



CORPORATE GOVERNANCE

INFORMATION ABOUT SECURITIES

The Bank discloses all information necessary for the Sole Shareholder regarding the conditions and procedure for payment of dividends, the financial position of the Bank, etc. To pay dividends, the Bank follows the procedure for determining the amount of dividends paid by subsidiaries of the Holding as approved by the Sole Shareholder.

SHARE CAPITAL

<i>(in thousands of Kazakhstani tenge, excluding the number of shares)</i>	Shares (thousand units)	Common Shares	Total
At 1 January 2021	7,830	78,300,000	78,300,000
Issued	-	-	-
At 31 December 2021	7,830	78,300,000	78,300,000
At 1 January 2022	7,830	78,300,000	78,300,000
Issued	-	-	-
At 31 December 2022	7,830	78,300,000	78,300,000

The amount of dividends is calculated based on the amount of the Bank's net income reported in the Bank's annual audited financial statements. At the same time, the amount of dividends is determined taking into account the legislation of the Republic of Kazakhstan

The amount of dividends can be determined by the Sole Shareholder according to a special procedure

when considering the issue of approving the procedure for distributing profits for the relevant periods.

Based on the decision of the Sole Shareholder, the Bank paid dividends for 2021 in the amount of 32,877. 4 million tenge (for 2020, the Bank did not pay dividends by the decision of the Sole Shareholder, for 2019 in the amount of 8,292. 6 million tenge).

DESCRIPTION OF THE CORPORATE GOVERNANCE SYSTEM

The Bank considers the corporate governance as a means of increasing its efficiency, ensuring transparency and reporting, strengthening its reputation and reducing the cost of raising capital, as well as its contribution to ensure the rule of law in the Republic of Kazakhstan and a factor determining the Bank's place in the modern economy and society as a whole.

The Bank's corporate governance is based on the principles of fairness, honesty, responsibility, transparency, professionalism, and competence. An effective structure of corporate governance contemplates respect for the rights and interests of all persons interested in the Bank's activities and contributes to the Bank's successful activities, including increase in its value, maintenance of financial stability and profitability.

The relations between the participants in the Corporate Governance system in the Bank are regulated by the Bank's internal documents developed on the basis of the international practice. The structure of the corporate governance of the Bank is in accordance with the legislation and determines the subdivision of responsibilities between the Bank's bodies.

In accordance with the Bank Corporate Governance Code, the principles of corporate governance of the Bank are:

- 1) the principle of delineation of powers;
- 2) the principle of protection of the rights and interests of the sole shareholder of the Bank as provided in

accordance with the civil and banking laws of the Republic of Kazakhstan, the legislation of the Republic of Kazakhstan concerning the joint-stock companies, and support for the enforcement of these rights and interests;

3) the principle of effective management of the Bank by the Board of Directors and the Management Board;

4) the principle of sustainable development;

5) the principle of risk management, internal control and internal audit;

6) the principle of regulating corporate conflicts and conflicts of interest;

7) the principles of transparency and objectivity of disclosing the information concerning the Bank's activities in accordance with the banking laws of the Republic of Kazakhstan, the legislation of the Republic of Kazakhstan concerning the state regulation, control and supervision of the financial market and financial organizations, the legislation of the Republic of Kazakhstan concerning the foreign exchange regulation and currency control, payments and payment systems, securities market, laws on anti-money laundering and terrorism financing counteraction, and laws on joint-stock companies.

8) the principle of compliance with the scale and nature of the Bank's activities, its structure, risk profile, and the Bank's business model;

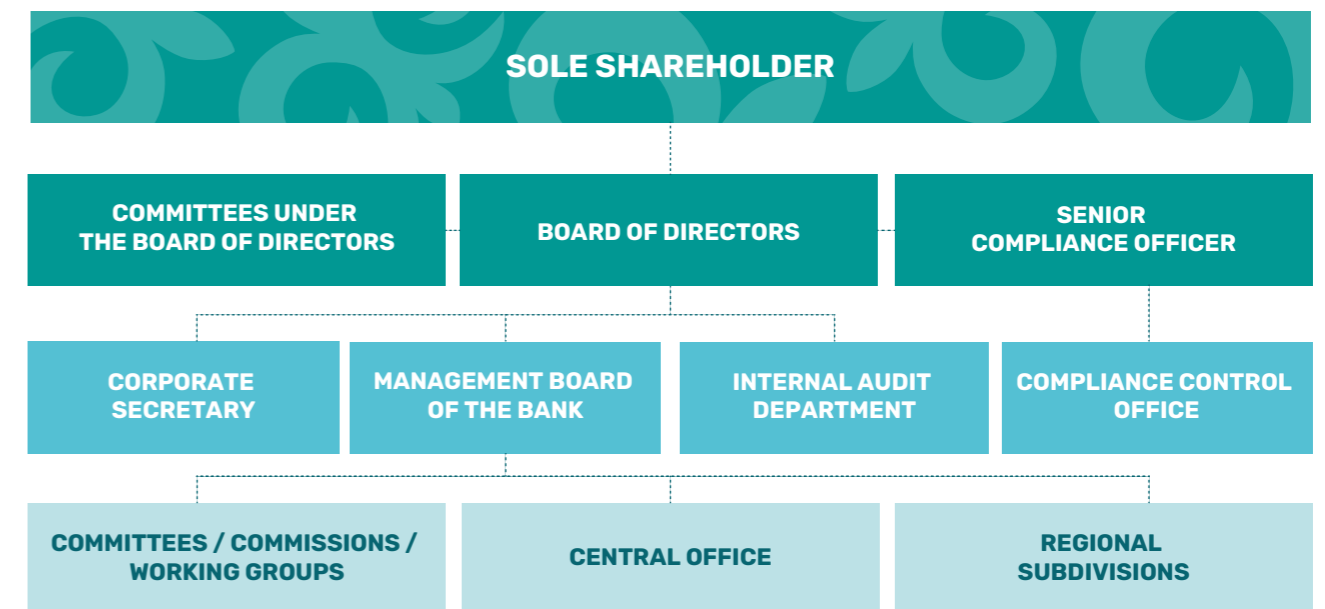
9) the principle of compliance with the scale and nature of the Bank's activities, its structure, risk profile, and the Bank's business model.

The corporate governance system is diagnosed by the Bank's Internal Audit Department once every two years in accordance with the Rules for organization of internal audit as approved by the resolution of the Board of Directors of the Bank.

