



Sustainability Report

2024



Banking with Purpose:
Powering Inclusive, Green and Digital Transformation

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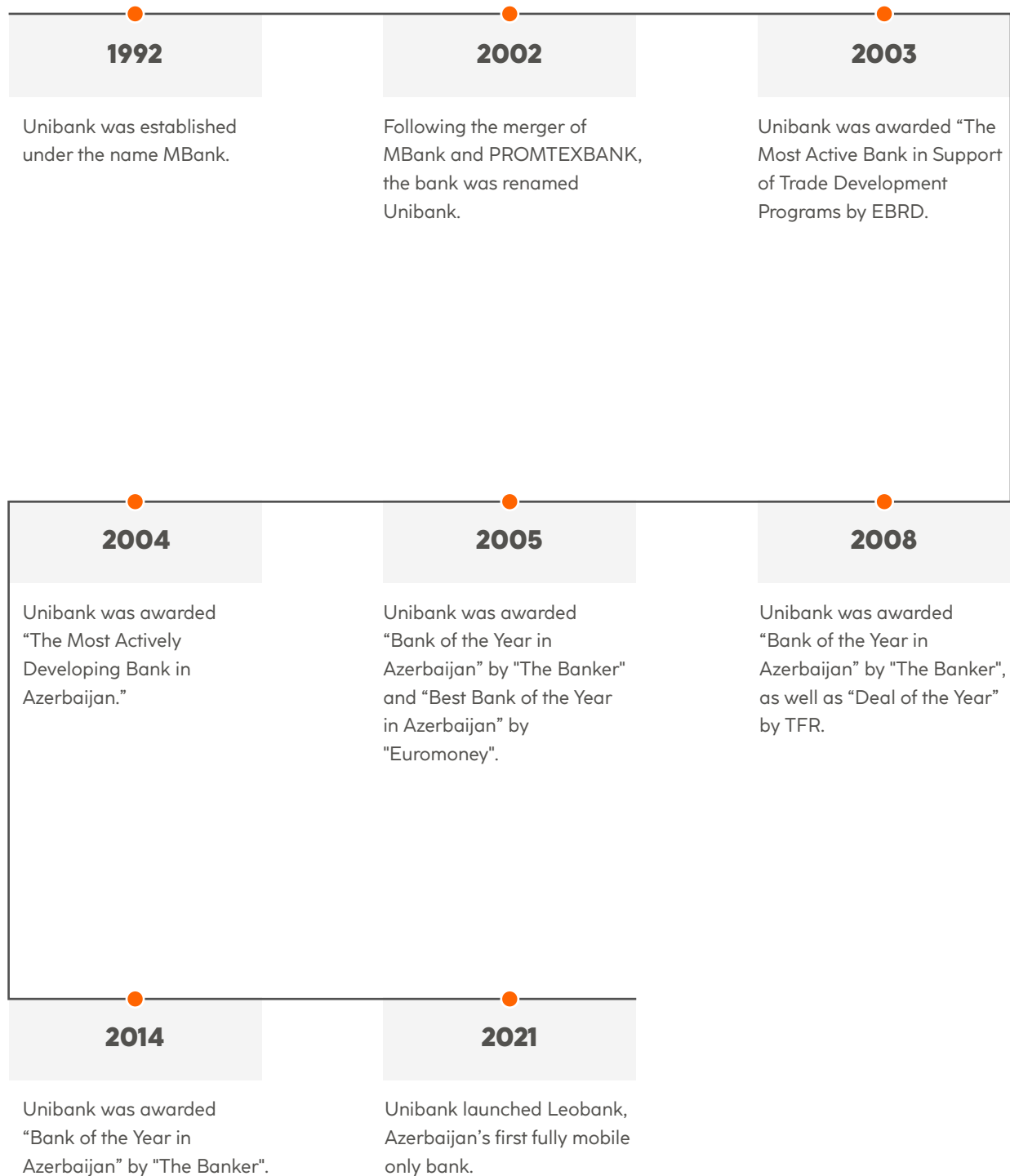
Executive summary

2024 marked a transformative year for Unibank in our journey toward becoming a responsible and future-ready financial institution. With increasing global and national momentum around climate resilience, inclusive development, and digital innovation, Unibank stepped up as a key contributor to Azerbaijan’s sustainable future. This inaugural Sustainability Report reflects our commitment to transparency, accountability, and stakeholder impact.

We advanced our sustainability agenda across several dimensions: from issuing the country's first green bonds to expanding SME and microfinance lending, from enhancing gender inclusion to embedding ESG governance at all levels of the Bank.

2024 Sustainability Highlights		
Area		Key Achievements
	Green Finance	<ul style="list-style-type: none">• Issued Azerbaijan’s first green bond (AZN 20 million), certified by AIFC GFC
	Financial Inclusion	<ul style="list-style-type: none">• 63% increase in SME lending• 30% of microloans disbursed to women
	ESG Integration	<ul style="list-style-type: none">• Established sustainability committees at Board and Management levels• Launched SFF framework
	Business Growth	<ul style="list-style-type: none">• AZN 107 million loan growth• 40% of portfolio dedicated to business loans
	Human Capital	<ul style="list-style-type: none">• >2,000 employees• 60% participated in training; 60 staff trained on ESG topics
	Governance & Risk	<ul style="list-style-type: none">• Fully operational three lines of defense• Strengthened ESG-related oversight
	Digital Innovation	<ul style="list-style-type: none">• Digital banking usage grew 19.3%• Leobank expanded neobank ecosystem
	Community Investment	<ul style="list-style-type: none">• Continued support for martyr families• 500 trees planted• Reached 800+ children with social programs
	Diversity & Inclusion	<ul style="list-style-type: none">• 39% of workforce are women• >1% are employees with disabilities

Bank at a glance



Letter from the Chairman of the Supervisory Board,



Eldar Garibov

Chairman of the Supervisory Board

Dear valued partners, colleagues and clients,

We are witnessing a time of profound global transformation. The world economy is navigating persistent inflationary pressures, shifting energy markets, and the complex transition to low-carbon growth. At the same time, climate change is intensifying – with more frequent extreme weather events, resource scarcity, and growing calls for urgent action from businesses, governments, and communities alike.

These challenges are not abstract for Azerbaijan and our country is already experiencing the effects of climate variability on agriculture, water security, and infrastructure. At the same time, national efforts determined in “The Socio-economic Development Strategy of the Republic of Azerbaijan” to diversify the economy, strengthen regional development, becoming “green growth country” and meet international commitments on sustainability – including the UN Sustainable Development Goals and the Paris Agreement – are accelerating.

In this context, the role of banks and financial institutions has never been more important. We have both the opportunity and the responsibility to finance the transition to a more sustainable, inclusive, resilient and green economy.

At Unibank, We are proud to publish our inaugural Sustainability Report. This document is more than a summary of environmental or social initiatives and it is a reflection of our commitment to transparency, accountability, and long-term value creation for all stakeholders.

Over the past year, Unibank made significant progress by issuing the country’s first green bonds aligned with international standards, expanded access to finance for small and medium-sized enterprises, and began integrating sustainability principles into our governance.

But sustainability is a journey – not a destination. And the journey demands vision, leadership, and partnership.

As Chairman of the Supervisory Board, I am fully committed to ensuring that sustainability remains at the core of our strategic direction and oversight. The Board will continue to work in this direction, strengthen internal capacities, and align our business model with both global best practices and the real needs of our economy and society for greener future.

Together, We can build a financial institution that not only grows – but grows responsibly, inclusively, and with purpose.

Thank you for joining us on this path.

Sincerely,

A handwritten signature in blue ink, consisting of a stylized 'E' followed by a series of loops and a vertical line, representing the signature of Eldar Garibov.

Letter from the Acting Chairman of the Management Board,



Heybat Gadirov

Acting Chairman of the
Management Board

Esteemed Stakeholders,

It is with great pride that We present Unibank's first Sustainability Report – another important milestone in our sustainability journey as a responsible corporate citizen.

In 2024, we took decisive and pioneering steps toward integrating sustainability principles across our operations and decision making. We strongly believe that financial growth must go hand in hand with social equity and environmental responsibility – and that sustainable banking is at the core of our long-term resilience and inclusive prosperity.

One of the most notable achievements of the last year was Our green bonds issuance, the first of their kind in the Azerbaijan financial markets, aligned with international standards. This was more than a financial instrument and it was a bold statement of Our sustainability commitment. With this commitment we aim to support the green transition, empowering responsible financing, and contributing to national and global sustainability goals.

We also continued to strengthen financial inclusion. Our total loan portfolio grew by AZN 107 million, with business loans rising to 40% of the portfolio. SME lending increased by 63%, and microloans grew by 23%, 70% of which supported clients in the country's regions – evidence of our dedication to enabling opportunity beyond urban centers and contributing to financial inclusion.

This report reflects not just where we are today, but where we are heading. It is both a statement of progress and a promise of accountability toward sustainability commitments.

Thank you for your continued trust and support as we continue on sustainability journey – together.

Sincerely,

A handwritten signature in blue ink, consisting of a stylized 'H' followed by a loop and a horizontal line.

Our Corporate Profile: A Story of Growth, Innovation, and Responsibility

Founded in 1992, Unibank CB OJSC has grown from its origins as MBank into one of Azerbaijan's most prominent and progressive private financial institutions. With its headquarters nestled in the heart of Baku, Unibank has spent more than three decades building a reputation for reliability, innovation, and a strong customer-first ethos. The bank's transformation gained fresh momentum in 2002 when it merged with PROMTEKHBANK, adopting the name "Unibank"—a symbol of unity and forward-thinking vision.

