



ABOUT THE BANK



OTBASY BANK JSC WAS ESTABLISHED IN 2003

in order to improve and increase the efficiency of the longterm financing of housing construction and the development of the housing construction savings system aimed at improving the housing conditions of the population.

THE MAIN ACTIVITIES OF THE BANK ARE:

- acceptance of deposits for housing construction savings, opening and maintenance of depositors' accounts;
- providing the depositors with housing, preliminary housing and bridging housing loans in order to take measures to improve the housing conditions;

- accepting the deposits, opening and maintaining the bank accounts of depositors to accumulate the funds for the overhaul of the common property of the condominium and to grant housing loans to them;
- opening and maintaining special accounts for crediting lump-sum pension payments.

The founder of the Bank is the Government of the Republic of Kazakhstan represented by the State Property and Privatization Committee of the Ministry of Finance of the Republic of Kazakhstan, which has the right to dispose of the state block of shares of the Bank. Since August 2013, the Bank's sole shareholder is Baiterek NMH JSC (hereinafter referred to as the Holding). The Bank is established in the legal form of a joint-stock company and has:

ABBREVIATED NAME:

- in the official language: «Отбасы банк»АҚ;
- in Russian: АО «Отбасы банк»;
- in English: Otbasy bank JSC

Location of the Bank's executive body: 91 Abylai Khan Avenue, Almaty, Almaty district, A05A2X0, Republic of Kazakhstan.

FULL NAME:

- in the state language: «Отбасы банк» тұрғын үй құрылыс жинақ банкі» акционерлік қоғамы»;
- in Russian language: акционерное общество «Жилищный строительный сберегательный банк «Отбасы банк»»;
- in English language: "Otbasy Bank" House Construction Savings Bank Joint Stock Company.



Ibragimova Lyazzat Yerkenovna is the Chairman of the Management Board of the Bank

RATINGS



Long-term local currency deposit rating:	Baa2
Short-term local currency deposit rating:	Prime-2
Base credit rating:	Ba2
Rating outlook:	stable



Long-term local currency issuer default rating	BBB
Short-term local currency issuer default rating:	F2
Rating outlook:	stable

STATE POLICY OF THE HOUSING SAVINGS SYSTEM

For Kazakhstan, one of the most important areas of social policy is to provide citizens with affordable and high-quality housing. Economic growth and social orientation of the state became the basis for the formation of the housing construction savings system (HCS), which is regulated by the Law of the Republic of Kazakhstan «On Housing construction savings in the Republic of Kazakhstan» dated December 7, 2000.

The HCS system is a closed system of financing, when measures to improve housing conditions are based on attracting depositors' money to housing construction savings and providing them with housing loans. The Kazakh model of the HCS system is based on the German model, which was also used in Eastern Europe at one time.

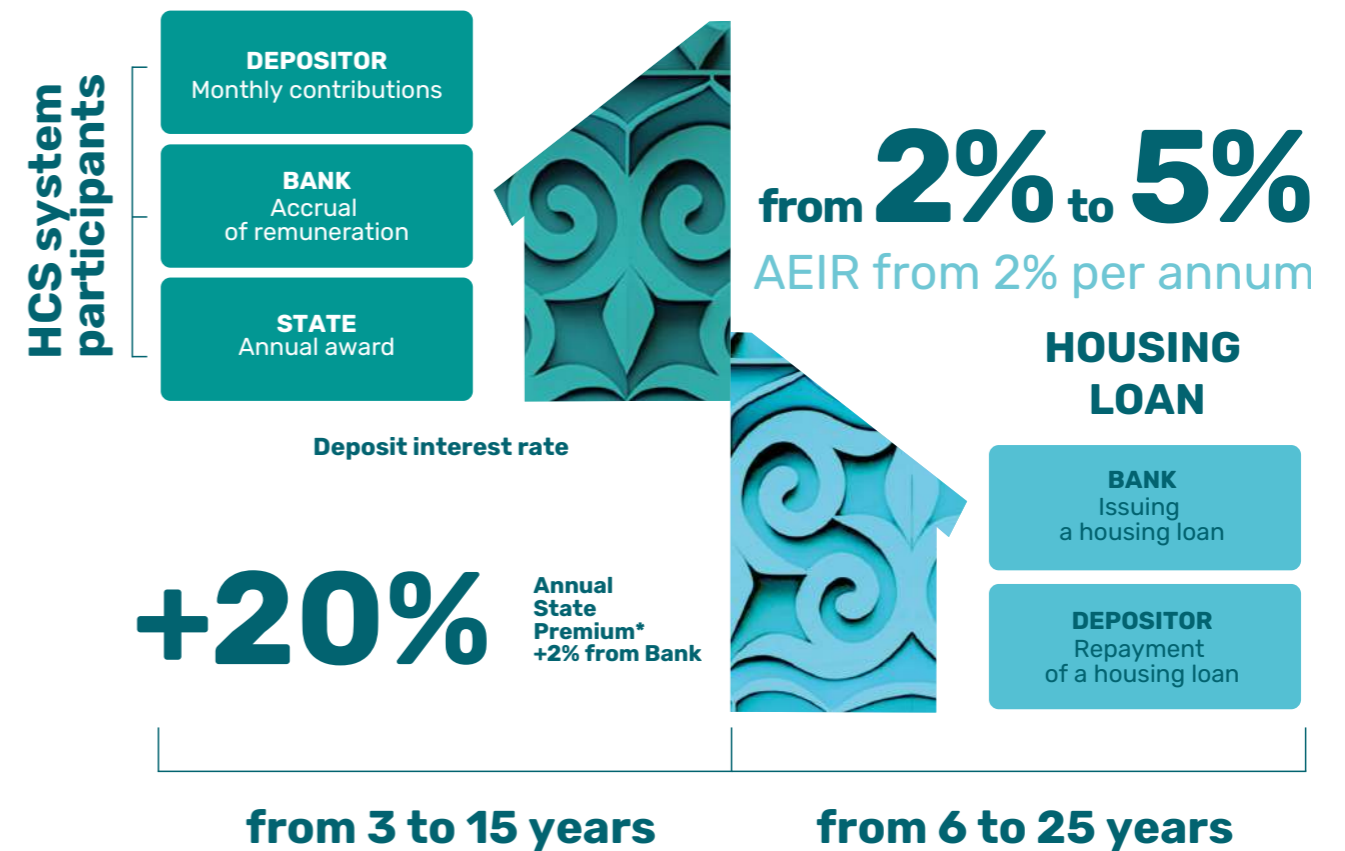
The HCS system was operating in Kazakhstan for 19 years, and it is becoming more and more popular among Kazakhstanis.