According to clause 3 of Article 182 of the Law of the Republic of Kazakhstan "On State Property", an independent assessment of corporate governance

must be carried out at least once every three years by state-controlled joint-stock companies (except for the National Welfare Fund). In 2021, in compliance with the Law of the Republic of Kazakhstan "On State Property", an independent assessment of the corporate governance of Otbasy Bank JSC was carried out. According to the results of the assessment, the compliance with the level of corporate governance was 94.9%, which corresponds to the "Adequate" rating

CORPORATE GOVERNANCE STRUCTURE



In accordance with the legislation of the Republic of Kazakhstan, the organizational structure of the Bank consists of the following governing bodies:

- the supreme body – the Sole Shareholder;
- controlling body – the Board of Directors.
- executive body – the Management Board.

- the body supervising the financial and business activities of the Bank – the internal audit subdivision;
- other permanent collegial bodies of the Bank formed in accordance with the legislation of the Republic of Kazakhstan and internal documents of the Bank for the implementation of various areas of the Bank's activities.

Transparency of the Bank and Efficiency of Information Disclosure Processes

In its activities, the Bank adheres to the principles of reliability, confidence and high quality in relations with customers and partners, business transparency and corporate governance.

The Bank's information resources meet the requirements of openness and accessibility. The Bank's Internet resource publishes quarterly and year-end information on its balance sheet, income and expense statements, and information on

purchases of goods, works, and services. Financial statements with the opinion of external auditors are also published.

Information for the Sole Shareholder is also published on a separate landing page.

Additionally, information about the Bank's core business, the annual report, information about significant events in the Bank's life, the structure of

the Board of Directors and the Management Board, information about existing vacancies, the list and addresses of branches, the list of affiliated persons of the Bank, information about Bank a's shareholders and partners and its strategic development is posted.

To ensure the informational transparency of the Bank, raise its business reputation in society and form

BOARD OF DIRECTORS

The Board of Directors is the management body of the Bank that exercises general management of its activities and controls the activities of the Management Board, with the exception of resolving issues referred by the Law of the Republic of Kazakhstan «On Joint-Stock Companies» and/or the Bank's charter to the exclusive competence of the Bank's Sole Shareholder, as well as strategic management and control over the implementation of sustainable development.

The Board of Directors operates in accordance with the Law of the Republic of Kazakhstan «On Joint-Stock Companies», other regulatory legal acts of the Republic of Kazakhstan, the Bank's Charter, the Bank's Corporate Governance Code, decisions of the Sole Shareholder, this Regulation, and other internal documents of the Bank. Decisions of the Board of Directors taken within its competence are binding on the Management Board, structural divisions, officials and employees of the Bank.

Members of the Bank's Board of Directors are elected by the Sole Shareholder with subsequent approval of their candidacies with the National Bank of the Republic of Kazakhstan in accordance with the procedure provided for by the legislation of the Republic of Kazakhstan and the Bank's Charter.

The Board of Directors of the Bank consists of representatives of the Sole Shareholder, the Chairman of the Management Board of the Bank and independent directors.

Selection for the position of an independent director of the Bank is carried out on a competitive basis for a period of no more than three years (in the future, subject to satisfactory results of the assessment of their activities, re-election may be carried out for up to three years) in accordance with the Regulations on the Board of Directors of the Bank.

When selecting candidates to the Board of Directors, the following factors are taken into account:

- 1) experience in executive positions;
- 2) experience as a member of the Board of Directors;
- 3) length of service;

a positive public opinion, the mass media regularly publish the press releases about the Bank's products, housing programs and promotions.

When posting the information, the Bank complies with the rules of the legislation on protection of banking, trade and other legally protected secrets.

- 4) education, specialty, including the availability of international certificates;
- 5) having at least 2 years of competencies/managerial experience in various areas and industries (industries may change depending on the portfolio of assets);
- 6) business reputation;
- 7) the presence of a direct or potential conflict of interest.

The Board of Directors is informed about the emergence of important financial and non-financial issues in the Bank through periodic reporting provided by the Bank's subdivisions (Internal Audit Department, Internal Control Department, Compliance Control Department, Treasury Department, Accounting Department, Planning and Strategic Analysis Department) for consideration by the Board Directors of the Bank. The list and deadlines for reporting were approved by the decision of the Board of Directors of the Bank dated 29.01.2021 (Minutes No. 1), it allows tracking all indicators and the level of risks in the Bank's work. In 2020, the Board of Directors was not notified of critical indicators in the work of the Bank through the periodic reporting of the Bank's subdivision. Plus, the head of risk management, in accordance with the fifth paragraph of clause 36 of Chapter 4 of the Resolution of the NBRK Board No. 188 dated 19.11.2019 "On Approval of the Rules for Forming a Risk Management and Internal Control System for Second-Tier Banks", informs the Board of Directors of the Bank about the presence of significant discrepancies between the opinion of the risk management subdivision and the decision of the Bank's Management Board regarding the level of risks accepted by the Bank.

In 2022, the Board of Directors was not notified about critical indicators in the Bank's performance through periodic reporting of the Bank's divisions.

Chairman of the Board of Directors

The Board of Directors of the Bank is headed by a chairman. The Chairman of the Board of Directors is elected in accordance with the Law of the Republic of Kazakhstan "On Joint Stock Companies".

The Chairman of the Board of Directors is responsible for the overall management of the Board of Directors, ensures the full and effective implementation by the Board of Directors of its main functions and building a constructive dialogue between the members of the Board of Directors, the Sole Shareholder and the Management Board of the Bank. The Chairman of the Board of Directors organizes the work of the Board of Directors, conducts its meetings, and performs other functions defined by the Bank's charter.

Key functions of the Chairman of the Board of Directors:

- 1) planning meetings of the Board of Directors and setting the agenda;
- 2) ensuring timely receipt by members of the Board of Directors of complete and up-to-date information for decision-making;

3) ensuring that the Board of Directors focuses its attention on strategic issues and minimizes current (operational) issues that are subject to consideration by the Board of Directors;

4) ensuring maximum efficiency in holding meetings of the Board of Directors by allocating sufficient time for discussions, comprehensive and in-depth consideration of issues on the agenda, stimulating open discussions, and reaching agreed decisions;

5) ensuring monitoring and supervision of the proper implementation of decisions taken by the Board of Directors and the Sole Shareholder;

6) in the event of corporate conflicts, take measures to resolve them and minimize the negative impact on the Bank's activities, and promptly inform the sole shareholder if it is impossible to resolve such situations on their own.

