

Letter on Compliance with the Legislation of the Kyrgyz Republic in the Area of Anti-Corruption and Conflict of Interest Management

Closed Joint Stock Company "Commercial Bank KSB" (hereinafter referred to as the "Bank") has implemented a comprehensive compliance control system aimed at ensuring compliance with the legislation of the Kyrgyz Republic in the areas of anti-corruption and conflict of interest management, including the following Laws of the Kyrgyz Republic:

- "On Combating Corruption" dated August 8, 2012 No. 153;
- "On Banks and Banking Activities" dated August 11, 2022 No. 93;
- as well as the Bank's internal regulatory documents, including:
- the "Anti-Corruption Policy";
- the "Conflict of Interest Management Policy".

The Bank has a compliance control unit that oversees compliance with anti-corruption requirements and conflict of interest management procedures, including monitoring, risk assessment, investigation of violations, and ensuring accountability.

The Bank adheres to a zero-tolerance principle toward corruption, which means the categorical prohibition of any forms of corrupt practices, bribery, extortion, or abuse of official position. All employees, members of the governing bodies, and shareholders of the Bank are required to act in good faith, honestly, and exclusively in the interests of the Bank and its clients, strictly complying with the legislation of the Kyrgyz Republic, the Bank's internal regulatory documents, as well as generally recognized principles and norms of international law.

Within the framework of the zero-tolerance principle, the Bank implements the following measures:

- continuous monitoring and control of compliance with legislation and internal regulatory documents in the field of anti-corruption.
- identification, prevention, and mitigation of corruption risks and conflicts of interest;
- mandatory reporting to management and control units of any cases or attempts of corrupt practices;
- establishment of transparent rules regarding the acceptance of gifts, hospitality, and other benefits, including limitations on their value and mandatory recording in accounting and control documentation;
- regular training of employees on anti-corruption and conflict of interest management issues.

The Bank actively identifies, prevents, and manages situations in which the personal interests of employees, members of governing bodies, shareholders, or counterparties may conflict with the interests of the Bank or its clients. The key principles of conflict of interest management, as set forth in the Bank's internal documents and in compliance with the legislation of the Kyrgyz Republic, include:

- Priority of the Bank's and clients' interests – all decisions are made exclusively in the interests of the Bank and its clients;
- Objectivity and independence – employees refrain from participating in decision-making where a personal interest exists;

- Transparency and accountability – all identified conflicts of interest are documented and reviewed by management or collegial bodies;
- Equality and fairness – decisions are made based on uniform standards and procedures applicable to all parties;
- Personal responsibility – each employee and manager is responsible for identifying and managing conflicts of interest;
- Training and control – employees undergo regular training on conflict of interest matters, and compliance with the rules is monitored by independent units.

The Bank also requires its external partners and counterparties to disclose potential conflicts of interest, adhere to the principles of good faith cooperation, and comply with corporate ethics standards. Any violation of anti-corruption rules or conflict of interest management principles is considered a disciplinary offense and may result in liability up to and including termination of employment or termination of contractual relationships.

The Bank is committed to the principles of legality, transparency, fairness, and corporate ethics, ensuring the trust of clients, partners, and society as a whole. The Bank's activities are carried out in strict compliance with the legislation of the Kyrgyz Republic and international standards of corporate governance.

Sincerely,

Chairman of the Board



Chervonova K.V.