

SUSTAINABILITY REPORT 2024

YELO BANK OJSC



yelobank

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Letter from a Shareholder

As a majority shareholder of Yelo Bank, I am pleased to share my insights and express my strong support for the Bank's inaugural Sustainability Report. This important milestone underscores Yelo Bank's commitment to embedding sustainability across its strategy, operations, and culture.

Sustainable growth is inseparable from sound governance, social responsibility, and environmental stewardship. Yelo Bank's initiatives – from reducing its environmental footprint to promoting financial inclusion and supporting community development – demonstrate a proactive approach to integrating sustainability considerations across all aspects of its operations. These efforts reflect a strategic vision focused on achieving growth while generating positive social and environmental outcomes.

As a shareholder, I firmly support the Bank's sustainability journey and recognize the importance of aligning financial performance with broader societal and environmental goals. We are committed to working closely with the Management Board to ensure that sustainability principles are effectively integrated into strategic planning, risk management, and long-term value creation.

Looking ahead, I am confident that Yelo Bank will continue to strengthen its role as a responsible and forward-thinking financial institution. By maintaining its focus on innovation, transparency, and sustainable growth, the Bank is well positioned to create lasting value for its stakeholders and contribute to Azerbaijan's sustainable development.

Sincerely,

Marina Kulishova

Shareholder of Yelo Bank OJSC

Letter from the CEO

Dear Stakeholders,

It is with great pleasure that I present Yelo Bank's first Sustainability Report, highlighting our continuous efforts toward responsible growth, transparency, and sustainable value creation. This report marks an important step in demonstrating our dedication to embedding sustainability across all facets of our operations and aligning our progress with Azerbaijan's economic, social, and environmental priorities.

In 2024, Yelo Bank strengthened its financial stability, expanded digital solutions for customers, and initiated the integration of environmental, social and governance (ESG) principles into our operations. We enhanced operational efficiency, introduced innovative products and services, and invested in employee development to build a more agile and skilled workforce. Despite a dynamic economic environment, the Bank maintained resilient performance, deepened client relationships, and reinforced its role as a trusted financial partner for individuals and businesses alike.

Our financial performance has been robust, with Yelo Bank achieving a net profit of AZN 42.8 million – more than doubling the previous year's result – and total assets reaching AZN 1.26 billion. These financial milestones demonstrate our strong business strategy and our ability to adapt to changing market conditions. Growth across our loan and deposit portfolios reflected the trust of our customers and the strength of our business model.

These achievements are driven by our dedicated team of around 1,200 employees. In 2024, Yelo Bank continued to support employee growth and well-being through development and wellness programs, delivering over 8,300 hours of leadership and professional training. Employees also benefit from in-house gym facilities and a range of wellness activities that promote a healthy and balanced lifestyle.

Yelo Bank remains committed to environmental sustainability by embedding responsible practices into its operations and culture. In 2024, the Bank planted 1,500 trees through an initiative that plants a tree for every new depositor, contributing to reforestation and carbon offsetting. This commitment is further reinforced through the Environmental and Social Management System (ESMS) Policy and ESG awareness initiatives, which support effective environmental and social risk management and promote responsible practices among employees and the wider community.

The successes highlighted in this report are the result of the collective efforts of our employees, customers, shareholders, and partners. We extend our gratitude for your continued support and trust, which are essential in shaping our strategies and driving continuous improvement.

Looking ahead, Yelo Bank will continue to innovate, collaborate, and lead by example in sustainability. We aim to ensure that economic success and environmental responsibility go hand in hand, creating lasting value for both our stakeholders and future generations.

Sincerely,

Anar Hasanov

Shareholder & Chair of the Management Board of Yelo Bank OJSC



3. About the Report

Reporting Framework, Scope, and Boundaries

This Sustainability Report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards, a widely recognized framework for sustainability reporting. In preparing the report, the Bank has also considered the United Nations Sustainable Development Goals (SDGs) to ensure that its activities align with global sustainability priorities.

The report covers Yelo Bank’s operations in Azerbaijan for the period from January 1 to December 31, 2024. It includes all branches and the Head Office, as well as the Bank’s core financial and operational activities. The information in this report covers activities that are directly managed and controlled by Yelo Bank. Any areas or data not included are clearly indicated. Where exact data was not available, reasonable estimates or assumptions have been made and are explained to ensure transparency, accuracy, and consistency of the reported information. Yelo Bank operates as a standalone entity, with its Head Office located at Hasanbay Zardabi 81K, Baku, Azerbaijan.

The publication of this Report - Yelo Bank’s first Sustainability Report - marks a significant step in enhancing transparency and accountability, providing stakeholders with comprehensive insights into the Bank’s environmental, social, and governance performance.

For any questions or feedback regarding this report, please contact us at info@yelo.az

4. Yelo Bank at a Glance

Key Achievements in 2024

Total Assets (AZN)	Net Profit (AZN)	Retail Loan Portfolio (AZN)
1.26 bln	42.8 mln	257.5 mln
Entrepreneur Loan Portfolio (AZN)	Corporate Loan Portfolio (AZN)	Deposit Portfolio (AZN)
456.3 mln	123.3 mln	949.7 mln
Mortgage Portfolio (AZN)	Number of ATMs	Number of Branches (including 8 Digital Branches)
78.5 mln	51	21
Number of employees		
1153		

5. Memberships and Affiliations

Yelo Bank actively participates in leading national and international associations to promote responsible banking, sustainable finance, and professional development in the financial sector. Through these memberships, the Bank contributes to dialogue on economic policy, regulatory improvement, financial inclusion, and gender equality. As of 2024, Yelo Bank is a member of the following organizations:

- **Azerbaijan Banks Association (ABA):** As a member of the ABA, Yelo Bank actively contributes to the development of Azerbaijan's banking sector through collaboration, policy dialogue, and the promotion of best industry practices.
- **American Chamber of Commerce in Azerbaijan (AmCham):** Through its membership in AmCham, Yelo Bank engages in joint initiatives aimed at enhancing corporate governance standards and fostering a transparent, investment-friendly business environment.
- **German-Azerbaijani Chamber of Commerce (AHK):** Yelo Bank's membership in AHK supports its participation in bilateral trade discussions and innovation-driven financial collaborations between Germany and Azerbaijan. The Bank's strategic engagement within AHK is underscored by its CEO's role as the Chair of AHK's Board, fostering closer bilateral cooperation and knowledge exchange.
- **Microfinance Centre (MFC):** As a member of the MFC, Yelo Bank shares and applies regional best practices to advance financial inclusion and strengthen microfinance initiatives in Azerbaijan.
- **Association of Professional Financial Managers (APFM):** Yelo Bank's participation in APFM underscores its commitment to advancing financial literacy and the professional development of financial management specialists.
- **The National Confederation of Entrepreneurs (Employers) Organizations of the Republic of Azerbaijan (ASK):** Through its membership in ASK, Yelo Bank supports initiatives that promote entrepreneurship, private sector growth, and sustainable economic development.
- **The Women's Empowerment Principles (WEPs):** By endorsing the WEPs, Yelo Bank reaffirms its commitment to gender equality, diversity, and the empowerment of women across all levels of the organization.

6. Awards and Recognition

Most Innovative Corporate Rebranding Strategy Azerbaijan 2020

- Awarded by the prestigious international publication Capital Finance International (CFI.co), recognizing the successful rebranding from Nikoil Bank to Yelo Bank and its "brighter banking" motto, which set the course for a fresh approach to finance and corporate culture.

Largest Growth of the Visa Platinum Card in 2022

- Presented by the Visa International worldwide payment system, acknowledging the Bank's successful promotion and growth of its premium card offerings.

Azerbaijan Banks Association (ABA) Awards: Yelo Bank has been consistently recognized by the ABA in their traditional "Banking Awards" events for its wide-ranging activities:

- **Banking Awards 2024 (Recognized in 3 Categories):**
 - Corporate Social Responsibility
 - Education Supporter
 - Sustainable Banking Projects (ESG - Environmental, Social, and Governance)
- **Banking Awards 2022 (Winner in 5 Categories):**
 - Corporate Social Responsibility
 - The most active supporter of education
 - Electronic banking

- Member of the ABA, distinguished by actions in the field of promotion of non-cash payments
- Education on security in digital payments

Other Significant Awards:

- **Bank of the Year 2021**
 - Awarded at the Caspian Business Award 2021 ceremony, recognizing the Bank's overall dynamic results, service network renewal, and launch of new online services throughout the year.
- **Best Partner of the Year 2024**
 - Honored by the Ministry of Ecology and Natural Resources for supporting the tree-planting campaign under the "Green Future" platform and implementing the "Green Deposit" campaign, which resulted in planting over 1,500 trees.
- **Corporate Leader in Increasing Social Involvement and Supporting Gender Equality**
 - In June 2024, Yelo Bank received a recognition from United Nations Development Programme (UNDP) Baku as "Corporate Leader in Increasing Social Involvement and Supporting Gender Equality" for its alignment with the Women's Empowerment Principles (WEPs).



7. About Yelo Bank

7.1. Our History

Yelo Bank’s journey began in 1994, when it was established as “Ulpar” Joint-Stock Commercial Bank, under its general banking license.

In 2002, the Bank entered a new era of growth, adopting the name “Nikoil” OJSC Investment Commercial Bank following the acquisition of a controlling interest by “Nikoil” Closed Joint-Stock Company. This strategic transition represented not only a transformation in ownership structure but also the commencement of operations under full banking license No. 203, granted by the Central Bank of the Republic of Azerbaijan (CBAR) in May 2002.

Further change in the shareholder structure took place in July 2008 when “Topaz Investments Limited” CJSC acquired controlling interest in the Bank.

A defining milestone occurred in November 2019, when the Bank’s current major shareholder Ms. Marina Kulishova initiated a comprehensive transformation, encompassing both institutional restructuring and a bold rebranding under the new identity of Yelo Bank. Guided by the slogan “Brighter Banking”, this rebranding signaled a renewed commitment to simplicity, transparency, and customer centric innovation. The introduction of a modern logo and visual identity embodied a positive, forward looking approach to banking – one designed to make financial services more accessible, engaging, and aligned with the evolving needs of stakeholders.

As part of its transformation journey, Yelo Bank continued to strengthen its institutional foundations and strategic direction. Following successful rebranding, “Topaz Investments Limited” CJSC resolved to fully exit and sell all its shares in the Bank to Ms. Marina Kulishova and Mr. Anar Hasanov (current Chief Executive Officer and Chair of the Management Board). The Bank also entered a new chapter of leadership, welcoming a refreshed executive team committed to advancing innovation, operational resilience, and sustainable growth.

Building on its strengthened institutional foundation, Yelo Bank has entered a sustained period of financial stability, disciplined growth, and improving profitability. Through prudent balance-sheet management, the Bank has reinforced its capital position while enhancing the quality, diversification, and resilience of its loan portfolio. Profitability has continued to strengthen, supported by steady expansion in core banking activities and a growing contribution from diversified revenue streams. The lending portfolio has also evolved in a balanced manner across key segments, underscoring the Bank’s commitment to supporting economic activity throughout the country.

In parallel with its institutional strengthening, the Bank has expanded its national presence by growing its network in both the capital and regional areas. This includes the introduction of modern Digital Branches – which are customer service centers, where staff are available to assist and guide clients in accessing Yelo Bank’s digital-services, enhancing accessibility and customer convenience. These are complemented by the continued development of full-service branches to support financial inclusion across diverse communities. These initiatives demonstrate Yelo Bank’s dedication to modernizing the customer experience and promoting financial digital literacy, ensuring broader access to essential financial services nationwide.

Today, Yelo Bank stands as a modern, forward-looking financial institution built on strategic transformation, investment, and customer-centered innovation. With strengthened governance, enhanced financial resilience, and a clear commitment to sustainability, the Bank is well-positioned to continue creating long-term value for customers, employees, communities, and shareholders, while contributing to a more inclusive and sustainable financial ecosystem in Azerbaijan.

7.2. Shareholder structure

Marina Valeryevna Kulishova	98.94%
Anar Chingiz Hasanov	0.96%
ISR Holding LLC	0.10%

7.3. Vision, mission, values

Vision – To be a trusted partner, making everyday life easier for individuals and entrepreneurs through accessible and easy-to-use financial solutions.

Mission – We work with a team of professionals open to innovation to renew the banking experience of the population and entrepreneurs. Together with our customers, we bring new opportunities and ideas to financial services in Azerbaijan, and contribute to their greater success with our flexible and transparent service.

Values

Customer First: We care about customers and their expectations at every stage. Our aim is to build trusted, long-term and sustainable partnership.

We keep it simple: We keep our communication simple, services and processes convenient.

Innovative: We boldly try new ways and choose digital solutions to continuously improve banking experience of our customers.

Committed to the same goal: We take initiative and collaborate to achieve our goals. We build our work on mutual trust and responsibility.

7.4. Strategic goals

Yelo Bank’s strategy is built on the foundation of trust, innovation, and responsible growth. Guided by our mission to accompany individuals, micro, small, and medium businesses on their journey to success, we aim to be a reliable long-term financial partner that makes daily life easier through modern, convenient, and customer-focused solutions.

