

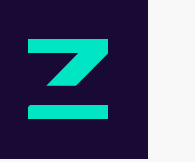


Principles for Responsible Banking (PRB)

2023

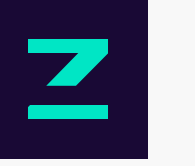
**ZENUS
BANK**

UN 
environment
programme | finance
initiative
Principles for
Responsible Banking



Zenus Bank's UNEP FI Impact Report showcases our dedication and commitment to fostering financial inclusion, gender equality, and reducing inequalities. This annual report reflects our strategy's contribution to global financial inclusion and captures our progress and plans for empowering clients worldwide.





We will align our business strategy to be consistent with and contribute to individuals’ needs and society’s goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

1.1 BUSINESS MODEL

Zenus Bank, a US digital bank, leverages cutting-edge technology that empower individuals across more than 180 countries with the ability to effortlessly establish US bank accounts online, eliminating the requirement for US citizenship, residency, or a US company registration. This grants clients access to the unparalleled security, flexibility, and convenience of US banking standards.

Zenus offers retail accounts with a comprehensive array of services including Wire, ACH, and P2P transfers, Debit Cards, and Foreign Exchange Services (FX). Since last year report, our customer base experienced an expansion, from 621 clients in 93 countries to 1650 clients in 118 countries.

Our retail accounts continue to constitute the entirety of our bank’s portfolio, with key markets such as Colombia (10.89%), Mexico (7.00%), Argentina (6.45%), India (6.27%), the United States (6.20%), Chile (4.68%), the United Kingdom (4.38%), and Turkey (3.28%) leading the way.

On the next year, we expect to extend the products to offer B2B and B2B2C services globally to financial institutions and non-financial institutions.

1.2 STRATEGY ALIGNMENT

Zenus Bank, an US digital bank, utilizes advanced technology to empower individuals in over 180 countries, enabling them to easily open US bank accounts through online channels. This process removes the necessity of having US citizenship, residency, or a US company registration. As a result, customers gain entry to the exceptional security, adaptability, and convenience offered by the standards of US banking.

Zenus aim to impact the global economic prosperity through real-time risk management strategy, account, and transactional services APIs that will allow FinTech’s, banks, and broker dealers to offer their customers a USD account, Visa Infinite Card, FX services, and cross-border payments.

Our plans to introduce B2B and B2B2C services are on track, with a scheduled launch in 2024. Our strategic vision involves extending our B2B and to our international clientele in more than 180 countries.

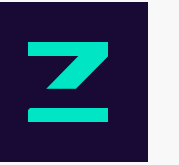
Our forthcoming B2B and B2B2C portfolio will be a significant milestone, presenting financial and non-financial institutions with the opportunity to utilize a white-label version of our banking app. This innovative approach empowers them to provide consumers in their respective jurisdictions with access to our USD bank accounts. By doing so, we anticipate a heightened level of accessibility for underserved populations, thus contributing to Sustainable Development Goals (SDGs) such as Gender Equality (5) and Reduce Inequalities (10).

In line with our ongoing commitment to social impact, we will persist in evaluating our influence on various segments, including female entrepreneurs, business owners, and students. Furthermore, our dedication to safeguarding our customers against unforeseen financial disruptions remains a core focus as we continue our journey.

Zenus business strategy, and the services and products we expect to offer in the near future, perfectly aligns with the goals set by the United Nations Environment Programme Finance Initiative (UNEP FI). Our business strategy inherently upholds the principles of the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and pertinent national and regional frameworks.

However, acknowledging our status as a start-up, we recognize that realizing these aspirations will demand a considerable investment of time, dedication, and patience. Thus, we are diligently crafting the necessary tools and clearing the path toward attaining this overarching objective. As our business expands, so too will our sphere of impact.

We have identified that, given our existing products and stage of business development, without the need to change our strategy, we hold the potential to make substantial contributions in Financial Inclusion, Financial Health, and Gender Equality.



We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

2.1 IMPACT ANALYSIS

For this second report, we utilized the UNEP FI Impact Analysis tool V3 to perform our impact assessment. The data utilized for this analysis was sourced from our UNEP dashboards, which were established last year to diligently track and evaluate our impacts, while also showcasing essential customer demographics and other crucial information.

Our analysis was focused around gender and our retail portfolio of USD accounts, which includes Visa debit card services, Foreign Exchange (FX), and cross-border payment solutions (SWIFT), spanning across 118 countries.

Our main focus was on key regions including Argentina, Colombia, Mexico, Egypt, Peru, Bangladesh, and Ecuador. These specific countries were chosen in accordance with Zenus' strategic market priorities, which revolve around Latin American nations and areas where women constitute the majority of the unbanked population - namely Bangladesh, Peru, and Egypt.

During our impact analysis, we used the Impact Analysis Tools V3 context and identification modules. As of the present year, our bank's portfolio remains exclusively comprised of 100% retail accounts. We currently have clients in 118 different countries.

Zenus Bank operates internationally and is aware of the urgent challenges that demand achieving Financial Inclusion, Financial Health, and Gender Equality on a global scale. These priorities are emphasize on the findings from The Global Findex Database Report of 2021.

Per The Global Findex Database:

Worldwide account ownership has reached 76 percent of the global population—and 71 percent of people in developing countries. The gender gap in account ownership across developing economies has fallen to 6 percentage points from 9 percentage points, where it hovered for many years. Receiving digital payments such as a wage payment, a government transfer, or a domestic remittance, catalyzes the use of other financial services, such as storing, saving, and borrowing money.

