimated at 66.2 million litres.

The Bank discharges only fresh water in accordance with the GRI methodology.

We do not discharge wastewater into natural surface and underground water bodies. Discharge occurs in a centralized sewer network, and in some departments, mainly in rural areas, the practice of wastewater removal by specialized organizations is applied based on concluded agreements.

Regarding the quality of wastewater discharge, the Bank uses the requirements established by the legislation of the Republic of Kazakhstan. Only household wastewater is generated during the Bank's operations. Due to the specifics of the Bank's operations, wastewater treatment is not performed.

” During the reporting period, Jusan Bank has no violations of water legislation and instructions from the regulatory authorities for facilities owned by the Bank. ”

² In accordance with SP RK 4.01-101-2012 "Internal water supply and sewerage of buildings and structures" (as amended on December 25, 2017)

CONTACT INFORMATION

The Bank is interested in feedback from stakeholders on the completeness and relevance of the information disclosed in the Report.

The release date of the report is May 2023.

Full Name	First Heartland Jusan Bank Joint Stock Company
Short Name	Jusan Bank JSC
Legal Address of the Head Office	242, Nursultan Nazarbayev Avenue, Medeu district, Almaty city, A26F8T9 postal code, Republic of Kazakhstan
SWIFT Code	TSESKZKA
Phone	+7 (717) 258-77-11
Corporate Internet Resource	https://jusan.kz/
Email for the Report Feedback	info@jusan.kz



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GRI CONTENT INDEX

The Sustainability Report has been prepared in accordance with the 2021 GRI Standards.

INDEX	INDICATOR	LOCATION IN THE REPORT (SECTION NAMES)	REPORT PAGE	COMMENTARY
GRI 2 GENERAL DISCLOSURES 2021				
1. THE ORGANIZATION AND ITS REPORTING PRACTICES				
2-1	Organizational details	Report Preparation Principles. General Information.	6,14	
2-2	Entities included in the organization’s sustainability reporting	Report Preparation Principles.	6	
2-3	Reporting period, frequency and contact point	Report Preparation Principles. Contact Information.	6,122	
2-4	Restatements of information	Report Preparation Principles.	6	
2-5	External assurance	Report Preparation Principles.	6	
2. ACTIVITIES AND WORKERS				
2-6	Activities, value chain and other business relationships	General Information. Supplier Relations.	14,77	
2-7	Employees	General Information. Employment.	14,79	
2-8	Workers who are not employees			The information will be included in subsequent Sustainability Reports due to the need to consolidate the system for collecting statistical information.
3. GOVERNANCE				
2-9	Governance structure and composition	Corporate Governance Overview.	27	
2-10	Nomination and selection of the highest governance body	Corporate Governance Overview.	27	
2-11	Chair of the highest governance body	Corporate Governance Overview.	27	

GRI CONTENT INDEX

INDEX	INDICATOR	LOCATION IN THE REPORT (SECTION NAMES)	REPORT PAGE	COMMENTARY
2-12	Role of the highest governance body in overseeing the management of impacts	Corporate Governance Overview.	27	
2-13	Delegation of responsibility for managing impacts	Corporate Governance Overview.	27	
2-14	Role of the highest governance body in sustainability reporting	Report Preparation Principles.	6	
2-15	Conflicts of interest	Conflict of Interest Management.	48	
2-16	Communication of critical concerns	Corporate Governance Overview.	27	
2-17	Collective knowledge of the highest governance body	Corporate Governance Overview. Countering Financial Crime. Employee Training and Education.	27, 46, 91	
2-18	Evaluation of the performance of the highest governance body	Corporate Governance Overview.	27	
2-19	Remuneration policies	Corporate Governance Overview.		
2-20	Process to determine remuneration	Corporate Governance Overview.	27	
2-21	Annual total compensation ratio			Information is not disclosed in connection with data privacy restrictions.
4. STRATEGY, POLICIES AND PRACTICES				
2-22	Statement on sustainable development strategy	Address by the Chairman of the Management Board.	3	
2-23	Policy commitments	Supported Best Practices of Sustainability. Business Ethics. Anticorruption. Human Rights and Non-Discrimination.	23, 41, 43, 49	
2-24	Embedding policy commitments	Corporate Governance Overview. Business Ethics. Anticorruption.	27, 41, 43	
2-25	Processes to remediate negative impacts	Business Ethics. Anticorruption. Feedback Mechanisms.	41, 43, 51	