Our strategic direction combines financial strength, digital transformation, and sustainability. In 2024, Yelo Bank demonstrated solid business performance and maintained a strong capital position, reflecting the Bank’s prudent management approach and operational resilience. This stability provides a solid foundation for advancing our long-term vision of becoming one of the most dynamic, innovative, and sustainable banks in Azerbaijan.

The Bank’s business objectives for strategic period of 2024–2026 include:

- To become a Bank with above 1 billion loan portfolio
- To remain among leading players in Micro Segment
- To strengthen and expand the Bank’s presence in Retail Segment
- To maintain current position in SME Segment

The growth strategy is underpinned by five key priorities:

1. **Customer-Centric Growth** – Meeting lifetime needs of individuals and businesses by integrating both banking and non-banking services.
2. **Digital Innovation** – Expanding digital channels, using data-driven insights, and introducing gamified tools for customer engagement and financial literacy.
3. **Sustainability and ESG Integration** – Embedding environmental, social, and governance principles into all operations, supporting women’s entrepreneurship under the WEP brand, promoting eco-friendly initiatives, and integrating ESG risk management in line with new regulations.
4. **Partnership and Ecosystem Development** – Strengthening collaboration with government institutions such as KOBIA, the Ministry of Economy, and Ministry of Agriculture, and contributing to Azerbaijan’s innovation and startup ecosystem through fintech partnerships, hackathons, and digital initiatives.
5. **People and Culture** – Fostering a workplace guided by the values of Enjoyment, Results, Learning, and Caring, ensuring continuous development, engagement, and well-being of our employees.

Business Enablers:

1. Agile way of working with full adaptation for Retail, Micro & SME segments’ product development
2. Following areas will be continuously improved:
 - a. User Experience
 - b. Business Process Automation
 - c. Ecosystem Value Creation
 - d. Advanced Customer Analytics including Automated Decision Making

7.5. Supervisory Board

Marina Kulishova

Chair of the Supervisory Board and Chair of the Corporate Governance Committee

Marina Kulishova has served as a Chair of the Supervisory Board of Yelo Bank since 2016.

Ms. Kulishova is a seasoned business professional with over 20 years of experience in investment management, strategic development, and consulting services. She is the founder and shareholder of several international investment management companies specializing in investment advisory and commercial real estate projects across the European Union, Turkey, and Azerbaijan.

She holds a Bachelor’s degree in Macro and Microeconomics from the Western University of Azerbaijan, as well as Bachelor’s and Master’s degrees in Business from Nottingham Trent University (United Kingdom).

Ms. Kulishova is a citizen of the Republic of Azerbaijan and is fluent in English, French, and Russian.

Thomas Engelhardt

Independent member of the Supervisory Board and Chair of the Audit Committee

Mr. Thomas Engelhardt was appointed to the Supervisory Board of Yelo Bank as an Independent Member in 2023.

Mr. Engelhardt is a strong banking professional with more than 20 years of international management experience, specializing in microfinance and the development of financial institutions. He has held senior leadership positions across a variety of markets, playing a key role in building and transforming microfinance institutions into full-service banks. In 2002, he became the first General Manager of the Micro Finance Bank of Azerbaijan (now Access Bank), where he played a foundational role in establishing and developing the institution alongside its international shareholders.

Andrew Pospelovsky

Independent member of the Supervisory Board and Chair of the Risk Management Committee

Dr. Andrew Pospelovsky was appointed to the Supervisory Board of Yelo Bank as an Independent Member in June 2021.

He is an experienced banking and financial sector professional with over 20 years of managerial and consulting experience across more than 20 countries, including Azerbaijan. Dr. Pospelovsky specializes in strategic advisory and coaching services for microfinance and SME-focused financial institutions.

In addition to his role at Yelo Bank, Dr. Pospelovsky serves on the Supervisory Boards of several regional financial institutions, including Bank Lviv (Ukraine), Credo Bank (Georgia), 3Bank (Serbia), and KMF Bank (Kazakhstan). He also chairs Yelo Bank’s Risk Management Committee, contributing his extensive international expertise to the Bank’s governance and risk oversight.

Dr. Pospelovsky holds an MA in Area Studies (Eastern Europe & Russia) and a PhD in Modern History, both from University College London. He is a British citizen and speaks English and Russian fluently, with basic knowledge of Serbian, German, and French.

7.6 Management Board

Anar Hasanov

Chairman of the Management Board, CEO

Anar Hasanov is a seasoned banking professional with over 20 years of managerial experience in business development, sales, retail operations, corporate risks, and human capital management. His role has widely extended towards supervision of essential bank areas, including business growth, sales, corporate governance, compliance, risk management, IT, and operational efficiency. Under his leadership, Yelo Bank has strengthened its retail and SME banking presence, advanced digital transformation initiatives, optimized organizational processes, and improved customer experience. Mr. Hasanov plays a central role in setting strategic direction, aligning business objectives with risk management frameworks, and ensuring the Bank’s long-term sustainable growth.

He holds a bachelor’s degree in Finance and Credit from the Azerbaijan State Economic University and a master’s degree from the High Banking School at the University of Pennsylvania.

Sabuhi Suleymanli

Member of the Management Board, Chief Risk Officer

With 20 years of experience in the banking sector and a strong financial background, Mr. Suleymanli has held managerial positions supervising business-related risks, the development of risk management strategies, regulatory compliance, and risk limits. At Yelo Bank, he leads enterprise-wide risk management, ensures adherence to internal and regulatory standards, monitors the credit portfolio, and guides decision-making to mitigate financial, operational, and market risks, contributing to the Bank’s stability and sustainable growth.

He is a graduate of National Aviation Academy.

Emil Dushdurov

Member of the Management Board, Chief Financial Officer

Emil Dushdurov has 20 years of experience in the financial sector, holding various managerial roles in leading financial institutions. At Yelo Bank, he oversees financial strategy, budgeting, reporting, profitability analysis, and regulatory compliance. He is actively involved in cost-efficiency initiatives, financial risk management, and performance monitoring, ensuring that the Bank’s financial resources are effectively allocated to support growth, investment plans, and sustainable operations.

He is a graduate of the Azerbaijan State University of Economics and a certified member of ACCA.

Gunay Jalilova

Member of the Management Board, Deputy Chair of the Management Board

Gunay Jalilova is a seasoned banking professional with over 20 years of experience in the financial sector. She specializes in marketing, product development, retail, and card operations. At Yelo Bank, she oversees retail banking services, drives customer acquisition and retention initiatives, manages branch and digital banking networks, and ensures the delivery of innovative products that meet client needs. Her leadership supports the Bank’s focus on customer experience, market expansion, and product innovation.

She holds a bachelor’s degree in Finance and Credit from the Azerbaijan State University of Economics and a Master of Business Administration from the University of Warwick.

Elshan Pirmaliyev

Member of the Management Board, Deputy Chair of the Management Board

Elshan Pirmaliyev holds 20 years of banking experience, with a focus on Micro, SME, and retail banking, sales, and business development. At Yelo Bank, he leads business banking operations, develops client-focused financial products, and manages strategic relationships with corporate and SME clients. He is responsible for expanding the Bank’s business portfolio, improving service quality, driving revenue growth, and strengthening the Bank’s competitive position in the corporate and SME banking segments.

He holds both a bachelor’s and a master’s degree in Accounting and Audit from the Azerbaijan University of Cooperation.

8. Yelo Bank's Business Model and Services

The Bank offers a comprehensive range of products that combine traditional banking with digital innovations, ensuring secure and convenient solutions for individuals, micro-entrepreneurs, and SMEs. Key products and services are delivered through retail, micro and SME segments.

8.1. Retail Segment

In 2024, Yelo Bank offered a range of products and services designed to meet the everyday financial needs of individual customers while promoting convenience, accessibility, and sustainability. Key products and services included:

- **Consumer loans:** Comprehensive range of consumer loans include cash and consumer loans including loans secured by deposits or real estate, and mortgage loans for home purchase or renovation. These solutions are tailored to provide flexibility, convenience, and accessibility, allowing customers to manage personal expenses, invest in property, or address unexpected financial requirements, all supported by Yelo Bank's digital platforms and branch network. In addition, the Bank has introduced the Yelo Credit Card as a complementary financial support tool, enabling customers to access credit more easily through the Yelo Mobile App. Customers can conveniently monitor their credit information within the App and manage their spending with ease.
- **Accounts and Deposits:** Current and savings accounts, including digital deposit products such as Yelo Savings, Yelo Stable and Yelo Flexible, which allow customers to manage their finances entirely online. Yelo Flexible, introduced in 2024, provides customers with the ability to add or withdraw funds at any time without losing accrued interest, offering greater financial freedom and accessibility. These products encourage a culture of savings while reducing the need for branch visits and paper-based processes.
- **Cards and Payments:** The Bank offers a range of payment card products – Yelo Card, Yelo Premium and Yelo Infinite Card – providing secure, multi-currency (AZN, USD, EUR) payment solutions tailored for different customer segments. Cashback and other benefits incentivize responsible and efficient financial management. The Infinite Card, introduced in 2024, offers enhanced benefits, including higher transaction limits, travel insurance, and exclusive partner discounts, further strengthening the Bank's premium product portfolio.

8.2. Micro and SME Segment

Yelo Bank provides a comprehensive suite of tailored financial solutions for small businesses and micro-entrepreneurs, fostering inclusion and supporting economic growth:

- **Business loans:** Micro and SME business loans, micro business credit cards, and sector-specific solutions such as Agro, Entrepreneurship Development Fund (EDF), and Agrarian Credit and

Development Agency (ACDA) loans. These products provide flexible financing options, accessible credit limits, and tailored repayment terms, enabling entrepreneurs and small-to-medium enterprises to manage operational expenses, invest in expansion, and foster sustainable business development.

- **Accounts, Cash Management and Money Transfers:** Business accounts, multicurrency settlements, domestic and international money transfers, cash management services, and bank guarantees help SMEs manage operations efficiently and securely.
- **POS Terminals and Mobile POS:** Yelo Bank offers both traditional POS terminals and Mobile POS solutions, enabling businesses to accept cashless payments easily. The Mobile POS service allows businesses to process transactions using smartphones, providing a convenient, cost-effective alternative to standard POS devices and supporting wider adoption of digital payments.

8.3. Digital transformation and innovation

Innovation and digital transformation are essential drivers of success in today's banking sector. They enable banks to adapt quickly to evolving customer needs, optimize operations, and sustain a competitive edge in an increasingly digital economy. By adopting advanced technologies, banks can offer faster, more convenient, and secure services, while creating new products, enabling smarter decision-making, and delivering transformative customer experiences.

Yelo Bank, as a digital-focused bank in Azerbaijan, leverages technology to provide innovative and customer-oriented financial products and services. Its digital transformation strategy prioritizes accessibility, convenience, and efficiency across retail, micro, and SME segments, fostering a modern and responsive banking experience. For example, in its credit operations, Yelo Bank employs scoring models that enable automated, data-driven decision-making, ensuring faster and more accurate lending processes while enhancing the customer experience.

Digital Banking Products

Yelo Bank's mobile and internet banking platforms form the cornerstone of its digital ecosystem. The Yelo Mobile App empowers customers to manage accounts, transfer funds, pay bills, top up mobile balances, apply for loans, and manage deposits – all with instant confirmations and full-service convenience. Its Internet Banking platform offers 24/7 access, simplified navigation, and secure online payments for utilities, vehicle fees, and more, reducing the need for branch visits. The Bank's digital deposit products allow customers to open accounts entirely online, capitalize interest, and withdraw funds without penalties.

Yelo Bank's dedication to user-friendly digital solutions has earned notable local recognition. The Yelo Mobile App was highly rated by Marksw Webb, an international research and consulting agency, for mobile banking excellence, securing 1st place in 2022 as the most convenient mobile banking app and 2nd place in 2023 among local bank apps. These accolades highlight the Bank's commitment to providing a seamless, innovative, and customer-centric digital experience.

Digital Microbusiness and SME Services

Yelo Bank extends its digital innovation to entrepreneurs and small businesses through the Yelo Business App, which enables tax payments, loan management, and mobile POS terminal ordering. Mobile POS terminals allow businesses to accept card payments anywhere, streamlining operations and reducing reliance on cash.

Building on its commitment to empower small enterprises, Yelo Bank has also introduced a convenient Micro business credit card designed specifically for micro-businesses and Agro Credit Card tailored specifically for agricultural entrepreneurs. This innovative product helps business owners manage both immediate and recurring expenses with ease, providing flexible access to funds through a simple and fully digital experience.

Digital Branches

Yelo Bank continues to expand digital banking solutions in Azerbaijan, making banking more accessible, convenient, and efficient for its customers. Its digital branch network reflects a commitment to combining technological innovation with customer-oriented services, serving both urban and regional communities. Digital Branches are customer service centers where clients can access Yelo Bank’s products and services through self-service terminals, bringing convenience and speed to everyday banking. At the same time, staff are on-hand to assist clients on their digital journey, thereby promoting financial digital literacy.