In developing economies, about 40 percent of adults who paid utility bills (18 percent of adults) did so directly from an account. COVID-19 boosted the adoption of digital financial services: About 40 percent of adults in developing economies excluding China who made a digital merchant payment using a card, phone, or the internet, and more than one-third of adults in developing economies who paid a utility bill directly from an account, did so for the first time after the start of the pandemic. Mobile money has become an important enabler of financial inclusion in Sub-Saharan Africa—especially for women—both as a driver of account ownership and of account usage through mobile payments, saving, and borrowing.

Our bank's strategic direction aligns with these identified challenges. Zenus Bank has the capacity to offer global digital accounts, empowering adults with enhanced financial resilience allowing them to receive wages and social program benefits and have accessibility to a Visa debit card.

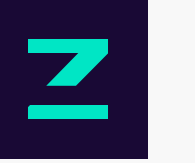
Continuing our robust partnerships with esteemed entities such as Visa, Swift, JP Morgan, and Convera, we ensure the delivery of superior products and services to our valued clientele. Furthermore, Zenus Bank is diligently working to extend a white-label version of our banking services to local financial institutions. This strategic move allows us to address the unique needs of clients within their specific regional and contextual parameters, thus amplifying our targeted impact.

In the wake of last year's developments, Zenus Bank has recognized the profound potential of our services to foster global Financial Inclusion, enhance Financial Health, and promote Gender Equality.

Our distinctive banking license empowers us to offer a digital USD account, catering to deposits and facilitating payments across the world. This licensing privilege has also enabled us to forge partnerships with key entities, including Swift, Visa, and FX service providers.



PRINCIPLE 2: IMPACT AND TARGET SETTING



Zenus Bank Top 10 countries:

| Main Geographies | Portfolio Composition | Male | Female | Number of Products |
|------------------|-----------------------|------|--------|--------------------|
| Colombia | 10.87% | 82% | 18% | 5 |
| Mexico | 6.98% | 82% | 16% | 5 |
| Argentina | 6.50% | 84% | 16% | 5 |
| India | 6.31% | 96% | 4% | 5 |
| United States | 6.25% | 79% | 20% | 5 |
| Chile | 4.68% | 90% | 10% | 5 |
| United Kingdom | 4.37% | 79% | 21% | 4 |
| Turkey | 3.28% | 89% | 11% | 4 |
| Germany | 2.98% | 90% | 10% | 4 |
| Ecuador | 2.91% | 73% | 27% | 5 |

Targeted Countries for our Educational and Awareness Campaigns:

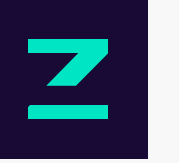
| Main Geographies | Portfolio Composition | Male | Female | Number of Products |
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| Colombia | 10.87% | 82% | 18% | 5 |
| Mexico | 6.98% | 82% | 16% | 5 |
| Argentina | 6.50% | 84% | 16% | 5 |
| Ecuador | 2.91% | 73% | 27% | 5 |
| Peru | 1.46% | 96% | 4% | 5 |
| Bangladesh | 0.49% | 100% | 10% | 5 |
| Egypt | 1.15% | 95% | 5% | 5 |

Products Offered on Targeted Countries & Global:

| Country | Wire – ACH & P2P | Foreign Exchange | Debit Cards |
|---------------|------------------|------------------|---------------|
| Colombia | 100% | 100% | 96.13% |
| Mexico | 100% | 100% | 100% |
| Argentina | 100% | 100% | 97.14% |
| Ecuador | 100% | 100% | 98.15% |
| Peru | 100% | 100% | 100% |
| Bangladesh | 100% | 100% | 90.91% |
| Egypt | 100% | 100% | 81.48% |
| Global | 100% | 100% | 66.51% |



PRINCIPLE 2: IMPACT AND TARGET SETTING



With Zenus Bank unhindered by geographical constraints, we're uniquely positioned to extend bank account access to underbanked individuals on a global scale. The provision of USD accounts further opens doors to a spectrum of additional financial services, encompassing investments, insurance, pension plans, and beyond.

Throughout this year, we've embarked on a mission to overcome significant challenges, with a focus on achieving comprehensive financial inclusion, Financial Health and Gender Equality. As part of this endeavour, we also devised solutions for unbanked individuals with limited funds or documentation hindrances.

Notably, we've taken proactive steps by waiving our onboarding fee, ensuring an equitable chance for all to access the advantages of our services. Moreover, we've improved our onboarding processes to simplify the account opening experience for our clients.

At Zenus Bank, our client portfolio has undergone substantial growth. During last year report, we served 651 clients across 96 countries, with women constituting 10.60% of our clientele. Presently, our client count has surged to over 1650, spanning 118 countries, and the percentage of women clients has risen to 14%.

Our commitment to service quality is evidenced by the fact that 100% of our clients enjoy access to USD accounts, Swift and Wire services, and FX capabilities. Furthermore, 66.51% of our clients are equipped with Visa debit cards. Additionally, 40.08% of our clients are self-employed, and within this category, 5.44% are women.

These performance metrics mark our evolving journey as we navigate the start-up phase. They form a foundational benchmark, demonstrating the potential impact achievable through our business model. Looking ahead, our anticipation is to achieve exponential growth in both client numbers and product offerings between Q4 2023 and Q2 2024.