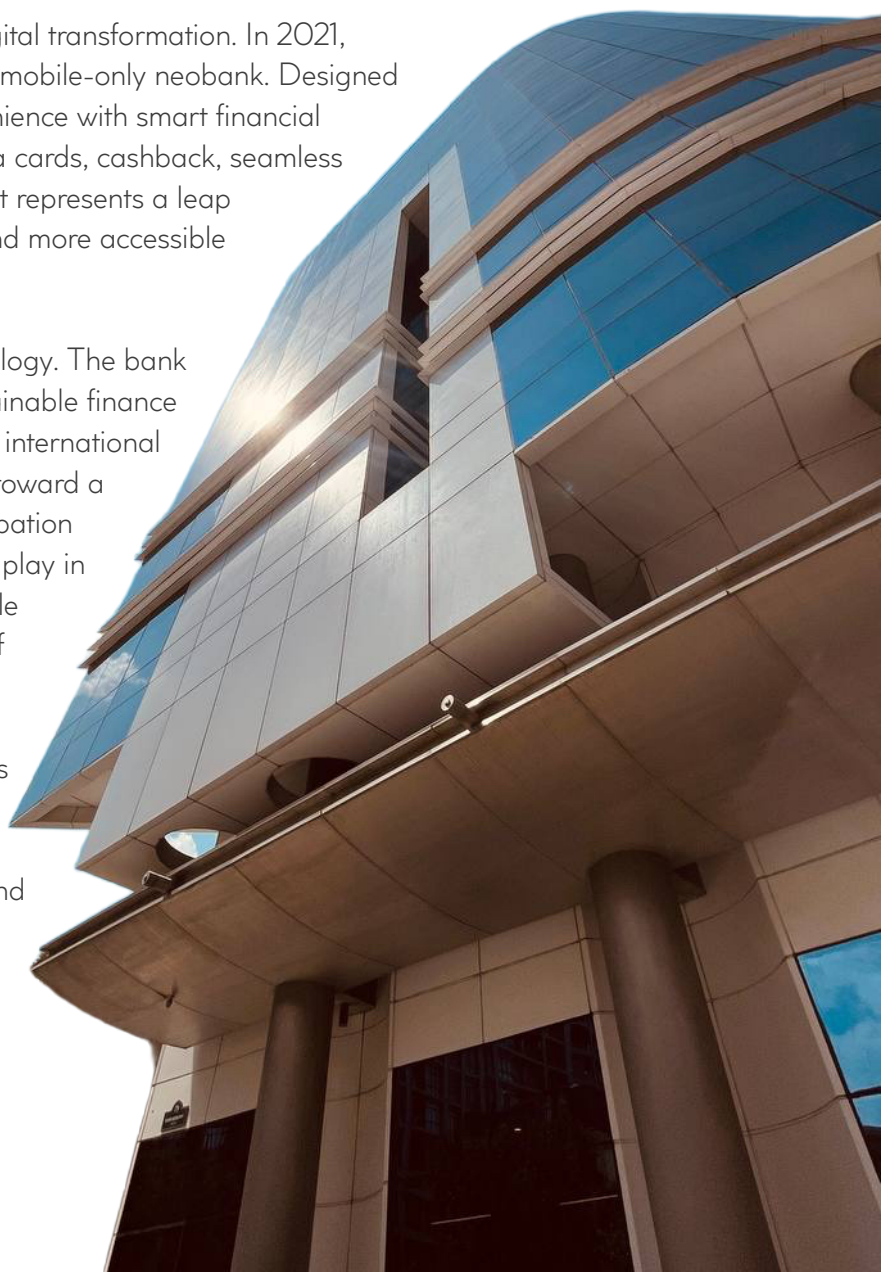
At its core, Unibank is much more than a financial service provider. It is a trusted partner for individuals and businesses alike, offering a wide range of retail, corporate banking services and green solutions. Whether helping entrepreneurs grow their dreams or enabling families to reach their financial goals, Unibank strives to be the bank of first choice. This commitment is underpinned by a simple but powerful mission: to deliver value through customer-centric solutions and continuous innovation.

Unibank's strength lies in its people—over 2000 professionals who bring energy, expertise, and empathy to every client interaction. But just as importantly, the bank's culture fosters creativity and bold thinking. Employees are encouraged to propose projects that improve the bank's technology, operations, or business model, and are rewarded with a share in the success they help create. It's an approach that reflects Unibank's belief that sustainability begins with investing in human potential.

Innovation is also at the heart of Unibank's digital transformation. In 2021, the bank launched Leobank, Azerbaijan's first mobile-only neobank. Designed for users, Leobank blends cutting-edge convenience with smart financial tools—offering features like credit-enabled Visa cards, cashback, seamless payments, and an intuitive mobile experience. It represents a leap forward in making banking faster, friendlier, and more accessible for everyone.

Yet, Unibank's ambitions go far beyond technology. The bank has become an active voice in advancing sustainable finance across Azerbaijan joining forces with local and international stakeholders to support the nation's transition toward a green, low-carbon economy. Unibank's participation underscored the role financial institutions must play in combating climate change—through responsible lending, ESG integration, and the promotion of sustainable investments.

As Unibank looks ahead, sustainability remains one of the guiding principles. The bank is committed not only to financial growth, but to social progress, environmental responsibility, and ethical governance. Through its actions, Unibank continues to show that banking can be both profitable and purposeful—a force for good in a rapidly changing world.



Our strategic priorities

- Achieve Core Business Efficiency & Rapid SME/Micro Business Growth
- Lead in Digital Transformation and Innovation
- Strengthen Financial Resilience & Corporate Governance
- Build a Customer-Centric Culture
- Embed sustainability principles throughout the Bank's operations



Our vision

Unibank drives financial inclusion and innovation by providing efficient, customer-focused services with advanced technology while prioritizing sustainability principles for interests of all stakeholders

Our Values

- Being boldly innovative
- Ensuring sustainability
- Being honest
- Encouraging teamwork
- Continuous improvement
- Creating value for customer



Our sustainability profile: Building a Better Future, Together

At Unibank, sustainability is more than a corporate initiative— it is a deeply held value that informs how we think, operate, and grow. As one of Azerbaijan's leading banks, we recognize our unique responsibility in shaping a future where economic success goes hand-in-hand with environmental stewardship and social well-being.

- **Our approach to sustainability is rooted in a long-term vision.** We believe that lasting value is created not just by delivering strong financial performance, but by empowering people, MSMEs, woman entrepreneurs and protecting the natural resources we all depend on. Whether through responsible lending, inclusive digital innovation, or climate-conscious operations, we are embedding sustainability into the core of our business strategy.
- **Supporting a Greener Economy.** In recent years, we have taken significant steps to align our banking practices with the principles of green finance. From hosting industry events to partnering with international organizations, we are actively contributing to the national commitments on sustainable development. Our support of the AmCham Green Finance Conference in 2024 was emphasizing our commitment to raising awareness, fostering dialogue, and promoting cooperation. Launch of pioneering green bonds was an important milestone in our sustainability journey and highlighting our role in fostering a low-carbon economy and supporting Azerbaijan's transition to becoming green growth country.
- **Our commitment is more than symbolic.** Through our products, we aim to finance a more sustainable and impactful projects – backing projects that promote clean transport, energy efficiency, water management climate smart agriculture and etc. Our goal is to become a catalyst for positive change by directing capital toward solutions that impact to triple bottom line.
- **Empowering People and Communities.** Unibank's sustainability promise extends beyond the environment. We are equally dedicated to social responsibility— championing diversity, investing in talent, and nurturing inclusive growth. Our workplace culture encourages creativity, meritocracy, and continuous learning. From innovative programs that reward employee-driven solutions to community outreach efforts that support education and entrepreneurship, we are working to uplift the people who shape our future. Through Leobank, we are opening the doors of banking to more people— especially the younger generation and those in underserved communities. By embracing digital tools, we make financial services more accessible, more affordable, and more aligned with customer needs.
- **Strong Governance, Clear Values.** Sustainability, in our view, is also about integrity. That's why we hold ourselves to the highest standards of corporate governance and ethical conduct. We maintain transparent reporting, rigorous risk management, and compliance practices that reflect our commitment to doing business the right way. As we expand, we remain grounded in our Values.
- **Looking ahead.** Sustainability is a journey— and we are just getting started. With each new initiative, partnership, and product, we strive to deepen our impact and extend our responsibility beyond the present moment. Our efforts are guided by collaboration, driven by innovation, and grounded in a commitment to lead with clarity, purpose, and long-term vision.

At Unibank, we are proud of the steps we have taken— and even more excited about those to come. Together with our employees, customers, partners, and other stakeholders, we aim building a more sustainable, inclusive, and resilient future.

Material Topics and Sustainable Development Goals Alignment

At Unibank, we believe that transparency begins with listening. To define our most relevant sustainability priorities, we engaged with internal and external stakeholders through dialogue, data, and shared insight. This process helped us identify the environmental, social, and governance (ESG) topics that matter most both to our business and to the communities we serve.

In 2024, we conducted a structured materiality assessment aligned with international sustainability frameworks, including the Global Reporting Initiative (GRI) and the principles of double materiality. Our approach was designed to capture both the impact of external ESG factors on our business and the impact of our operations on people and the planet.

Our materiality assessment followed these key steps:

- Identifying potential material topics through desk research, peer benchmarking, industry standards, and regulatory expectations.
- Engaging internal stakeholders via surveys, employees, regulators, partners, and civil society to understand their ESG priorities.
- Assessing business impact by working with internal teams to evaluate the relevance and strategic importance of each topic across our operations.
- Mapping and prioritizing issues based on two dimensions: stakeholder relevance and business impact—resulting in our updated materiality matrix.
- Validating findings through internal review and leadership input to ensure alignment with our strategic goals and sustainability commitments.
- Integrating results into our broader sustainability strategy, target setting, and reporting roadmap.

The result is our materiality matrix: a reflection of the issues that sit at the core of responsible banking in Azerbaijan. Among the most material topics are sustainable finance, customer data protection, climate resilience, financial inclusion, responsible lending, and ethics and compliance. These priorities now guide our sustainability strategy, resource allocation, and disclosure commitments.

The matrix also serves as a living framework—responsive to change, shaped by dialogue, and reviewed regularly to ensure continued relevance in a dynamic world.

