BOGD BANK

ESG FRAMEWORK

2022-2024

www.bogdbank.com

Contents

CEO's Message

At Bogd Bank, we believe that responsible banking practices and sustainable growth are essential to creating long-term value for our customers, employees, and society. Our Environmental, Social, and Governance (ESG) Policy guides every decision we make in pursuit of a more sustainable and inclusive future.

To minimize our environmental footprint, we actively implement green initiatives within our operations and support sustainable financing. Through our programs, we aim to improve resource efficiency, reduce greenhouse gas emissions, and contribute to the development of a green economy.

On the social front, we are committed to fostering inclusive participation and prioritizing employee satisfaction. Our flexible policies support work-life balance while promoting diversity and inclusion. We also invest in women-led businesses, helping to drive economic growth and equal opportunities.

In terms of governance, we adhere to the highest ethical standards that form the foundation of responsible banking. We ensure transparency, accountability, and sound risk management. By integrating ESG principles into our business strategy, we strive to build trust, enhance resilience, and achieve long-term success.

Building on the foundations of our 2022–2024 ESG framework, Bogd Bank continues to integrate ESG principles into every aspect of our operations, driving measurable environmental, social, and governance impact as we work with our partners toward a sustainable and inclusive future.

Sincerely,

G. Saruul
Chief Executive Officer

About the Framework

The "ESG Framework" covers the financial years from January 1, 2022, to December 31, 2024, outlining Bogd Bank's initiatives and activities within the scope of sustainable finance, environment, society, and governance (ESG). This report presents the bank's actions and achievements in these areas.
The report is structured around 17 key topics, detailing our involvement, objectives, relevance to business and society, and the progress made so far.

About the Bank

- Established in 2014, Bogd Bank is one of the fastest growing banks in Mongolia.
- Bogd bank achieved a 7-year loan CAGR of 87.0%, with net loans reaching MNT 578.15 billion in 2024. Net income grew at CAGR of 61.5%, reaching MNT 40.2 billion in 2024.
- Bogd Bank became the first publicly listed bank on Mongolian Stock Exchange on 7th Dec 2021 as part of new banking reform, raising MNT 31.75 billion additional capital base from retail investors.
- Net Profit of MNT 40.2 billion as of YE2024, 42.4% increase from previous year.
- Aggregate growth rate of 46.3% in total assets over the last 8 years.

Our bank at a glance

Branches
17

Employees
250

Women
66%

Men
34%

ROA
4.52%

ROE
26.01%

Liquidity Ratio
30.42%

Capital Adequacy Ratio
21.20%

Credit Rating

Bogd Bank's latest credit rating by Moody's (22 November 2024)

Category	Moody's Rating
BOGD BANK JSC	
Outlook	Stable
Counterparty Risk Rating - Fgn Curr	B2/NP
Counterparty Risk Rating - Dom Curr	B1/NP
Bank Deposits	B2/NP
Baseline Credit Assessment	b2
Adjusted Baseline Credit Assessment	b2
Counterparty Risk Assessment	B1(cr)/NP(cr)

Source: Moody's Ratings

Bogd Bank's Baseline Credit Assessment ('BCA) at B2 puts Bogd Bank's credit rating on par with Mongolia's sovereign credit rating and on par or better than Mongolia's leading banks.

Financial Performance

- **Total Assets**
  MNT 1,1 trln — **USD 311.8 mln**
- **Total Loan Portfolio**
  MNT 577.8 bln — **USD 168.9 mln**
- **NPL Ratio**
  2.23%
- **Total Deposits**
  MNT 581.3 bln — **USD 170.0 mln**
- **Net Profit**
  MNT 40.2 bln — **USD 11.7 mln**
- **Cost to Income ratio**
  31.7 %

THE GLOBAL GOALS


SUSTAINABLE
DEVELOPMENT ESG
ESG
BOGD
BANK
THE GLOBAL GOALS

ESG Strategy, Framework and Governance

Our Approach to Sustainable Transformation

Bogd Bank prioritizes environmentally friendly operations, social responsibility, and transparency. We apply these criteria to the projects we finance and actively support them.

In line with this commitment, we joined Mongolia's Sustainable Finance (ToC) program and became an official member in 2015. Since then, Bogd Bank has continuously integrated sustainable development goals into its daily operations and services.

Under the "Sustainable Finance Policy," the bank adheres to sustainable finance principles in its lending activities and incorporates the Sustainable Development Goals into other banking operations to promote environmental and social responsibility. Within this policy, the bank strives to implement energy efficiency, reduce water and paper consumption, recycle waste, and provide inclusive services ensuring equal participation for all customers.

Additionally, we have enhanced accessibility by installing designated pathways and providing specialized eyewear for customers with special needs at our branches.

Bogd Bank's Commitment to Sustainability

Bogd Bank prioritizes environmentally friendly operations, social responsibility, and transparency. As part of this commitment, the bank became a core member of Mongolia's Sustainable Finance Initiative (ToC) in 2015 and has continuously integrated and improved sustainable development goals in its products, services, and daily operations.

Sustainable Finance Implementation Assessment

Bogd Bank has successfully implemented the 8 principles of the ToC Initiative in its operations. Each year, we submit a ToC implementation report to the ToC Association, which is reviewed and evaluated by the Bank of Mongolia and the International Finance Corporation (IFC).

Mongolian Sustainable Finance Association(MSFA) Events and Training

Bogd Bank actively participated in the following events organized by the MSFA:

"MSFA Networking" Event:

- Representatives from ToC member organizations attended.
- Participants discussed and shared insights on the upcoming year's action plan.
- The event provided networking opportunities among members.
- The Bank's Board Member exchanged views on bank participation and collaboration.

"Sustainable Textile Production & Eco Labeling (STePEcoLab)" Project:

- Funded by the European Union's Switch Asia II Program.
- Conducted research on international green finance sources and presented findings to MSFA member organizations.
- Applied research findings to real-life case studies.

Bogd Bank established a special working group to implement MSFA related activities. To enhance the understanding and expertise of its members in sustainable finance, the working group actively participated in MSFA's online training programs.

THE GLOBAL GOALS

Bogd Bank's Commitment to Sustainability

Green Finance Regional Forum

Bogd Bank actively participated in the Green Finance Regional Forum. This event was held under the auspices of the President of Mongolia as part of the Mongolian Economic Forum 2022 and took place over two days at the State Palace.
During the forum, discussions were held on "Green Development Revival", focusing on key development projects, financing and allocation of the Billion Trees Fund, the role and development of the financial sector—particularly the capital market—in green finance, and opportunities for collaboration.

Mongolian Business Council

On October 14, 2022, Bogd Bank participated in an ESG market knowledge-sharing meeting organized by the Mongolian Business Council.
During the meeting, Mr. Gabor Balazs from Hungary delivered a speech covering key topics related to the current state of ESG in international markets, relevant legislation, and ongoing initiatives led by the International Sustainability Standards Board (ISSB).