To comprehensively gauge our performance, we've developed sophisticated dashboards capturing diverse data dimensions, including

geographic locations (urban and rural), demographics, industries, gender breakdowns, occupations, income levels, and transaction specifics. This encompasses transaction volumes, the source and destination of funds, locations of debit card transactions, and types of services (e.g., Uber, Netflix, Amazon).

Currently, we're in the process of introducing additional dashboards to measure transaction trends based on gender, the balance between deposits and withdrawals, and the savings behaviour exhibited by our clients. These new dashboards are expected to be implemented in 2024.

As we progress, our roadmap involves a continuous expansion of services through both our B2B and B2B2C offerings. Our vision extends to incorporating diverse financial services via our embedded banking platform.

2.2 TARGET SETTING

Our strategic targets are centered around Financial Inclusion and Health. These two pivotal goals are intrinsically linked with the fundamental principles of SDG 5, which emphasizes Gender Equality, and SDG 10, dedicated to the reduction of Inequalities. By directing our efforts towards these overarching objectives, we aim to contribute significantly to the broader global agenda of sustainable development.

The intersection of Financial Inclusion and Health with SDGs 5 and 10 is both intentional and impactful. Recognizing the profound impact of gender inequality on socio-economic progress, SDG 5 not only advocates for equal rights and opportunities but also envisions women's empowerment as a catalyst for positive change across societies. Likewise, SDG 10 underscores the urgency of reducing inequalities within and among countries, stressing the importance of policies that promote inclusivity and equitable access to resources and services.

In our commitment to realizing these interconnected objectives, we are leveraging the insights and resources provided by the Financial Inclusion Support Framework (FISF) developed by the World Bank's Financial

Inclusion initiative. By harnessing the power of data-driven strategies, we are enhancing the precision and effectiveness of our endeavours. The FISF not only provides a comprehensive perspective on financial inclusion but also aligns seamlessly with our pursuit of gender equality and reduced inequalities, amplifying the potential for meaningful and sustainable impact.

Over the past year, Zenus has made significant progress in its start-up phase.

Establishing a Baseline:

With the introduction of our embedded banking and corporate account services, Zenus will be setting the baseline for our targets and goals. This baseline will serve as a reference point for measuring our future progress and success.

Client Diversity and Awareness:

In the past year, Zenus successfully continued its efforts to increase gender diversity among our clients. Our initial goal in 2022 was to maintain a baseline of 10% female clients. Currently, we have achieved a 14% representation of women among our clients. This increase is a clear indicator that our awareness and educational campaigns have been effective in reaching and engaging a more diverse audience.

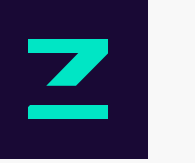
Tool Development and Data Capture:

As part of Zenus' ongoing commitment, we have been diligently working on developing tools to capture the necessary data for establishing a baseline and assessing key indicators. These tools are designed to provide us with a comprehensive understanding of our clients' needs and behaviours. We anticipate that these tools will be fully operational and ready for deployment between the end of 2023 and mid-2024.

Upcoming Launch: Embedded Banking and Corporate Account Services: One of the most exciting developments for Zenus is the imminent launch of our embedded banking and corporate account services. These services are scheduled to be introduced by the end of 2023 to mid-2024. We believe that these offerings will mark a significant turning point for Zenus, propelling us into a phase of exponential growth.



PRINCIPLE 2: IMPACT AND TARGET SETTING



This year, we are building upon the progress we achieved last year and laying the groundwork for more comprehensive and specific goal-setting. Our focus remains on strategic growth, inclusivity, and the enhancement of financial well-being.

Our targets were based on the following KPI's:

- Number of new customers
- Number of new women customers
- Amount of products used

Last year, our targets were centered around expanding our client base while maintaining a 10% representation of women accounts to be able to set a strong baseline to measure our impact.

This year, we continue to navigate the startup phase, which calls for a gradual approach to certain aspects of our mission, specifically in measuring the impact on Gender Equality, Financial Inclusion, and Financial Health. While these aspects remain vital, their full quantification requires a foundation that we are diligently constructing.

Highlighting our accomplishments since last year, we have made substantial progress. Our client base has surged from 621 clients across 93 countries to 1650 clients spanning 118 countries. This growth not only signifies the demand for our offerings but also reflects our expanding global footprint.

As we move forward, our trajectory evolves with the introduction of our B2B and B2B2C solutions. This pivotal step will enable us to establish benchmarks against which we can gauge progress.

Consequently, we are on the brink of setting SMART targets that align with our broader ambitions, specifically measuring our contributions to Sustainable Development Goal 5 (Gender Equality) and Sustainable Development Goal 10 (Reduced Inequalities).

In conclusion, this year's targets underscores both our achievements and the strategic direction we are pursuing. While some dimensions of our

impact are still maturing due to our startup status, our proactive steps in enhancing clientele and expanding our global reach are undeniable. With the impending launch of our business solutions, we are positioning ourselves to set SMART targets that comprehensively assess our influence on vital aspects of societal progress.

As an integral component of our 2023-2024 Action Plan, we will persist in our commitment to expanding our client base. Furthermore, we are embarking on a significant initiative to enhance our data analytics capabilities, enabling us to systematically measure our influence on key performance indicators. These advanced tools, will facilitate the acquisition of crucial data, essential for the comprehensive assessment of our impact across specific indicators.