Unibank’s 2024 Materiality Assessment


Material Topic	Why It Matters	Relevance to Unibank	Linked SDGs
Sustainable Finance	Directing capital to green, inclusive, and impact-driven sectors	Core to green bond issuance, SME loans, and green lending	SDG 8, SDG 13
Financial Inclusion	Equal access to banking for all population segments	Regional outreach, microloans to women	SDG 5
Climate Resilience	Adapting to climate risks and financing adaptation	Green bonds	SDG 13
Employee Well-being	Ensuring safe, fair, and motivating workplaces	High engagement (eNPS +73), strong HR policies	SDG 8
Diversity & Inclusion	Equitable access to employment and leadership	39% female workforce, inclusive hiring practices	SDG 5
Digital Innovation	Technology as a driver of access and efficiency	Leobank, digital branches, mobile tools	SDG 17
Community Investment	Supporting local social and economic development	Tree planting, support for veterans, orphanage outreach	SDG 11, SDG 17

Contribution to the UN Sustainable Development Goals

Unibank’s sustainability strategy is closely aligned with the UN 2030 Agenda, focusing on six priority Sustainable Development Goals. The table below outlines how the Bank’s initiatives, products, and partnerships contribute to these global goals.

SDG	Goal	Unibank’s Contribution
SDG 4	Quality Education	<ul style="list-style-type: none">• Financial literacy seminars for journalists (Media Literacy Week)• Support for education of martyr families through the "You Are Not Alone" initiative
SDG 5	Gender Equality	<ul style="list-style-type: none">• 30% of microloans issued to women• 39% female workforce• Inclusive recruitment and leadership promotion policies
SDG 8	Decent Work and Economic Growth	<ul style="list-style-type: none">• AZN 107 million increase in lending, with 63% growth in SME loans• >2,000 employees with inclusive HR policies• Employee engagement (eNPS +73), learning and development focus
SDG 11	Sustainable Cities and Communities	<ul style="list-style-type: none">• Social mortgage program for young families and civil servants• Community engagement in orphanages and regional celebrations• Branch and ATM expansion for regional access
SDG 13	Climate Action	<ul style="list-style-type: none">• Issuance of Azerbaijan’s first green bond (AZN 20 million)• Tree planting campaign (500 trees with Eco Hub)
SDG 17	Partnerships for the Goals	<ul style="list-style-type: none">• Collaboration with State Committee on Women & Children, ABA, and NGOs• Partnerships with AIFC, IFIs, and EBRD on green finance and ESG integration


Performance highlights of 2024


 31 branches – 15 branches 7/24 Digital, 16 Traditional

 166 ATMs – Absheron 138, Region 38

 Total assets 1.7 bln


 Retail loan portfolio 519 mln


 Business loan portfolio 248 mln

 Total deposits 956.4 mln


 Total CAR 13.09

 T1 CAR 8.05


 Active card clients >300k

 Active business clients >28k

 Net profit 20 mln

 Total number of employees >2k

 Share of female employees 39%

 Share of employees in the regions 14%

 1.7 mln digital banking users

 Share of trained employees 62%

 Share of female trained employees 36%

 Share of sustainability related trained employees 4%



Operating environment

Global Developments, Risks and Outlook

The year 2024 marked a period of profound transformation across global markets— driven by persistent macroeconomic volatility, geopolitical fragmentation, accelerating climate change, and rapid technological disruption. For the financial sector, these shifts created a complex risk landscape, but also new opportunities to innovate, adapt, and lead with responsibility.

Macroeconomic and monetary policy

The global economy remains on a cautious trajectory. According to the IMF's April 2024 World Economic Outlook, growth is forecast at 3.1% for 2024, inching upward to 3.2% in 2025. However, this growth is uneven and largely reliant on policy normalization in advanced economies and improved resilience in developing markets. The World Bank notes a long-term slowdown in global potential output, projecting growth to remain at a subdued 2.7% in 2025–26, significantly below the pre-pandemic average.

The root causes are structural: tightening financial conditions, declining productivity growth, and persistent geopolitical fragmentation. While inflation is decelerating, especially in the U.S. and Eurozone, core inflation remains elevated in many economies, leading central banks to maintain restrictive monetary policies. This creates a challenging environment for investment and capital allocation, particularly in emerging markets where debt servicing costs have surged.

Geopolitical and Systemic Risks

In parallel with economic uncertainty, 2024 has been marked by heightened geopolitical instability. The ongoing conflict in Ukraine, renewed tensions in the Middle East, and confrontations in the Taiwan Strait have underscored the fragility of global peace and the risk of regional crises spilling over into the global economy.

The return of protectionist trade policies, as reflected in new tariffs and export controls, is exacerbating supply chain disruptions. The IMF has warned that this fragmentation could reduce global GDP by up to 7% over the long term – a scenario equivalent to erasing the combined economies of France and Germany. For the banking sector, such uncertainty introduces both financial and operational risks, from fluctuating commodity prices to currency volatility and shifts in investment sentiment.

Banking Sector Dynamics

In 2024, the global banking sector finds itself navigating a demanding and transformative environment. The aftershocks of recent monetary tightening, geopolitical instability, and technological acceleration continue to reshape the operational and strategic landscape for financial institutions worldwide. Although near-term financial stability risks have somewhat abated – as highlighted in the IMF's Global Financial Stability Report (April 2024) – medium-term vulnerabilities are accumulating, particularly in relation to elevated debt levels, asset repricing, and rising credit stress in certain sectors.

Digital transformation remains at the heart of this evolving landscape. Banks are under pressure to modernize not only their customer interfaces but also their core infrastructure. In 2024, investments in cloud-based platforms, AI-driven analytics, and real-time payment systems are becoming standard across leading institutions, as banks race to meet customer demand for speed, security, and personalization. This shift is further accelerated by the rise of open banking and fintech partnerships, which are dissolving traditional boundaries between financial and technology providers.

However, the digital transition also brings new complexities. Operational resilience is now a key focus area for both management and regulators, particularly amid growing concerns over cybersecurity, third-party dependencies, and the integrity of digital identity systems. Central banks and supervisory authorities have responded by tightening oversight. For example, in the European Union, Digital Operational Resilience Act (DORA) compliance has become a regulatory milestone, while in emerging markets, similar guidelines are under development to align local systems with international best practices.

In parallel, regulatory expectations around capital adequacy, governance, and ESG integration are deepening. Final implementation of Basel III reforms – often referred to as the “Basel III endgame” – is underway in key jurisdictions, with adjustments tailored to local market conditions. Climate-related financial disclosures, scenario analysis, and sustainability-linked stress testing are being incorporated into supervisory reviews, reflecting the recognition that climate and ESG risks are financial risks.

The profitability outlook remains mixed. On one hand, high interest rates have supported stronger interest income for many banks. On the other, subdued credit growth, increased provisioning, and margin compression in competitive lending segments have tempered earnings, especially in emerging and frontier markets. Non-performing loan (NPL) ratios have stabilized but remain a watchpoint in sectors sensitive to economic shocks, including real estate, energy, and small business lending.

Across developing economies – including those in the South Caucasus – structural reforms in financial governance are gaining momentum. Support from institutions such as the World Bank and EBRD has helped to strengthen credit infrastructure, encourage green lending frameworks, and bolster the capacity of central banks and financial supervisors. In Azerbaijan, 2024 has seen further alignment of financial regulations with international ESG standards and progress toward integrating climate-related risk management into the banking system.

Climate and ESG Integration

Climate and environmental risks have taken center stage in 2024, driven in part by the outcomes of COP29, hosted in Baku. For the first time, countries reached consensus on a New Collective Quantified Goal – committing to mobilize \$300 billion annually by 2035 to support climate action in developing economies. While this is a historic increase from previous targets, it still falls significantly short of the \$1.3 trillion per year estimated as necessary for a meaningful transition. Another key achievement was the operationalization of Article 6 of the Paris Agreement, laying the groundwork for international carbon markets and a more integrated approach to emissions trading.

Simultaneously, global regulators are intensifying ESG disclosure requirements. The EU’s Corporate Sustainability Reporting Directive (CSRD) is being phased in, the IFRS Foundation launched its International Sustainability Standards Board (ISSB) disclosure standards, and central banks – including the Central Bank of Azerbaijan – are preparing to integrate ESG criteria into credit risk assessments and supervisory frameworks.

The World Economic Forum’s 2024 Global Risks Report ranked “extreme weather” and “critical natural resource shortages” among the top global risks over the next decade, reinforcing the urgency of embedding sustainability into economic decision-making. For financial institutions, the message is clear: ESG is no longer a secondary consideration – it is a core determinant of long-term value and resilience.

Generative AI and Technological Transformation in Banking

Generative AI is reshaping the financial services industry at remarkable speed. From intelligent document processing to algorithmic credit scoring and customer service automation, banks are leveraging large language models to optimize efficiency and personalize client experiences.

JPMorgan Chase's deployment of its internal AI assistant – used by over 100,000 employees – has reportedly reduced onboarding time, improved fraud detection, and contributed to cost efficiencies of over \$1.5 billion. Similarly, Morgan Stanley is using AI to provide real-time financial insights to its wealth managers, boosting productivity and client engagement.

As GenAI moves from pilot to production, ethical governance, transparency, and responsible innovation will become essential. Regulators are beginning to respond, with the EU's AI Act providing the first major legal framework to ensure AI systems are secure, transparent, and fair.

Cybersecurity and Data Vulnerabilities

As the digital infrastructure of financial services expands, so too does its exposure to cyber threats. The financial sector experienced a record number of high-profile incidents in 2024, including the Snowflake data breach, which affected hundreds of organizations and revealed widespread vulnerabilities in cloud architecture. One of the most alarming developments has been the weaponization of deepfake technology.

The number of reported deepfake-enabled fraud cases rose sharply, with over 105,000 incidents globally and estimated damages exceeding \$600,000 per affected firm. These attacks are eroding trust and highlighting the critical need for identity verification protocols, employee training, and advanced threat detection tools.

Cryptoasset Regulation and Digital Markets

Regulatory clarity is beginning to emerge in the crypto space, though jurisdictional divergence remains. In the U.S., the House of Representatives is revisiting the structure of digital asset oversight, proposing legislation to distinguish between securities and commodities in crypto markets. The intent is to resolve regulatory turf wars and establish investor safeguards.

Meanwhile, the UK's Financial Conduct Authority announced stricter measures, including a proposal to ban retail clients from borrowing to invest in digital assets. This follows concerns over leverage-induced volatility, market manipulation, and inadequate disclosures in the crypto ecosystem.