Green Bank

Green Financial Products Offered by Our Bank:

Eco car loan

Green Consumer Loan

Loans to Support Woman Entrepreneurs

Loan for Housing Insulation Retrofit

Securing DFI and Impact Financing for SME and Green Loans

Bogd bank successfully secured financing from multiple DFIs and impact leaders, specifically earmarked for SME lending and Green loans

- **USD 15 million** from DFC, put towards women led businesses and green sector. (Dec 2022)
- **USD 8 million** from DGGF, to support women-led SMEs. (Dec 2023)
- Total of **USD 17 million** from EMF for the support of the SMEs.
- **USD 15 million** from ADB to support MSMEs and green lending.
- **USD 5 million** from GGSF for the support of women-led SMEs. (Aug 2024)
- Established **USD 20 million** facility agreement with FMO for the support of agriculture, youth, women SMEs and green projects. (Dec 2024)

Triple Jump GGSF ADB DFC FMO

These funds are being utilized to support SMEs and will further strengthen Bogd Bank's efforts to foster the development of the SME and women-led business sectors.

IFC Perfomance Standards

IFC International Finance Corporation WORLD BANK GROUP

Asian Development Bank Safeguard Policy Statement:

ADB

ENVIRONMENT

- Green Environment / Billion Tree National Movement
- Carbon Footprint
- Green Office
- Green Consumption
- Resource Conservation

Environment

Under our bank's Environmental, Social, and Governance (ESG) initiatives, our **environmental financing** includes **Green Consumer Loans** and **Eco Car Loans,** supporting sustainable choices for individuals. Through these products, we aim to reduce environmental impact, promote eco-friendly consumption, and contribute to a greener future.

Bogd Bank prioritizes green financing, resource efficiency, and eco-friendly operations. We support renewable energy, sustainable businesses, and waste reduction while promoting energy conservation and digital transformation.

Environment

GREEN ENVIRONMENT / BILLION TREE NATIONAL MOVEMENT

Member organizations of the Bankers' Association have united to establish the "Billion Tree National Movement Support Fund, with the aim of raising 2 billion MNT annually from member organizations to contribute to the fund.

"Billions Trees" Foundation project:

- In 2022, 2,000 trees were planted at Bumbatin spring in the 24th khoroo of Songinokhairkhan district.
- On May 19, 2022, the trees were visited again for watering, maintenance, and restoration efforts. The planted trees are growing with 100% success.
- On May 27, 2022, 700 spruce saplings were planted on Bogd Khan Mountain.
- On October 19, 2022, 140 willows, 40 larches, 1 juniper, and 1 spruce tree were planted in the Ikh Dendii area of Gachuurt.
- On May 18, 2023, out of over 200 projects, 34 projects were selected, and more than 105,000 trees were planted and grown on 37 hectares of land. Additionally, 20,000 m² of green space was created.
- By implementing 3 new technologies and innovative solutions, over 18,000 children were provided with the opportunity to learn and grow in a green environment.
- Bogd Bank, Bodhi Insurance, and Bodhi Tower cooperated to plant 1,000 willow saplings in the Ikh Dendii area of Gachuurt.
- At Kindergarten 112, 700 trees were planted, 300 m² of lawn, 50 m² of flowerbeds, and a 4x3 m² greenhouse were established.
- On May 12, 2023, over 1,000 trees were planted at the Gachuurt International Eco Park.
- In the spring of 2024, over 1,000 conifer trees were planted, and in the fall, 6,000 deciduous and coniferous trees were planted, with an additional 1,000 coniferous trees.

Total trees planted:
Over 15.000 trees

Environment

GREEN ENVIRONMENT / BILLION TREE NATIONAL MOVEMENT

Landscaping and Educational Projects:

- In May 2023, 700 trees were planted at Kindergarten 112, along with 300 m² of lawn, 50 m² of flowerbeds, and a 4x3 m² greenhouse.
- This project was implemented in cooperation with the Mongolian Bankers Association and commercial banks.
- In collaboration with the Environmental Education Center of the National University of Mongolia, new educational programs were developed and an "Eco Corner" was introduced for ecological education.

Support and Development of Green Jobs:

- The project created over 70 new green jobs, contributing significantly to ecological education and sustainable development.

Regular Tree Planting and Maintenance Efforts:

The banking and financial sector representatives have set a goal to plant 50 million trees by 2030. Regular tree planting and maintenance, including watering and care, are carried out annually.

Environmentally Friendly New Ideas:

To reduce urban traffic congestion, smart and eco-friendly solutions are being supported, such as the "Tapa" eco-transport service that rents bicycles and scooters. Customers who recharge their wallets using the Bogd Bank app can receive a 50% refund on rental fees.

Environment

WHAT IS CARBON FOOTPRINT?

The carbon footprint is a measure of the amount of carbon dioxide emitted due to the activities of an organization, expressed in tons. It helps determine the environmental impact and how eco-friendly a production process is. In the last year, Bogd Bank has emitted 191.63 tons of carbon, and it is working hard to reduce this number.
Bogd Bank has introduced electric vehicles into its operations with the goal of reducing greenhouse gas emissions.

The bank also sponsored the "Update Festival 2023," which was the first event to emit 176 times less carbon dioxide than the global average. This event brought together 15,000 young people.

Environment

GREEN OFFICE

- As part of its sustainable development policy, Bogd Bank has launched a "Green Office" initiative. It regularly provides information to employees and customers on how to save paper, energy, and water. The aim is to introduce green consumption into everyday operations and increase responsible consumption.
- The bank works to develop a green purchasing system, purchasing products that are recyclable or made from recycled materials. They return used printer cartridges to suppliers and use recycled ink.
- The bank has organized disaster safety training for all employees and participated in drills organized by the General Emergency Department. The goal is to ensure employee safety and teach necessary actions in case of an emergency.

GREEN CONSUMPTION

- Bogd Bank places great importance on green consumption and has been implementing various activities, including:
- Purchasing office supplies made from recycled paper.
- Transitioning to digital systems for official documents to reduce paper usage.
- Reducing waste by handing used printer cartridges to "Elite Supply" LLC and trialing a new ink.
- Providing instructions on saving electricity and water by disconnecting office appliances.
- Providing eco-friendly gift bags made from eco-bags during the "Wish Fulfilled" campaign for Children's Day 2022.

Environment

RESOURCE CONSERVATION

- To reduce paper usage, product and service brochures are prepared electronically and shared through QR codes, promoting a resource-saving approach.
- The introduction of Meta Bank, a new electronic sector, offers savings in both banking operations and time for customers.
- In collaboration with the Ministry of Digital Development, Customs, Taxes, and Financial Information Technology Center, National Data Center, Mongol Bank, and E-Mongolia Academy, an online reference system (Lavlagaa.emongolia.mn) has been developed to provide 69 types of references electronically, reducing paper usage.
- New gift initiatives for customers include reusable calendars to further reduce paper usage.

- The "Online Customer Registration" service was introduced for the first time in the banking sector, eliminating the need for paper documents.
- Efforts to reduce energy consumption, heat, and water are continuously being shared with the public.
- In cooperation with the TsoilogsoZ youth group, a waste management training session was conducted by the "Colorful" organization.
- The bank collaborates with a hazardous waste recycling facility to recycle 11 used batteries, making a significant contribution to environmental protection.