7) building proper communication and interaction with the Sole Shareholder, including organizing consultations when making key strategic decisions.

Requirements for independent directors

A candidate for election as an independent director to the Board of Directors must:

1. Meet the definition of an independent director in accordance with the Law of the Republic of Kazakhstan «On Joint-Stock Companies».

2. Possess general information on key issues specific to an organization that is similar in scope and nature of the Bank's activities, and have international experience in a similar industry/have at least 2 (two) years of professional experience prior to the nomination, and demonstrate an understanding of:

- 1) legal requirements in relation to the Bank;
- 2) competitive environment in the national and international markets.

1.1.1. Be able to analyze and objectively evaluate the information provided and develop an independent position on the issue based on the principles of legality, fairness and equal treatment of all shareholders. Have the ability to express your own opinion and defend your point of view in a reasoned manner.

1.1.2. Know the principles of corporate governance and sustainable development.

1.1.3. Have an impeccable reputation/positive achievements in the business and/or industry

environment. The candidate's biography must contain no facts of committing a crime in the field of economic activity, as well as administrative offenses in entrepreneurial activity.

1.1.4. Have sufficient time to participate in the work of the Board of Directors not only during meetings of the Board of Directors, but also for proper study of materials for meetings of the Board of Directors.

1.1.5. Do not be a member of more than 3 (three) members of the Boards of directors of other companies.

1.1.6. Annually carry out the procedure for confirming independence and inform the company in case of loss of the status of an independent director.

COMPOSITION OF THE BOARD OF DIRECTORS

As of January 1, 2023, the Board of Directors consists of 7 members, including three independent directors.



SHARLAPAEV Kanat Bisimbayevich

Kanat Sharlapaev Bisimbayevich - Chairman of the Board of Directors of JSC «Housing Construction Savings Bank «Otbasy bank» (since 21.02.2022).

Born in 1981.
Citizen of the Republic of Kazakhstan

Education:

2003-Saratov Socio-Economic University: Accounting and Audit;

2006-Cranfield School of Management (Great Britain): Master of Finance and Management.

Work experience:

From 2022 - Chairman of the Management Board and member of the Board of Directors of JSC «National Managing Holding «Baiterek».

From 2020 to 2022 - Regional Director for Strategy, Planning, and Analysis in Emerging Markets of Africa, the Middle East, and Eastern Europe at the investment bank «Citi» (UAE).

From 2017 to 2020 - Chief Financial Officer for Russia, Ukraine, and Kazakhstan at the investment bank «Citi».

Over 16 years of work experience in various positions in the financial, management, and analytical sectors at «Citi» investment bank.

Other held positions:

Other held positions: Chairman of the Board of Directors at JSC «Industrial Development Fund», JSC «Development Bank of Kazakhstan», JSC «Kazakhstan Housing Company», JSC «Bereke Bank».

Does not own shares (stakes) in the joint-stock company «Housing Construction Savings Bank «Otbasy Bank,» affiliated companies, and also does not own shares in suppliers and competitors of the joint-stock company «Housing Construction Savings Bank «Otbasy Bank».



KHAMITOV Yersain Yerbulatovich

member of the Board of Directors - representative of the Sole Shareholder of JSC «Housing Construction Savings Bank «Otbasy bank» (since 21.02.2022).

Born in 1983.
Citizen of the Republic of Kazakhstan

Education:

Kostanay State University named after A.Baitursynov, Institute of Economics (2000, 2004). Specialty «Finance and credit».

Lomonosov Moscow State University (2018-2020). Master of Business Administration program.

Work experience:

Since May 2022 - Deputy Chairman of the Management Board of JSC «National Managing Holding «Baiterek».

From 2013 to 2022 - Managing Director - Board Member (Chief Financial Officer), Managing Director (Investments and Corporate Finance), Managing Director (Budget Planning and Accounting), Director of the Corporate Finance Department at JSC «National Managing Holding «Baiterek».

Over 19 years of work experience in various positions in the banking and financial sectors.

Membership in the Board Committees:

Member of the Audit Committee, the Committee on Personnel, Remuneration, and Social Payments.

Other held positions:

Member of the Board of Directors, representative of the Sole Shareholder at JSC «Development Bank of Kazakhstan,» JSC «Bereke Bank,» JSC «Investment Fund of Kazakhstan,» JSC «Kazyna Capital Management.»

Does not own shares (stakes) in the joint-stock company «Housing Construction Savings Bank «Otbasy Bank,» affiliated companies, and also does not own shares in suppliers and competitors of the JSC «Housing Construction Savings Bank «Otbasy Bank».



MUKHAMEDZHANOV Adil Bektasovich

member of the Board of Directors - representative of the Sole Shareholder of JSC «Housing Construction Savings Bank «Otbasy bank» (since 21.02.2022).

Born in 1981.
Citizen of the Republic of Kazakhstan

Education:

2000 – Ryskulov KazEU, speciality: International Economist;

2003 – University of Nottingham (Great Britain): Finance and Management, Bachelor in Finance;

2018 – Business School, Chicado Booth EMBA program, speciality: Master of Business Administration.

Work experience:

Since 2021 - Deputy Chairman of the Management Board of JSC «National Managing Holding «Baiterek».

From 2016 to 2021 - Chairman of the Management Board of JSC «IO «Kazakhstanskaya Ipoteka Kompaniya» (Kazakhstan Mortgage Company).

Over 19 years of work experience in various positions, including in the financial and banking sectors.

Membership in the Board Committees:

Member of the Risk Management Committee, the Strategic Planning and Corporate Development Committee.

Other held positions:

Chairman of the Board of Directors at JSC «Kazyna Capital Management,» Member of the Board of Directors, representative of the Sole Shareholder at JSC «FRP «Damu,» JSC «Export Insurance Company «KAZAKHEXPORT.»

Does not own shares (stakes) in the joint-stock company «Housing Construction Savings Bank «Otbasy Bank,» affiliated companies, and also does not own shares in suppliers and competitors of the joint-stock company «Housing Construction Savings Bank «Otbasy Bank.»



IBRAGIMOVA Lyazzat Yerkenovna

member of the Board of Directors - representative of the Sole Shareholder of JSC «Housing Construction Savings Bank «Otbasy bank» (since 21.02.2022).