These actions mark a shift toward maturity in digital asset regulation, offering both challenges and opportunities for traditional financial institutions seeking to innovate responsibly in the Web3 economy.

Open Banking Innovations

Open banking continues to gain traction as a driver of financial inclusion and innovation. Through secure API connections, customers can share account data with third-party providers, unlocking personalized services such as budgeting tools, loan comparisons, and cross-platform payments.

In Europe, the transition to Open Finance – an expanded version of open banking – is already underway, enabling the integration of savings, pensions, and insurance data. For banks, this shift represents both a threat and an opportunity: those who embrace interoperability, data analytics, and customer-centric design will be best positioned to lead..

Looking Ahead: Expectations for 2025

As we turn toward 2025, the world faces a complex convergence of trends – some encouraging, others deeply challenging. Inflationary pressures are expected to ease, opening a potential path for monetary easing in advanced economies. Yet, economic growth will remain uneven, shaped by geopolitical instability, climate-related disruptions, and emerging technology risks.

The financial services sector will need to remain agile and proactive. Institutions are being called upon to play a larger role in sustainable development – not just through responsible lending, but by advancing digital trust, financing the green transition, and supporting the resilience of communities and economies.

Azerbaijan Economy and Financial Sector

In 2024, Azerbaijan's economy has demonstrated continued resilience in the face of global uncertainties, supported by prudent fiscal management, ongoing diversification efforts, and strategic investments in sustainability and digital infrastructure. While global headwinds – including tight financial conditions, geopolitical realignments, and climate-related risks – have tested many emerging markets, Azerbaijan has maintained macroeconomic stability with moderate inflation, a sound fiscal position, and a strong external balance.

According to the World Bank's Europe and Central Asia Economic Update (Spring 2024), Azerbaijan's GDP growth has been driven by non-oil sectors, notably construction, services, and agriculture, reflecting progress in economic diversification. Government investment in large-scale infrastructure and regional development projects, especially in the Karabakh region, continues to stimulate domestic demand and employment. The Central Bank of Azerbaijan (CBA) has maintained a cautious but responsive monetary policy stance, gradually adjusting the policy rate to manage inflation expectations while supporting growth.

The financial sector remains a cornerstone of economic resilience. In 2024, the sector has shown improved capitalization, asset quality, and profitability, underpinned by strengthened supervision and the implementation of international standards. Progress has been made in digital banking, open banking frameworks, and financial inclusion – particularly through mobile payment adoption and the expansion of fintech ecosystems. The regulatory environment has evolved in tandem, with the CBA advancing reforms aligned with Basel principles, including risk-based supervision and enhanced governance structures.

A defining feature of the current period is the deepening integration of sustainability into the country's economic and financial agenda. In line with Azerbaijan's commitments under the Paris Agreement and the Sustainable Development Goals (SDGs), sustainability is becoming a national priority. The forthcoming hosting of COP29 in Baku in November 2024 has catalyzed significant policy momentum. Preparations for COP29 have prompted wide-ranging engagement among government agencies, financial institutions, businesses, and civil society, setting the stage for a new chapter in Azerbaijan's climate diplomacy and green development.

Key climate-related initiatives in 2024 include the development of a National Climate Adaptation Plan, enhanced greenhouse gas (GHG) inventory systems, and renewed emphasis on renewable energy investments. The government is advancing green energy zones in liberated territories, and several public-private partnerships are in progress to scale solar and wind energy generation. These steps are reinforced by regional cooperation with IFIs, including the World Bank and EBRD, on climate finance and green economy strategies.

In the financial sector, sustainability is planned to increasingly be embedded in regulation. The Central Bank has announced plans to incorporate environmental, social, and governance (ESG) risk management requirements into the existing frameworks on credit risk and corporate governance. This includes setting expectations for banks to integrate climate risk assessments into lending practices and enhance transparency through ESG related disclosures. Additionally, the national green taxonomy has been adopted and is expected to provide clearer guidance for sustainable investment.

Meanwhile, financial institutions are preparing for these changes through capacity-building efforts, sustainability training programs, and the launch of new green products. The banking sector's role as a conduit for green finance is becoming more pronounced, with partnerships emerging between local banks and multilateral institutions to facilitate funding for MSMEs transitioning to low-carbon operations.

The outlook for 2025 is cautiously optimistic. Economic growth is expected to remain stable, supported by structural reforms and growing investor confidence. The financial sector will be tasked with a dual responsibility: advancing innovation and digitalization while internalizing sustainability principles at the core of its risk and governance architecture. COP29 is likely to mark a watershed moment, not only elevating Azerbaijan's international profile in climate negotiations but also crystallizing a national consensus around sustainable development as both an economic imperative and a strategic opportunity.



Governance

Board of directors

Unibank's commitment to responsible governance is reflected in the structure and functioning of its Supervisory Board. The Board ensures strategic oversight, risk management, and alignment with ESG principles, playing a central role in guiding the Bank's long-term sustainability agenda. As of 2024, the Supervisory Board comprises five members with diverse professional backgrounds and international experience. Two of the five members are classified as independent, ensuring objective oversight and adherence to international corporate governance standards.



Eldar Garibov

Chairman of the Supervisory Board



Faig Huseynov

Member of the Supervisory Board
Deputy to Chairman of the Supervisory Board



Emin Guliyev

Member of the Supervisory Board



Kamen Zakhariev

Independent Member of the Supervisory Board

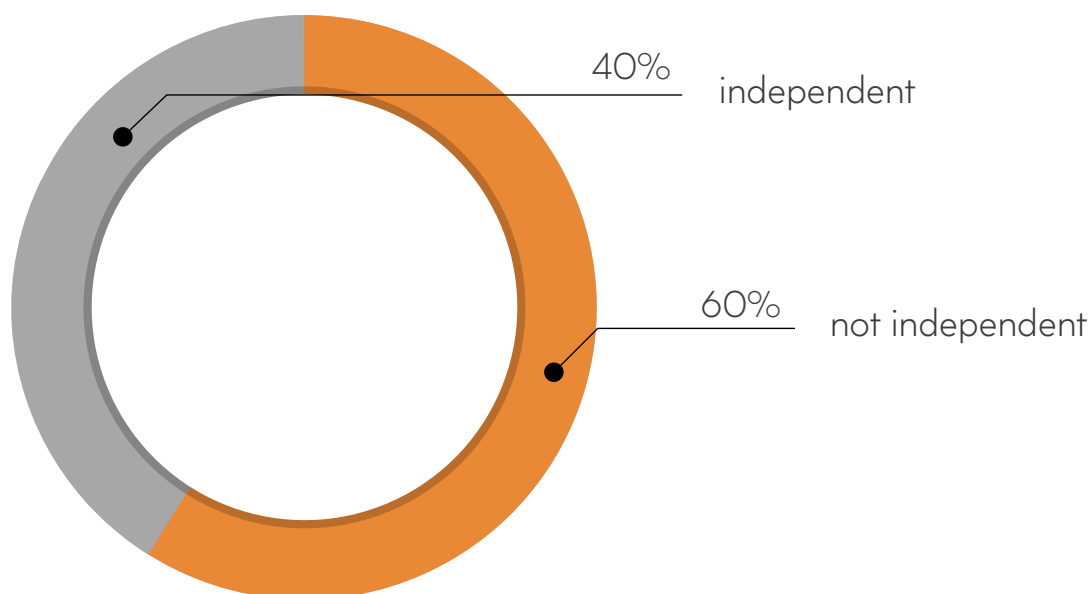


Werner Claes

Independent Member of the Supervisory Board

Board members are appointed for fixed terms in accordance with Unibank's charter and regulatory requirements. This structure supports both continuity and renewal, allowing the Board to retain institutional knowledge while integrating new perspectives and expertise.

Independence



Number of Board members

BoD’s collective expertise spans a wide range of strategic areas essential for Unibank’s sustainable development. The following matrix outlines the distribution of competencies across key governance domains. This matrix highlights the Board’s robust capabilities in areas such as regulatory compliance, digital innovation, sustainability, and human capital management, ensuring comprehensive oversight of Unibank’s strategic priorities.

Skill Area	Eldar Garibov	Faig Huseynov	Emin Guliyev	Kamen Zakhariev	Werner Claes
Corporate Governance	+	+		+	+
Banking & Financial Services	+	+	+	+	+
Risk Management	+		+	+	+
Regulatory & Compliance	+	+	+		
Audit & Accounting	+	+		+	
Sustainability & ESG	+	+		+	+
Digital Banking, Innovation & Cybersecurity	+	+			+
Human Capital & Ethics	+	+		+	

Executive leadership

Unibank’s Executive Board is responsible for the day-to-day management of the Bank, ensuring operational excellence, financial performance, and the implementation of strategic initiatives aligned with ESG principles and stakeholder expectations. As of 2024, the Executive Board consists of five members, each bringing deep expertise in banking, finance, risk, and investment management.

This leadership team ensures the effective execution of Unibank’s strategic goals, including digital transformation, financial resilience, and sustainable development. The Executive Board’s collective expertise spans across key operational and strategic domains. Their leadership is instrumental in driving innovation, managing risk, and embedding sustainability into the Bank’s core operations.

Operational Governance

The Executive Board of Unibank is entrusted with the implementation of the Bank’s strategic vision and the operationalization of its sustainability commitments. The Board ensures that all business functions are aligned with the principles of responsible banking, regulatory compliance, and long-term value creation for stakeholders.

Key pillars of operational governance include:

Strategic Execution: The Management Board translates the Supervisory Board's strategic directives into actionable business plans. This includes setting annual performance targets, overseeing digital transformation, and ensuring alignment with national economic priorities and the UN Sustainable Development Goals (SDGs).

Risk and Compliance Oversight: Under the leadership of the Chief Risk Officer, the Board maintains a robust risk management framework that identifies, assesses, and mitigates financial, operational, and ESG-related risks. Compliance with local and international regulatory standards is continuously monitored and enforced.

Sustainability Integration: ESG considerations are embedded into the Bank's core decision making. The Management Board oversees the implementation of sustainability initiatives, including green finance, energy efficiency, and social impact programs.