SOCIAL

- Focusing on SMEs
- Supporting Women-led Businesses
- Financial Education
- Employee Well-being
- Digital Innovation/ Transformation
- Corporate Social Responsibility

Social

Bogd bank is committed to driving positive social impact through ESG initiatives by supporting SME finance, empowering women, eco-green financing, rural development, and digitalization. We provide accessible financial solutions for small businesses, promote women's financial inclusion, facilitate sustainable investments, expand services to rural areas, and enhance digital banking to improve accessibility and inclusion.

Impact Focus Area

- With 32% of its loan portfolio being SMEs, Bogd Bank strives to support local businesses in varipus industries.
- We further make it our mission to target SMEs as we continue to grow.

- As an advocate of sustainability, Bogd Bank will continue to finance impactful green projects with impact.
- Bogd Bank does not work with clients involved in industries that cause environmental damages, such as mining

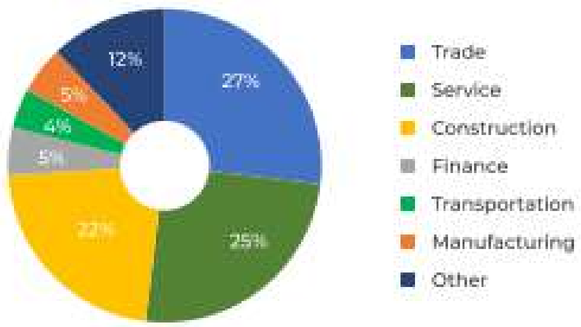
- 48% of Bogd Bank's SME clients are women-led businesses.
- Bogd bank will continue to support women-led businesses to promote equitable growth.
- About to 65% of Bogd Bank employees are women.

- Bogd Bank aims to expand its services to rural areas to support agriculture businesses.
- The Bank will achieve this through its expansion plan into all 21 provinces of Mongolia and now we have 2 branches in Darkhan provinces and erdenet province

Social

Focusing on SMEs

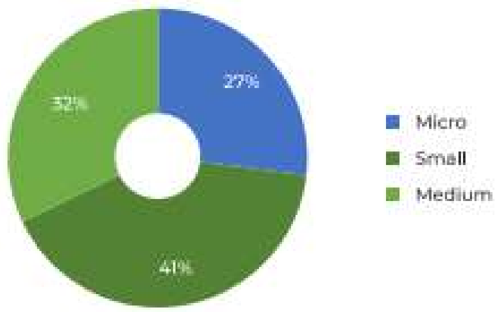
SME LOAN BY SECTOR (2024Q4)



as of December 31, 2024

- The Trade, Service, and Finance industries constitute over 74% of the total SME loan portfolio.

MICRO, SMALL AND MEDIUM LOANS (2024Q4)



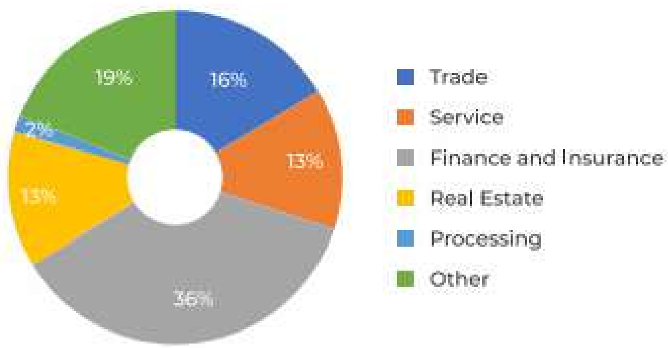
as of December 31, 2024

- Micro loans account for 27% (MNT 51.1 billion), small loans make up 41% (MNT 77.2 billion), and medium loans represent 32% (MNT 59.2 billion) of the SME loan portfolio.

Supporting Women-led Businesses

Bogd Bank is committed to support women-led businesses and women entrepreneurs through its strategic lending initiatives.

WOMEN-LED BUSINESSES BY SECTOR(2024Q4)



as of December 31, 2024

- Bogd Bank aims to increase lending to women and women-led businesses, targeting 70% and 50% of total disbursements.

as of December 31, 2024

46% of Bogd Bank's borrowers are women

48% of Bogd Bank's SME borrowers are women-led business

- The bank promotes economic growth by supporting household production and helping women turn home businesses into SMEs.
- It provides entrepreneurship training to foster new businesses and long-term client relationships.
- Bogd Bank has partnered with the Credit Guarantee Fund of Mongolia to support SME expansion through financial guarantees.

Social

Supporting Women-led Businesses

Bogd Bank has shared the best examples of women entrepreneurs who received financing through our bank's loans as part of our public information initiative. We highlight success stories such as Dental Plus, a women-led business transforming the dental industry, and Express Laundry, which has revolutionized the laundry service sector. Through our support, both businesses were able to expand and thrive. Their journeys are showcased on our website and YouTube channel, where we feature videos that highlight their growth and how our financing contributed to their success, inspiring other women entrepreneurs along the way.

EXPRESS LAUNDRY

Bogd Bank offers flexible working hours and paid leave to employees with young children, ensuring a healthy work-life balance for parents. This support helps them manage both their professional responsibilities and family commitments more effectively. In addition, the company implements a policy that allows pregnant employees to work remotely, providing them with the flexibility to maintain their productivity while prioritizing their health and well-being. These initiatives reflect our commitment to fostering an inclusive and supportive work environment for all employees.

Social

Supporting Women-led Businesses

In September 2024, Bogd Bank JSC, in partnership with the Agency for Small and Medium-sized Enterprises, organized an initiative to empower women entrepreneurs by expanding their business opportunities, strengthening competitiveness and productivity, and enhancing access to financial resources. The event featured the introduction of a tailored loan product designed to meet the unique needs of these businesses, along with expert consultations and comprehensive financial guidance. Held at Bogd Tower, the event brought together over 80 participants, fostering valuable discussions and support for women-led enterprises.

Social

Financial Education

Bogd Bank has been actively participating in the World Savings Day campaign since 2021. In 2024, we ranked 3rd among all commercial banks in Mongolia based on our activities within this campaign.
As part of this initiative, Bogd Bank places great emphasis on enhancing financial literacy among the public. We actively support children, young students, and youth in developing a habit of saving by organizing various activities, promotional campaigns, and incentive programs.