A special feature of the housing construction savings system is the preliminary accumulation of money in the Bank's savings accounts in order to obtain housing loans at low interest rates to improve housing conditions.

Public contributions are encouraged by a state bonus (20% of the deposit amount, the maximum amount of the encouraged contribution is up to 200 MCI) regardless of the form of ownership, according to the Law of the Republic of Kazakhstan «On housing construction savings in the Republic of Kazakhstan».

The depositor also has the opportunity to purchase housing within the framework of state, regional, and own housing construction programs.

HOUSE CONSTRUCTION SAVINGS SYSTEM



TIMELINE OF THE BANK'S DEVELOPMENT

2003 The Bank was established with 100% state participation. Immediately, a large-scale work was carried out to develop the bank's branch network and to attract the depositors for housing construction deposits.

2005 The Bank entered a break-even operation and issued its first housing loan.

2006 The Bank issued the first loan – it was a bridging loan. A license was obtained to conduct banking and other operations and to engage in dealer activities.

2007 The first preliminary loan was issued. The ratings from the international rating agency Moody's were affirmed for the Bank. Housing Construction Saving Bank Kazakhstan was also the first Kazakhstani bank to receive a certificate of compliance with the quality management system ISO9001:2000.

2008 The number of HCS agreements exceeded 100 thousand. The first loan was issued within the framework of the State housing construction program in the Republic of Kazakhstan for 2008-2010.

2009 The Sole Shareholder was changed.

2010 The number of HCS participants has already grown up to 200 thousand people. And the Bank's assets reached the amount of 100 KZT bln.

2011 The first tripartite Agreements on housing construction were signed between the Agency of the Republic of Kazakhstan for construction and housing and communal services, local executive authorities, and the Bank.

2012 Baiterek NMH JSC became the Sole Shareholder of the Bank. The Bank's own Contact Center was introduced.

2013 The Bank put into operation the first 35 payment terminals in the premises of the Bank's territorial subdivisions.

2014 The time for consideration of a credit application was reduced to 3 days due to the introduction of the BPM system. The Bank became a member of the European Federation of Construction Saving Cash Departments and the International Union of Housing Financing.

2015 The Memorandum of Cooperation was signed between the Bank and Bausparkasse Schwäbisch Hall (Germany).

2016 The Bank received a new license to conduct operations in the securities market. Compensation was paid to the depositors of the Bank in connection with the transition to the regime of the free-floating exchange rate of the tenge. A mobile application was launched for the Internet banking on IOS and Android platforms.

2017 The number of the Bank's depositors exceeded 1 million. The Bank became the operator of the new state housing construction program "Nurly zher". The bonds were issued on KASE. The commission for the conclusion of an agreement on housing construction savings and for an increase in the contractual amount has been zeroed. A new tariff program "Baspana" has been introduced.

2018 The "Baqtytty otbasy" program aimed at granting loans to the low-income families for the purchase of housing was introduced.