Digital Innovation and Cybersecurity: The Board champions digital transformation through investments in fintech, mobile banking, and cybersecurity infrastructure. These efforts enhance customer experience, operational efficiency, and data protection.

Financial Stewardship: The Chief Financial Officer ensures the integrity of financial reporting, capital adequacy, and cost efficiency. The Board regularly reviews financial performance against strategic objectives and market conditions.

Human Capital and Ethical Culture: The Executive Board fosters a culture of integrity, inclusion, and continuous learning. Talent development, employee well-being, and ethical conduct are prioritized to build a resilient and future-ready workforce.

Stakeholder Engagement and Transparency: The Board ensures transparent communication with regulators, investors, customers, and the public. Sustainability disclosures, stakeholder feedback mechanisms, and community engagement initiatives are overseen at the executive level.

This integrated governance approach enables Unibank to remain agile, accountable, and aligned with its mission to drive inclusive and sustainable growth.



Heybat Gadirov

Acting Chairman of the
Management Board



Faig Zeynalov

Member of the Management
Board Chief Financial Officer



Andrey Qrab

Member of the Management
Board Chief Risk Officer

Organization chart (HR)

Board committees

To ensure effective governance and specialized oversight, Unibank's Board of Directors operates through dedicated committees. These committees enhance the Board's ability to address complex issues in risk, audit, governance, and sustainability, while ensuring transparency, accountability, and alignment with regulatory and ESG standards.

Committee name	Number of members
Corporate Governance Committee	3
Risk Management Committee	3
Audit Committee	3
Information Technology Committee	7
Sustainability Committee	3

The Corporate Governance Committee:

- Preparing and submitting to the Supervisory Board for approval the bank's remuneration policy based on the principles specified in Section 18 of the "Corporate Governance Standards in Bank";
- Monitoring the remuneration process, also evaluating the efficiency of the remuneration system together with the Risk Management Committee at least once a year;
- Submitting proposals on the amount of remuneration to the Supervisory Board of the Bank in accordance with Section 18 of the "Corporate Governance Standards in Bank";
- Setting the compensation for the Corporate Secretary;
- Assessing the implementation of key performance indicators on special category employees;
- Reviewing the effect of internal and external events on the remuneration policy and process;
- Monitoring the Bank's organizational and management structure for compliance with corporate governance standards, informing the Supervisory Board about any identified discrepancies and their causes, and providing recommendations for addressing these issues and improving corporate governance;
- Providing recommendations to the Supervisory Board on the implementation of legislative changes related to corporate governance;
- Ensuring the timely and accurate disclosure of information related to the Bank's corporate governance to the public;
- Providing recommendations and opinions on new and potential candidates for membership of the Supervisory Board, the Management Board and Supervisory Board committees;
- Monitoring the staffing of the Supervisory Board, its committees, and the Management Board;
- Establishing criteria for the appointment, duties, and remuneration of independent members of the Supervisory Board and Supervisory Board committees;
- Establishing criteria for the selection of an independent external expert in accordance with the "Corporate Governance Standards in Bank" and/or the Bank's "Rules for the Use of Independent External Expert Services by the Supervisory Board and Its Committees" when applicable.

The Risk Management Committee:

- Reviewing and presenting the risk appetite statement, risk management policy and procedures, risk limits, and any changes to these to the Supervisory Board for approval;
- Providing the Supervisory Board with proposals on the Bank's current and future risk appetite and indicators for adherence to risk appetite for various types of risks;
- Reviewing the Bank's risk management policy at least once a year;
- Ensuring the existence of procedures that align the Bank's risk management policy and overseeing the application of the risk appetite statement by the Executive Board;
- Submitting report to the Supervisory Board on the state of the Bank's risk culture and deviations from the risk management policy and risk limits;
- Collaborating with and overseeing the Chief Risk Officer's activities;
- Monitoring the Bank's adherence to capital and liquidity management targets, as well as the alignment of all risk types, including credit, market, operational, reputational, and other risks, with the Bank's risk appetite;
- Obtaining reports from the Chief Risk Officer and relevant departments on the Bank's current risk profile, risk culture, use of risk appetite and limits, instances of limit breaches, and risk mitigation measures;
- Ensuring the Bank's compliance with legislation, legal acts regulating financial markets, and internal regulations;
- Presenting recommendations to the Supervisory Board regarding the appointment of heads of departments responsible for risk management and compliance functions;
- Preventing specific risks in the risk management process, minimize risks, accept certain risks, transfer risks, update risks as needed, and provide recommendations and/or proposals for decisions when required;
- Incorporating effective tools for risk monitoring and mitigation into the Bank's structure and operational processes;
- Providing recommendations for creating an organizational structure to avoid conflicts of interest, gaps in risk oversight, and duplication of functions;
- Overseeing the preparation, development, and implementation of detailed reports on the Bank's significant strategic issues and decisions, based on an effective risk management program within the risk profile framework;
- Ensuring the proper organization of information flow exchanges within internal committees;
- Developing recommendations for the Supervisory Board and the Management Board based on information received from other internal committees and the Bank's Risk Management Department (hereafter referred to as the "Department");
- Issuing directives to the Department on risk management, receive monthly reports on work done and identified risk profiles, review them in Committee meetings, obtain proposals related to required matters, and oversee current activities;
- Reviewing and presenting the Bank's risk management strategy, policy, and procedures, including any changes and additions, to the Supervisory Board for approval;
- Providing timely, accurate, and precise information and reports to the Supervisory Board and the Management Board regarding the evaluation of the Department's work and the state of risk management in the Bank;
- Facilitating an open communication channel among members of the Supervisory Board, the Management Board, and the Department to enhance the effectiveness of risk management;
- Reviewing and presenting the emergency response plan together with the Management Board to the Supervisory Board;
- Preparing and presenting a report to the Supervisory Board on the status of risks faced by the Bank and the effectiveness of the risk management system;

- Monitoring the alignment of accepted risks with the Bank's risk management strategy;
- Developing recommendations for improving the risk management system and present them to the Supervisory Board.

The Audit Committee:

- Defining the audit policy and strategy of the Bank;
- Approving the annual internal audit plans (Plan) and overseeing the internal audit department's activities. The Plan must be sufficient to ensure the internal audit function's activities and adaptable to potential changes in the Bank's risk profile;
- Implementing necessary measures for internal audit checks not included in the approved internal audit plan based on decisions of the General Shareholders' Meeting, Supervisory Board, or requests from shareholders owning more than ten percent of the Bank's common shares, the Management Board, or the Central Bank;
- Approving internal corporate documents related to the functional and methodological aspects of the Internal Audit Department (hereafter referred to as "IAD");
- Proposing the appointment of external auditors to the competent management authorities of the Bank;
- Organizing work with external auditors and assist in implementing audit results and recommendations;
- Establishing communication with external auditors and supervisory authorities;
- Providing proposals to the General Shareholders' Meeting and the Supervisory Board on improving internal control and risk management systems;
- Overseeing the transparency and completeness of the Bank's financial statements and ensuring compliance with legislation and the "Corporate Governance Standards in Bank", including monitoring the preparation and outcomes of annual and interim financial statements;
- Identifying areas of high financial risk and ensure their effective management by the Bank's Management Board;
- Reviewing legal issues that may significantly impact financial statements and providing recommendations;
- Obtaining necessary information (documents) from the Bank's structural units, governmental bodies, public legal entities, local self-government bodies, and non-governmental organizations as required by legislation and the Committee's functions;
- Participating in forming policies for various directions of the Bank's operations and providing recommendations for implementing these policies;
- Overseeing the improvement of the Bank's accounting policy;
- Ensuring timely and adequate responses to breaches and fraud, and discussing results of inspections conducted by the Central Bank of the Republic of Azerbaijan;
- Performing other powers as outlined by existing legislation, the "Law on Banks," " Law on Internal Audit," the normative acts of the Central Bank of the Republic of Azerbaijan, and other internal corporate acts.

The Information Technology Committee:

- Developing and approving a long-term IT strategy aligned with the Bank's business goals;
- Ensuring the IT strategy complies with legislation and legal requirements;
- Approving IT projects and initiatives, and ensuring their timely and budget-compliant implementation;
- Managing the inventory of software licenses and ensuring their effective use;
- Collaborating with other departments to provide technological support and implement new systems, and advising other committees and departments on IT-related issues;

- Overseeing technology-related expenses and investments to ensure they align with the approved budget;
- Approving the IT structure and managing the efficient allocation of resources, including personnel, equipment, and software, to projects and operational activities;
- Engaging, developing, and retaining qualified IT professionals to support the Bank's IT infrastructure and applications;
- Identifying, assessing, and mitigating system failures, data loss, service interruptions, and other IT-related operational risks;
- Overseeing information security management, including the development and implementation of security policies and incident response procedures;
- Conducting regular audits and assessments to enhance the effectiveness and economic efficiency of information security measures and identify potential vulnerabilities;
- Implementing robust cybersecurity measures to protect against cyber threats, data breaches, and fraud;
- Measuring IT effectiveness using metrics such as ROI, cost-benefit analysis, and performance evaluation;
- Defining and managing service level agreements (SLAs) to ensure IT services meet specified performance and reliability standards;
- Analyzing the use of existing resources and identify new resources to maximize performance and service quality

The Sustainability Committee:

- Reviews the Bank's sustainability strategy and policy on an annual basis (or more frequently if necessary) and ensures their timely updates;
- Oversees the implementation of the Bank's sustainability strategy and the achievement of its strategic sustainability objectives;
- Monitors the existence, relevance, and periodic updating (as necessary) of policies and procedures related to sustainability and ESG across the Bank's operational areas (including lending, investment, risk management, administrative, procurement, etc.), ensuring alignment with the principles of sustainable and responsible banking;
- Ensures that the Bank's Sustainable Finance Framework is in line with leading practices and standards, and oversees its updating as needed;
- Tracks ESG indicators, including the assessment of climate-related risks and opportunities, monitors their outcomes, and ensures that these results are integrated into the Bank's decision-making processes;
- Ensures that the Bank's lending exclusion list aligns with international best practices and standards, and supervises its revision process when necessary;
- Supports initiatives aimed at developing sustainability- and ESG-related products and services within the Bank, provides recommendations when needed, and oversees their implementation;
- Promotes and monitors initiatives aimed at fostering a corporate culture of sustainability and ESG within the Bank, offering guidance as required;
- Provides recommendations to the Supervisory Board on the effective implementation of the Bank's sustainability strategy, including measures to strengthen the Bank's sustainability profile;
- Oversees the alignment of the Bank's sustainability and ESG reporting with leading international practices and standards, and ensures its public disclosure;
- Reviews leading practices, innovations, and requirements (both local and international) in the field of sustainability and ESG, and supervises their adoption and application within the Bank;

Sustainability governance

At Unibank, sustainability is deeply embedded in our governance and decision-making processes. We approach responsible banking as a long-term commitment and supported by a structured governance framework that ensures both strategic coherence and operational integrity.