The journey began on April 4, 2022, with the inauguration of the first digital branch in Aghjabadi, marking a milestone in Yelo Bank’s mission to deliver modern banking services beyond the capital. Building on this success, the bank expanded northward by opening a digital branch in Khachmaz on January 18, 2023. Continuing its regional growth, Yelo Bank launched a fully digital branch in Shamakhi on September 20, 2024. The Shamakhi branch embodies the bank’s fully digital concept, allowing customers to complete banking operations independently, without direct staff interaction.

Yelo Bank's digital branch strategy is part of its broader mission to make banking services more accessible and convenient for everyone. By digitizing core products and optimizing branch services to be faster and paperless, the Bank aims to enhance customer satisfaction and expand its reach across Azerbaijan.

Looking ahead, Yelo Bank plans to continue expanding its digital branch network, bringing the "Brighter Banking" experience to more regions and further solidifying its position as a leader in digital banking in Azerbaijan.

9. Identification of material topics (Materiality assessment)

We have conducted a materiality assessment to identify and prioritize the environmental, social, and governance (ESG) topics that are most significant to our business operations and stakeholders.

To demonstrate our commitment to global priorities, each material topic has been linked to the relevant UN Sustainable Development Goals (SDGs). This alignment, reflected in the “Material topics and their link to SDGs” table, illustrates how Yelo Bank’s initiatives contribute to shared sustainability goals while delivering long-term value for our stakeholders.

Table: Material Topics and their link to SDGs

Topic	Impact on business (1-10)	Importance to stakeholder (1-10)	Relevant SDG's	Bank's Contribution to SDGs
Climate Change	9	9.6	<div><div>1 NO POVERTY</div><div>7 AFFORDABLE AND CLEAN ENERGY</div><div>8 DECENT WORK AND ECONOMIC GROWTH</div><div>11 SUSTAINABLE CITIES AND COMMUNITIES</div><div>13 CLIMATE ACTION</div><div>17 PARTNERSHIPS FOR THE GOALS</div></div>	<ul style="list-style-type: none">Integrating climate risk into risk management framework;Measuring and managing internal environmental footprint;Implementing Green initiatives including planting 1500 trees;Collaborating with external stakeholders and regulators to align with evolving national and international climate risk management standards.
Waste	2	1	<div><div>3 GOOD HEALTH AND WELL-BEING</div><div>6 CLEAN WATER AND SANITATION</div><div>11 SUSTAINABLE CITIES AND COMMUNITIES</div><div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div>14 LIFE BELOW WATER</div><div>15 LIFE ON LAND</div></div>	<ul style="list-style-type: none">Implementing paper reduction initiatives through expanded use of digital documentation, e-signatures, and automated internal processes.
Corporate Accountability	8	9	<div><div>8 DECENT WORK AND ECONOMIC GROWTH</div><div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div><div>17 PARTNERSHIPS FOR THE GOALS</div></div>	<ul style="list-style-type: none">Maintaining clear accountability structures through active oversight by the Supervisory Board and Management Board, supported by robust internal control and audit functions;Ensuring transparency through regular disclosure, internal audit, and stakeholder communication.
Risk Management	8.4	8.6	<div><div>8 DECENT WORK AND ECONOMIC GROWTH</div><div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div><div>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</div></div>	<ul style="list-style-type: none">Ensuring effective enterprise risk management framework;Conducting regular risk assessments.

Topic	Impact on business (1-10)	Importance to stakeholder (1-10)	Relevant SDG's	Bank's Contribution to SDGs
Prevention of Corruption	8.6	8	  	<ul style="list-style-type: none"> Implementing and regularly updating Code of Conduct, Conflict of Interest and Anti-Money Laundering (AML) Policies; Conducting staff trainings on ethical behavior and AML.
Anti-Competitive Behavior	3	3.6	 	<ul style="list-style-type: none"> Ensuring compliance with national tax laws and transparent tax reporting practices.
Tax	3.6	2.4	  	<ul style="list-style-type: none"> Strengthening cybersecurity framework and data protection protocols aligned with international standards; Conducting mandatory employee trainings on data privacy and information security.
Customer Privacy & Data Security	9.4	9.2		<ul style="list-style-type: none"> Strengthening cybersecurity framework and data protection protocols aligned with international standards; Conducting mandatory employee trainings on data privacy and information security.
Stakeholder Engagement	5	7.6	 	<ul style="list-style-type: none"> Conducting regular dialogues and surveys to gather feedback from customers, employees, and partners; Engaging with key stakeholders on ESG priorities and sustainable finance initiatives.
Community Investment / CSR	4	6	      	<ul style="list-style-type: none"> Supporting social and environmental initiatives; Partnering with local organizations to promote financial literacy and youth development; Contributing to community well-being through targeted CSR projects.
Customer Experience	7	7.4	 	<ul style="list-style-type: none"> Enhancing digital banking platforms to provide faster, more user-friendly, and accessible customer services; Collecting and analyzing customer feedback to continuously improving service quality and satisfaction.

Topic	Impact on business (1-10)	Importance to stakeholder (1-10)	Relevant SDG's	Bank's Contribution to SDGs
Marketing & Labeling	2	3	 	<ul style="list-style-type: none"> Ensuring transparent and accurate product information across all communication channels; Maintaining responsible advertising policies, avoiding misleading claims and promoting ethical marketing practices.
Occupational Health & Safety	6	6.4	 	<ul style="list-style-type: none"> Ensuring compliance with national labor and safety regulations; Maintaining a safe and healthy work environment.
Employment	4.4	4	  	<ul style="list-style-type: none"> Providing fair and transparent recruitment practices, ensuring equal opportunities for all candidates; Offering competitive compensation and benefits packages, including hybrid working arrangements for agile teams, to attract and retain qualified professionals; Focusing on employee engagement and satisfaction; Fostering a supportive and inclusive workplace culture.
Remuneration & Working Time	4	3.6	  	<ul style="list-style-type: none"> Maintaining clear policies on working hours, rest periods, and leave entitlements in compliance with labor legislation; Regularly reviewing salary structures and benefits to promote internal equity and employee well-being.
Learning & Development	5.6	5	 	<ul style="list-style-type: none"> Providing continuous professional training and skill-building opportunities for employees across all departments; Implementing leadership and mentorship programs to support career growth and internal mobility.
Equal Opportunity	6.4	6	 	<ul style="list-style-type: none"> Ensuring fair recruitment, promotion, and compensation practices free from discrimination; Promoting gender balance and inclusion across all levels of the organization.

Topic	Impact on business (1-10)	Importance to stakeholder (1-10)	Relevant SDG's	Bank's Contribution to SDGs
Financial Health & Inclusion	7.4	7	   	<ul style="list-style-type: none"> Enhancing accessibility of banking services through digital channels; Offering affordable lending and savings products designed to improve the financial resilience of low- and middle-income customers; Supporting entrepreneurs and small businesses through tailored financial solutions.
Financial Performance	10	9.4	  	<ul style="list-style-type: none"> Maintaining stable financial results to foster long-term sustainability and stakeholder trust Ensuring prudent cost management and responsible resource allocation to drive profitability.
Digitalization	7	4.4	 	<ul style="list-style-type: none"> Advancing digital transformation through the Yelo Mobile and Internet Banking platforms; Expanding digital branch network across regions, offering self-service banking and paperless operations; Enhancing digital services for micro and SME clients through the Yelo Business App and mobile POS solutions.
Innovation	7.6	5.6	 	<ul style="list-style-type: none"> Fostering a culture of innovation to develop customer-centric and technology-driven solutions; Launching new digital products and features aligned with evolving market needs.
Economic Impacts	7.8	6.4	     	<ul style="list-style-type: none"> Contributing to national economic growth through financing of SMEs and entrepreneurship; Supporting job creation and local business development via responsible lending; Paying all applicable taxes and reinvesting profits to strengthen the Azerbaijani financial ecosystem.

10. Economic Performance

10.1. Economic Value Generated and Distributed

Yelo Bank continued to deliver strong financial results in 2024, reflecting its commitment to sustainable growth, operational efficiency, and value creation for stakeholders. Through customer-focused innovation, prudent financial management, and expansion of its retail and business portfolios, the Bank strengthened its contribution to Azerbaijan’s economic development.

In 2024, net profit increased threefold year-on-year to AZN 42.76 million, compared with AZN 14.02 million in 2023, driven by robust growth in the retail, micro, and mortgage lending segments. Total profit before income tax reached AZN 44.07 million, while the Bank retained all earnings for reinvestment – no dividend payments were made during the reporting period. The table below summarizes the Bank’s financial performance and value distribution.

Table: Economic Value Generated and Distributed (AZN)

Indicator	2022	2023	2024
Net Profit	5,624,000	14,017,000	42,763,000
Profit Before Income Tax	5,624,000	14,017,000	44,072,000

10.2. Financial Stability and Market Presence

Yelo Bank maintains a strong financial position and stable growth trajectory, supported by effective governance and risk management practices. As of December 31, 2024, total assets amounted to AZN 1.26 billion, while total capital reached AZN 129.0 million, a substantial increase from AZN 86.3 million in 2023.

The Bank’s diversified loan portfolio demonstrates steady expansion across key customer segments:

- Entrepreneur loans (AZN):** 456.3 million (↑25% YoY)
- Retail loans (AZN):** 257.5 million (↑27% YoY)
- Mortgage loans (AZN):** 78.5 million (↑13% YoY)
- Corporate loans (AZN):** 123.3 million (↑5% YoY)

Yelo Bank’s **deposit portfolio** totaled **AZN 949.7 million**, reflecting continued customer trust. The **loan-to-assets ratio** stood at **73%**, and the **deposit-to-assets ratio** at **75%**, indicating balanced and stable financial intermediation.

Table: Key Balance Sheet Indicators (AZN)

Indicator	2022	2023	2024
Total Assets	803,955,000	1,553,159,000	1,262,860,000
Total Capital	72,092,000	86,263,000	129,026,000
Deposit Portfolio	582,612,000	1,309,969,000	949,663,000
Loan Portfolio (Total)	596,000,000	755,893,000	915,609,000
Authorized Capital	378,000,000	378,000,000	378,000,000

In 2024, Yelo Bank maintained stable market performance and demonstrated resilience despite changing macroeconomic conditions. Growth in key segments remained positive:

- **Micro and SME loans:** +20%
- **Retail loans:** +13%
- **Mortgage loans:** +27%

The Bank’s lending market share increased slightly to 3.4%, and deposit market share to 2.5%, confirming the Bank’s gradual strengthening of its national presence.

Table: Market Indicators

Indicator	2022	2023	2024
Loan-to-Assets Ratio (%)	74	49	73
Deposit-to-Assets Ratio (%)	72	84	75
Lending Market Share (%)	3.0	3.3	3.4
Deposit Market Share (%)	1.8	2.0	2.5

10.3. Macroeconomic Context and Financial Environment

In 2024, Azerbaijan’s economy demonstrated steady resilience amid a complex global landscape shaped by moderate inflation, regional economic adjustments, and fluctuations in commodity markets. Sound fiscal policy, conservative monetary management, and ongoing diversification efforts in the non-oil sector helped sustain growth and preserve macroeconomic stability.

The national economy expanded by 4.1% in 2024, supported primarily by a 6.1% increase in non-oil activities such as industry, construction, and services. These positive trends reflect the government’s continued emphasis on reducing dependence on hydrocarbons and strengthening the foundations of a diversified, innovation-driven economy.

Inflation remained contained at 4.9%, providing a stable environment for businesses and consumers alike.

The banking sector continued to play a central role in financing economic growth. Supported by strong liquidity, prudent regulatory oversight, and an improving risk environment, Azerbaijani banks remained well-capitalized and resilient. Increased access to finance for small and medium-sized enterprises, expansion of digital banking services, and the promotion of financial inclusion contributed to broader participation in economic development.

Stable foreign exchange reserves, improving sovereign credit ratings, and a favorable investment climate further reinforced the country’s financial outlook. These macroeconomic fundamentals created a solid backdrop for Yelo Bank’s sustainable growth, enabling it to expand responsibly, enhance customer trust, and contribute effectively to Azerbaijan’s long-term economic transformation.

11. Environmental impact

Yelo Bank is committed to reducing its environmental footprint and integrating sustainability into every aspect of its operations. Through continuous monitoring and data-driven management, the Bank seeks to optimize energy use, minimize emissions, and promote responsible consumption of natural resources. These efforts align with Yelo Bank’s broader commitment to responsible banking and the SDGs.

11.1. Managing Internal Environmental Footprint

Energy management is central to Yelo Bank’s environmental strategy. The Bank tracks its fuel, gas, and electricity use across all branches and head office facilities. Efficiency initiatives – such as upgrading lighting systems, optimizing HVAC operations, and monitoring fuel use – have contributed to more sustainable energy performance.

Table: Energy and Resource Consumption (2022–2024)

Indicator	Unit	2022	2023	2024
Fuel Consumption – Total	tons	150.8	142.44	148.6
Fuel – Diesel	tons	39.81	38.60	45.16
Fuel – Petroleum	tons	110.99	103.84	103.45
Natural Gas Consumption	m³	254,705	242,445	243,669
Electricity Consumption	kWh	1,869,237	1,989,422	1,929,526

Although the Bank’s operations are office-based and water use is relatively modest, Yelo Bank remains focused on efficiency and conservation. Awareness campaigns, maintenance of plumbing systems, and installation of low-flow fixtures support responsible water use. The Bank continues to improve data collection and monitoring to identify further opportunities for optimization.