Summary of In-Person Events Held

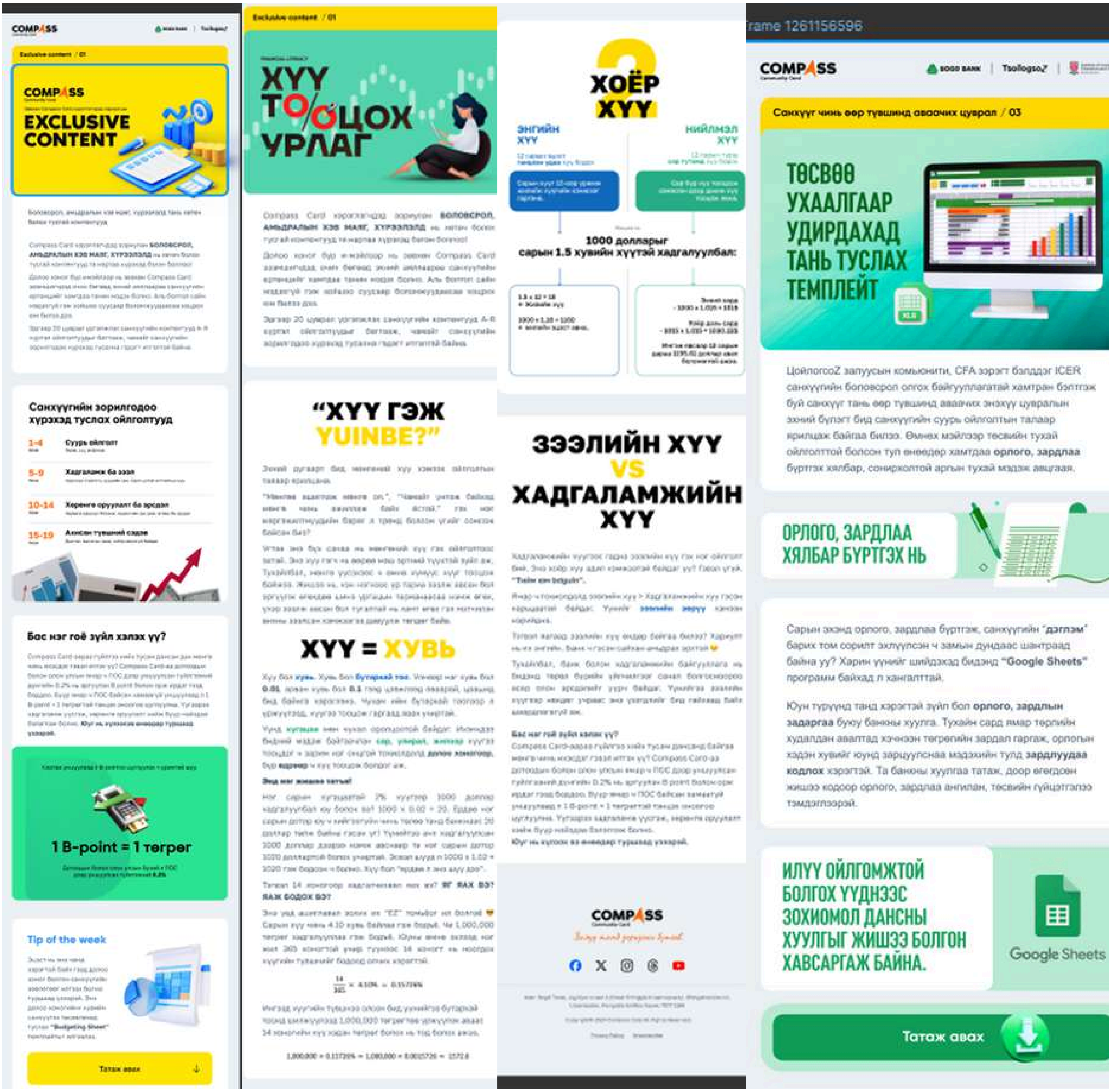
- Participated in an event organized for students of the Business School of MUST by setting up a booth.
- Hosted the **"Smart Budgeting"** event on personal budgeting, where around 100 young people, experts, and professionals shared their experiences.
- Organized the **"Investment 101"** event to provide fundamental financial education, attended by 300 young participants.
- Held the **"Financial Well-Being"** event to promote financial health, engaging 250 young people.
- Hosted the **"Coffee & Wine Tasting"** event aimed at introducing youth to culture and arts, attended by 50 young participants in a closed setting.
- Organized the **"Quiz Night"** event for youth interested in knowledge, information, and intellectual challenges, with 70 participants.
- Conducted the **"Unlocking Adventure"** event, introducing young people to travel culture and sharing experiences, with 200 attendees.
- Held the **"Olympic Watch Party"** event to support and cheer for Mongolian athletes competing in the Olympics, attended by 100 young participants.
- Organized the **"Last Summer Day"** event for high school students and young professionals to promote a healthier and more productive lifestyle while managing time efficiently, attended by 70 participants.
- Hosted the **"Youth Conference | To The World"** to encourage young people to take international-level initiatives, explore participation in the "Paris 2024" Olympic Games, and promote Mongolian athletes and cultural heritage, attended by 2,000 young participants.
- Conducted the **"Update 2024"** event, where young people analyzed social issues and discussed ways to bring positive change, attended by 600 participants.

Social

Financial Education

Summary of In-Person Events Held

In 2024, we regularly delivered financial literacy articles via email to over 4,000 clients (young individuals) of Bogd Bank.



Social

Financial Education

Summary of In-Person Events Held

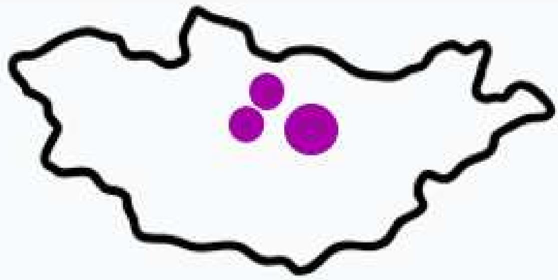
Bogd Bank successfully participated in the closing event of the "World Savings Day 2024" campaign held in Erdenet city, providing children with information on financial products and services.

Social

Financial Education

New Initiatives / Trainings and Seminars Conducted Within the Campaign

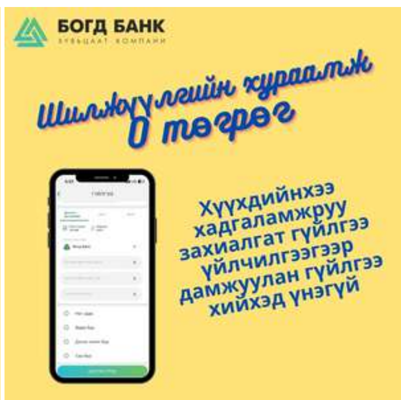
In 2023, Bogd Bank gifted "ITGEL" children's savings vouchers worth 100,000 MNT to a total of 22,000 children, including newborns at state maternity hospitals in Ulaanbaatar, Erdenet, and Darkhan, as well as students from general education schools.



22,000

Gifted a 100,000 MNT savings voucher to encourage children to start saving.

Bogd Bank has launched a Children's Banking Package to enhance financial services tailored to young customers.



Social

Financial Education

New Initiatives / Trainings and Seminars Conducted Within the Campaign

Bogd Bank launched a promotional campaign encouraging parents to deposit the MNT 100,000 child allowance provided by the Mongolian government into their children's savings accounts. The campaign, titled "Deposit Your Child Allowance and Receive a Cashback Reward," aimed to promote financial literacy and savings habits among children.