Born in 1972.
Citizen of the Republic of Kazakhstan

Education:

Akmola Agricultural Institute. Specialty: Economics and management in agricultural sectors.

Eurasian Humanitarian Institute: Law.

Higher School of Business of AEO «Nazarbayev University».

Program: Executive MBA

Work experience:

Since 2017 - Chairman of the Management Board of JSC «Housing Construction Savings Bank «Otbasy bank».

From 2016 to 2017 - Deputy Chairman of the Management Board of JSC «National Managing Holding «Baiterek».

Over 25 years of work experience in various positions, including in the financial sector.

Other held positions: None.

Does not own shares (stakes) in the joint-stock company «Housing Construction Savings Bank «Otbasy bank,» affiliated companies, and also does not own shares in suppliers and competitors of the joint-stock company «Housing Construction Savings Bank «Otbasy bank.»



TOKOBAYEV Nurlan Tursunbekovich

Member of the Board of Directors - representative of the Sole Shareholder of JSC «Housing Construction Savings Bank «Otbasy bank» (since 21.02.2022).

Born in 1974.
Citizen of the Republic of Kazakhstan

Education:

Kazakh State Academy of Management, specialty «Finance and Credit», qualification «Economist»

Work experience:

From 2017 to 2021 - Member of the Board of Directors, Independent Director of JSC «Kazakhstan Mortgage Company «

From 2017 to 2021 - Member of the Supervisory Board, Independent Director of LLP «Kazakhstan Project Preparation Fund».

From 2017 to 2020 - Member of the Board of Directors, Independent Director of JSC «Optima Bank».

Over 25 years of work experience in the financial and banking sectors.

Membership in the Board Committees:

Chairman of the Risk Management Committee, Member of the Audit Committee, the Committee on Personnel, Remuneration, and Social Payments, the Strategic Planning and Corporate Development Committee.

Other held positions:

None.
Does not own shares (stakes) in the joint-stock company «Housing Construction Savings Bank «Otbasy bank,» affiliated companies, and also does not own shares in suppliers and competitors of the joint-stock company «Housing Construction Savings Bank «Otbasy bank».



ZHAMALOV Sanzhar Yerkebayevich

Member of the Board of Directors - representative of the Sole Shareholder of JSC «Housing Construction Savings Bank «Otbasy bank» (since 21.02.2022).

Born in 1985.
Citizen of the Republic of Kazakhstan

Education:

2007 - Charles University (Czech Republic): Bachelor of Financial Mathematics;

2010 - University of Newcastle (UK): Master of International Financial Analysis;

2019 - CFA Institute: CFA Charter holder (Chartered Financial Analyst);

2022 - University of Cambridge (UK): Executive MBA.

Work experience:

Since August 2018 - Head of the Representation of ING Bank N.V. in the Republic of Kazakhstan.

In 2018 - Specialist in Structured Financing in Metals and Energy at ING Bank N.V.

From 2014 to 2018 - Head of Corporate Clients at ING Bank N.V.

Over 15 years of work experience in the financial and banking sectors.

Membership in the Board Committees:

Chairman of the Audit Committee, the Strategic Planning and Corporate Development Committee, Member of the Risk Management Committee.

Other held positions:

Chairman of the Board of Directors, Independent Director at «Bolashaq Investments,» Member of the Board of Directors, Independent Director at JSC «First Heartland Jusan bank» and JSC «Jusan Invest.»

Does not own shares (stakes) in the joint-stock company «Housing Construction Savings Bank «Otbasy bank,» affiliated companies, and also does not own shares in suppliers and competitors of the joint-stock company «Housing Construction Savings Bank «Otbasy bank».



YERMEKOVA Elmira Muslimovna

member of the Board of Directors - representative of the Sole Shareholder of JSC «Housing Construction Savings Bank «Otbasy bank» (since 21.02.2022).

Born in 1963.
Citizen of the Republic of Kazakhstan

Education:

Al-Farabi Kazakh National University (1985): Economist;
Teacher of Political Economy.

Work experience:

From 2019 to 2021 - Chairman of the Management Board of JSC «Training Center of the National Bank of the Republic of Kazakhstan».

Over 19 years of work experience in the financial and banking sectors.

Membership in the Board Committees:

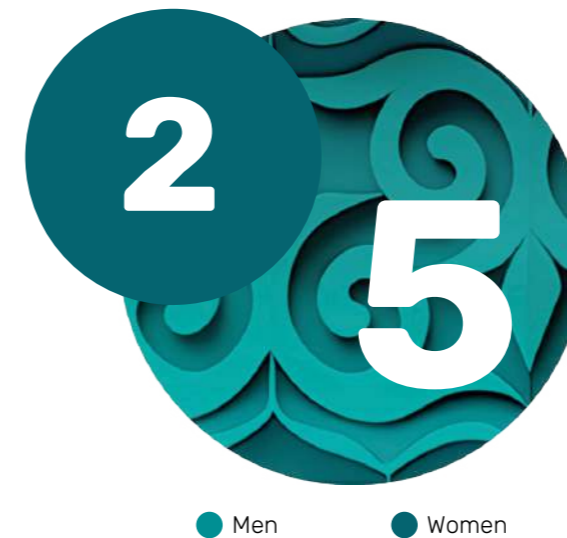
Chairman of the Committee on Personnel, Remuneration, and Social Payments, Member of the Strategic Planning and Corporate Development Committee.

Other held positions: None.

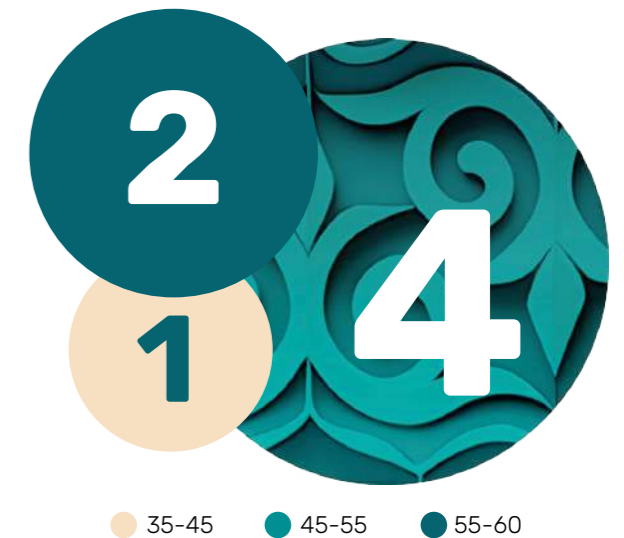
Does not own shares (stakes) in the joint-stock company «Housing Construction Savings Bank «Otbasy bank.» affiliated companies, and also does not own shares in suppliers and competitors of the joint-stock company «Housing Construction Savings Bank «Otbasy bank.»