Table: Water Management (2022–2024)

Indicator	Unit	2022	2023	2024
Total Water Withdrawal	m³	7,079	7,213	6,883

11.2. Emissions from Operations

Yelo Bank monitors and reports its GHG emissions in line with the GRI 305 standard. The Bank’s emissions inventory covers both direct emissions (Scope 1) from fuel and gas use, and indirect emissions (Scope 2) from electricity consumption. Efficiency measures and improved operational practices have contributed to a significant reduction in total emissions and emission intensity indicators per Full-Time Equivalent (FTE) Employee, with Total emissions also declining, despite the significant growth in business activity and staff numbers.

Table: Greenhouse Gas Emissions (2022–2024)

Year	Scope 1 (tCO2e)	Scope 2 (tCO2e)	Total Emissions (tCO2e)	Total Employees	FTE Employees	Intensity per FTE Employee (tCO2e/person)
2022	957.27	1,070.51	2,027.78	1,021	1,010	2.01
2023	907.84	1,139.34	2,047.18	1,062	1,049	1.95
2024	769.60	1,048.08	1,817.68	1,153	1,131	1.61

Table: Environmental Performance Overview (2022–2024)

Indicator	2022	2023	2024	Trend
Natural Gas Consumption (m³)	254,705	242,445	243,669	Slight decrease since 2022
Total Fuel Consumption (tons)	150.8	142.44	148.6	Stable with minor fluctuations
Total Water Withdrawal (m³)	7,079	7,213	6,883	Slight improvement expected
Scope 1 Emissions (tons CO₂)	957.27	907.84	769.60	Continuous decrease
Scope 2 Emissions (tons CO₂)	1,070.51	1,139.34	1,048.08	Projected reduction
GHG Emission Intensity (tons/unit)	0.04	0.03	0.02	Significant improvement
Emissions per FTE Employee	2.01	1.95	1.61	Significant improvement

A Full-Time Equivalent (FTE) employee is a unit to measure workforce capacity, converting all staff (full-time, part-time, etc.) into standardized "full-time" positions, typically based on a 40-hour week (e.g., a 20-hour/week employee is 0.5 FTE if full-time is 40 hours).

Looking ahead, the Bank will focus on exploring renewable energy use opportunities, improving building energy efficiency, and strengthening environmental data collection and reporting in line with national and international standards. Equally important, Yelo Bank will continue fostering environmental awareness among employees to build a culture of sustainability. Through these strategic initiatives, the Bank aims to enhance transparency, drive further emissions reductions, and contribute meaningfully to the broader transition toward a low-carbon economy.

12. Social responsibility

Yelo Bank’s social responsibility strategy is centered on four key pillars: employee diversity and inclusion, professional development and well-being, community engagement, and a customer-centric approach. By fostering a diverse and equitable workforce, investing in continuous learning and health initiatives, and actively contributing to community programs, the Bank demonstrates its commitment to sustainable business practices and long-term social impact. These efforts reflect Yelo Bank’s dedication not only to financial performance but also to creating positive social outcomes for employees, customers, and the wider community.

12.1. Diversity, Equity, and Inclusion

At Yelo Bank, we believe that diversity, equity, and inclusion are not only moral imperatives but also essential for building a stronger, more innovative organization. A workforce that reflects a wide range of perspectives and experiences helps the Bank better serve its customers, strengthen team performance, and foster sustainable growth.

The Bank continues to prioritize equal opportunity for all, ensuring that career advancement, compensation, and development are based solely on merit and performance. Yelo Bank’s policies promote an inclusive workplace where gender, age, or ability are never barriers to professional success.

Gender Diversity

Female representation at Yelo Bank remained relatively balanced at the junior staff level, where women made up 41% of employees in 2024 - a result that reflects the Bank’s continued efforts to attract and engage young women in the banking sector.

At the middle management level, women held 37% of positions, demonstrating steady progress in maintaining gender balance within supervisory roles. In senior leadership, women accounted for 26% of roles, consistent with previous years. Overall, women represented 32% of Yelo Bank’s total workforce in 2024, underscoring the Bank’s ongoing commitment to gender diversity.

Age Diversity

The Bank’s workforce represents a healthy mix of generations, combining the energy and creativity of young professionals with the experience of established experts. In 2024, employees under 30 years old made up 37% of the total workforce - an encouraging sign of growing youth engagement in the banking industry.

The 30-50 age group accounted for 58% of employees, ensuring a solid base of experienced professionals, while 5% of employees were over 50 years old, contributing leadership, institutional knowledge, and mentorship across teams.

Inclusion of Employees with Disabilities

Yelo Bank remains committed to providing an inclusive environment where individuals with disabilities can contribute fully and thrive. As of 2024, the Bank has 11 employees with disabilities, maintaining consistent representation. Workplace accessibility, fair treatment, and tailored support are integral to Yelo Bank’s inclusion strategy.

Table: Diversity, Inclusion & Equal Opportunity

Unit	2022	2023	2024
Total gender distribution of employees			
1) Male (%)	66%	66%	68%
2) Female (%)	34%	34%	32%
Organizational level – Junior Staff			
1) Male (%)	56%	63%	59%
2) Female (%)	44%	37%	41%
Organizational level – Middle Management			
1) Male (%)	62%	65%	64%
2) Female (%)	38%	35%	37%
Organizational level – Senior Leadership			
1) Male (%)	74%	75%	74%
2) Female (%)	26%	25%	26%
Total age distribution of employees			
1) Under 30 (%)	26%	31%	37%
2) 30–50 (%)	67%	63%	58%
3) Over 50 (%)	6%	6%	5%
Number of employees with disabilities	10	12	11

12.2. Employee Training and Development

Employee growth is a core pillar of Yelo Bank’s social strategy. The Bank invests in continuous learning through workshops, online courses, and internal training programs. In 2024, employees received an average of 8,300 hours of professional training, enhancing their technical skills, financial literacy, and leadership capabilities. These initiatives support both individual career development and the Bank’s organizational performance.

Table – Trainings to employees

Unit	2023	2024
Total number of training hours per employee category	7729	8302
1)Entry-level Employees	6015	6460
Male	4151	3703
Female	1864	2757
2) Mid-level Employees	1612	1643
Male	1399	1042
Female	213	601
3) Senior Management	125	105
Male	124	80
Female	1	25
Average training hours per employee category		
1)Entry-level Employees	77.9	77.8
2) Mid-level Employees	20.8	19.8
3) Senior Management	1.6	1.3

One of the key initiatives is the Leadership Development Program, conducted in collaboration with ADA University in 2023-2024. This program includes seven comprehensive modules covering topics such as decision-making, effective communication, ethical leadership, change management, and team leadership. Employees participate in interactive sessions, case studies, and group projects, allowing them to apply learning in real-world scenarios and strengthen their capacity to lead in a dynamic work environment.

Additionally, selected employees successfully completed Mini MBA Program offered by an international institution, providing advanced knowledge in strategic management, innovation, and financial leadership. Through this initiative, participants gained exposure to the best international practices and management frameworks, contributing to the Bank’s overall leadership excellence.

Table - Programs for upgrading employee skills

Unit	2023	2024
Total number of employees participating in leadership training	25	58
1) Number of employees participating in leadership training (male)	22	41
2) Number of employees participating in leadership training (female)	2	17
Number of employees participating in ESG and sustainability training	9	7

In 2023, Yelo Bank launched the Yelow Boot Camp program, specifically designed for recent law graduates and emerging legal professionals. This intensive five-week program combined rigorous theoretical instruction with practical, hands-on training in banking regulation under the mentorship of seasoned experts. Participants acquired direct experience in regulatory and compliance functions, and three outstanding graduates were subsequently recruited by the Bank, working closely with its key lawyers throughout 2024. The program highlighted Yelo Bank’s commitment to developing internal talent, enhancing professional skills, and supporting career growth, reflecting the Bank’s dedication to sustainable workforce development and capacity building.

The Yelo Summer Challenge Program is one of the Bank’s flagship youth initiatives designed to attract and develop young talent by providing hands-on experience in the banking sector. This annual program offers university students and recent graduates the opportunity to work alongside experienced professionals, gain practical knowledge of financial operations, and contribute to real projects across different departments. Through mentorship, teamwork, and problem-solving activities, participants develop essential professional skills and a deeper understanding of the banking industry. The program not only serves as a valuable learning platform but also strengthens Yelo Bank’s talent pipeline by identifying and nurturing potential future employees who share the Bank’s values of innovation, responsibility, and customer focus.

Through these and other initiatives, Yelo Bank demonstrates its dedication to creating a skilled, diverse, and adaptable workforce, aligning employee development with the Bank’s broader sustainability goals and long-term social impact.

12.3. Employee Benefits

The Bank provides a comprehensive range of benefits designed to enhance both the professional and personal lives of its employees. All staff members are covered by medical insurance, ensuring access to quality healthcare services. In addition, the Bank organizes regular health screenings to promote early prevention and awareness of personal health. In 2024, these initiatives included ophthalmologist consultation, Breast Cancer Awareness Day session, First Aid Training, as well as educational workshops on the causes of burnout and effective coping strategies, and seminars focused on stress and stress management. Through these programs, Yelo Bank actively supports employees in maintaining their physical and mental health while fostering a culture of awareness and proactive care.

To encourage a healthy and active lifestyle, Yelo Bank offers yoga classes, access to several gyms for

basketball, football, and fitness activities, and organizes internal football tournaments while also promoting participation in interbank competitions. Employees can further engage in master classes in the arts, fostering creativity alongside their physical well-being.

To strengthen teamwork and workplace culture, Yelo Bank holds team-building activities and special holiday events celebrating occasions such as Nowruz, New Year, and International Women’s Day (8 March). These gatherings help create a positive and cohesive work environment while recognizing and appreciating employees’ contributions. Furthermore, through partnership discounts with various service providers, employees enjoy exclusive offers that add value to their daily lives.

Together, these initiatives reflect Yelo Bank’s ongoing commitment to maintaining a healthy, motivated, and engaged workforce that drives long-term organizational success.

12.4. Occupational Health and Well-being

Although the office-based nature of Yelo Bank limits physical occupational risks, the Bank actively monitors workplace health and safety standards and ensures compliance with all applicable regulatory requirements. All necessary equipment and medical first aid boxes are in place throughout the workplace. Health awareness campaigns are implemented to maintain a safe and productive work environment. No work-related fatalities were reported in the past three years, reflecting adherence to occupational safety principles.

Table - OHS trainings

Unit	2023	2024
Number of conducted OHS trainings	6	7
Number of employees who received OHS training	10	47
Percentage of employees who received OHS training	1%	17%
OHS training hours	15	209

Table - Investments into improving working conditions (AZN)

Unit	2022	2023	2024
Total investments into improving working conditions	768 917	633 827	715 526

12.5. Social Programs

The Bank supports economic, educational, cultural, and environmental development through a diverse range of initiatives, including awareness campaigns, workshops, forums, and collaborative projects. By partnering with NGOs, academic institutions, civil society organizations, and local stakeholders, Yelo Bank amplifies its social contributions, empowers youth and vulnerable groups, promotes gender equality, and fosters sustainable practices. These efforts reflect the Bank's dedication to building resilient, inclusive, and thriving communities while contributing to the country's long-term intellectual, cultural, and ecological growth.

Youth Engagement and Education

Yelo Bank supports youth development through active collaboration with universities, student organizations, and the Youth Foundation of Azerbaijan.

On 29 April 2024, Yelo Bank supported the Youth Water Innovation Forum-2024, held at its Head Office as part of the "Solidarity Year for a Green World" and in connection with Azerbaijan's upcoming COP29 event. Over 200 young participants attended the forum, which was organized with the Ministry of Ecology and Natural Resources, the Youth Foundation, Aqualink LLC, and the Azerbaijan Student Youth Organizations Union (ASYOU). The forum aimed to encourage youth interest in water management and promote modern, efficient solutions in drinking water and wastewater technologies.

Supporting youth is a key focus of Yelo Bank's Corporate Social Responsibility strategy. As part of this commitment, the Bank actively collaborates with universities and student organizations.

In celebration of Youth Day on February 2, Yelo Bank partnered with the Youth Foundation of the Republic of Azerbaijan and the "Support for Youth Enlightenment" Public Union to organize the "Voice of Youth" panel discussion. The event featured a panel of prominent guests and public figures, followed by a week-long series of meetings. It concluded with a project presentation, where talented young participants showcased team initiatives aligned with the "Year of Solidarity for a Green World." Winning projects received awards and financial support to help implement their ideas, reflecting Yelo Bank's commitment to nurturing the next generation of leaders.