2019 Memorandums of cooperation were signed between the Bank and the International Finance Corporation, State Mortgage Company OJSC (Kyrgyz Republic). An agreement was signed between the Bank and the Asian Development Bank within the framework of cooperation. The bonds were placed on the AIFC floor. A special mortgage program has been implemented for the servicemen of the Republic of Kazakhstan.

2020 A new direction "Lending to participants in the pilot project "Shanyrak" of the "Nurly zher" state program was implemented. A new branch of the Bank was opened in Turkestan city. Housing Construction Saving Bank Kazakhstan Joint Stock Company was reregistered as Otbasy Bank Joint Stock Company.

2021 The Bank became one of the founders of the National ESG Club. The Bank has launched the first green mortgage program in Kazakhstan. New regional youth housing programs were launched.

2022 The Bank became an authorized operator for the targeted use of lump-sum pension payments from the unified accumulative pension fund to improve housing conditions and (or) pay for medical treatment. The Bank's product line has been expanded – new preferential programs "Umai" for women in Kazakhstan and "Elorda Zhastary" for the youth of Astana city have been launched.

2003 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022



MARKET PRESENCE

REGIONAL NETWORK

18 branches
3 service points across Kazakhstan

19 service centers

AGENCY NETWORK

1184 consultants

123 consulting centers

1 agent - legal entity
Kazpost JSC



CREDITING GOALS

The Bank provides its depositors with housing, interim and preliminary housing loans for the implementation of measures to improve housing conditions, namely:

- 1 Construction (including acquisition of a land plot), acquisition of a dwelling, including by exchanging it for the purpose of improvement.
- 2 Home renovation and modernization (including purchase of construction materials, payment for contract work).
- 3 Repayment of obligations that have appeared in connection with measures to improve housing conditions.
- 4 Making a down payment for obtaining a housing mortgage loan from banks and organizations that perform certain types of banking operations.
- 5 Major repairs of the shared property of the condominium object.

The Bank is constantly working to ensure equal access to its services for all Kazakhstan people in all regions of the country. The Bank strives to ensure that the branches are located as conveniently as possible for customers, in terms of their residence, place of study, work, taking into account the transport and social infrastructure.

Today, the Bank has a developed network of consultants (agent network) through which the

customers can receive consulting services on the Bank's products and services, open deposits online, submit an application for a loan, update certain types of details without visiting the Bank.

The Bank is constantly working on the development of remote service channels. In 2021, a pilot project was launched for the remote opening of deposits through "Video Service" with the use of biometric verification of the KCIBS NB RK.

JSC «NUH «Baiterek» owns

7 830 000

ordinary shares of the Bank

MEMBERSHIP IN INTERNATIONAL ORGANIZATIONS

European Federation of Building Societies (EFBS)

The EFBS is an association of credit and other institutions promoting and supporting housing finance. The Federation was founded on 29 August 1962 and is one of the first credit federations at the European level. As Europe moves towards political and economic integration, the Federation promotes the idea of home ownership, represents the interests of its members in the European Union, ensures that its members are informed about the progress in European unification and about the relevant measures taken by the European Union authorities. The Federation also supports and intensifies mutual information and exchange of experience among its members in the field of housing finance and housing policy. Today, the

association has 45 members throughout Europe and Asia. The full membership of Otbas Bank in the EFBS represents a unique opportunity for the further development of Kazakhstan's housing construction savings system and for promoting the process of integration into the world community of building societies.

International Union for Housing Finance (IUHF)

In September 2014, the IUHF made a resolution to include Otbas Bank as a member of the organization. This resolution came into force on 1 January 2015. The IUHF was founded in 1914 and is an organization that allows its members to keep abreast of the latest developments in the field of housing construction financing around the world.

MEMORANDUM OF COOPERATION

- Bauschparkasse Schwabisch Hall (Germany)
- State Mortgage Company JSC (Kyrgyz Republic)
- International Finance Corporation
- National ESG Club



SOLE SHAREHOLDER

Baiterek NMH JSC is the Sole shareholder of the Bank with 100% ownership and use rights of the state block of shares. Since 2013, 7,830,000 ordinary shares of the Bank were owned by Baiterek NMH JSC.

The mission of NMH Baiterek JSC is the sustainable development of the Republic of Kazakhstan and achievement of the goals of «Strategy 2050».

One of the key tasks of NMH Baiterek JSC is to support the urbanization of the economy, which is solved within the framework of the strategic direction of Baiterek NMH JSC «Providing the population with housing». The activity of Baiterek NMH JSC on increasing housing affordability is implemented by a subsidiary organization - Otbas Bank.