Our sustainability journey is guided by the Supervisory Board, which provides top-level oversight and steers the Bank's direction on sustainability and ESG matters. The establishment of a dedicated Sustainability Committee of the Supervisory Board reflects our recognition that environmental and social responsibility must be governed with the same rigor and foresight as financial performance. This Committee ensures that sustainability is anchored in our core strategy, integrated with risk management, and aligned with both national regulatory expectations and international best practices.

Execution is led at the management level by the Sustainable Finance and ESG Committee, chaired by the CEO, which translates strategic goals into practical action. This cross-functional committee develops sustainability policies, monitors ESG initiatives, and leads efforts to enhance Unibank's sustainable finance profile. It acts as a bridge between strategy and implementation—ensuring that our ambitions result in measurable outcomes.

Supporting this work on a day-to-day basis is the Sustainability Manager, who is responsible for embedding ESG principles across the Bank's operations and decision making. From internal governance systems to financial products and services, from client engagement to internal controls—the Sustainability Manager ensures coherence, coordination, and continuous learning across the organization.

This layered governance model reinforces accountability and transparency. It enables us to navigate evolving regulatory landscapes, respond proactively to climate and social risks, and contribute to sustainable development in a credible and consistent way. At Unibank, sustainability governance is more than oversight—it is a mechanism for leadership, impact, and trust-building in a rapidly changing world.

Sustainable Finance Framework - One of the core operational enablers

In the architecture of Unibank's sustainability approach, the development of a Sustainable Finance Framework (SFF) represents a key operational pillar that bridges vision with execution. While sustainability begins with a strong governance foundation and strategic commitments, it is the SFF that translates these ambitions into financial flows, policies, and practical instruments.

Positioned between governance and impact, the Sustainable Finance Framework enables the Bank to mobilize funds for green and socially inclusive projects, integrate climate and ESG risks into lending and investment decisions and enhance transparency and accountability to regulators, investors, and other stakeholders.

It also serves as a foundation for formulating the Bank's sustainable finance profile, defining what sustainability means in the context of Unibank's financial products, services, and risk management practices.

The framework supports multiple layers of the sustainability strategy. At the governance level, it operationalizes the decisions made by the Sustainability Committee and embeds ESG into the enterprise-wide risk and credit architecture.

At the product level, it guides the development of sustainable lending, green bonds, social finance, and sustainability-linked instruments. At the reporting level, it supports impact measurement and disclosures in line with international standards.

In essence, while governance sets the direction and ambition, the Sustainable Finance Framework is the mechanism that ensures those ambitions are realized through disciplined, transparent, and impactful financial practice.

Risk Management and Internal Control: Building Resilience and Accountability

At Unibank, risk management and internal control are not merely compliance requirements— they are cornerstones of our strategy for sustainable growth, stakeholder trust, and institutional resilience. In a dynamic financial landscape characterized by evolving market conditions, regulatory demands, and digital transformation, Unibank remains steadfast in its commitment to sound governance and prudent risk-taking.

Risk Management System: Structure and Policy

Unibank's Risk Management System is a unified, Bank-wide framework that spans all departments and business lines. It is driven by our Risk Management Policy, which sets out the guiding principles, governance structure, and operational mechanisms to manage the full spectrum of risks facing the Bank.

Core Objectives of the Risk Management Policy:

- Elevate the frequency and efficiency of risk identification, analysis, monitoring, and reporting.
- Perform granular risk analysis to detect emerging trends, flag exceptions, and enable timely managerial interventions.
- Define and document the Bank's risk appetite and risk tolerance for each risk category, ensuring that business operations remain within approved thresholds.
- Integrate risk assessments into strategic and business planning to ensure capital adequacy and long-term sustainability.
- Ensure all material risks and potential losses are quantified and communicated to senior management and supervisory bodies.

These objectives are grounded in corporate governance principles of transparency, accountability, and stakeholder protection. The policy is regularly reviewed and updated to reflect the Bank's operational complexity and evolving risk profile.

Phases of the Risk Management Process

Unibank applies a structured and iterative risk management process, enabling continuous improvement and responsive risk governance. The five phases are:

- Risk Identification: Detection of internal and external threats through tools such as risk maps, internal surveys, historical (empirical) analysis, and early warning indicators.
- Risk Assessment and Measurement: Quantitative models (e.g., Value-at-Risk, stress testing, vintage analysis) and qualitative evaluations determine risk exposure and tolerance.
- Risk Control and Mitigation: Setting limits, defining control actions, and implementing countermeasures to reduce or transfer risk.

- Risk Monitoring and Reporting: Regular tracking of risk indicators and comprehensive reporting to relevant stakeholders.
- Review and Enhancement: Periodic validation and back-testing of models, methodologies, and controls to ensure continued relevance and effectiveness.

Three Lines of Defence

Unibank operates a robust Three Lines of Defence model to ensure accountability, clarity of roles, and layered assurance and this model is underpinned by a strong risk culture and promotes responsible decision-making throughout the organization:

First Line: Composed of all operational units, branches, and client-facing departments responsible for identifying and managing day-to-day risks and implementing control procedures.

Second Line: Includes the Risk Management Department, Compliance Department, and Legal & Organizational Affairs. These units ensure regulatory compliance, support policy development, and perform independent oversight of risk and control environments.

Third Line: Consists of the Internal Audit Department and external auditors. They provide independent assurance on the effectiveness of internal controls and risk management frameworks.

Risk Management Tools and Methods

To ensure high-quality risk governance, Unibank applies a suite of advanced tools and techniques. All models are subjected to counter-verification, where predicted outcomes are benchmarked against actual results, and recalibrated as needed.

- Risk Maps for visualizing exposures and interdependencies.
- Early Warning Systems to detect anomalies and trigger proactive responses.
- Quantitative Models such as VaR, stress tests, default probability, and risk-weighted assets.
- Back-Testing and Model Validation to ensure the reliability of forecasts.
- Risk Documentation and Categorization for structured reporting.

Risk management by risk types:

Unibank identifies and manages a comprehensive range of risk categories:

- Credit Risk: Controlled through diversified lending practices, risk-based pricing, and exposure limits.
- Market Risk: Includes interest rate, currency, capital, and commodity risks. Managed using hedging strategies, position limits, and scenario analysis.
- Liquidity Risk: Mitigated by maintaining adequate buffers, real-time monitoring, and contingency funding plans.
- Operational Risk: Arising from people, systems, legal exposures, or third parties. Managed through training, controls, insurance, and business continuity plans.
- Strategic Risk: Evaluated in alignment with market trends, competition, and the Bank's long-term objectives.
- Compliance and Legal Risk: Includes AML/CFT and regulatory non-compliance, addressed through automated controls and rigorous oversight.

- Reputational Risk: Managed through stakeholder engagement, transparency, and crisis response mechanisms.
- Project Risk: Controlled via investment governance, feasibility assessments, and milestone-based reviews.

Internal Control and Internal Audit

Unibank's internal control system is an integral part of its governance framework, providing safeguards across all operations. It ensures:

- Protection of assets and information.
- Accuracy and reliability of financial and operational reporting.
- Compliance with laws, regulations, and internal policies.
- Efficiency of business processes and decision-making.

The Internal Audit Department functions independently from management and reports directly to the Supervisory Board and Audit Committee. It plays a critical role by:

- Conducting risk-based audits to assess internal control adequacy.
- Evaluating the effectiveness of governance, compliance, and risk management systems.
- Recommending improvements for process efficiency and risk mitigation.

Unibank's integrated approach to risk management and internal control is foundational to its stability, competitiveness, and sustainability. With a clear policy framework, phased risk processes, a disciplined governance structure, and proactive internal oversight, the Bank ensures resilient performance in the face of complexity and change.