Support for Women's Empowerment and Gender Equality

Yelo Bank actively supports initiatives that promote women's leadership and empowerment. For the second consecutive year, the Bank backed the SHE Congress, the region's largest event dedicated to women leaders. The 2024 edition, themed "The Power of Now: Live the Moment!" brought together over 500 local and international participants to discuss challenges, share strategies, and explore best practices for fostering inclusive workplaces.

In addition, Yelo Bank engages closely with the UN Women's Women's Empowerment Principles (WEPs). In 2024, the Bank was honored with the WEPs Award in the category of Corporate Leadership Supporting Gender Equality and Community Engagement. This recognition reflects Yelo Bank's sustained commitment to integrating gender equality into corporate policies and supporting women's education, professional development, and leadership opportunities.

Environmental Initiatives

Yelo Bank is committed to promoting environmental sustainability and fostering a greener future. In 2024, the Bank prioritized initiatives that combine ecological responsibility with community engagement and customer participation.

As part of its "Green Deposit" campaign, Yelo Bank organized a large-scale tree-planting event in Mùşfiqabad, planting over 1,500 trees with the participation of the Bank team, AzInTelecom, and media representatives. Each online or branch-based deposit account opened with a SİMA signature contributed a tree, and participants received a digital eco-certificate. This initiative not only supports reforestation efforts but also encourages sustainable investment practices among customers.

Additionally, Yelo Bank hosted an ESG-focused forum in partnership with AmCham Azerbaijan, the UN, and the Central Bank of Azerbaijan. The event, titled "Sustainable Finance: Application of ESG Principles in the Financial Sector", gathered local and international experts to discuss ESG integration into business strategies, sustainable financial instruments, and global best practices.

Since 2022, Yelo Bank has been carrying out annual Caspian Coast Clean-Up campaigns as part of its commitment to environmental protection and community engagement. Each year, employees and their families come together to clean various beaches along the Absheron Peninsula, including Bilgah, Novkhani and Mardakan. Through these efforts, the Yelo team has collected and sorted more than one and a half tons of waste, which was then handed over for placement in special collection containers. The initiative not only contributes to preserving the Caspian Sea's natural ecosystem but also promotes environmental awareness and team spirit among employees.

Support for International and Academic Conferences

Yelo Bank actively prioritizes initiatives that enhance economic resilience and advance environmental sustainability. In 2024, the Bank supported the 1st International Conference on Contemporary Trends: Green Economy and Sustainable Development at UNEC. The conference brought together local and international researchers from Africa, Europe, the USA, and other regions to discuss topics including green economy, sustainable energy, and environmental responsibility. Through such initiatives, Yelo Bank contributes to Azerbaijan's intellectual and ecological development and promotes a greener, more sustainable future for generations to come.

Cultural Partnerships

Yelo Bank signed a collaboration agreement with the Azerbaijan State Academic Opera and Ballet Theater to support the country's cultural and artistic development. This partnership provides financial backing for performances, cultural events, and infrastructure enhancements, enabling the public to enjoy world-class opera productions and enriching Azerbaijan's cultural landscape.

12.6. Customer Experience, Data Privacy and Protection

Customer Experience

At Yelo Bank, customer experience is at the core of our business strategy. We believe that every interaction – whether digital or in person – should be simple, transparent, and meaningful. Guided by our customer-centric values, we continuously assess and improve our products, services, and communication channels to ensure that they meet evolving customer needs and expectations.

In 2024, Yelo Bank enhanced its customer journey by integrating advanced digital solutions into its service model. Through the Yelo App and Internet Banking platforms, customers can access a wide range of financial services securely and conveniently. These tools are designed to minimize friction, increase accessibility, and enable self-service banking anytime, anywhere.

We also collect and analyze customer feedback through multiple channels, including our Contact Center, surveys, and social media engagement. This feedback is systematically reviewed to identify areas for improvement in product design, user experience, and service delivery.

Yelo Bank’s “customer first” philosophy extends beyond products – it is embedded in our culture. We invest in regular staff training on service excellence, empathy, and complaint resolution to ensure that every customer interaction builds trust and long-term loyalty.

Data Privacy and Protection

Protecting customer data and ensuring privacy are fundamental principles of responsible banking at Yelo Bank. The Bank operates in compliance with the Law of the Republic of Azerbaijan on Personal Data and relevant international data protection standards, as well as working on strengthening the compliance level with the relevant requirements of Central Bank of Azerbaijan Republic. Our approach to data protection is built on three key pillars: confidentiality, integrity, and transparency.

Yelo Bank maintains robust data governance and security systems that safeguard all customer information – both digital and physical – from unauthorized access, alteration, or misuse. Data privacy policies clearly define the purposes and methods of data collection, storage, processing, and sharing. Customer data is used solely for legitimate banking operations and only with appropriate consent. All the risks identified are being registered, investigated and their impact is minimized.

We employ multiple layers of cybersecurity protection, including encryption, secure authentication mechanisms, continuous system monitoring, and data leakage protection tools. Regular vulnerability assessments and penetration tests are conducted to ensure that our systems remain resilient against emerging cyber threats.

In 2024, Yelo Bank strengthened its cybersecurity framework by adopting updated data protection protocols aligned with global best practices. All employees undergo mandatory trainings on data privacy and information security, ensuring awareness and accountability across all levels of the organization.

Throughout the reporting period, no substantiated complaints regarding breaches of customer privacy or loss of customer data were recorded. The Bank remains committed to upholding the highest standards of data protection and transparency, maintaining the trust and confidence of its customers.

13. Governance and Ethics

Yelo Bank is committed to maintaining the highest standards of corporate governance, ethical conduct, and regulatory compliance. Strong governance practices are essential for sustainable growth, effective risk management, and the long-term trust of stakeholders. The Bank’s governance framework ensures clear accountability, oversight, and transparency across all levels of the organization, supporting responsible decision-making and safeguarding stakeholder interests.

13.1. Corporate Governance Structure

Yelo Bank’s governance structure is designed to provide robust oversight, strategic guidance, and operational accountability.

The General Meeting of Shareholders

The General Meeting of Shareholders (GMS) is the supreme governing body of the Bank, responsible for key strategic and financial decisions. It approves the Bank’s Charter, budget, major transactions, and capital changes, as well as the establishment or termination of subsidiaries.

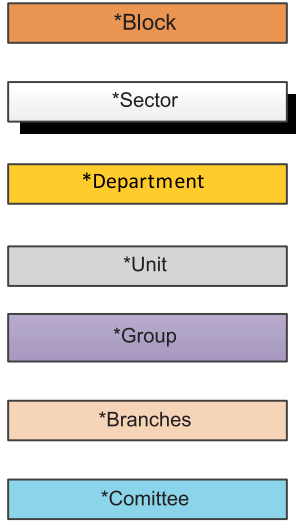
The GMS appoints and dismisses members of the Supervisory and Management Boards and oversees their authority and responsibilities. It approves annual financial reports, dividend payments, and significant transactions with related parties, ensuring transparency and accountability.

The Supervisory Board

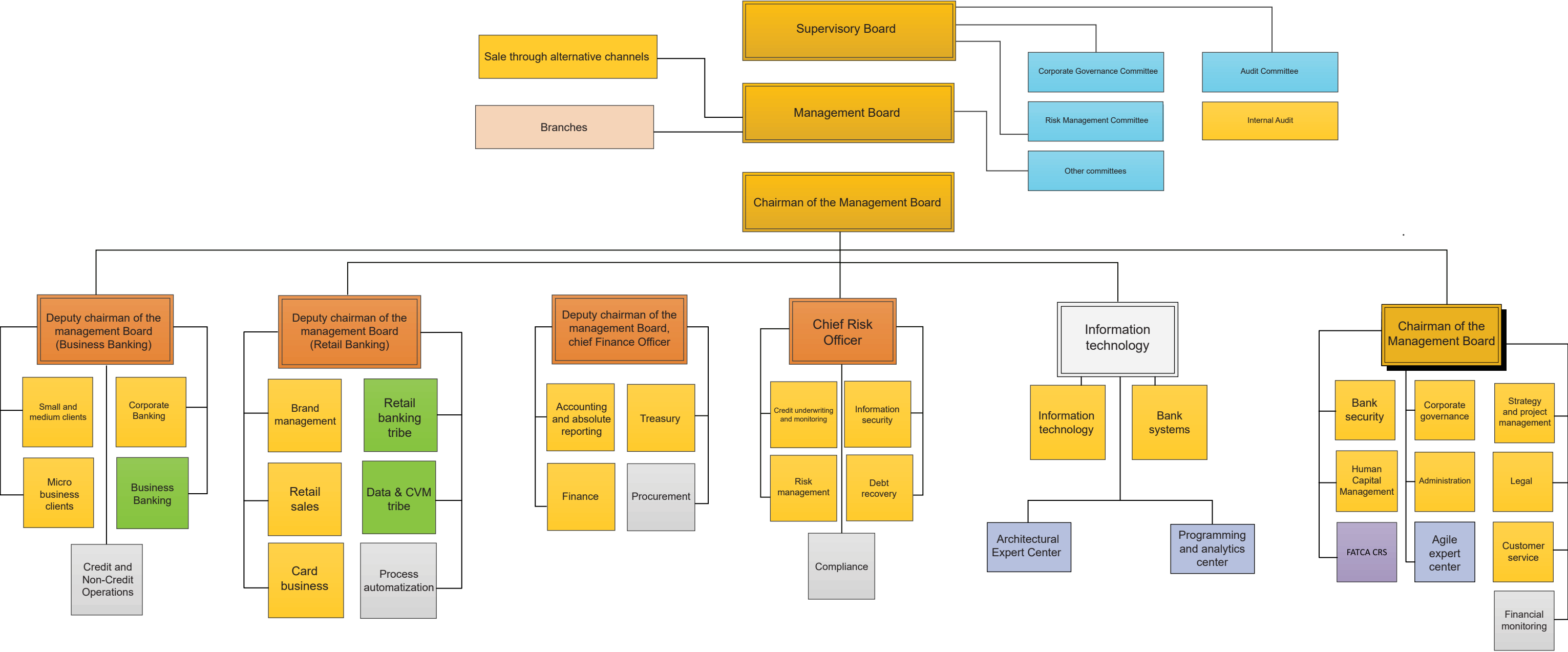
The Supervisory Board oversees the overall management, performance, and strategic direction of the Bank. It is responsible for determining the Bank’s main policy areas, monitoring the implementation of the development strategy and business plan, and supervising the activities of the Management Board. The Board also ensures effective governance through the approval of organizational structures, internal regulations, and key financial, administrative, and risk management policies.

The Supervisory Board appoints and dismisses members of the Audit, Risk Management and Corporate Governance Committees and other key executives, including the heads of risk management and internal audit functions. It reviews audit findings, evaluates the Bank’s financial results, and recommends improvements to internal control and risk frameworks. The Board also authorizes major transactions outside the Bank’s ordinary activities, approves the establishment or closure of branches and subsidiaries, and monitors compliance with national legislation, including anti-money laundering and counter-terrorist financing laws.

In addition, the Supervisory Board convenes the General Meeting of Shareholders, sets its agenda, and makes recommendations on key matters such as budget, reserves, and capital structure. In cases of conflict of interest or management suspension, the Board assumes representative authority to protect the Bank’s interests. Through these functions, the Supervisory Board ensures the Bank’s operations remain sound, transparent, and aligned with its strategic objectives.



Agile



The Supervisory Board is supported by specialized committees, each with clear mandates.

Audit Committee

The Audit Committee plays a key role in strengthening the Bank’s system of internal control, risk management, and corporate governance. Acting under the authority of the Supervisory Board, it oversees the effectiveness of internal and external audit processes, ensures compliance with banking legislation, and supports the accuracy and transparency of the Bank’s financial reporting. The Committee determines the Bank’s audit policy and strategy, approves internal audit plans, and monitors the activities of the Internal Audit Department to ensure that audit functions are performed independently and objectively.

The Committee cooperates closely with external auditors, facilitating their access to necessary information and ensuring that audit findings and recommendations are properly addressed by management. It provides opinions on the Bank’s annual report, internal control mechanisms, and compliance with the requirements of the Central Bank and other supervisory authorities. The Committee also reviews audit reports, evaluates the independence and adequacy of audit findings, and submits its recommendations to the Supervisory Board to enhance operational transparency and risk management effectiveness.

In addition, the Audit Committee makes proposals to the Supervisory Board and the General Meeting of Shareholders regarding the appointment or replacement of internal and external auditors, improvements in internal control and compliance systems, and the strengthening of dual control mechanisms across operations. When necessary, it initiates special audits of structural divisions, ensures follow-up on corrective actions, and promotes effective communication between the Banks’s governing bodies, auditors, and regulators. Through its oversight, the Audit Committee helps maintain the integrity, accountability, and prudence of the Bank’s overall management system.

Corporate Governance Committee

The Corporate Governance Committee plays a pivotal role in strengthening the Bank’s governance framework and fostering a culture of transparency, accountability, and ethical conduct. It oversees the implementation of corporate governance standards across the Bank, ensuring that the organizational and management structure aligns with best practices and regulatory requirements. The Committee monitors potential gaps or deviations, providing actionable recommendations to the Supervisory Board to enhance governance effectiveness and promote long-term organizational resilience. It also ensures that updates in corporate governance legislation are reflected in the Bank’s practices and that relevant information is accurately and timely disclosed to stakeholders.