COMPOSITION OF THE BOARD OF DIRECTORS

GENDER STRUCTURE OF THE BOARD OF DIRECTORS, NUMBER OF PEOPLE



STRUCTURE OF THE BOARD OF DIRECTORS BY AGE CATEGORIES, NUMBER OF PEOPLE



STRUCTURE OF THE BOARD OF DIRECTORS BY CATEGORIES, NUMBER OF PEOPLE



STRUCTURE OF THE BOARD OF DIRECTORS BY TERM OF SERVICE IN THE BOD, NUMBER OF PEOPLE



PERFORMANCE OF THE BOARD OF DIRECTORS AND COMMITTEES UNDER THE BOARD OF DIRECTORS

In 2021, 14 meetings of the Board of Directors of the Bank were arranged and held, 6 meetings of which were held by absentee voting, 7 meetings were held in person, and one meeting was held in a closed format. 157 issues were considered, on which decisions were made: on 71 issues – in person, on 85 issues – by absentee voting, on one issue – by closed voting

According to the Bank's internal documents, the Board of Directors annually draws up a Plan of its work with a meeting schedule for the upcoming year, based on the principle of rationality, efficiency and regularity. The activities of the Board of Directors Bank in 2022 were carried out in accordance with the Plan of Work of the Bank's Board of Directors for 2022 as approved by the resolution of the Bank's Board of Directors dated 3 December 2020.

The most important decisions taken by the Board of Directors of the Bank in the reporting period include the review and approval of the Bank's adjusted development plan for 2019-2023, the Bank's Development Strategy until 2023, amendments and additions to the Bank's Charter, amendments and

additions to the Regulation on the Bank's Board of Directors, the total number of employees of the Bank and the Bank's organizational structure, and an increase in liabilities the amount of ten percent or more of the Bank's equity capital, determination of the quantitative composition, term of office of the Management Board and election of members of the Management Board of the Bank, changes in the composition of the Board of Directors of the Bank and its Committees.

Transactions with persons connected with the Bank by special relations were approved without providing preferential terms.

The Annual Financial Statements, the Bank's Annual Report for 2011, amendments and additions to the Bank's Charter, and the Regulations on the Bank's Board of Directors were submitted for consideration by the Bank's Sole Shareholder and subsequently approved.

The work of the Committees is presented in the table below.

№	Name of the Committee	Number of meetings held		Number of issues considered	
		2021	2022	2021	2022
1.	Audit Committee of the Board of Directors	9	10	57	65
2.	Committee for Strategic Planning and Corporate Development of the Board of Directors	10	10	35	33
3.	Committee for Personnel, Remuneration and Social Payments of the Board of Directors	7	10	14	26
4.	Risk Management Committee of the Board of Directors	8	10	25	63

COMMITTEES UNDER THE BOARD OF DIRECTORS

The Bank has 4 Committees reporting to the Board of Directors:



Audit Committee



Committee for Personnel, Remuneration and Social Payments



Committee for Strategic Planning and Corporate Development



Risk Management Committee

Audit Committee

The Committee was established to improve the efficiency and quality of the work of the Bank's Board of Directors by making recommendations to the Board of Directors on establishing an effective system of control over the Bank's financial and economic activities (including the completeness and reliability of financial statements), compliance with the legislation of the Republic of Kazakhstan, internal documents, as well as priority areas of activity (development), and the functioning of an adequate risk management system of the Bank.

The Chairman of the Committee, along with professional competencies, must have organizational and leadership qualities, good communication skills for the effective organization of the activities of the Committee headed by him.

The Committee consists of members of the Bank's Board of Directors who have the necessary professional knowledge, competencies and skills to serve on the Committee.

The Committee consists of at least one member of the Bank's Board of Directors who has experience in auditing and / or accounting and financial reporting and/or risk management.

COMPOSITION OF THE COMMITTEE AS OF JANUARY 01, 2023

№	Full name	Position
1.	Sanzhar Yerkebayevich Zhamalov	Chairman of the Committee - Member of the Board of Directors, Independent Director
2.	Nurlan Tursunbekovich Tokobayev	Member of the Committee - Member of the Board of Directors, Independent Director
3.	Ersain Erbulatovich Khamitov	Member of the Committee - member of the Board of Directors, (Managing Director-member of the Management Board of Baiterek NMH JSC)

In 2022, 10 meetings of the Audit Committee of the Bank's Board of Directors were organized and held. 65 issues were considered, on which decisions were made in person.

The most important decisions taken by the Audit Committee of the Bank's Board of Directors in the reporting period include preliminary approval of: audit reports, the Bank's annual financial statements for 2021

and recommendations to the Sole Shareholder on the distribution of net income for 2021, the results of an independent assessment of corporate governance, and other issues.

On a quarterly basis, reports of the Internal Audit Department were reviewed, personnel issues of the Department and issues of awarding its employees were resolved.

Strategic Planning and Corporate Development Committee

The Committee was established to improve the preparation of recommendations to the Board of Directors on the development of priority areas of activity (expansion), strategic goals (development strategy), corporate development issues, including issues related to the development of measures that contribute to improving the Bank's performance in the medium and long term, its profitable activities and sustainable development.

The Chairman of the Committee, along with professional competencies, must have organizational

and leadership qualities, good communication skills for the effective organization of the activities of the Committee headed by him.

The Committee consists of members of the Bank's Board of Directors who have the necessary professional knowledge, competencies and skills to serve on the Committee. The Committee consists of at least one member of the Bank's Committee who has experience in one of the following areas: information technology development; development and provision of banking services; risk management; budget planning.