Responsible Corporate Citizen

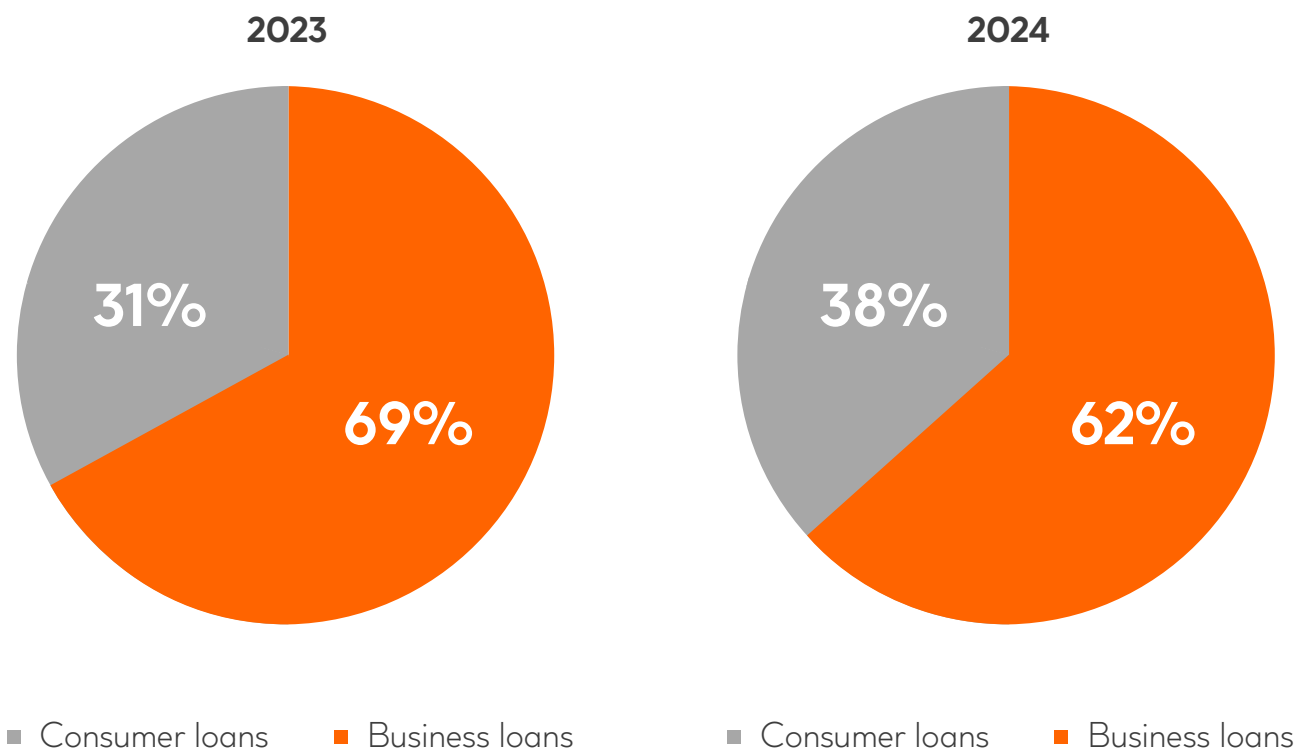
Business lending: Partnering for Growth

At Unibank, our business model is guided by a commitment to inclusive growth, digital innovation, and long-term value creation. We operate at the intersection of purpose and performance, recognizing that strong financial results must be achieved alongside positive environmental and social outcomes. This belief forms the foundation of our strategy and defines how we serve individuals, communities, and businesses across Azerbaijan.

Unibank’s operational model is centered around a relationship-driven and technology-enabled approach, designed to meet the needs of diverse customer segments. Our presence spans retail banking, SME lending, and corporate finance, with an emphasis on accessibility, digital transformation, and trust-based partnerships. Our digital channels have expanded rapidly, enabling us to scale impact while delivering efficient, secure, and customer-centric banking experiences.

Throughout 2024, Unibank continued to deliver high-quality service to its customers, reinforcing its role as a reliable and customer-focused financial institution. In 2024, Unibank’s total loan portfolio grew by AZN 107 million and the share of business loans approached 40%, up significantly compared to the same period of the previous year, reflecting the Bank’s strategic focus on supporting the real economy.

Portfolio composition by segments



The Bank's business loan portfolio grew by 33% year-on-year, reaching AZN 437 million. Notably, loans to small and medium-sized enterprises (SMEs) saw a sharp increase, with the SME loan portfolio expanding by 63% by the end of 2024. Within the broader business lending portfolio, microloans accounted for 23%, with the volume of newly issued microloans rising by 20% during the reporting period. This development is in line with its renewed strategic priorities, Unibank continued to expand its business lending activities, reinforcing its role as a key financial partner for enterprises across Azerbaijan and underlying Unibank's ongoing contribution to inclusive economic growth.

One of the most symbolic milestones of the past year was the issuance of Unibank's first business loan to the liberated territories of Azerbaijan. This financing was provided within the framework of the Entrepreneurship Development Fund's Support Mechanism for Entrepreneurs Operating in Liberated Territories. The initiative reflects Unibank's commitment to inclusive economic development and its contribution to revitalizing business activity in regions of strategic national importance.

During the reporting period, Unibank demonstrated solid financial performance, marked by notable improvements across key indicators. The Bank's total income increased by AZN 35 million, bringing combined interest and non-interest income to AZN 355 million by the end of 2024. Unibank closed the year with a net profit of AZN 20.4 million, while operating profit reached AZN 63 million.

The Bank's capital position also strengthened significantly. Total capital grew by more than 10% compared to the previous year, reaching AZN 177 million. In line with its prudent financial management, Unibank improved its capital adequacy ratio, which stood at 13.09% by year-end 2024. The Bank's total assets increased by 11% during the reporting period, reaching AZN 1.76 billion—underscoring continued growth and resilience.

Retail Banking: Driving Growth Through Customer-Centric Innovation

In 2024, Unibank's Retail Banking to strengthen its position as a key driver of inclusive growth and digital transformation. We delivered solid performance across key metrics, deepened our customer engagement, and expanded access to modern financial services.

Unibank maintained portfolio stability while exercising prudent credit risk management. Although the total retail portfolio experienced a marginal decline of 4% compared to the previous year, this reflects a measured approach to market volatility and economic uncertainty. Meanwhile, the deposit portfolio remained virtually unchanged year-on-year, highlighting the continued confidence and loyalty of our customers. Our mortgage lending expanded by 7.7%, underscoring our commitment to supporting long-term financial security and home ownership among our clients.



Growing Reach by increasing ATM coverage 17%



Increased active debit card customers 5.2%

The number of active debit card customers increased by 5.2%, reflecting our efforts to attract and retain retail clients through accessible products and enhanced digital tools. We also expanded our physical footprint, increasing ATM coverage by 17%, ensuring more reliable service touchpoints across the country.

Accelerating Digital Transformation by increased digital usage rate by 19.3%

The Bank made significant progress in its digitalization journey, with the digital usage rate rising by 19.3% over the year. This improvement was driven by:

- Enhanced mobile banking functionality;
- Streamlined digital onboarding for new customers;
- Targeted CVM (Customer Value Management) initiatives that delivered more personalized digital experiences.

With three operational digital branches and steady monthly mobile transaction volumes, Unibank is meeting customers where they are— online, mobile, and in-app.

★ Customer Loyalty and Experience: 13.3% increased in NPS

Customer satisfaction is at the heart of our retail strategy. In 2024, our Net Promoter Score (NPS) improved by 13.3%, signaling stronger brand affinity, service reliability, and user experience enhancements.

Unibank also achieved a reduction in its Non-Performing Loan (NPL) ratio, reflecting a significant improvement in portfolio quality and risk discipline. This was supported by stronger credit controls, timely monitoring, and a customer-centric collections strategy.

Innovation and Digital Transformation: Our Cornerstone for Driving Sustainable and Inclusive Banking

At Unibank, innovation is not just a response to evolving market trends— it is a strategic pillar that supports our mission to make financial services more inclusive, accessible, and sustainable. Since 2002, our journey through digital transformation has been marked by milestones that have reshaped banking in Azerbaijan. From pioneering card-based services to launching the country's first neobank and embracing green finance, Unibank continues to be one of the leaders in the sector in creating smart, customer-centric solutions rooted in sustainability and innovation.

Laying the Digital Foundation: From Cards to Contactless

Our digital journey began with a focus on expanding card-based banking services, setting the stage for long term transformation. Through the introduction of electronic payments, ATM access, and card issuance, Unibank took decisive steps toward increasing financial inclusion and encouraging the transition to a cashless economy.

This foundation enabled a seamless progression toward fully digital solutions, and by 2015, we had completed a comprehensive modernization of our core banking platform. This upgrade enhanced service security, reliability, and scalability— key prerequisites for delivering seamless customer experiences across digital channels.

Unibank was also the first bank in Azerbaijan to introduce a fully online loan application, eliminating paperwork and branch visits, and redefining customer expectations for convenience and speed.

Leobank: Azerbaijan's First Neobank

In 2021, Unibank reached a landmark moment in digital banking with the launch of Leobank, the country's first neobank.

Designed for digitally native and tech-savvy users, Leobank offers a 100% digital banking experience, including instant card issuance, mobile-first functionality, and seamless financial tools— all through a single mobile app.

Leobank quickly gained popularity, underlining Unibank's role as a trailblazer in digital financial services. It continues to evolve with innovative offerings such as Leo Prime— a premium product tailored to the unique needs of high-value clients— and digital business solutions for SMEs, enhancing access to banking services for entrepreneurs and business owners.

Digital Infrastructure and Smart Payments

Recognizing the transformative power of digital infrastructure, Unibank has continually invested in upgrading its banking systems and integrating advanced cybersecurity protocols to ensure safe, reliable, and user-friendly services.

We also embraced the global shift toward contactless and mobile payments by integrating Apple Pay, Google Pay, and other digital wallet solutions into our banking ecosystem. These tools offer clients more secure, fast, and convenient ways to manage their finances, aligning with both modern lifestyle needs and pandemic-era behavioral shifts.

Responsible financing

Sustainability is also becoming a central lens through which we shape financial services. We are progressively embedding ESG considerations into our credit policies and business solutions. Through the development of our Sustainable Finance Framework, we aim to integrate climate, environmental, and social risk assessments into core banking operations— strengthening our sustainable finance profile and aligning with national and international standards.

Our business model is both forward-looking and adaptive supporting contribution to the UN Sustainable Development Goals, national priorities, international climate commitments and evolving customer expectations. Whether through green lending, support for women entrepreneurs, or partnerships that advance digital and sustainable finance literacy, Unibank is committed to delivering banking that not only performs— but transforms.

At Unibank, we see finance as a powerful tool for shaping a more inclusive and sustainable future. Through our responsible financing approach, we actively support economic, environmental, and social progress by directing capital toward projects that generate positive and lasting impact. Our efforts align with national development priorities and global sustainability goals.

Unibank's responsible financing approach is guided by the principles of transparency, environmental stewardship, and social inclusion. We are committed to integrating ESG considerations into our lending practices and product design.

In 2024, Unibank marked a significant milestone by issuing Azerbaijan's first-ever green bonds, valued at 20 million AZN (~11.8 million USD), in alignment with the Green Bond Principles of the International Capital Market Association (ICMA). The green bond issuance was evaluated and approved by the AIFC Green Finance Centre, an accredited verifier with both the Climate Bonds Initiative (CBI) and the ICMA. The Centre provided a Second Party Opinion, certifying the green credentials of the bonds and awarding Unibank an "excellent" rating for its comprehensive environmental strategy and alignment with international green finance

standards. The funds raised through these green bonds will be directed toward finance projects that contribute to environmental sustainability, including renewable energy, energy efficiency, and clean production initiatives. These projects will support Azerbaijan in reaching its climate goals and emphasise the critical role of the private sector in the country's decarbonisation efforts.