CENTRAL OFFICE STRUCTURE

Attachment No. to the Resolution of the Board of Directors of JSC «Otbasy Bank» dated August 26, 2022 (Protocol No. 10)

The organizational structure of the Bank contributes to the effective solution of the strategic goals and objectives set before the Bank. In the reporting year, no changes or additions were made to the organizational structure of the Bank.

THE ORGANIZATIONAL STRUCTURE OF JSC "OTBASY BANK"



www.otbasy.kz

The structure of the Central Office of the Bank is divided into the following blocks:

1

Business Development Block supervised by Deputy Chairman of the Management Board of the Bank – Akshanov N.S. This block includes 4 subdivisions of the Bank: Department of Sales and Regional Development, Director of the Department – Baltabayeva R.A.; Remote Service Department, Director of the Department – Cherniyazov A.A.; Marketing Department, Acting Director of the Department – Muratov M.M.; and the branches.

Division	Staffing	Actual number	Women	Men
Sales and Regional Development Department	17	17	12	5
Remote Service Department	39	37	26	11
Marketing Department	7	6	5	1
Branches	876	841	524	317

2

Finance and Reporting Block supervised by the Deputy Chairman of the Management Board – Aidarbekova A.K. This block includes 4 subdivisions of the Bank: Treasury Department, Director of the Department – Antonova Ye.V.; Accounting Department, Director of the Department – Kiltbayeva Zh.A.; Planning and Strategic Analysis Department, Director of the Department – Finogenova A.V.; Consolidated Reporting Department, Director in charge Sharipova A.T.

Division	Staffing	Actual strength	Women	Men
Treasury Department	8	8	6	2
Accounting Department	26	26	25	1
Planning and Strategic Analysis Department	17	17	15	2
Summary Reporting Department	13	11	11	0

3

Risk and Internal Control Block supervised by Deputy Chairman of the Management Board – Kairbekov I.U. This block includes 3 subdivisions of the Bank: Risk Management Department, Director of the Department – Matayev K.M.; Internal Control Department, Director of the Department – Dossybayeva G.Z.; Situation Monitoring Department, Director of the Department – Yeskarayeva A.Ye.

Division	Staffing	Actual strength	Women	Men
Department of Risk Management	43	43	28	15
Department of Internal Control	11	11	9	2
Department of Situational Monitoring	7	7	6	1

4

Information Technology and Digital Transformation Block supervised by the Deputy Chairman of the Management Board – Raspekova E.S. This block includes 3 subdivisions of the Bank: Information Technology Department, Director of the Department – Omarov Ye. A.; Information Systems Development and Support Department, Director of the Department – Bozzhanov N.S.; Digital Transformation Department, Director of the Department – Gertsen Ye. A.

Division	Staffing	Actual number	Women	Men
Information Technology Department	46	40	15	25
Information Systems Development and Support Department	43	41	1	40
Digital Transformation Department	41	40	11	29

5

Operating Activities Block supervised by Deputy Chairman of the Management Board – Azimbekov M.M. This block includes 4 subdivisions of the Bank: Legal Entities Department, Director of the Department – Datkayeva G.T.; Operations Department, Director of the Department – Misirova L.D.; Problem Loans Department, Director of the Department – Solovyov V.A.; First Housing Provision Center, Director of the Center – Taltusov R.A.

Division	Staffing	Actual number	Women	Men
Department of Legal Entities	9	8	7	2
Operational Department	85	85	63	22
Department of Problem Loans	7	7	0	7
Center for providing first housing	17	17	9	8

6

Information Security, Legal and Administrative Matters Block supervised by the Deputy Chairman of the Management Board – Beissembayev M.B. This block includes 4 subdivisions of the Bank: Information Security Department, Director of the Department – Suchkov D.N.; Administrative Department, Director of the Department – Nurov M.A.; Procurement Department, Director of the Department – Ismagulov G.K.; Legal Department, Director of the Department – Baktiyar A.

Division	Staffing	Actual number	Women	Men
Information Security Department	15	15	5	10
Administrative Department	10	10	4	6
Procurement Department	10	10	2	8
Legal Department	11	11	6	5

7

Block assigned to the Chairman of the Management Board – Ibragimova L.Ye. This block includes: Advisors – Alimova K.N., Imankulov R.Yu., Imanbayev D.A., Managing Director – Yakhiyev K.Ya., Managing Director – IT Architect – Mustakayev R.R., Press Service, the head – Masgutova Z.S.; Security Department, Director of the Department – Kalimzhanov A.K., Personnel Department, Director of the Department – Aitkulov A.I., and Bank Products and Technologies Department, Director of the Department – Yendibayeva B.S.

Division	Staffing	Actual number	Women	Men
Advisor	3	3	1	2
Managing Director	1	1	0	1
Managing Director IT Architect	1	1	0	1
Press Office	4	4	4	0
Security Department	22	22	1	21
HR Department	17	17	14	3
Banking Products and Technology Department	31	31	23	8