Results Achieved

Total number of participants in the promotion:

343

Increase in the number of customers depositing their child allowance: 55%

Social

Financial Education

New Initiatives / Trainings and Seminars Conducted Within the Campaign

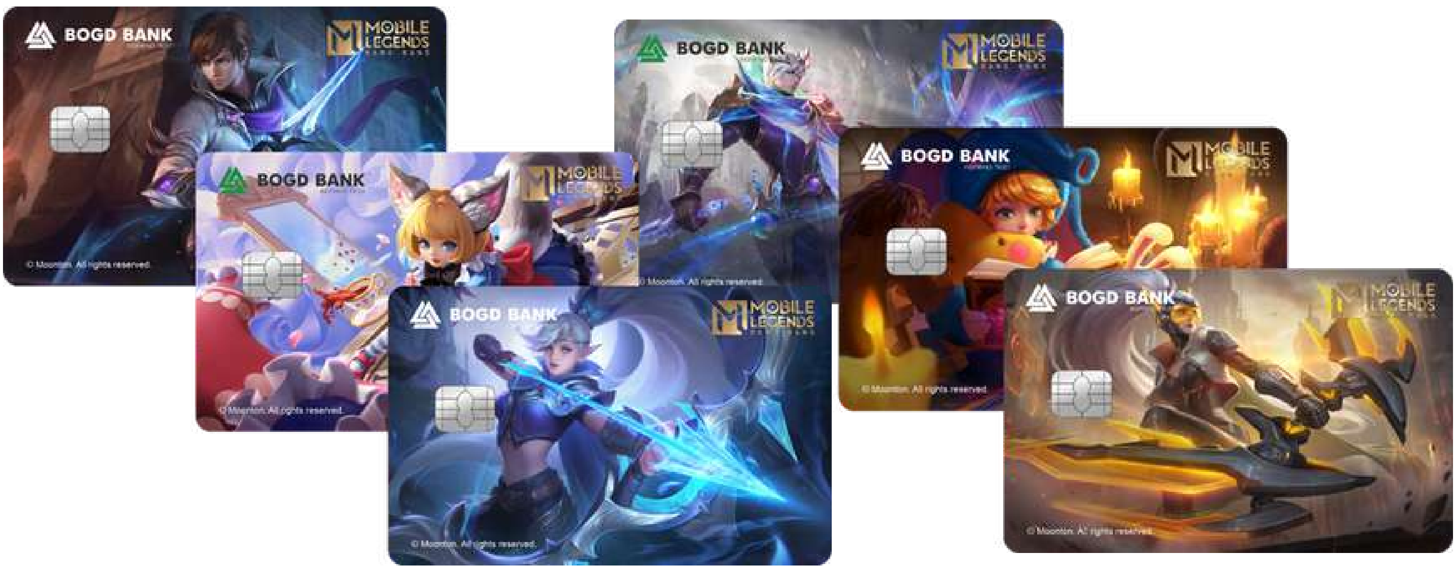
To support children's future savings, every child who deposited into their savings account received a voucher for a play center as a gift.

Total number of play center vouchers distributed:

500

Bogd Bank is committed to promoting savings and responsible financial habits through engaging initiatives tailored to children's interests.

- In 2024, we successfully signed a partnership agreement with Mobile Legends.
- As part of this collaboration, we are introducing a special edition payment card exclusively for children with savings accounts, featuring a unique design not available to the public, further encouraging savings habits.



Social

Financial Education

New Initiatives / Trainings and Seminars Conducted Within the Campaign

Bogd Bank's B Point loyalty rewards are granted to customers as a bonus for using the bank's services. In 2022, to further encourage saving habits, we introduced the option for customers to convert their B Point rewards into Fixed Deposit contributions, allowing them to grow their savings while benefiting from their accumulated loyalty points.

To support the goal of helping every child in Mongolia develop savings, 100,000 MNT "ITGEL" children's savings vouchers were gifted to newborns at seven maternity hospitals in Mongolia, including those in Ulaanbaatar, Erdenet, and Darkhan.

Social

Financial Education

New Initiatives / Trainings and Seminars Conducted Within the Campaign

As part of our “New Initiatives”, we gifted 100,000 MNT “ITGEL” children's savings vouchers to students from 32 general education schools and children from 10 kindergartens. Additionally, Bogd Bank's Relationship Managers organized trainings on the importance of saving for students, reinforcing financial awareness and encouraging a saving culture from an early age.

In Ulaanbaatar Hot

In Erdenet Hot / in Darkhan Hot

Social

Financial Education

Promotional Campaigns

In 2023, we organized three types of promotional fixed-term deposit campaigns to encourage savings.

1. **Long-Term Campaign**

- A year-long promotional campaign.
- Customers received one reward entry for every MNT 100,000 deposited in a newly opened or renewed fixed-term deposit.
- Rewards included a Savings Passbook and a Travel Voucher.

2. **One-Month Campaign**

- Customers who opened or renewed a fixed-term deposit received one event ticket for every MNT 50,000 deposited.

3. **One-Day Event**

- A Q&A competition was held, where participants were rewarded with a Savings Passbook.

Our bank also successfully organized the "Sharing Memories" Savings Promotion, a year-long campaign encouraging customers to save by awarding one reward entry for every MNT 100,000 deposited in a newly opened or renewed fixed-term deposit, with selected participants winning Savings Passbooks, Travel Vouchers, and other major prizes.

Social

Employee Well-being

Our company places a strong emphasis on enhancing employee comfort, well-being, and overall job satisfaction by implementing a variety of initiatives designed to support work-life balance, promote relaxation, and encourage a healthy lifestyle. We believe that a positive and comfortable work environment leads to increased productivity, motivation, and overall happiness among our employees. To achieve this, we have introduced several programs and facilities aimed at ensuring our team members feel valued, supported, and empowered both inside and outside the workplace.

"Boss Day Off"

Once a year, employees are granted a fully paid leave day, allowing them to take time off without using their regular vacation days. This initiative promotes work-life balance and gives employees a well-deserved break.