Specifically, we are introducing new, robust dashboards tailored for this purpose. These dashboards will empower us to collect essential data, facilitating the assessment of our impact on various metrics. Among the indicators we will scrutinize:

The percentage of customers engaging in regular money transfers into deposit accounts, occurring at least once per quarter. This data will be parsed by product type and prioritized customer segments. By categorizing this data according to distinct product categories and prioritized customer segments, we will gain valuable insights into the usage patterns and preferences of various clientele segments.

Percentage of customers whose expenditures consistently exceeded 90% of their incoming funds for more than 6 months during the previous year. This insight in our client's spending will aid us in comprehending the financial health of our clients, highlighting potential areas for intervention and improvement.

As we progress, we will remain agile and responsive to the evolving landscape. Additional indicators will be seamlessly incorporated into our measurement framework as necessitated by our growth trajectory and the potential impacts we uncover.

This enhanced data-driven approach is paramount for comprehending our influence on existing clients, particularly concerning Financial Inclusion. By gathering and analysing this information, we aim to gain deeper insights into the tangible effects we are achieving within this critical realm. This, in turn, will enable us to refine our strategies and initiatives in a more targeted and effective manner, ultimately contributing to our overarching goals.

2.3 TARGET IMPLEMENTATION AND MONITORING

In the fiscal year 2022-2023, our primary objectives were twofold: to expand our customer base by attracting new clients and to sustain or increase the proportion of female clientele within our ranks.

In this regard, we made notable progress as our client base surged from 621 clients across 93 countries to 1,650 clients spanning 118 countries. Although our intended milestone of reaching 10,000 clients by the close of 2023 remains unattained as of this report, we anticipate this growth trajectory to materialize upon the introduction of our anticipated B2B and B2B2C offerings, expected to materialize by the end of 2023 or early 2024.

Looking ahead to the fiscal year 2023-2024, our objectives largely remain consistent, with an added focus on assessing our impact on the financial inclusion and financial well-being of our clients. By doing so, we intend to align with the principles of Sustainable Development Goals (SDG) 5 and 10.

To realize these targets effectively, we recognize the imperative of substantially increasing our client base. This expansion is crucial in establishing a meaningful baseline that enables us to gain comprehensive insights into the positive and negative impacts we have on our clients' financial lives. By doing so, we aim to foster financial inclusion and contribute to broader societal goals.



To pursue and attain our set objectives, we executed the following strategic initiatives:



Women’s Education and Awareness Campaigns:

The primary objective of this campaign was not only to bolster the number of female account holders but also to educate women on leveraging financial services for enhanced inclusion, literacy, and resilience.

Our aim was to empower women with the knowledge and access to secure, efficient banking services that would enable them to harness opportunities and contribute to economic growth.



Elimination of Application Onboarding Fee:

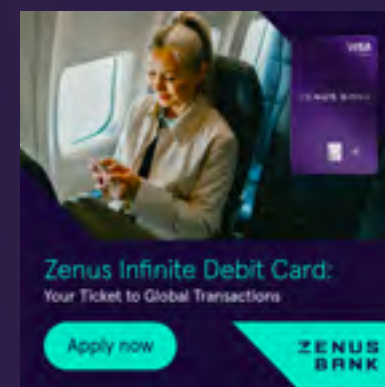
Recognizing that our onboarding fee was a deterrent for unbanked individuals with limited financial resources or documentation challenges, we took the decision to remove this fee.

Our intent was to better serve and make a substantial impact on unbanked individuals and vulnerable communities.

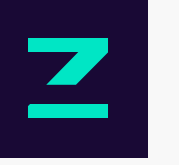


Mitigating Document Hindrances:

Identifying issues related to document requirements for opening accounts, we introduced modifications to our onboarding process. These changes were aimed at simplifying the account access process at Zenus Bank while maintaining the security and compliance standards mandated by U.S. banking regulations.



See page 21 for the full range of campaign assets



We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

3.1 CLIENT ENGAGEMENT

In our goal of promoting diversity, inclusivity, and sustainability, Zenus Bank has adopted a proactive approach to client engagement. Acknowledging the pivotal influence of women clients on economic and societal well-being, we have dedicated considerable efforts to better understand and serve this demographic in this initial campaign.

Our approach revolves around client engagement and feedback, driven by the belief that understanding our clients' needs is essential for aligning our services with their sustainability goals. This initiative involves a comprehensive outreach campaign with questions meticulously crafted to understand the client experience and aspirations. Some of the key information we seek to gather from this campaign are:

A. Client Onboarding Experience: We seek to comprehend the extent to which Zenus Bank accounts fulfil clients' financial needs, using this knowledge to identify opportunities for refining and enhancing our product offerings.

B. Account Suitability: Our inquiries explore into the extent to which clients' Zenus Bank accounts meet their financial needs, helping us identify opportunities for improvement.

C. Service Utilization: Clients' perceptions of our banking services are assessed, focusing on the most beneficial services. For those who haven't explored the full range of our services, we embark on a deeper exploration for non-utilization to uncover possible challenge and potential alternatives.

D. Client Support: We inquire about interactions with our client service team, inviting suggestions for enhancement. By fostering such communication, we strive to create a strong client relationship, built on trust and open dialogue.