In addition to governance oversight, the Committee is responsible for guiding the Bank’s remuneration practices. It develops and reviews the remuneration policy, ensuring it aligns with strategic objectives and risk management standards.

Working closely with the Risk Management Committee, it assesses the effectiveness and fairness of incentive schemes, evaluates employee performance against key indicators, and ensures that both internal and external developments are considered in remuneration decisions.

The Committee also oversees appointment processes for the Supervisory Board, its committees, the Management Board and other key executives. It provides recommendations on potential candidates,

monitors the development of talent reserves, and sets criteria for the selection, roles, and compensation of independent members. Where required, the Committee establishes principles for engaging independent external experts, ensuring that appointments support objectivity, accountability, and strategic alignment. Through these integrated functions, the Corporate Governance Committee ensures that the Bank’s governance, human capital, and incentive frameworks collectively support sustainable growth, stakeholder confidence, and ethical business practices.

Risk Management Committee

The Committee is responsible for ensuring that Yelo Bank maintains a comprehensive, transparent, and effective risk management framework. The Committee reviews and submits the Bank’s risk management strategy, policies, and procedures for approval, oversees the identification and assessment of key risks, and monitors the Bank’s overall risk profile. It ensures that all risk exposures are consistent with the approved risk appetite and business strategy, while providing regular reports to the Supervisory Board on the effectiveness of the risk management system.

In addition, the Committee evaluates the performance of the Risk Management Department, monitors the alignment of financial products and services with the Bank’s business model and risk strategy, and reviews the risk appetite statement to ensure compliance with established limits. It also collaborates with the Management Board to review and update the Bank’s business continuity and contingency plans, conducting periodic stress tests to assess preparedness. Through these activities, the Committee supports a culture of prudent risk-taking and proactive governance, helping to strengthen the Bank’s resilience and ensure the integration of emerging and ESG-related risks into overall risk oversight.

The Management Board

The Management Board is the executive body of the Bank, responsible for the daily management, operational performance, and execution of strategic objectives approved by the Supervisory Board. It ensures that all activities comply with legal and regulatory requirements, the Bank’s Charter, and principles of sound financial management. The Board oversees the implementation of the annual budget and business plan, maintains effective financial control systems, and ensures the timely and accurate submission of reports to relevant state and supervisory bodies.

The Management Board directs the activities of the Bank’s structural divisions, appoints and manages senior staff, and oversees employee recruitment, development, and performance evaluation. It also ensures the proper functioning of internal policies and procedures, efficient resource allocation, and responsible introduction of new banking products and services. The Board reviews and monitors key operational and financial indicators to ensure the Bank’s stability, profitability, and sustainable growth.

In addition, the Management Board plays a central role in maintaining strong risk management and internal control systems. It monitors and reports on the Bank’s exposure to credit, market, liquidity, and operational risks, taking measures to address identified weaknesses.

The Board prepares the Bank’s strategic and financial plans, submits them for approval to the Supervisory Board and the General Meeting of Shareholders, and provides regular updates on progress.

Through its leadership, the Management Board promotes a culture of accountability, ethical conduct, and innovation across all levels of the organization. By managing resources efficiently and maintaining

a client-centered approach, the Board drives the Bank’s continued development, enhances stakeholder confidence, and contributes to long-term value creation for shareholders, employees, and the wider community.

13.2. Ethical Business Conduct and Anti-Corruption

The Bank is committed to conducting its business with the highest standards of ethics, integrity, and transparency. Upholding ethical principles is central to our operations, guiding decision-making at all levels of the organization and fostering trust among our clients, employees, shareholders, and stakeholders. Our Corporate Code of Conduct defines expected behaviors for employees, management, and members of the Supervisory Board, covering areas such as conflicts of interest, confidentiality, ethical decision-making, compliance with laws and regulations, and the promotion of a culture of accountability.

The Bank implements comprehensive policies and procedures to prevent corruption, bribery, and other unethical practices. We maintain a zero-tolerance approach toward all forms of bribery, facilitation payments, or improper gifts. In addition, the Bank strictly prohibits anti-competitive behavior, anti-trust violations, and monopoly practices. We are committed to ensuring fair and transparent competition in all markets where we operate, complying fully with competition laws and promoting responsible business practices that protect the interests of clients, partners, and the broader financial ecosystem. All new employees are introduced to the Corporate Code of Conduct and other relevant policies and procedures during onboarding to ensure a clear understanding of the Bank’s ethical principles and behavioral expectations. In addition, relevant employees regularly participate in Anti-Money Laundering (AML) training to strengthen compliance with regulatory requirements and reinforce the Bank’s integrity framework. The Bank conducts regular risk assessments to identify and mitigate potential corruption risks across all business units. Issues related to misconduct are thoroughly investigated, and corrective actions are promptly applied, with findings regularly reviewed by the Risk Committee and reported to the Supervisory Board.

The Audit and Risk Management Committees play a central role in monitoring ethical conduct and anti-corruption measures. They oversee the implementation of internal audit recommendations, review risk reports, and ensure compliance with internal policies and regulatory requirements. Management is accountable for embedding these ethical principles into daily operations and fostering a culture of integrity across all levels of the organization.

The Bank continuously seeks to strengthen its ethical and anti-corruption framework. Initiatives include enhancing internal controls, updating policies in line with evolving regulations, conducting targeted training programs, and maintaining transparent communication with regulators and stakeholders.

13.3 Risk Management and Internal Control System

Key Risk Categories

Credit Risk

Credit risk is the risk of financial loss resulting from a borrower, issuer, or counterparty failing to meet its contractual obligations. Yelo Bank primarily faces credit risk in its retail and business lending activities. To maintain high portfolio quality, the Bank carefully analyses each loan application, diversifies its

lending across customer segments, industries, and regions, while continuing to support viable businesses even during economic downturns. Credit limits and zones have been established to manage risk effectively, and employee incentive systems are aligned with portfolio performance. Reducing overdue loans remains a strategic priority for the coming year.

Market and Liquidity Risk

Market risk refers to potential losses arising from fluctuations in interest rates, foreign exchange rates, the value of securities, and commodity prices. It encompasses interest rate risk, currency risk, equity risk, and commodity risk. Liquidity risk, on the other hand, is the risk that the bank may be unable to meet its obligations on time, secure additional funds, or quickly sell assets without significant loss. Together, these risks reflect the bank’s exposure to changes in financial markets and its ability to manage cash flow efficiently.

Yelo Bank maintains a strong liquidity position to ensure uninterrupted operations and support its core business even under stressed market conditions. To reduce reliance on potentially volatile deposits, the Bank actively diversifies its funding sources and holds a substantial portion of high-quality assets. While the Bank invests in Treasury bills and similar high-quality assets for liquidity-management purposes, it does not engage in speculative securities trading. Risk mitigation measures include the implementation of advanced market and liquidity risk models, enhanced reporting frameworks, and comprehensive policies covering interest rate, liquidity, counterparty, and foreign market investment risks. Yelo Bank minimizes currency risk by balancing its foreign currency assets and liabilities to minimize its open currency position.

Operational Risk

Operational risk is the potential for losses resulting from internal failures, human errors, and deficiencies in information systems, issues in credit or non-credit processes, and external events. It includes human resource risk, arising from employee errors or violations; IT risk, stemming from technology or system failures; compliance risk, related to non-compliance with laws and regulations; and external risk, caused by third parties or natural events. These risks collectively reflect the bank’s exposure to operational disruptions and its need for effective internal controls.

The Bank has a low appetite for operational risks arising from internal process failures, inadequate controls, or employee misconduct. All allegations of fraud or corruption are addressed rigorously and fairly. Information security is prioritized, with Risk Control Self-Assessment (RCSA) processes implemented to identify, evaluate, and mitigate high-risk areas. Operational risk management also involves staff training, IT risk assessments, and cross-department collaboration.

Strategic Risk

Refers to the risk of losses resulting from poor selection or execution of strategic goals. Yelo Bank acknowledges that unsuccessful strategic initiatives can significantly affect both its reputation and the achievement of objectives. The Bank maintains a current Strategic Plan to guide its initiatives and applies a cautious approach to threats that may impede effective execution.

Reputational Risk

Refers to the risk of losses due to reduced trust in the Bank or negative public perception. The Bank has no appetite for reputational threats and invests significant human and financial resources in projects that strengthen stakeholder trust and public perception.

Information Security Risk – the risk related to breaches in the confidentiality, integrity, or availability of the bank’s information resources.

Project Risk – the risk that the bank may fail to implement planned projects or achieve their objectives due to errors or external factors during execution.

Risk Governance and Responsibilities

Actor	Actor
Supervisory Board	Approves risk strategy, policies, limits, and organizational structure; supervises Management Board; approves risk appetite and business continuity plans; evaluates risk management effectiveness annually.
Risk Management Committee (RMC)	Reviews and proposes risk appetite, policies, and limits; monitors risks, methods, and tools; reports on risk profile and system effectiveness; ensures alignment with strategy; evaluates new products/services; oversees capital, liquidity, and risk culture.
Management Board	Implements risk policies; organizes risk management processes; analyzes risks and addresses weaknesses; approves new products; coordinates departments; submits Business Continuity Plan with RMC to Supervisory Board.
Chief Risk Officer	Prepares risk strategy and policies; coordinates risk management across departments; reports monthly on risk profile and limits; ensures accurate and timely risk reporting; supports risk management capability development.
Compliance Unit	Maintains independent compliance function; identifies, monitors, and controls compliance risks; supports policy development and risk monitoring; conducts training; manages conflicts of interest and customer complaints.
Risk Management Department	Coordinates risk management activities; monitors compliance with policies and limits; prepares risk maps and reports; conducts risk assessments, stress tests, and new product reviews; supports other departments in risk mitigation.
Credit Underwriting & Monitoring Department	Participates in credit decisions; monitors credit risk and loan lifecycle; evaluates borrower financials and collateral; forecasts credit quality.
Information Security Department	Manages information security and cyber risks; ensures protection of IT systems and data.
Other Bank Departments	Manage operational risks in daily activities; ensure compliance with assigned risk limits.
Internal Audit Department	Acts as third line of defense; provides independent assessment of internal controls and risk management; audits all operations; ensures timely implementation of recommendations; applies risk-based approach to governance and control.

Lines of defenses

The risk management system combines the following three main lines of defense:

First line of defense – includes structural units whose activities directly create risks for the bank and are responsible for the initial identification, assessment, management, reporting and monitoring of risks across products, services, activities, processes and systems, including branches and departments of the bank;

Second line of defense – includes structural units that perform risk management and compliance functions in the bank;

Third line of defense – includes the internal audit function of the bank, which assesses the effectiiveness of the first and second lines of defense.

The risk management process

The risk management process at the Bank is embedded in its daily operations, with each business unit responsible for managing risks within its authority and ensuring compliance with established risk limits. To support effective risk management, the Bank applies structured procedures and assessment methodologies tailored to the size and complexity of its risk profile.

Identifying and assessing risks is an ongoing process. Stress test models are developed and updated at least annually, reflecting the Bank’s scale and operational complexity. These stress tests are conducted at least every six months, and the results inform a detailed action plan, which is submitted to the Central Bank along with the relevant prudential reports.

Before introducing new products, services, or projects, the Bank conducts a thorough analysis of their alignment with strategic objectives and potential impact on the risk profile. Related risks are identified and assessed by the units responsible for risk management and compliance, with findings reported to the Risk Management Committee (RMC).

To ensure resilience in unexpected situations, the Bank maintains a comprehensive emergency plan. This plan outlines measures to prevent and mitigate risks, guarantees continuity of operations, defines responsibilities, identifies capital sources, addresses reputational protection, and classifies operations based on significance. The plan is reviewed annually and updated as necessary, with periodic tests conducted to validate the adequacy of the measures.

The Bank continuously evaluates the impact of risks on profitability, total capital, and capital adequacy. This assessment is guided by internal instructions and stress-testing methodologies, covering the identification and measurement of significant risks, evaluation of capital adequacy targets, verification of assumptions, and forecasting future capital needs. The process also includes reviewing the efficiency of capital assessment, the correlation between capital and risk levels, the accuracy of data, and the reliability of models and assumptions.

Results from these assessments and analyses are submitted to the Risk Management Committee and Supervisory Board every six months. Additionally, the Bank’s capital and risk management processes undergo internal audit at least annually, with findings reported to the Supervisory Board to ensure ongoing improvement and robust governance.

Environmental and Social Risk Management System

In late 2024, Yelo Bank formalized its Environmental and Social Risk Management Policy, which outlines the Bank’s commitment to responsible environmental and social practices. The Policy establishes a framework for identifying, assessing, and managing environmental and social risks related both to the Bank’s own operations and to the activities of businesses financed by the Bank.

The Bank recognizes that its activities may have direct and indirect impacts on the environment and the communities in which it operates. The Bank’s objective is to responsibly manage these risks to minimize adverse impacts on the environment and stakeholders, while supporting sustainable economic growth and creating long-term value for its shareholders.