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INDEX	INDICATOR	LOCATION IN THE REPORT (SECTION NAMES)	REPORT PAGE	COMMENTARY
2-26	Mechanisms for seeking advice and raising concerns	Stakeholder Engagement. Feedback Mechanisms.	10, 51	
2-27	Compliance with laws and regulations	Business Ethics. Anticorruption. Human Rights and Non-Discrimination. Compliance with Laws and Regulations.	41, 43, 49, 60	
2-28	Membership associations	Participation in Associations.	25	
5. STAKEHOLDER ENGAGEMENT				
2-29	Approach to stakeholder engagement	Stakeholder Engagement.	10	
2-30	Collective bargaining agreements	Human Rights and Non-Discrimination.	49	
GRI 3 MATERIAL TOPICS 2021				
3-1	Process to determine material topics	Determination of Material Topics.	8	
3-2	List of material topics	List of Material Topics.	9	
3-3	Management of material topics	Corporate Governance Overview. Business Ethics. Anticorruption. Human Rights and Non-Discrimination. Risk Management. Tax Policy. Information Security. Data Privacy. Digitalization. Supporting Small and Medium-Sized Business- es. Employment. Motivation and Remuneration of Employees. Employee Training and Education. Occupational Health and Safety. Charity and Support for Regions of Presence. Greenhouse Gas Emissions.	27, 41, 43, 49, 52, 58, 66, 69, 71, 75, 79, 87, 91, 94	Information on the man- agement of material top- ics is disclosed in the rele- vant thematic chapters of the Report.

GRI CONTENT INDEX

INDEX	INDICATOR	LOCATION IN THE REPORT (SECTION NAMES)	REPORT PAGE	COMMENTARY
GRI 200: Economic category				
GRI-201: Economic Performance 2016				
201-1	Direct economic value generated and distributed	Direct Economic Value Generated and Distributed.	19	
201-2	Financial implications and other risks and opportunities due to climate change	Climate-Related Risks. Climate-Related Opportunities.	107, 115	
201-3	Defined benefit plan obligations and other retirement plans			There are no special pension funds or programs not provided for by the legislation of the Republic of Kazakhstan for the Bank's employees.
201-4	Financial assistance received from government	General Information.	14	
GRI 202: Market Presence 2016				
202-2	Proportion of senior management hired from the local community	Corporate Governance Overview.	27	
GRI 203: INDIRECT ECONOMIC IMPACTS 2016				
203-1	Infrastructure investments and services supported	Charity and Support for Regions of Presence. Supporting Education and Financial Literacy.	97, 100	
203-2	Significant indirect economic impacts	Supporting Small and Medium-Sized Businesses. Supporting Education and Financial Literacy.	75, 100	
GRI 204: Procurement Practices 2016				
204-1	Proportion of spending on local suppliers	Supplier Relations.	75, 77	



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INDEX	INDICATOR	LOCATION IN THE REPORT (SECTION NAMES)	REPORT PAGE	COMMENTARY
GRI 205: Anti-corruption 2016				
205-1	Operations assessed for risks related to corruption	Anticorruption.	43	No anti-corruption training was provided for business partners.
205-2	Communication and training about anti-corruption policies and procedures	Anticorruption.	43	
205-3	Confirmed incidents of corruption and actions taken	Anticorruption.	43	
GRI 206: Anti-competitive Behavior 2016				
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Compliance with Laws and Regulations.	60	During the reporting period, there were no cases of anti-competitive behaviour and violation of antimonopoly laws by the Bank.
GRI 207: Tax 2019				
207-1	Approach to tax	Tax Policy.	58	
207-2	Tax governance, control, and risk management	Tax Policy.	58	
207-3	Stakeholder engagement and management of concerns related to tax	Tax Policy.	58	
GRI 300: Environment category				
GRI 302: Energy 2016				
302-1	Energy consumption within the organization	Fuel and Energy Resources Consumption.	117	
302-2	Energy consumption outside of the organization			There is no consumption of fuel and energy resources outside organizational boundaries.



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INDEX	INDICATOR	LOCATION IN THE REPORT (SECTION NAMES)	REPORT PAGE	COMMENTARY
GRI 303: Water and Effluents 2018				
303-2	Management of water discharge-related impacts	Water Use.	121	
303-3	Water withdrawal	Water Use.	121	
303-4	Water discharge	Water Use.	121	
GRI 304: BIODIVERSITY 2016				
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas			Due to the specifics of its activities, the Bank does not have operating sites owned, leased or managed by the organization and located in protected natural areas and areas with high biodiversity value, located outside the boundaries of protected natural areas or adjacent to such areas.