The insights gathered from these campaigns will form the bedrock for developing policies and initiatives. Also we seek to provide enhanced support for clients in their journey towards sustainability.

3.2 BUSINESS OPPORTUNITIES

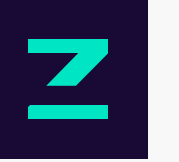
We've identified business opportunities that have remained consistent since last year. Our strategic plan to expand our services, encompassing both B2B and B2B2C offerings by the end of 2023-2024, opens up new horizons for our goals and impact. Beyond our existing commitments to Gender Equality, Financial Health, and Financial Inclusion, this expansion allows us to broaden our impact. As we onboard diverse businesses spanning various industries, we're presented with opportunities to contribute to objectives aligned with Net Zero and the Paris Agreement initiatives.

Our primary objective is to gain a comprehensive understanding of the global banking needs of these businesses, enabling us to identify avenues for providing them with worldwide USD accounts at an accessible cost. We will be actively promoting our target audience to customers that promote or align with sustainability and environmental initiatives.

We also recognize the challenges these customers face when it comes to opening accounts, particularly when dealing with public funds associated with NGOs. We have identified opportunities in which we could offer a secure, transparent, and reliable solution, ensuring the smooth facilitation of their financial transactions.



PRINCIPLE 4: STAKEHOLDERS

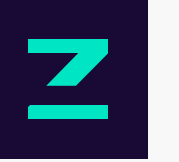


We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

Our primary stakeholders consist of local regulators, investors, and our internal executive team. This core group plays a pivotal role in shaping our strategy and ensuring regulatory compliance while also aligning our efforts with our sustainability goals.

As we progress to expand our banking services, we will start seeking out external stakeholders who share our commitment to the Sustainable Development Goals (SDGs) and our impact areas. This aim for this extended network to include industry experts, environmental organizations, community leaders, and advocacy groups, among others. By collaborating with these external stakeholders, we aim to gain fresh perspectives, tap into specialized knowledge, and forge partnerships that will bolster our efforts to promote sustainability, gender equality, financial health, and financial inclusion.

The insights and feedback from these stakeholders will be instrumental in shaping our action planning process. This collaborative approach will not only strengthen our impact but also enhance our responsiveness to the evolving needs and challenges in the financial industry.



We will implement our commitment to these Principles through effective governance and a culture of responsible banking

5.1 GOVERNANCE STRUCTURE FOR IMPLEMENTATION OF THE PRINCIPLES

The Governance Committee assumed the vital role of supervising the Principles' implementation and provides regular updates to the Board of Directors. The CEO plays a significant role as a member of this committee. Similarly, our Chief Compliance Officer serves as the Chief Sustainability Officer, reinforcing our commitment to this critical function.

During this year, the Governance & Sustainability Committee was created. This Committee is under the direct supervision of the Governance Committee. The committee itself comprises experts from diverse departments, including risk, compliance, marketing, and technology. Collectively, they make strategic decision-making, analyses the data, approves the creation of impact assessment tools, and makes sure to comply with the submission of annual reports.

The Committee was set to meet monthly and reports to the Governance Committee quarterly. The Governance Committee approves the Sustainability Implementation Group initiatives.

This structured approach ensures that the implementation of sustainability initiatives remains proactive, streamlined, and in harmony with the overarching mission of the organization.

5.2 PROMOTING A CULTURE OF RESPONSIBLE BANKING

Currently, we have yet to implement initiatives that cultivate a culture of responsible banking among our employees. However, we are actively formulating initiatives to address this gap.

Our main focus is to develop training programs and activities that will enhance awareness and understanding of this topic, extending to both our staff and the Executive Team. Some of these initiatives include capacity building, e-learning, specialized sustainability training for client-facing roles, and other measures as deemed appropriate.

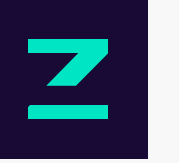
5.3 POLICIES AND DUE DILIGENCE PROCESSES

Zenus Bank, before becoming a member of the UNEP FI, it had already implemented policies that align with sustainability and ecological impact considerations. These policies reflect our commitment to responsible banking practices:

Environmental Responsibility: We have policies that strictly prohibit engaging with arms and ammunition, as well as petroleum-related corporate customers. These measures mitigate ecological risks and contribute to our efforts to support environmental sustainability.

Social Responsibility: We have policies in place that refrains from onboarding politically exposed persons into our portfolio. This proactive stance is taken to prevent foreign corruption and aligns with our commitment to address social risks.

In addition to the already implemented policies, we have initiated a campaign to engage with clients, recognizing that their insights are invaluable in creating new sustainability policies and procedures. By engaging with our clients and implementing new policies, we aim to create a banking environment that is both responsible and aligned with the broader goals of gender equality, financial health, and inclusion.



We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society’s goals.

6.1 ASSURANCE

This is Zenus Bank second year PRB report. As we venture forward, our sights are set on ensuring PRB assurance by the third year. This strategic timeline aligns harmoniously with the anticipated completion of our robust technological infrastructure deployment.

Simultaneously, during this period, we will meticulously define our baseline and establish SMART targets that will serve as the guiding beacons for our future endeavours.

6.2 REPORTING ON OTHER FRAMEWORKS

At the moment, we do not disclose sustainability information with any of the frameworks listed above.