Comfortable Office Spaces

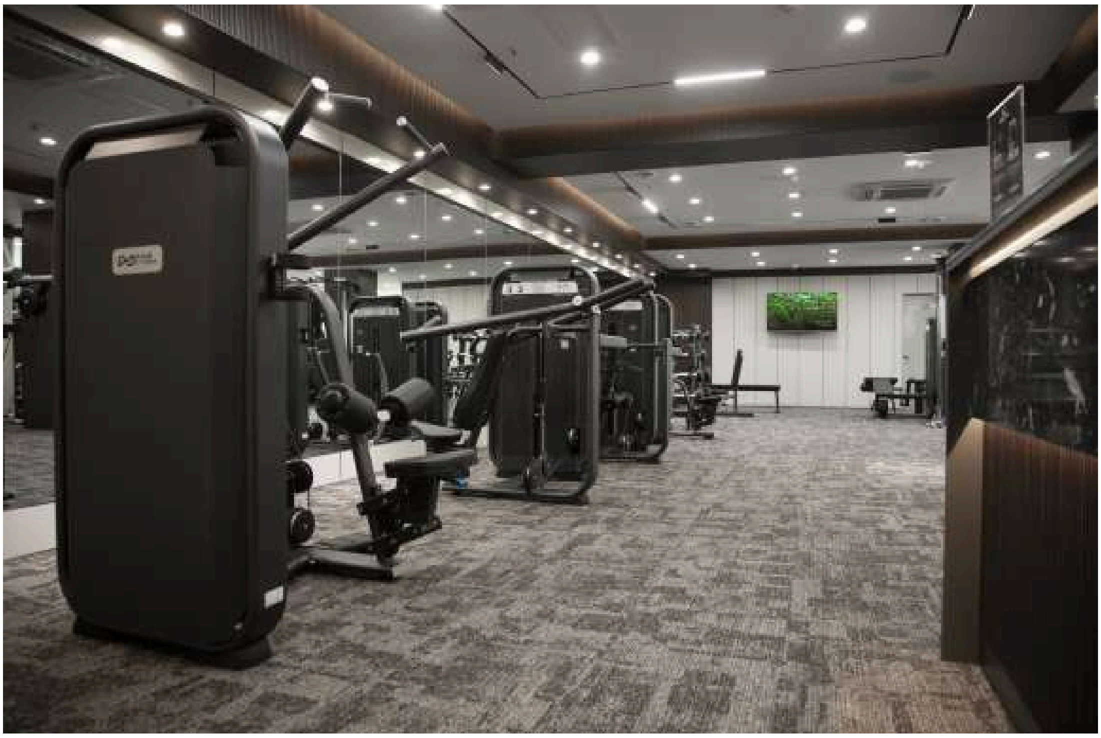
To enhance the comfort and overall workplace experience of our employees, our office is designed with well-maintained, clean, and fully equipped facilities. We have a cozy and hygienic kitchen area where employees can prepare or enjoy their meals in a pleasant setting. Additionally, we offer a dedicated relaxation room where employees can unwind and recharge. This space is thoughtfully designed to include various recreational activities such as board games, reading materials, and comfortable seating areas for relaxation or casual conversations with colleagues.
Additionally, we have equipped meeting rooms of various sizes to facilitate training sessions, seminars, and team discussions, creating a productive and collaborative workspace.

Social

Employee Well-being

Employee Gym

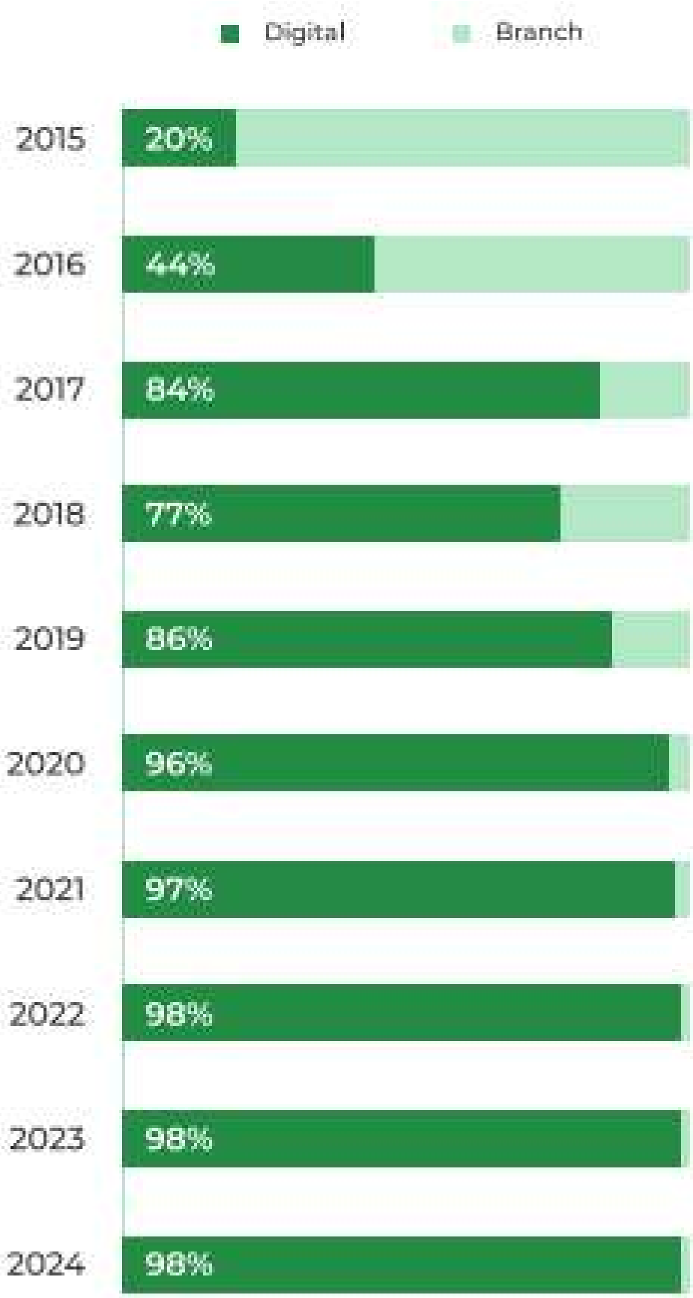
In 2023, we opened a fully equipped gym exclusively for our employees, featuring brand-new workout equipment. To further support employee health and fitness, we also offer access to personal trainers at a special discounted rate, making it easier for employees to maintain a healthy lifestyle while balancing their professional responsibilities.



Social

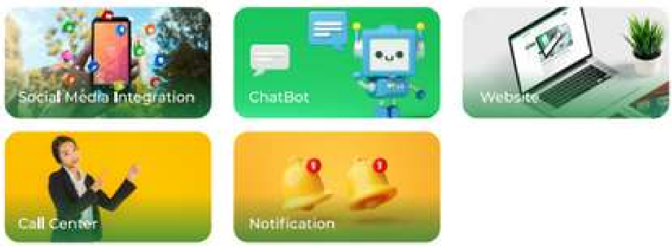
Client Engagement and Digital Channels

Increasing Digital Transactions:



Continually Expanding Digital Capabilities

Omni Channels



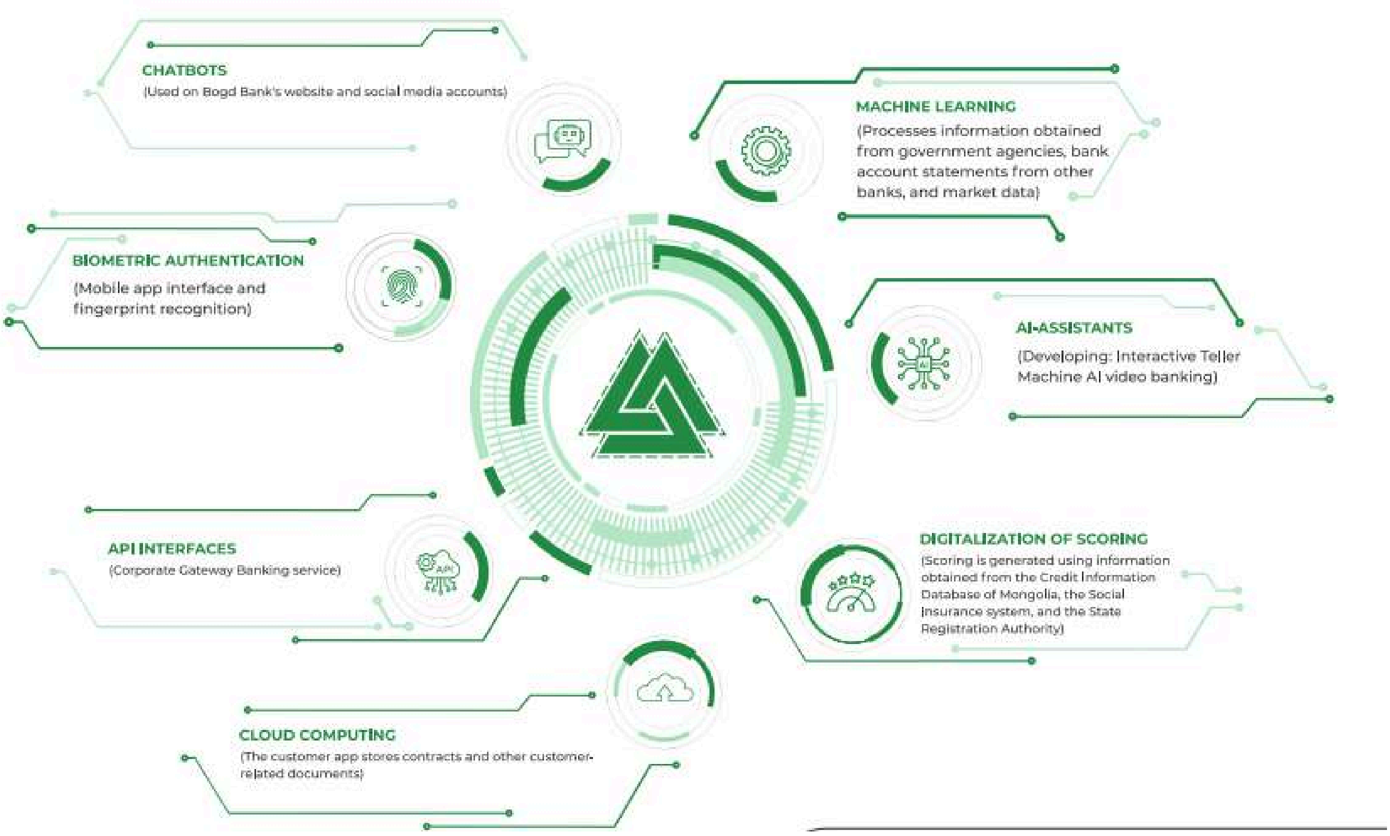
META (Virtual Bank Branch):

THE GLOBAL GOALS

Social

Digital Innovation

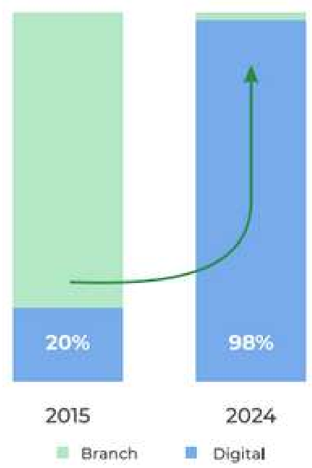
In 2017, Bogd Bank became the first bank in Mongolia to register customers remotely online.



Digital Transformation

Fintech solutions are an integral part of Bogd Bank's DNA, allowing it to differentiate itself from its competitors and achieve raoid growth.

Increasing Digital Transactions



THE GLOBAL GOALS

Digital Product

Quick loan process

Other loan products utilizing digitalized scoring:

- Online POS Loan
- Salary Loan
- Deposit secured loan

Key Advantages

- 24/7 accessibility
- Reduces operational costs, enabling lower fees
- Highest deposit interest rates and variety of deposit products
- Access to all bank products through the app

Social

Digital Transformation

AI (Artificial Intelligence

Bogd Bank is developing a virtual assistant (AI customer service agent) to enhance its operations

Payment Methods

Bogd Bank has introduced Q pay, Bogd Wallet and international remittance services through its app.

Personalization

Bogd Bank's customer can personalize the app by changing themes, setting transaction limits, managing menu items and more.

Green Finance

Bogd Bank has uploaded customer agreements to the app via a cloud system to save resources.

Digital Privacy Policy

Our services are based on the trust of our customers, and we securely store our customer's personal information in the digital environment. This Digital Privacy Policy explains what information we collect from you when you use our digital services, including Bogd Bank's websites and mobile applications, how we collect it, who we share it with, how we use it, and how we protect it.

Security

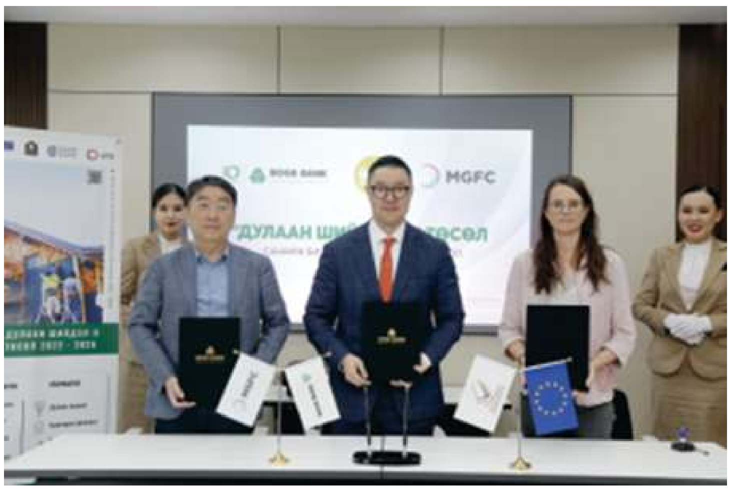
- Bogd Bank is committed to maintaining the confidentiality of our customer's personal information in the digital environment and will not disclose it except as required by law, as mandated by the relevant laws and regulations of Mongolia.
- To protect the privacy of our customers, Bogd Bank continuously updates and implements an international information security system in our digital operations.
- When working with external service providers, Bogd Bank makes it a top priority to ensure that all Information Security standards are followed according to international security guidelines in our digital activities. Regardless of where customer information is transmitted, we take all necessary measures to ensure the security of personal and confidential information.

Social

Corporate Social Responsibility

Bogd Bank participated in the Gender Champion Organization Selection, an initiative co-hosted by the Sustainable Finance Association, the Bank of Mongolia, and the Financial Regulatory Commission. This participation reflects the bank's commitment to environmental, social, and corporate governance (ESG) principles, as well as its dedication to gender equality. For the first time, the bank has incorporated a comprehensive Gender Equality Policy into its sustainability framework. Bogd Bank operates under national, industry-wide, and international sustainability principles, ensuring that its financial services promote long-term economic and social development.

As part of its sustainable financing efforts, Bogd Bank signed an MoU on March 27, 2024, with the Mongolian Green Finance Corporation and GERES International NGO to launch the "Dulaalga (Insulation) Solution 2" project. This initiative provides targeted financial products to support energy-efficient insulation solutions. By increasing access to insulation financing, Bogd Bank is actively reducing greenhouse gas emissions and contributing to climate change mitigation while enhancing the affordability and availability of eco-friendly housing solutions.