COMMITTEE COMPOSITION AS OF JANUARY 01, 2023

No	Full name	Position
1.	Zhamalov Sanzhar Yerkebayevich	Chairman of the Committee-Member of the Board of Directors, Independent Director
2.	Tokobayev Nurlan Tursunbekovich	Member of the Committee – Member of the Board of Directors, Independent Director
3.	Ermekeva Elmira Muslimovna	Member of the Committee – member of the Board of Directors, Independent Director
4.	Mukhamedzhanov Adil Bektasovich	Member of the Committee – Member of the Board of Directors, (Deputy Chairman of the Management Board of Baiterek NMH JSC)

In 2022, 10 meetings of the Strategic Planning and Corporate Development Committee of the Bank's Board of Directors were organized and held. 33 issues were considered, on which decisions were made in person.

The most important decisions taken by the Strategic Planning Committee of the Bank's Board of Directors in the reporting period are the preliminary approval of the following: the report of the Management Board on the Bank's performance for 2021, certain types of standards and other administrative expenditure limits, the report on compliance/ non-compliance with the principles and provisions of the Bank's Corporate Governance Code for 2021, the report on the implementation of the Development Plan The Bank's Strategy for 2020-2023

for 2021, the Bank's Sustainable Development Report for 2021, the Bank's Development Strategy until 2023, and the Bank's Information Technology Development Strategy until 2023.

Preliminary approval was given to the annual budget for 2021, a report on the implementation of the Bank's annual budget and profitability indicators, and an increase in the Bank's liabilities by an amount exceeding 10% of its equity.

Amendments and additions to the Bank's Charter, Regulations on the Bank's Board of Directors, Regulations on the Management Board, and Regulations on the Bank's branches were approved in advance.

Committee for Personnel, Remuneration and Social Matters

The Committee was established to improve the efficiency and quality of the work of the Board of Directors through in-depth study and monitoring of issues related to the competence of the Board of Directors in the field of personnel policy, the system of appointments and remuneration, as well as

evaluating the overall and individual performance of members of the Bank's Board of Directors, members of the Bank's Management Board, succession planning of the Chairman and members of the Management Board, and performance evaluation Corporate secretary.

COMPOSITION OF THE COMMITTEE AS OF 01 JANUARY 2022

No	Full name	Position
1.	Yermekova Elmira Muslimovna	Chairman of the Committee-Member of the Board of Directors, Independent Director
2.	Tokobayev Nurlan Tursunbekovich	Member of the Committee – Member of the Board of Directors, Independent Director
3.	Khamitov Ersain Erbulatovich	Member of the Committee – member of the Board of Directors, (Managing Director-member of the Management Board of Baiterek NMH JSC)

In 2022, 10 meetings of the HR, Remuneration and Social Affairs Committee with the Board of Directors of the Bank were organized and held. 26 issues were considered, on which decisions were made in person.

The most important decisions taken by the Committee for Personnel, Remuneration and Social Matters of the Bank's Board of Directors in the reporting period were preliminarily approved: term of office of the Management Board, performance maps of corporate key performance indicators and performance maps of the Chairman of the Management Board and members of the Management Board based on the results of 2021, maps of key performance indicators of members of the Management Board and their target values for 2023, KPI cards of the Corporate Secretary, candidacy of the

Ombudsman and Corporate Secretary of the Bank.

Amendments to the Rules on the Internal Policy of Remuneration, Performance Evaluation and Remuneration of Senior Employees of the Bank and to the Rules on Remuneration and Bonuses, Performance Evaluation and Social Support for Employees of the Internal Audit Division, the Chief Compliance Officer and the Corporate Secretary who report to the Bank's Board of Directors were approved in advance.

On a quarterly basis, pre-approved reports on the work of the Board of Directors, its committees and the Corporate Secretary, management reports and reports in accordance with the List of reports provided by the Bank's Management Board to the Board of Directors.

Risk Management Committee

The Committee was established to improve the efficiency and quality of work of the Bank's Board of Directors by making recommendations to the Board of Directors on monitoring the reliability and effectiveness of the internal control and risk management system, monitoring the independence of the Compliance

Service, compliance with the legislation of the Republic of Kazakhstan, internal documents, and preparing recommendations to the Company's Board of Directors (development), and the functioning of an adequate risk management system in the Bank, improving and strengthening the risk management system.

COMPOSITION OF THE COMMITTEE AS OF 01 JANUARY 2022

No	Full name	Position
1.	Nurlan Tursunbekovich Tokobayev	Chairman of the Committee-Member of the Board of Directors, Independent Director
2.	Sanzhar Zhamalov	Yerkebayevich Member of the Committee – member of the Board of Directors, Independent Director
3.	Adil Bektasovich Mukhamedzhanov	Member of the Committee – member of the Board of Directors, (Deputy Chairman of the Management Board of Baiterek NMH JSC)

In 2022, 10 meetings of the Risk Management Committee of the Bank's Board of Directors were organized and held. 63 issues were considered, on which decisions were made in person.

The most important decisions taken by the Risk Management Committee of the Bank's Board of Directors in the reporting period were pre-approved: the Bank's risk and internal control reports for 2021, the Bank's business continuity management reports for 2021, and the Chief Compliance Controller's efficiency maps.

The Bank's Business Continuity Action Plan until 2025 has been preliminarily approved, and the Bank's internal documents were brought into compliance with

the requirements established by the Rules for Forming a Risk Management and Internal Control System for Second-Tier Banks, approved by Resolution No. 188 of the Board of the National Bank of the Republic of Kazakhstan dated 12.11.2019.

Reports on compliance risk control and compliance program (plan) implementation, management reports and reports in accordance with the List of Reports submitted by the Bank's Management Board to the Board of Directors are pre-approved on a quarterly basis.

Pre-approved transactions with persons who have special relations with the Bank without providing preferential terms.

ASSESSMENT OF THE BOARD OF DIRECTORS

The performance of the Board of Directors and its Committees is evaluated on an annual basis. Meanwhile, the assessment is conducted at least once every three years with the involvement of an independent professional organization.

In 2022, an external assessment of the activities of the Board of Directors and its committees, the Chairman and members of the Board of Directors, and the Corporate Secretary of the Bank based on the results of 2021 was conducted with the involvement of an independent consultant – «Havernance & Sustainability Materials Kazakhstan & Central Age LLP.».

The results of the external evaluation were approved at a closed meeting of the Board of Directors on August 26, 2022.

The Corporate Secretary of the Bank has provided information to the Sole Shareholder of the Bank on the results of the assessment (in accordance with the Regulations on the Board of Directors of the Bank).