6.3 OUTLOOK

Over the upcoming 12 months, our strategy remains aligned with our objective set forth last year: expanding our retail portfolio, and launching our commercial and institutional initiatives to extend our global outreach.

At the same time, we remain committed to finish building the necessary tools and monitoring instruments, that will enable us to understand better the impact our clients' experiences in terms of Financial Health, Inclusion, and Gender Equality.

Moreover, our plans will focus on the establishment of definitive and impactful SMART targets within the next year. These targets will serve as pivotal benchmarks, propelling us forward in our pursuit to make a real and measurable impact in Financial Health, Inclusion and Gender Equality.

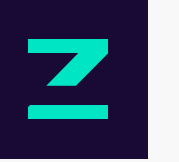
6.4 CHALLENGES

- Embedding PRB oversight into governance
- Gaining or maintaining momentum in the bank
- Getting started: where to start and what to focus on in the beginning
- Conducting an impact analysis
- Assessing negative environmental and social impacts
- Choosing the right performance measurement methodology/ies
- Setting targets
- Customer engagement
- Stakeholder engagement
- Data availability
- Data quality
- Access to resources
- Reporting
- Assurance
- Prioritizing actions internally
- Other: ...



Appendix

SELF-ASSESSMENT SUMMARY
ANNEX
CAMPAIGN ASSETS



Self-assessment summary:

Which of the following components of impact analysis has your bank completed, in order to identify the areas in which your bank has its most significant (potential) positive and negative impacts?

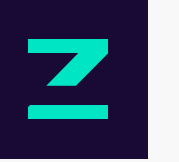
| | Yes | In progress | No |
|--------------------------|-------------------------------------|--------------------------|-------------------------------------|
| Scope: | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Portfolio composition: | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Context: | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Performance measurement: | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Which most significant impact areas have you identified for your bank, as a result of the impact analysis?

Climate change mitigation, climate change adaptation, resource efficiency & circular economy, biodiversity, financial health & inclusion, human rights, gender equality, decent employment, water, pollution, other: please specify

How recent is the data used for and disclosed in the impact analysis?

| | |
|--|-------------------------------------|
| Up to 6 months prior to publication | <input checked="" type="checkbox"/> |
| Up to 12 months prior to publication | <input type="checkbox"/> |
| Up to 18 months prior to publication | <input type="checkbox"/> |
| Longer than 18 months prior to publication | <input type="checkbox"/> |



Self-assessment summary:

Which of the following components of target setting in line with the PRB requirements has your bank completed or is currently in a process of assessing for your...

| | ...first area of most significant impact: | ...second area of most significant impact: | (If you are setting targets in more impact areas) ...your third (and subsequent) area(s) of impact: |
|---------------|--|--|---|
| Alignment | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No |
| Baseline | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No |
| SMART targets | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No |
| Action plan | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No |

| Impact area | Indicator code | Response |
|------------------------------|----------------------------|-----------|
| Financial health & inclusion | B 1.1, B 2.1, B 3.1, B 4.1 | 2023-2024 |
| | C 2.1, C 4.1, C 3.2 | 2023-2024 |

Does the CEO or other C-suite officers have regular oversight over the implementation of the Principles through the bank's governance system?

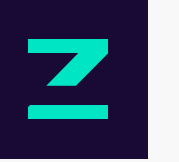
Yes No

Does the governance system entail structures to oversee PRB implementation (e.g. incl. impact analysis and target setting, actions to achieve these targets and processes of remedial action in the event targets/milestones are not achieved or unexpected neg. impacts are detected)?

Yes No

Does your bank have measures in place to promote a culture of sustainability among employees (as described in 5.2)?

Yes No



The set of indicators has been developed using a Theory of Change approach considering the relationship between inputs, activities, outputs, short- and long-term outcomes in order to achieve impact. The Theory of Change for climate mitigation can be found here, the one for financial health & inclusion here. The Theory of Change approach allows to

identify metrics and set targets which align with a bank's maturity.¹⁵ The indicators are all connected to a bank's impact and can be considered necessary steps towards measuring impact. It is not expected that a bank is able to report on all indicators from the beginning, which is why a set of indicators for different levels on a bank's implementation journey is provided.¹⁶

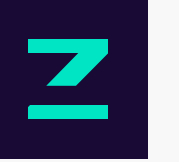
¹⁵ It is not required from banks to work with the Theory of Change concept internally. In fact, the Theory of Change has been used to structure the requirements of setting SMART targets using relevant indicators.

¹⁶ Over time, indicators for more impact areas will be developed.

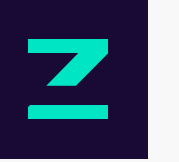
¹⁷ If possible and/or necessary, please contextualize the progress: Greenhouse gas emissions might even increase initially because the scope of measurements is extended and financed emissions from a growing proportion of the portfolio are measured, emission factors are updated etc. Emission reductions made by the clients should over time lead to a decrease in GHG emissions financed.