This issuance was implemented within the scope of our Sustainable Finance Framework (SFF), which outlines the criteria for financing environmentally and socially responsible activities. The framework also serves as a foundational step toward the broader sustainable finance profile we are shaping as a bank committed to ESG alignment and long-term impact.

Supporting Communities and the Environment: Making lasting impact

In alignment with its business strategy and commitment to sustainability, Unibank continued to play an active role in advancing national development and improving the social well-being of citizens throughout 2024. The Bank's initiatives reflect its dedication to the United Nations Sustainable Development Goals (SDGs), particularly in fostering partnerships for the goals.

Honoring Heroes and Supporting Their Families

Since 2020, designated as the Year of Victory in Azerbaijan, Unibank has prioritized support for the families of martyrs and war veterans. These efforts have become a cornerstone of the Bank's corporate social responsibility agenda. Several of these initiatives have been recognized as exemplary CSR projects and have received awards for aligning with SDG 17: "Partnerships for the Goals."

In 2024, Unibank continued its long-term support for two martyr families under its care. The Bank maintained close engagement with these families, offering assistance and visiting them during national holidays and remembrance days.

Additionally, Unibank was a key partner in the "You Are Not Alone" initiative, a project aimed at supporting the education of widows of fallen soldiers. This initiative was implemented in collaboration with the Azerbaijan Banks Association and the State Committee for Family, Women and Children Affairs.



Empowering Vulnerable Communities

Unibank extended its partnership with the Nargis Foundation to support low-income families, continuing its contributions to humanitarian aid projects throughout 2024.

In celebration of International Children's Day on June 1, Unibank supported an event at the No. 1 Child Rehabilitation Center under the State Medical-Social Expertise and Rehabilitation Agency. Organized by the Public Union for Support of Women and Children's Education, the two-day event featured educational and entertaining programs for children.

Furthermore, Unibank, in collaboration with partners such as Papa John's Pizza Azerbaijan and Bolt Food, organized a series of events throughout June 2024 to mark International Children's Day. These events included visits to 12 orphanages and shelters, where over 800 children received gifts and participated in festive activities.



Environmental Stewardship and Green Growth

Guided by ESG principles, Unibank took meaningful steps to support Azerbaijan’s national priority of becoming a “clean environment and green growth” country. In 2024, the Bank organized a large-scale tree planting campaign in the Mushfigabad area, planting 500 trees– including Eldar pines and olive saplings– across nearly one hectare of land. The initiative was carried out with the organizational support of the “Eco Hub” Public Union for Support of Environmental Initiatives.



Promoting Sustainable Finance and Awareness

As part of Media Literacy Week, Unibank hosted a seminar titled “Sustainable Finance: Trends and Perspectives” for journalists. Led by the Bank’s Sustainability Manager, the seminar covered key sustainability concepts, Azerbaijan’s climate agenda, and the development of sustainable finance both globally and locally.

Participants were informed about the country’s 2022–2026 socio-economic development strategy, which outlines goals and projects aimed at transforming Azerbaijan into a green growth economy. The seminar also explored the risks and opportunities that climate change presents for financial institutions, emphasizing the growing importance of sustainable finance in the banking sector.



Reliable employer: Fostering Engagement, Fairness, and Wellbeing

We believe that our people are the foundation of our success. As a responsible and inclusive employer, we are committed to cultivating a workplace that values integrity, diversity, well-being, and continuous learning. Our human capital strategy aligns with our broader sustainability goals and ensures that every employee is empowered, supported, and given equal opportunities to thrive.

Unibank's human resources management is guided by principles of fairness, meritocracy, and transparency. We are committed to upholding high ethical standards and fostering a culture of trust and accountability.

Our HR framework is anchored in a comprehensive set of internal policies that guide employee conduct and institutional behavior.

We are committed to fostering future-ready leaders and ensuring that our people have the skills to drive inclusive and responsible growth.

Diversity, Inclusion and Gender Equality

Diverse and inclusive workplace is essential to building a sustainable and forward-thinking organization. We are committed to creating an environment where everyone— regardless of gender, age, or background— feels valued, respected, and empowered to contribute. As of the end of 2024, Unibank employed more than 2 thousand professionals across its operations. Gender balance and equitable representation remain key components of our human capital strategy. Share of female employees in our workforce comprises nearly 39%.

A breakdown by functional areas reveals a thoughtful approach to gender distribution. In the Back Office, where many core operational and support functions reside, women account for 43%. The Front Office, which includes client-facing and retail service roles, is more male-dominated, around 65%. Nevertheless, targeted recruitment and training initiatives continue to support women's increased presence in these dynamic roles as well. This distribution highlights both the strengths and the opportunities for more balanced representation in certain areas. Our ongoing efforts are focused on closing gender gaps, enhancing inclusive recruitment practices, and supporting the career progression of underrepresented groups.

The vast majority are Azerbaijani nationals, reflecting our commitment to national talent development. At the same time, we are proud to have colleagues around 2% representing a variety of nationalities. Around 1% of our workforce consists of individuals with disabilities. We recognize the value of diverse abilities and are dedicated to ensuring that our physical infrastructure, digital systems, and corporate culture support accessibility and inclusion. With employees in the regions accounting for 14% of the total staff – a testament to the Bank's contribution to regional employment and inclusive economic development. In line with our commitment to fostering a family-friendly workplace, 3% of Unibank employees benefitted from parental leave during 2024, demonstrating the Bank's support for work-life balance and inclusive caregiving responsibilities.

Unibank recognizes that diverse teams drive innovation and resilience. We are dedicated to fostering an inclusive workplace where everyone feels respected and empowered. We continuously strive to improve gender balance, support underrepresented groups, and ensure that diversity is reflected at all organizational levels.



Decent working conditions

At Unibank, we believe that our long-term success is inseparable from the wellbeing and motivation of our people. Our role as a reliable employer is not only about offering jobs, but about creating meaningful careers in an environment where employees feel respected, empowered, and valued. In 2024, we took important steps to strengthen our employee experience, anchored in our values of fairness, inclusion, and sustainable development.

A workplace built on trust and purpose emerged clearly from the results of our latest employee engagement survey, which saw a 53% participation rate. The feedback provided valuable insights into what we are doing well and where we can improve. Most notably, our employee Net Promoter Score (eNPS) stood at +73, reflecting strong levels of advocacy and trust in the Bank.

The findings also underscored a deep sense of engagement and shared purpose across the organization:

- 87% of employees reported being in a professional, fair, and respectful relationship with their line managers.
- 86% felt their contributions have a direct impact on the Bank's overall performance.
- 83% said they feel safe speaking up, pointing to a culture of openness and psychological safety.
- 82% expressed their willingness to go the extra mile for Unibank.
- 80% affirmed that tasks are allocated fairly within their teams.

Our people are the driving force behind Unibank's continued transformation. We are proud to support a work culture that is inclusive, responsible, and committed to shared success. As we look ahead, we remain focused on enhancing the employee journey, building a culture of continuous learning, and ensuring every Unibank employee thrives.

Continuous learning and professional development are integral to our vision of responsible and future-ready banking. We view training as a long-term investment in both our people and our institution's resilience. In 2024, more than 60% of employees benefitted from training and capacity-building programs, of which 38% were women, reflecting our commitment to inclusive development opportunities across all roles and departments.

Our learning culture is strategically aligned with sustainability priorities. In this context, 60 employees received specialized training on sustainable finance and ESG-related topics. While this figure represents a starting point and it marks a foundational step in embedding sustainability awareness across key operational functions. These trainings focused on integrating ESG risk considerations, green finance principles, and responsible banking practices into day-to-day decision-making processes.



GRI Content Index

Prepared in accordance with the GRI Standards

GRI Disclosure GRI 2: General Disclosures 2021	Description	Location in Report
2-1	Organizational details	p. 5 (“About Unibank”), Corporate Profile
2-2	Entities included in sustainability reporting	p. 4–5 (Scope of the Report)
2-3	Reporting period, frequency, contact point	p. 4 (Scope of the Report)
2-4	Restatements of information	Not applicable in this first report
2-5	External assurance	Not assured; noted in p. 4 (Scope of the Report)
2-6	Activities, value chain, and business relationships	p. 5–6 (Business Model), p. 9 (Sustainability Strategy)
2-7	Employees	p. 30–33 (Reliable Employer)
2-9	Governance structure and composition	p. 14–15 (Governance), Board ESG Committee
2-12	Role of the highest governance body in sustainability	p. 15 (Board-level oversight)
2-13	Delegation of responsibility for sustainability topics	p. 14–15 (Sustainability Governance)
2-14	Role of highest governance body in sustainability reporting	p. 14–15
2-22	Statement on sustainable development strategy	p. 3 (Letter from Chairman of SB), p. 7 (CEO’s foreword)
2-23	Policy commitments	p. 18–19 (Sustainable Finance Framework), Code of Ethics
2-26	Mechanisms for seeking advice and raising concerns	p. 15 (Ethical governance)
2-28	Membership of associations	Not disclosed – consider adding in future reports

GRI Disclosure GRI 3: Material Topics 2021	Description	Location in Report
3-1	Process to determine material topics	p. 11–12 (Materiality Analysis)
3-2	List of material topics	p. 12 (Material Topics table)

GRI Content Index

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Selected Topic-specific GRI Standards	Description	Location in Report
GRI 302: Energy (2016)	302-1 Energy consumption within the organization	Not reported – recommend inclusion in future reports
GRI 305: Emissions (2016)	305-1 to 305-3 GHG emissions scope 1–3	Not reported – marked for development
GRI 401: Employment (2016)	401-1 New employee hires and turnover	p. 30–31 (HR metrics, gender/diversity data)
GRI 404: Training and Education (2016)	404-1 Average hours of training per year per employee	p. 32 (Learning & Development)
GRI 413: Local Communities (2016)	413-1 Operations with local community engagement	p. 34–35 (Community Investments, Social Impact)
GRI 417: Marketing and Labeling (2016)	417-3 Incidents of non-compliance with marketing regulations	Not reported – no incidents disclosed