Based on the results of the assessment of the work of the Bank's Board of Directors, the following is noted:

- 1) The overall maturity level of the Bank's Board of Directors is 79.90%.
 - 2) Corresponds «to the Managed Development maturity level».
- The Bank has developed and approved Regulations on the Board of Directors and Regulations on Committees under the Board of Directors, which regulate the main functions and roles of the Board of Directors and its committees.
 - The Board of Directors consists of members of the Board of Directors who have significant experience in banking and lending.
 - The Bank has approved the Corporate Governance Code and evaluates compliance/non-compliance with the principles and provisions of the Code on an annual basis.
 - The Chairman of the Board of Directors ensures sufficient efficiency of the Board of Directors' activities, as well as ensures communication between the Sole Shareholder and the Board of Directors.
 - The Chairman of the Board of Directors ensures effective interaction with the Sole Shareholder in practice.
 - The Corporate Secretary performs the main functions related to the implementation of corporate governance principles in the Bank, playing a key role in the process of analyzing the Bank's compliance with legal provisions and established corporate governance principles.

- The Corporate Secretary provides organizational and protocol support for the activities of the Board of Directors.
- The Audit Committee consists of two independent directors and one member of the Board of Directors from the Sole Shareholder, and is headed by an expert with experience in finance, as well as a CFA certificate holder.
- The Audit Committee periodically reviews the preparation of the Bank's financial statements, including reports of external and internal auditors.
- In 2021, IAD of the Bank conducted an internal control system assessment and a risk management system assessment.
- Committee for Strategic Planning and Corporate Development periodically reviews reports on the implementation of the strategy and the implementation of development plans.
- Committee for Strategic Planning and Corporate Development includes all independent directors. The Committee is headed by an expert in the field of finance and banking in general, including those with international experience. Members of the Committee have experience in the field of strategy.
- Committee for Personnel, Remuneration and Social Matters considers a wide range of issues related to determining the qualification requirements for individual Bank officials, evaluating candidates for certain positions, evaluating performance, the remuneration system, and other issues. In particular, the HR, Remuneration and Social Affairs Committee evaluates the implementation of the Efficiency Map by members of the Bank's Executive Body, provides recommendations on determining the amount of official salaries and remuneration conditions for members of the Executive Body, the Corporate Secretary, employees of the Internal Audit Department and the Bank's risk management division.
- Committee is headed by a specialist with extensive experience in human resources management, including in the banking sector.
- Risk Management Committee considers the main issues related to the effectiveness of the risk management system and the internal control system.
- The Committee regularly reviews the Bank's compliance risks, reviews the reports of the Chief Compliance Officer, and recommends to the Board of Directors a decision on bonus payments based on the results of the period under review.

PROFESSIONAL DEVELOPMENT

In connection with quarantine measures in the Republic of Kazakhstan caused by the spread of coronavirus infection and measures to reduce the budget in quasi-public sector organizations, the decision of the Management Board of Baiterek NMH JSC No. 47/20

dated 07.10.2020 amended and supplemented the Regulations on the Bank's Board of Directors, according to which the items providing for the allocation of funds for professional development were excluded members of the Bank's Board of Directors.

GOVERNANCE

The Management Board of the Bank acts on the basis of the Regulation on the Management Board as approved by the Board of Directors of the Bank and manages the day-to-day operations of the Bank. The formation of the Management Board of the Bank, its powers, as well as early termination of powers

are decided by the Board of Directors of the Bank in accordance with the legislation of the Republic of Kazakhstan and the Articles of Association of the Bank.

As of January 1, 2023 the Bank's Management Board consists of 7 members.

COMPOSITION OF THE MANAGEMENT BOARD



IBRAGIMOVA
Lyazzat Yerkenovna

Chairman of the Management Board of JSC «Housing Construction Savings Bank «Otbasy Bank» (since 23.01.2017)

Born in 1972, a citizen of the Republic of Kazakhstan.

Carries out general management of the Bank's activities and oversees advisers, managing directors, press service, security departments, HR, banking products and technologies. She is also the Chairman of the Committees on Personnel Issues, on Risks, on Asset and Liability Management and on banking products and processes, and the quality of service of the Bank.

Information about her work

Until 2017, she held senior positions in JSC «NUH «Baiterek», JSC «Entrepreneurship Development Fund «Damu».

She is a citizen of the Republic of Kazakhstan.

Has no shares (participation interests) of the joint-stock company «Housing Construction Savings Bank «Otbasy Bank», affiliated companies, and also does not own shares of suppliers and competitors of the joint-stock company «Housing Construction Savings Bank «Otbasy Bank».



AIDARBEKOVA
Aliya Karataevna

Deputy Chairman of the Board of JSC «Housing Construction Savings Bank «Otbasy Bank» (since 18.09.2017)

Born in 1976, a citizen of the Republic of Kazakhstan

Oversees finance and reporting issues. He is also the Chairman of the Strategy and Corporate Development Committee, the Budget Committee and the Commission for Determining the Value and Consideration of Issues Related to the Write-off of fixed assets, intangible assets and stale Inventories.

Information about employment::

Until 2017, she held senior positions in Otbasy Bank JSC, Investment Fund of Kazakhstan JSC, Development Bank of Kazakhstan JSC.

Has no shares (participation interests) of the joint-stock company «Housing Construction Savings Bank «Otbasy Bank», affiliated companies, and also does not own shares of suppliers and competitors of the joint-stock company «Housing Construction Savings Bank «Otbasy Bank».



AZIMBEKOV
Mukhtar Mirlanovich

Deputy Chairman of the Board of JSC «Housing Construction Savings Bank «Otbasy Bank» (since 06/10/2021)

Born in 1987, citizen of the Republic of Kazakhstan.

Supervises operational issues. And is also the Chairman of the Credit Committee of the Bank No.2.

Information about his work:

Until 2021, he held positions in Otbasy Bank JSC, Ulagat Business Group LLP, BTA Mortgage IO JSC.

Has no shares (participation interests) of the joint-stock company «Housing Construction Savings Bank «Otbasy Bank», affiliated companies, and also does not own shares of suppliers and competitors of the joint-stock company «Housing Construction Savings Bank «Otbasy Bank».



AKSHANOV
Nurlan Sagyndykovich

Deputy Chairman of the Board of JSC «Housing Construction Savings Bank «Otbasy Bank» (since 06/18/2018)

Born in 1976, citizen of the Republic of Kazakhstan.

Supervises business development issues.