| Impact Area | 1. Action indicators | | | 2. Output indicators | | | 3. Outcome indicators | | | 4. Impact | | |
|------------------------------|----------------------|--|--|----------------------|---|---|-----------------------|---|--|-----------|---|------------------------------------|
| | Code | Indicator | Response options & metrics | Code | Indicator | Response options & metrics | Code | Indicator | Response options & metrics | Code | Indicator | Response options & metrics |
| A. Climate change mitigation | A.1.1 | Climate strategy: Does your bank have a climate strategy in place? | Yes / In progress / No | A.2.1 | Client engagement process: Is your bank in an engagement process with clients regarding their strategy towards a low(er)-carbon business model? | Yes / Setting it up / No; If yes: Please specify for which clients (types of clients, sectors, geography etc.) | A.3.1 | Reduction of GHG emissions: how much have the GHG emissions financed been reduced? | % over time; baseline and tracking GHG emissions in kg of CO2e (or applicable metrics) ⁷ | A.4.1 | Portfolio alignment: How much of your bank's portfolio is aligned with Paris (depending on the target set [A.1.2] either 1.5 or 2 degrees)? | % of sector, and/or % of portfolio |
| | A.1.2 | Paris alignment target: Has your bank set a long-term portfolio-wide Paris-alignment target? To become net zero by when? | Yes / In progress / No; If yes: - please specify: to become net zero by when? - Emissions baseline / base year: What is the emissions baseline / base year for your target? - Climate scenario used: What climate scenario(s) aligned with the Paris climate goals has your bank used? | A.2.2 | Proportion of financed emissions covered by a decar-bonization target: What proportion of your bank's financed emissions is covered by a decar-bonization target, i.e. stem from clients with a transition plan in place? | % (denominator: financed emissions in scope of the target set) | A.3.2 | Financial volume of green assets/low-carbon technologies: How much does your bank lend to/invest in green assets / loans and low-carbon activities and technologies? | bln/mn USD or local currency, and/or % of portfolio; please specify the definition of green assets and low-carbon technologies used | | | |
| | A.1.3 | Policy and process for client relationships: has your bank put in place rules and processes for client relationships (both new clients and existing clients), to work together towards the goal of transitioning the clients' activities and business model? | Yes / In progress / No | A.2.3 | Absolute emissions: What are your absolute emissions (financed emissions = scope 3, category 15) in your lending and/or investment portfolio? | Total GHG emissions or CO2e | A.3.3 | Financial volume lent to / invested in carbon intensive sectors and activities and transition finance: How much does your bank lend to / invest in carbon-intensive sectors and activities ^[2] ? How much does your bank invest in transition finance ^[3] ? | bln/mn USD or local currency, and/or % of portfolio | | | |
| | A.1.4 | Portfolio analysis: Has your bank analyzed (parts of) its lending and/or investment portfolio in terms of financed emissions (Scope 3, category 15); technology mix or carbon-intensive sectors in the portfolio? | Yes / In progress / No; If yes: please specify which parts of the lending and investment portfolio you have analyzed | A.2.4 | Sector-specific emission intensity (per clients' physical outputs or per financial performance): What is the emission intensity within the relevant sector? | Please specify which sector (depending on the sector and/or chosen metric): kg of CO2e/ kWh, CO2e / m2; kg of CO2e/USD invested, or kg of CO2e/revenue or profit | | | | | | |



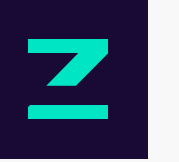
| Impact Area | 1. Action indicators | | | 2. Output indicators | | | 3. Outcome indicators | | | 4. Impact | | |
|---------------------|----------------------|---|--|----------------------|---|--|-----------------------|--|--|-----------|--|--|
| | Code | Indicator | Response options & metrics | Code | Indicator | Response options & metrics | Code | Indicator | Response options & metrics | Code | Indicator | Response options & metrics |
| | A.1.5 | Business opportunities and financial products: Has your bank developed financial products tailored to support clients' and customers' reduction in GHG emissions (such as energy efficient mortgages, green loans, green bonds, green securitisation etc.)? | Yes / In progress / No; Please specify which ones, and what financial volume and/or % of the portfolio they account for | | | | | | | | | |
| B. Financial health | B.1.1 | # of products and services in the portfolio with a focus on financial health and inclusion | How much of the product and service portfolio has a focus on financial health/inclusion increase. This covers products with yields that protect from inflation, products and services embedded with nudges to simplify decision making, etc. | B.2.1 | % of active customers using the online/mobile banking platform/tools | By active we mean at least one access/usage per month. Measure recurrent usage of digital services beyond the effective access of the channels. Used also as a proxy to measure if there are digital skills or not. | B.3.1 | % of customers transferring money into a savings, deposit and/or investment account, at least once a quarter | Transferring money into a savings, deposit and/or investment account at least once a quarter. Disaggregate by type of product, tenure, liquidity, and prioritized groups | B.4.1 | % of customers for which spending exceeded 90% of inflows for more than 6 months last year | Percentage. Customers that spend more than 90% their income every month are not being able to have large savings that will allow them to increase emergency funds or achieve future goals. A healthy measure is that outflows never exceed more than 90% of inflows. Transactional based |
| | | | | B.2.2 | % of individuals supported with dedicated and effective financial and/or digital education programs | Number of users, customers and non customers AS WELL AS EMPLOYEES, of financial and/or digital skills-building programs offered by the bank. Should be disaggregated by captive and non-captive users. Captive being those that can be deanonymized and non-captive being those that can't. Dedicated means that are specially created for a group of individuals. Effective means that its results have been evaluated periodically to yield the desired outcome of stronger financial skills | B.3.2 | % of customers using overdraft regularly | Percentage per year and disaggregated data per vulnerable group. Overdraft can be used to handle unexpected emergencies but more than 80% in a quarter (72 out of 90 days) denote regularity and a precursor to lower financial health | B.4.2 | % of customers that feel confident about their financial situation in the next 12 months | Percentage. One way to evaluate financial confidence is checking if the customer feels confident about their financial situation in the upcoming year. Survey based. |
| | | | | | | | B.3.3 | % of customers experiencing 8 or more payment declines in the last 12 months | Percentage of customers experiencing 8 or more payment declines in the last 12 months. Applies to both credit and debit products when using for payments, not for withdrawals. | B.4.3 | % of customers that would struggle to handle a major unexpected expense by raising emergency funds or cover with insurance | Percentage. Survey based using the question: "If a major unexpected expense arises, how can you cover it right now?" and give the multichoice option of insurance, emergency funds, loan, credit card, etc. |