The ESMS is built on strong governance principles. The Supervisory Board is responsible for approving the Policy, reviewing the Bank’s annual environmental and social performance, and ensuring that environmental risk indicators are incorporated into the Bank’s risk appetite statement. The Management Board oversees implementation, ensures integration of E&S considerations into business processes, and monitors progress. The Risk Management and Corporate Governance Departments, as ESMS responsible structures, coordinate implementation, provide staff training, and prepare annual reports on E&S performance.

The Policy outlines two main directions for environmental and social management:

- 1. Management of internal E&S risks, which focuses on the Bank’s own operations including sustainable resource use, reducing the carbon footprint, promoting diversity, equality, and inclusion, ensuring occupational
- 2. Management of E&S risks in lending, which covers the Bank’s responsibility to evaluate and manage the potential environmental and social impacts of financed activities. This includes screening loan applications against an exclusion list, conducting environmental and social due diligence, categorizing clients by risk level, and performing ongoing

In addition, the ESMS includes a grievance mechanism that allows customers and other stakeholders to raise environmental or social concerns through multiple accessible channels, such as the Contact Centre, online platforms, or written submissions. Complaints are registered, tracked, and addressed in a transparent and timely manner.

The Bank reports on its environmental and social performance annually. The Risk Management Department compiles detailed reports on E&S risks associated with lending activities, including portfolio categorization by risk levels, while the Management and Supervisory Boards use this information to enhance strategy and continuously improve the ESMS.

13.4. Regulatory Compliance and Transparency

The Bank is committed to maintaining full compliance with all applicable laws, regulations, and supervisory requirements, ensuring that its operations are conducted with transparency, accountability, and integrity. Compliance with regulatory frameworks is embedded across all levels of the organization, supported by clear policies, procedures, and internal controls that guide daily operations and decision-making.

Transparency is a core principle in the Bank’s governance and reporting practices. We provide timely, accurate, and reliable information to regulatory authorities, shareholders and other stakeholders, fostering trust and supporting informed decision-making. The Bank regularly monitors changes in legislation and regulatory standards, adapting its internal processes and controls to remain fully aligned with evolving requirements.

Through ongoing training, internal audits, and governance oversight, the Bank ensures that employees and management understand and adhere to regulatory obligations. This proactive approach to compliance and transparency not only mitigates legal and operational risks but also reinforces the Bank’s reputation as a responsible and reliable institution, contributing to long-term sustainable growth and stakeholder confidence.

14. Outlook and Future Commitments

Looking ahead, Yelo Bank remains committed to building a sustainable and inclusive future through strong governance, responsible business practices, and a deep dedication to its employees, customers, and the environment. These ambitions are reflected in the Bank’s long-term strategic vision, which emphasizes customer-centric growth, digital innovation, and sustainable value creation.

Aligned with its strategic objectives, Yelo Bank aims to further expand digital financial services, ensuring they are more accessible, efficient, and environmentally responsible. The Bank continues to invest in innovative digital platforms and data-driven solutions to enhance customer experience, streamline operations, and promote financial inclusion across Azerbaijan.

In parallel, Yelo Bank is focused on minimizing its environmental footprint through energy-efficient operations, paperless processes, and increased use of renewable energy sources. The Bank also plans to scale up sustainable lending by supporting green, social, and inclusive projects that contribute to the country’s sustainable economic development.

By integrating sustainability into its operations and decision-making, Yelo Bank aims to strengthen resilience, foster long-term stakeholder trust, and contribute meaningfully to a more sustainable financial ecosystem for future generations.

15. GRI Content Index (2021)

Statement of use	Yelo Bank OJSC has reported in accordance with the GRI Standards for the period January 1– December 31, 2024.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	None

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION	
			REASON	EXPLANATION
General disclosures				
GRI 2: General Disclosures 2021	2-1 Organizational details	About Yelo Bank p. 12-17	A gray cell indicates that reasons for omission are not permitted for the disclosure	
	2-2 Entities included in the organization's sustainability reporting	About the Report p. 8		
	2-3 Reporting period, frequency and contact point	About the Report p. 8		
	2-4 Restatements of information	Item does not exist (this is the 1st report of the Yelo Bank, therefore, no restatements of previously reported information apply)		
	2-5 External assurance	Item does not exist		
	2-6 Activities, value chain and other business relationships	Corporate Governance Structure p 37-41		
		Ethical Business Conduct and Anti-Corruption p. 42		
	2-7 Employees	Diversity, Equity, and Inclusion p. 29-30		

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION	
			REASON	EXPLANATION
	2-8 Workers who are not employees	Performance tables p. 63		
	2-9 Governance structure and composition	Corporate Governance Structure p. 37-41		
	2-10 Nomination and selection of the highest governance body	Supervisory Board p. 15-17		
	2-11 Chair of the highest governance body	Supervisory Board Corporate Governance Structure p. 15, 37		
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance Structure p. 37-41		
	2-13 Delegation of responsibility for managing impacts	Ethical Business Conduct and Anti-Corruption p. 42		
	2-14 Role of the highest governance body in sustainability reporting	Corporate Governance Structure Ethical Business Conduct and Anti-Corruption p. 37-41, 42		
	2-15 Conflicts of interest	Ethical Business Conduct and Anti-Corruption p. 42		
	2-16 Communication of critical concerns	Ethical Business Conduct and Anti-Corruption p. 42		

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION	
			REASON	EXPLANATION
	2-17 Collective knowledge of the highest governance body	Item does not exist		
	2-18 Evaluation of the performance of the highest governance body	Item does not exist		
	2-19 Remuneration policies	Corporate Governance Structure p. 37-41		
	2-20 Process to determine remuneration	Corporate Governance Structure p. 37-41		
	2-21 Annual total compensation ratio	Management and Internal Control System p. 42-46	Confidentiality constrains	This information is considered confidential and will not be disclosed by Yelo Bank.
	2-22 Statement on sustainable development strategy	Letter from the CEO p. 6-7		
	2-23 Policy commitments	Ethical Business Conduct and Anti-Corruption Risk p. 42		
	2-24 Embedding policy commitments	Item does not exist		
	2-24 Embedding policy commitments	Item does not exist		
	2-26 Mechanisms for seeking advice and raising concerns	Ethical Business Conduct and Anti-Corruption Risk p. 42		
	2-27 Compliance with laws and regulations	Regulatory Compliance and Transparency p. 46-47		

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION	
			REASON	EXPLANATION
	2-28 Membership associations	Memberships and Affiliations p. 10, 42		
	2-29 Approach to stakeholder engagement	Identification of material topics (Materiality assessment) p. 21-24		
	2-30 Collective bargaining agreements	Item does not exist		
Material topics				
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Identification of material topics (Materiality assessment) p. 21-24		
	3-2 List of material topics	Identification of material topics (Materiality assessment) p. 21-24		
Economic performance				
GRI 3: Material Topics 2021	3-3 Management of material topics	Identification of material topics (Materiality assessment) p. 21-24		
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Economic Performance p. 25-27		
	201-2 Financial implications and other risks and opportunities due to climate change	Item does not exist		

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION	
			REASON	EXPLANATION
GRI 201: Economic Performance 2016	201-3 Defined benefit plan obligations and other retirement plans	Item does not exist		
	201-4 Financial assistance received from government	Item does not exist		
Market presence				
GRI 3: Material Topics 2021	3-3 Management of material topics	Item does not exist		
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Item does not exist		Data not currently collected; considered for inclusion in future reporting cycles
	202-2 Proportion of senior management hired from the local community	Performance tables, p.67		
Indirect Economic Impacts				
GRI 3: Material Topics 2021	3-3 Management of material topics	Item does not exist		
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Item does not exist		
	203-2 Significant indirect economic impacts	Item does not exist		
Procurement practices				
GRI 3: Material Topics 2021	3-3 Management of material topics	Item does not exist		
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Item does not exist		Data not currently collected; considered for inclusion in future reporting cycles

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION	
			REASON	EXPLANATION
Anti-corruption				
GRI 3: Material Topics 2021	3-3 Management of material topics	Ethical Business Conduct and Anti-Corruption p. 42		
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Ethical Business Conduct and Anti-Corruption p. 42		
	205-2 Communication and training about anti-corruption policies and procedures	Ethical Business Conduct and Anti-Corruption p. 42		
	205-3 Confirmed incidents of corruption and actions taken	Item does not exist		
Anti-competitive behavior				
GRI 3: Material Topics 2021	3-3 Management of material topics	Item does not exist		
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Ethical Business Conduct and Anti-Corruption p. 42		
Tax				
GRI 3: Material Topics 2021	3-3 Management of material topics	Item does not exist		
	207-1 Approach to tax	Item does not exist		
	207-2 Tax governance, control, and risk management	Risk Management and Internal Control System p. 42-46		
	207-3 Stakeholder engagement and management of concerns related to tax	Item does not exist		
GRI 207: Tax 2019	207-4 Country-by-country reporting		Not Applicable	the Bank has operations only in a single tax jurisdiction, and therefore country-by-country tax reporting does not apply

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION	
			REASON	EXPLANATION
Materials				
GRI 3: Material Topics 2021	3-3 Management of material topics	-	Not Applicable	Due to nature of business, the topic of Materials deemed as immaterial
GRI 301: Materials 2016	301-1 Materials used by weight or volume	-	Not Applicable	Due to nature of business, the topic of Materials deemed as immaterial
	301-2 Recycled input materials used	-	Not Applicable	Due to nature of business, the topic of Materials deemed as immaterial
	301-3 Reclaimed products and their packaging materials		Not Applicable	Due to nature of business, the topic of Materials deemed as immaterial
Energy				
GRI 3: Material Topics 2021	3-3 Management of material topics	Item does not exist		
	302-1 Energy consumption within the organization	Environmental Impact p. 27-29		
	302-2 Energy consumption outside of the organization	Item does not exist		
	302-3 Energy intensity	Performance Tables p. 62-67		
	302-4 Reduction of energy consumption	Environmental Impact p. 27-29		
	302-5 Reductions in energy requirements of products and services	Item does not exist		
Water and effluents				
GRI 3: Material Topics 2021	3-3 Management of material topics	Item does not exist		
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Item does not exist		

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION	
			REASON	EXPLANATION
	303-2 Management of water discharge-related impacts	Item does not exist		
	303-3 Water withdrawal	Environmental Impact p. 28		
	303-4 Water discharge	Item does not exist		
	303-5 Water consumption	Item does not exist		
Biodiversity				
GRI 3: Material Topics 2021	3-3 Management of material topics	-	Not Applicable	Due to nature of business, the topic of biodiversity deemed as immaterial
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	-	Not Applicable	Due to nature of business, the topic of biodiversity deemed as immaterial
	304-2 Significant impacts of activities, products and services on biodiversity	-	Not Applicable	Due to nature of business, the topic of biodiversity deemed as immaterial
	304-3 Habitats protected or restored	-	Not Applicable	Due to nature of business, the topic of biodiversity deemed as immaterial
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	-	Not Applicable	Due to nature of business, the topic of biodiversity deemed as immaterial
Emissions				
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Emissions from Operations p. 28		

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION	
			REASON	EXPLANATION
	305-2 Energy indirect (Scope 2) GHG emissions	Emissions from Operations p. 28		
	305-3 Other indirect (Scope 3) GHG emissions	Item does not exist		
	305-4 GHG emissions intensity	Performance tables p. 62		
	305-5 Reduction of GHG emissions	Item does not exist		
	305-6 Emissions of ozone-depleting substances (ODS)	Item does not exist		
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Item does not exist		
Spills				
GRI 3: Material Topics 2021	3-3 Management of material topics	-	Not Applicable	Due to nature of business, the topic of spills deemed as immaterial
GRI 306: Effluents and Waste 2016	306-3 Significant spills	-	Not Applicable	Due to nature of business, the topic of spills deemed as immaterial
Waste				
GRI 3: Material Topics 2021	3-3 Management of material topics	Item does not exist		
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Item does not exist		
	306-2 Management of significant waste-related impacts	Item does not exist		
	306-3 Waste generated	Performance tables p. 62		

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION	
			REASON	EXPLANATION
	306-4 Waste diverted from disposal	Performance tables p. 62		
	306-5 Waste directed to disposal	Performance tables p. 62		
Supplier environmental assessment				
GRI 3: Material Topics 2021	3-3 Management of material topics	Item does not exist		
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Item does not exist		
	308-2 Negative environmental impacts in the supply chain and actions taken	Item does not exist		
Employment				
GRI 3: Material Topics 2021	3-3 Management of material topics	Social Responsibility p. 29-36		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Performance tables p. 63		
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Benefits p. 32-33		
	401-3 Parental leave	Performance tables p. 63		
Labor/management relations				
GRI 3: Material Topics 2021	3-3 Management of material topics	Item does not exist		
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Item does not exist		