GRI CONTENT INDEX

INDEX	INDICATOR	LOCATION IN THE REPORT (SECTION NAMES)	REPORT PAGE	COMMENTARY
GRI 305: Emissions 2016				
305-1	Direct (Scope 1) GHG emissions	Greenhouse Gas Emissions.	105	
305-2	Energy indirect (Scope 2) GHG emissions	Greenhouse Gas Emissions.	105	
305-3	Other indirect (Scope 3) GHG emissions	Greenhouse Gas Emissions.	105	
305-4	GHG emissions intensity	Greenhouse Gas Emissions.	105	
GRI 306: Waste 2020				
306-2	Management of significant waste-related impacts	Waste and Responsible Resource Management.	119	
306-3	Waste generated	Waste and Responsible Resource Management.	119	
306-4	Waste diverted from disposal	Waste and Responsible Resource Management.	119	
GRI 400: Social category GRI 401: Employment 2016				
401-1	New employee hires and employee turnover	Employment.	79	
401-3	Parental leave	Employment.	79	
GRI 402: LABOR/MANAGEMENT RELATIONS 2016				
402-1	Minimum notice periods regarding operational changes	Motivation and Remuneration of Employees.	87	Preliminary notification of employees about significant changes in operational activities that are able to affect them in a significant way is carried out in accordance with the legislation of the Republic of Kazakhstan.

GRI CONTENT INDEX

INDEX	INDICATOR	LOCATION IN THE REPORT (SECTION NAMES)	REPORT PAGE	COMMENTARY
GRI 403: Occupational Health and Safety 2018				
403-1	Occupational health and safety management system	Occupational Health and Safety.	94	Jusan Bank does not have joint employee and employer health and safety committees.
403-2	Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety.	94	
403-3	Occupational health services	Occupational Health and Safety.	94	
403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety.	94	
403-5	Worker training on occupational health and safety	Occupational Health and Safety.	94	
403-6	Promotion of worker health	Occupational Health and Safety.	94	There are no hazard factors in the Bank.
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety.	94	
403-9	Work-related injuries	Occupational Health and Safety.	94	
403-10	Work-related ill health	Occupational Health and Safety.	94	
GRI 404: Training and Education 2016				
404-1	Average hours of training per year per employee	Employee Training and Education.	91	Due to the specifics of accounting for training hours used by the Bank, it is not possible to provide gender-specific data.



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404-2	Programs for upgrading employee skills and transition assistance programs	Employee Training and Education.		Jusan Bank does not provide assistance programs provided by the legislation of the Republic of Kazakhstan to ensure the possibility of their further employment, programs for employees of pre-retirement age, as well as support programs for retirement or termination of work.
404-3	Percentage of employees receiving regular performance and career development reviews	Motivation and Remuneration of Employees.	87	
GRI 405: Diversity and Equal Opportunity 2016				
405-1	Diversity of governance bodies and employees	Corporate Governance Overview.	27, 79	
405-2	Ratio of basic salary and remuneration of women to men	Employment.		
GRI 406: Non-discrimination 2016				
406-1	Incidents of discrimination and corrective actions taken	Human Rights and Non-Discrimination.	49	
GRI 408: Child Labor 2016				
408-1	Operations and suppliers at significant risk for incidents of child labor			There are no divisions in the Bank that have a significant risk of using child labor.



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INDEX	INDICATOR	LOCATION IN THE REPORT (SECTION NAMES)	REPORT PAGE	COMMENTARY
GRI 409: Forced or Compulsory Labor 2016				
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor			There are no divisions in the Bank that have a significant risk of using forced or compulsory labor.
GRI 410 Security Practices 2016				
410-1	Security personnel trained in human rights policies or procedures			In 2022, there was no mandatory human rights training. However, the Bank is studying the possibility of introducing such training.
GRI 415 PUBLIC POLICY 2016				
415-1	Political contributions	Business Ethics.	41	
GRI 416: Customer Health and Safety 2016				
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services			During the reporting period, there were no cases of non-compliance with the requirements for the impact of the Bank's products and services on the health and safety of customers.
GRI 418: Customer Privacy 2016				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Data Privacy.	69	



GLOSSARY

AML/CFT – Anti-money laundering and combating the financing of terrorism

ESG – Environment, Social, Governance

FATF – Financial Action Task Force

GJ – gigajoule

GRI – Global Reporting Initiative

HR – Human Relations

IFRS – International Financial Reporting Standards

IPCC – Intergovernmental Panel on Climate Change

IT – Information technology

JSC – Joint Stock Company

LTIFR – Lost time injury frequency rate

MAU – Monthly active users

ML/TF – Money laundering and terrorism financing

NPS – Net Promoter Score

OHS – Occupational Health and Safety

PCI DSS – Payment Card Industry Data Security Standard

PCI SSC – PCI Security Standards Council

SMEs – Small and medium-sized enterprises

TCFD – Task Force on Climate-related Financial Disclosures

TRIR – Total recordable injury rate

UN – United Nations

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