| Impact Area | 1. Action indicators | | | 2. Output indicators | | | 3. Outcome indicators | | | 4. Impact | | |
|------------------------|----------------------|--|--|----------------------|---|---|-----------------------|---|---|-----------|--|--|
| | Code | Indicator | Response options & metrics | Code | Indicator | Response options & metrics | Code | Indicator | Response options & metrics | Code | Indicator | Response options & metrics |
| | | | | | | | B.3.4 | % of customers who use the bank's services to create a financial action plan | Percentage. Either digital or in person, are the customers using the banks services to set up an action plan to improve their financial health? | B.4.4 | % of customers with sufficient liquid financial assets to cover a three-month reduction/loss in income | Percentage. Objectively measures if there's financial resilience or not using transactional data to check if the customer is preapproved for a loan, has available balance in credit card or can activate overdraft, or has savings/investments. Special attention must be put to financially vulnerable customers who may not have access to some of these liquid assets. |
| | | | | | | | B.3.5 | % of individuals with OECD Financial Literacy levels higher than minimum targets | Percentage of individuals that score higher than the OECD targets (Knowledge 5/7, behaviors 7/9, attitudes 3/5). Should be measured in customers and non-customers. Specially those that receive any type of financial skills-building programs by the bank or third parties | B.4.5 | % of customers with products connected to long-term saving and investment plans | Percentage. Track future planning amongst customers. The higher the number of these investment accounts and the volume, the better for the financial health of customers |
| C. Financial Inclusion | C.1.1* | # of products and services in the portfolio with a focus on financial health and inclusion | How much of the product and service portfolio has a focus on financial health/inclusion increase. This covers products with yields that protect from inflation, products and services embedded with nudges to simplify decision making, etc. | C.2.1 | % of clients with effective access to a basic banking product | % of clients with effective access to a basic banking product. By effective we mean that beyond first access, there's usage afterwards. Basic banking products vary by bank. Good examples are: checking accounts, payment accounts, credit cards, saving accounts, deposit accounts, e-money accounts, etc. (see annex for list of products) | C.3.1 | % of vulnerable customers supported with dedicated customer journey/advisory services | Percentage of prioritized customers supported with dedicated customer journey/ advisory services. Measure the access and usage of advisory services and other tools available to help improve the conditions of customers towards further access to financial products and services as well as better financial decisions | C.4.1 | % of customers with 2 or more active financial products, from different categories, with the bank | % of customers with 2 or more active financial products, from different categories, with the bank. By active we mean there's at least one usage per month. By category we mean credit/debt, savings/ deposit/payment, insurance, investment, etc. Indicator should be disaggregated by group and by product/service used |



| Impact Area | 1. Action indicators | | | 2. Output indicators | | | 3. Outcome indicators | | | 4. Impact | | |
|-------------|----------------------|-----------|----------------------------|----------------------|---|---|-----------------------|--|--|-----------|-----------|----------------------------|
| | Code | Indicator | Response options & metrics | Code | Indicator | Response options & metrics | Code | Indicator | Response options & metrics | Code | Indicator | Response options & metrics |
| | | | | B.3.2 | % of individuals supported with dedicated and effective financial and/or digital education programs | number of users, customers and non customers AS WELL AS EMPLOYEES, of financial and/or digital skills-building programs offered by the bank. Should be disaggregated by captive and non-captive users. Captive being those that can be deanonymized and non-captive being those that can't. Dedicated means that are specially created for a group of individuals. Effective means that it's results have been evaluated periodically to yield the desired outcome of stronger financial skills | B.4.5 | % of individuals with OECD Financial Literacy levels higher than minimum targets | Percentage of individuals that score higher than the OECD targets (Knowledge 5/7, behaviors 7/9, attitudes 3/5). Should be measured in customers and non-customers. Specially those that receive any type of financial skills-building programs by the bank or third parties | | | |
| | | | | C.3.2 | % of new customers from prioritized groups | % of new customers from prioritized groups. New to the bank. Disaggregate also by previously unbanked. | B.4.1 | % of customers transferring money into a savings, deposit and/or investment account, at least once a quarter | Transferring money into a savings, deposit and/or investment account at least once a quarter. Disaggregate by type of product, tenure, liquidity, and prioritized groups | | | |
| | | | | | | | B.3.1 | % of active customers using the online/mobile banking platform/tools | By active we mean at least one access/usage per month. Measure recurrent usage of digital services beyond the effective access of the channels. Used also as a proxy to measure if there are digital skills or not. | | | |



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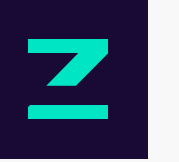
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