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION	
			REASON	EXPLANATION
Occupational health and safety				
GRI 3: Material Topics 2021	3-3 Management of material topics	Occupational Health and Well-being p. 33		
	403-1 Occupational health and safety management system	Occupational Health and Well-being p. 33		
GRI 403: Occupational Health and Safety 2018	403-2 Hazard identification, risk assessment, and incident investigation	Item does not exist		
	403-3 Occupational health services	Item does not exist		
	403-4 Worker participation, consultation, and communication on occupational health and safety	Item does not exist		
	403-5 Worker training on occupational health and safety	Occupational Health and Well-being p. 33		
	403-6 Promotion of worker health	Occupational Health and Well-being p. 33		
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Item does not exist		
	403-8 Workers covered by an occupational health and safety management system	Item does not exist		
	403-9 Work-related injuries	Occupational Health and Well-being p. 33		
	403-10 Work-related ill health	Occupational Health and Well-being p. 33		

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION	
			REASON	EXPLANATION
Training and education				
GRI 3: Material Topics 2021	3-3 Management of material topics	Employee Training and Development p. 31-32		
	404-1 Average hours of training per year per employee	Employee Training and Development p. 31-32		
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	Employee Training and Development p. 31-32		
	404-3 Percentage of employees receiving regular performance and career development reviews	Item does not exist		
Diversity and equal opportunity				
GRI 3: Material Topics 2021	3-3 Management of material topics	Diversity, Equity, and Inclusion p. 29-30		
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Diversity, Equity, and Inclusion Corporate Governance Structure Performance tables p. 29-30,37, 64		
	405-2 Ratio of basic salary and remuneration of women to men	Performance table p. 64		
Non-discrimination				
GRI 3: Material Topics 2021	3-3 Management of material topics	Item does not exist		
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken		Information is unavailable	No data has been tracked
Freedom of association and collective bargaining				
GRI 3: Material Topics 2021	3-3 Management of material topics	Item does not exist		
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Item does not exist		

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION	
			REASON	EXPLANATION
Child labor				
GRI 3: Material Topics 2021	3-3 Management of material topics	Item does not exist		
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Item does not exist		
Forced or compulsory labor				
GRI 3: Material Topics 2021	3-3 Management of material topics	Item does not exist		
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Item does not exist		
Security practices				
GRI 3: Material Topics 2021	3-3 Management of material topics	Item does not exist		
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Performance tables p. 64		
Rights of Indigenous Peoples				
GRI 3: Material Topics 2021	3-3 Management of material topics	Item does not exist		
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	Item does not exist		
Local communities				
GRI 3: Material Topics 2021	3-3 Management of material topics	Community Investment and Social Programs p. 34-35		
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Community Investment and Social Programs p. 34-35		
	413-2 Operations with significant actual and potential negative impacts on local communities	Item does not exist		

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION	
			REASON	EXPLANATION
Supplier social assessment				
GRI 3: Material Topics 2021	3-3 Management of material topics	Item does not exist		
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Item does not exist		
	414-2 Negative social impacts in the supply chain and actions taken	Item does not exist		
Public policy				
GRI 3: Material Topics 2021	3-3 Management of material topics	Item does not exist		
GRI 415: Public Policy 2016	415-1 Political contributions	Item does not exist		
Customer Health and Safety				
GRI 3: Material Topics 2021	3-3 Management of material topics	Item does not exist		
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Item does not exist		
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Item does not exist		
Marketing and labeling				
GRI 3: Material Topics 2021	3-3 Management of material topics	Item does not exist		
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Item does not exist		
	417-2 Incidents of non-compliance concerning product and service information and labeling	Item does not exist		
	417-3 Incidents of non-compliance concerning marketing communications	Item does not exist		
Customer Privacy				
GRI 3: Material Topics 2021	3-3 Management of material topics	Customer Experience, Data Privacy and Protection p. 36		
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Customer Experience, Data Privacy and Protection p. 36		

16. Performance Tables

Environmental			
Energy Consumption	2022	2023	2024
Total electrical energy consumption (kWh)	1,869,237	1,989,423	1,929,527
Total natural gas consumption (m3)	254,705	242,445	243,669
Total fuel consumption (tons)	150.80	142.44	148.60
1) Diesel (tons)	39.8	38.6	45.16
2) Petroleum (tons)	110.99	103.84	103.45
Water Consumption (m3)	2022	2023	2024
Total water withdrawal	7078.6	7213.2	6882.8
Total freshwater withdrawal	-	172.5	182.6
Total water discharge	-	7040.7	6700.1
Total water consumption	-	172.5	182.6
Emissions	2022	2023	2024
Carbon dioxide (CO2)	957.3	907.8	769.6
Total Scope 1 emissions	957	908	770
Carbon dioxide (CO2)	1070.5	1139	1048
Total Scope 2 emissions	1070,5	1139	1048
GHG emissions intensity (tons)	0.04	0.03	0.02
Emissions per FTE employee	2.08	1.99	1.67
Waste	2022	2023	2024
Office paper consumption (expenditure/volume in kg)	-	19,577	24,991
Office paper consumption (reduction)	-	0.38%	0.41%
Total weight of waste generated (tons)	317	249	446
Total weight of non-hazardous waste recycled (tons)	-	3.27	3.48
Total weight of waste diverted from disposal (tons)	-	3.27	3.48
Total weight of non-hazardous waste directed to disposal (tons)	316.54	245.47	442.97
Total weight waste directed to disposal (tons)	316.54	245.47	442.97
Eco-friendly Initiatives	2022	2023	2024
Number of eco-friendly banking products offered (e.g., green loans, eco-cards)	-	-	1
Number of trees planted as part of sustainability initiatives	-	-	1500
Number of digital banking solutions adopted (e.g., digitized loan documents, digital ID cards)	1033	4575	14,462

Social			
Employment & Workforce Data	2022	2023	2024
Total number of employees	1021	1062	1153
1) Total number of permanent employees	119	117	310
2) Total number of temporary employees	902	945	843
3) Total number of full-time employees	1010	1049	1131
4) Total number of part-time employees	11	13	22
Number of contractors, outsourced workers, or temporary agency workers	10	1	6
Employee turnover rate (Male) (%)	18,8	21,1	19,9
Employee turnover rate (Female) (%)	21,3	21,2	22,4
Total number of new hires	280	221	279
1) New hires (Male)	194	143	197
2) New hires (Female)	86	78	82
Age Distribution			
1) New hires (Under 30)	140	168	221
2) New hires (30-50)	131	48	55
3) New hires (Over 50)	9	5	3
Number of employees covered under benefits	1142	1205	1235
Total number of employees taking parental leave (female)	37	23	25
Training & Development	2022	2023	2024
Total number of training hours per employee category	6325	7729	8302
1)Entry-level Employees	-	6015	6460
Male	-	4151	3703
Female	-	1864	2757
2) Mid-level Employees	-	1612	1643
Male	-	1399	1042
Female	-	213	601
3) Senior Management	-	125	105
Male	-	124	80
Female	-	1	25
Average training hours per employee category			
1)Entry-level Employees	-	77.9	77.8
2) Mid-level Employees	-	20.8	19.8
3) Senior Management	-	1.6	1.3
Total number of employees participating in leadership training	-	25	58
1) Number of employees participating in leadership training (male)	-	22	41
2) Number of employees participating in leadership training (female)	-	2	17
Number of employees participating in ESG and sustainability training	-	9	7

Diversity, Inclusion & Equal Opportunity (%)	2022	2023	2024
Total gender distribution of employees	100	100	100
1) Male	66	66	68
2) Female	34	34	32
Organizational level – Junior Staff			
1) Male	56	63	59
2) Female	44	37	41
Organizational level – Middle Management			
1) Male	62	65	64
2) Female	38	35	37
Organizational level – Senior Leadership			
1) Male	74	75	74
2) Female	26	25	26
Total age distribution of employees	100	100	100
1) Under 30	26	31	37
2) 30–50	67	63	58
3) over 50	6	6	5
Number of employees with disabilities	10	12	11
Equal pay ratio by gender (Male)	70	83	82
Equal pay ratio by gender (Female)	30	17	18
Non-discrimination	2022	2023	2024
Total number of incidents of discrimination	–	–	–
Security Practices	2022	2023	2024
Percentage of security personnel who have received formal training in the organization's human rights policies or specific procedures and their application to security.	100%	100%	100%
Occupational Health and Safety (OHS)	2022	2023	2024
Number of conducted OHS trainings	–	6	7
Number of employees who received OHS training	–	10	47
Percentage of employees who received OHS training	–	1%	17%
OHS training hours	–	15	209
Total investments into improving working conditions (AZN)	768 917	633 827	715 526
Local Communities	2022	2023	2024
Formal local community grievance processes	10	11	11
Total amount invested in community programs (AZN)	29,988	102,500	189,261
Number of SMEs supported through financial products/services	3439	3088	2912
Number of initiatives to improve access to banking for unbanked populations	3	5	7

Data Privacy & Security	2022	2023	2024
Number of confirmed cases of data breaches	–	–	0
Number of customer complaints regarding data privacy	–	–	5%
Proportion of senior management hired from the local community (Management Board and Supervisory Board)	75%	75%	75%
Governance			
Corporate Governance	2022	2023	2024
Number of confirmed cases of data breaches		–	0
Percentage of female board members (%)	20	20	20
Percentage of male board members (%)	80	80	80
Percentage of state ownership (%)	0	0	0
Percentage of private ownership (%)	100	100	100
Risk Management	2022	2023	2024
Total number of risk assessments conducted	48	48	48
Total number of risk map updates	12	12	12
Number of anti-corruption and anti-fraud training sessions	2	2	5
Financial Performance			
Balance Sheet	2022	2023	2024
Net profit (AZN)	5,624,000.00	14,017,000.00	42,763,000.00
Total profit before income tax (AZN)	5,624,000.00	14,017,000.00	44,072,000.00
Total Assets (AZN)	803,955,000.00	1,553,159,000.00	1,262,860,000.00
Total Capital (AZN)	72,092,000.00	86,263,000.00	129,026,000.00
Deposit Portfolio (AZN)	582,612,000.00	1,309,969,000.00	949,663,000.00
Corporate loan portfolio (AZN)	110,495,000.00	117,182,000.00	123,256,000.00
Entrepreneur loans (AZN)	282,045,000.00	365,941,000.00	456,345,000.00
Mortgage portfolio (AZN)	66,636,000.00	69,454,000.00	78,510,000.00
Retail loan portfolio (AZN)	136,784,000.00	203,316,000.00	257,498,000.00
Authorized Capital (AZN)	378,000,000.00	378,000,000.00	378,000,000.00
Market Performance	2022	2023	2024
Growth rates in key financial segments:			
Business	52%	23%	20%
Consumer	4%	4%	13%
Mortgage loans	36%	49%	27%
Loan-to-assets ratio	74%	49%	73%
Deposit-to-assets ratio	72%	84%	75%
Market share trends:			
Lending	3,0%	3,3%	3,4%
Deposit	1,8%	2,0%	2,5%

Credit Ratings	2022	2023	2024
Credit ratings from agencies (if available):			
Moody's (score)	Ba1	Ba1	Ba1
Fitch (score)	BB+	BB+	BBB+
Macroeconomic Data	2022	2023	2024
Inflation rate	0,96%	2,1%	4,9%
GDP growth rate	4,7%	1,1%	4,1%
Non-oil sector contribution	9,0%	3,7%	6,1%
Loans-to-deposits ratio	98%	173%	104%
Asset quality percentages	14,8%	4,6%	3,4%
Customers and Operational			
Customers and Portfolio	2022	2023	2024
Number of customers by category:			
Individual customers	112920	120220	116326
Individual entrepreneurs	24925	32531	40263
Corporate customers, including:			
Large business customers	72	73	100
SME customers	8791	7695	9324
Micro business customers	21704	26927	31794
Number of lending customers	44423	52335	61780
Number of customer deposits	20138	22450	24969

Service and Cards	2022	2023	2024
Number of debit cards	86662	109116	108450
Number of credit cards	299	2274	8147
Number of virtual cards	0	0	0
Number of salary cards	14965	16882	15747
Percentage of transactions processed through digital channels	50	55	53
Number of branches, by categories:	16	18	21
Baku	9	9	11
Regions	7	9	10
Number of ATMs, by categories:	43	46	51
Baku	33	34	37
Regions	10	12	14
Number of digital offices	3	5	8
Digital Services and Mobile app	2022	2023	2024
Amount of cashbacks returned to customers (AZN)	901,294.57	1,397,081	1,572,531
Number of active internet banking users	900	1108	730
Number of newly registered mobile users	91240	72149	83884
Number of new customers carried out their first loans	23163	20712	21497
Percentage of loans processes in online format	6,14	23,29	36,99
Percentage of deposits established in online format	0	0	7
Customer Services	2022	2023	2024
Total number of requests	224,180	269,848	257,161
Number of incoming calls	146,622	138,042	140,956
Number of online messages	77,558	131,806	116,205
Retail Customers	2022	2023	2024
Total number of retail customers	112,920	120,220	116,326
Total number of credit operations	866,584	1,118,193	1,506,550
Retail Products	2022	2023	2024
Total amount of consumer loans (AZN)	164,099,553	226,463,174	266,843,097
Refinancing loan (AZN)	53,041,826	60,893,117	47,322,302
Total amount of mortgage loans (AZN)	10,839.465	11,439,757	16,316,541

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