Social

Corporate Social Responsibility

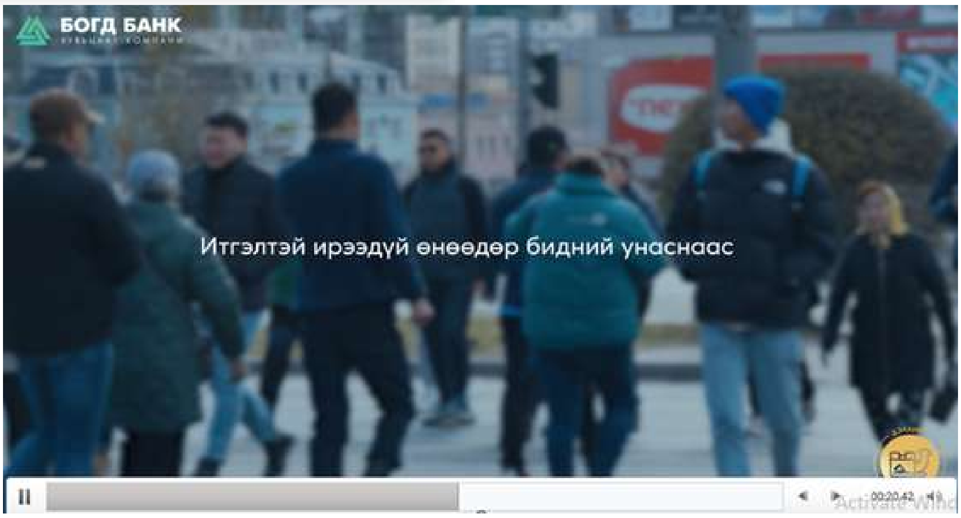
In 2023, Bogd Bank actively incorporated the World Savings Day logo into its marketing activities, continuously raising awareness among the public about the importance of saving and the benefits of deposit products.

As part of our corporate social responsibility (CSR) initiatives, Bogd Bank actively incorporated the World Savings Day logo into our marketing efforts. Through informational posters shared with the public, we aimed to raise awareness about the importance of savings and financial stability, reinforcing our commitment to promoting financial literacy and responsible money management within the community.

Social

Corporate Social Responsibility

As part of our World Savings Day 2024 campaign, we produced and widely shared purpose-driven video content to educate and encourage our customers on the value of saving with intention. This initiative reflects our corporate social responsibility (CSR) commitment to promoting financial literacy and long-term financial well-being within the community



GOVERNANCE

- Bogd Bank's Environmental and Social Responsibility Policy
- Corporate Governance
- Transparency
- Leadership & Initiatives
- Information Security and Privacy

Governance

Bogd Bank upholds transparency, ethical banking, and responsible governance. We enhance financial disclosure, integrate ESG into operations, and support SMEs. Through digitalization and sustainable finance, we drive innovation, inclusivity, and long-term economic growth.

Board of Directors

BOLDKHUYAG L.
Chairman of the Board of Directors

- Co-founder of Bodi Corporation with over 25-years of experience in the Mongolian financial market
- Served as board member and Chairman of one of the largest commercial bank in Mongolia
- Honorary consul to the Kingdom of Sweden

Saruul G.
Board Member/Chief Executive Officer

Narantuya J.
Independent Board Member

Jan Thortsten Duser
Board Member

Bayasgalan R.
Board Member

Molomjamts D.
Board Member

Moyes Thomas Roger
Independent Board Member

Oigonjargal B.
Board Member

Byambajav E.
Independent Board Member

Experienced Management Team

Saruul G.
Board Member/Chief Executive Officer
- Over 20 years experience in the financial sector
- Served as Deputy CEO of the Mongolian Stock Exchange
- Served as Head of Asia, Russia and CIS at APM Futures and Rosenthal Collins Group
- Served as a Senior Banker at Mobium Mortgage Group

Altanbagana M.
Chief Business Banking Officer

Bat-Ulzii M.
Chief Financial Officer

Bilegt B.
Chief Corporate Banking Officer

Altanzurkh M.
Chief Information Technology Officer

Banchin Ch.
Chief Business Development Officer

Gan-Erdene E.
Chief Treasury and Investment Officer

Ulambayar Batbold
Chief Operating Officer

Tsetsegdelger E.
Head of Risk Divisions

Bogd Bank's ESG Policy

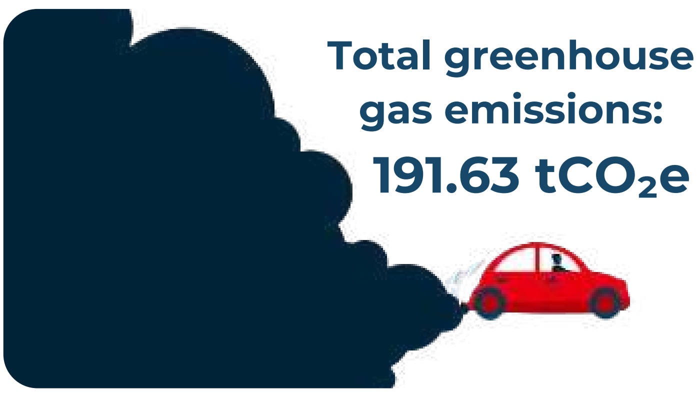
Bogd Bank's Environmental, Social Responsibility, and Gender Equality Policy was approved in 2022 to establish principles, guidelines, and the roles and responsibilities of the Bank's management, employees, and clients. The primary objective of this policy is to promote environmental and social responsibility by supporting individuals and businesses engaged in sustainable projects, products, and services. Through this commitment, the Bank aims to contribute to Mongolia's diversified economic development and foster sustainable financing practices.

Additionally, the policy regulates the management of environmental, social, and gender-related risks that may affect the Bank's operations and its clients. It serves as a fundamental document outlining the Bank's ESG principles, governance framework, and risk management mechanisms. Under this policy, the Environmental, Social Risk Evaluation, and Management Procedure was approved and most recently updated in 2024.

Governance

Transparency

Bogd Bank discloses its annual and semi-annual financial and operational reports in accordance with the Banking Law and the Securities Market Law. Since 2022, we have included sustainability-related financial activities in our reports, ensuring transparency.



In line with our goal to reduce greenhouse gas emissions, Bogd Bank has introduced electric vehicles into its operations. As of Q4 2024, the Bank emitted 7.6 tCO_2e under Scope 1 and 184.04 tCO_2e under Scope 2. These emissions were measured in accordance with the PCAF (Partnership for Carbon Accounting Financials).

Governance

Leadership & Initiatives

Bogd Bank has been a core member of the Mongolian Sustainable Finance Association since 2015, continuously integrating sustainability into its products and operations. Our commitment extends internally, promoting employee well-being through workplace nutrition and healthy lifestyle programs.

In Q3 2024, we supported small and medium enterprises (SMEs) by hosting a training session on financial accessibility, business growth, and competitive development. The event, held on September 13 at Bogd Tower, was attended by over 50 entrepreneurs and representatives from key organizations, including USAID's BEST program. Topics covered included working capital loans, investment financing, and support for women entrepreneurs.

BOGD BANK

ESG Framework
2022 - 2024