Employment information:

Until 2018, he held senior positions in Damu Entrepreneurship Development Fund JSC, ATF Bank JSC.

Has no shares (participation interests) of the joint-stock company «Housing Construction Savings Bank «Otbasy Bank», affiliated companies, and also does not own shares of suppliers and competitors of the joint-stock company «Housing Construction Savings Bank «Otbasy Bank».



BEISEMBAYEV
Miras Berikovich

Deputy Chairman of the Board of JSC «Housing Construction Savings Bank «Otbasy Bank» (since 11.09.2017)

Born in 1980, citizen of the Republic of Kazakhstan.

Supervises issues on information security, legal and administrative issues. He is also the Chairman of the Information Security Committee of the Bank.

Information about work activity:

Until 2017, he held positions in JSC «Entrepreneurship Development Fund «Damu», JSC «Kazpost».

Has no shares (participation interests) of the joint-stock company «Housing Construction Savings Bank «Otbasy Bank», affiliated companies, and also does not own shares of suppliers and competitors of the joint-stock company «Housing Construction Savings Bank «Otbasy Bank».



KAIRBEKOV
Islambek Urumbaevich

Deputy Chairman of the Board of JSC «Housing Construction Savings Bank «Otbasy Bank» (since 17.01.2020)

Born in 1979, citizen of the Republic of Kazakhstan.

Oversees risk management and internal control issues. He is also the Chairman of the Controlling Committee and the Credit Committee of Bank No. 1.

Employment information:

Until 2020, he held senior positions in Otbasy Bank JSC, Damu Entrepreneurship Development Fund JSC, Tsesna-Bank JSC.

Has no shares (participation interests) of the joint-stock company «Housing Construction Savings Bank «Otbasy Bank», affiliated companies, and also does not own shares of suppliers and competitors of the joint-stock company «Housing Construction Savings Bank «Otbasy Bank».



RASPEKOVA
Elmira Sabyrzhanovna

Deputy Chairman of the Board of JSC «Housing Construction Savings Bank «Otbasy Bank» (since 11/27/2020)

Born in 1973, a citizen of the Republic of Kazakhstan.

Supervises issues on information technology and digital transformation. He is also the Chairman of the Information Resources Committee of the Bank.

Employment information:

Until 2020, she held senior positions in Otbasy Bank JSC, Damu Entrepreneurship Development Fund JSC, Alfa-Bank JSC.

Has no shares (participation interests) of the joint-stock company «Housing Construction Savings Bank «Otbasy Bank», affiliated companies, and also does not own shares of suppliers and competitors of the joint-stock company «Housing Construction Savings Bank «Otbasy Bank».

COMMITTEES REPORTING TO THE MANAGEMENT BOARD

11 Committees reporting to the Management Board of the Bank operate in the Bank.

1. Committee for Strategy and Corporate Development

The main purpose of activities of the Committee for Strategy and Corporate Development (CSCD) is to control the development and implementation of the Bank's development strategy, as well as to consider the issues related to project management.

The main tasks of the CSCD:

- determination of the Bank's strategic principles, development goals and activities;
- coordination and control of the implementation of the Bank's strategic development plan;
- improving the efficiency of the Bank's current management system;

- coordination and control of the Bank's project portfolio;
- organization and improvement of project management efficiency in the Bank.
- In the reporting year, CSCD considered issues related to plans for strategy, development, balanced indicators, sustainable development, branches, financial models, product strategy, risk-based liquidity forecast, increasing the number of announced shares, and monitoring the implementation of planning documents.

2. Committee for Asset and Liability Management

The main tasks of the Committee for Asset and Liability Management:

- determination rules and procedures for investing and borrowing in the domestic and foreign markets, and performing operations with financial instruments;
- determination of benchmarks for asset diversification, liquidity, profitability of the Bank, and adequacy of the Bank's own funds for lending purposes, within the limits of authority defined by the Bank's internal documents.

In 2022, the Committee considered issues related to the management of the Bank's assets and liabilities, including issues related to raising and placing money, issues related to setting limits on counterparties, reporting by the risk management division and divisions involved in the management of the Bank's assets and liabilities, and other issues within the scope of the Committee's powers in accordance with the Regulations on the Committee.

3. Committee for Banking Products, Processes and Quality of Service

The main tasks of the Committee for Banking Products, Processes and Quality of Service:

- consideration and approval of rates and tariffs for banking operations, limits on interest rates on deposits and loans, limits on the amounts and terms of deposits accepted and loans granted, approval of service conditions for tariff programs and loans that do not require approval by the Board of Directors in

accordance with the legislation of the Republic of Kazakhstan;

- consideration and approval of proposals from employees and subdivisions of the Bank aimed at solving urgent problems to optimize existing processes and procedures, as well as proposals aimed at improving the quality of services provided.

4. Credit Committee

The Bank's Credit Committee implements the internal credit and deposit policy of the Bank, within the scope of its powers. The Committee's structure includes (since the beginning of 2019):

Committee 1, consisting of the Chairman of Committee 1, the Vice-Chairman of Committee 1 and 5 (five) members of Committee 1;

Committee 2, consisting of the Chairman of Committee 2, the Deputy Chairman of Committee 2 and 1 (one) member of Committee 2. Committee 2 is formed from among the members of the Bank's Management Board.

The main task of Committee 1 is to implement, within its powers, the provisions of the Rules on the internal credit and deposit policy of the Bank and the

resolutions of the Committee for Asset and Liability Management, subject to the maximum reduction of borrowing risks and earning the maximum income from the following banking operations: granting housing loans, bridge housing loans, preliminary housing loans (hereinafter referred to as the credit products), as well as consideration and adoption of resolutions on the issues related to the management and/or recovery of funds on problem/overdue loans aimed at minimizing possible losses from the Bank's credit operations and reducing the share of problem loans in the Bank. The

main task of Committee 2 is to implement, within the scope of its powers, the provisions of the Rules on the Bank's Internal Credit and Deposit Policies and decisions of the Asset and Liability Management Committee, provided that borrowing risks are maximally reduced and maximum income is obtained from operations involving the provision of housing loans, intermediate housing loans, preliminary housing loans (hereinafter referred to as credit products), review and make decisions on issues related to credit products and overdue / non-performing loans.

5. Committee for Information Resources

The main purpose of the Committee's activities is to provide recommendations to the Bank's Management Board on implementation of the strategy for development of information technologies and the plan for development of the information infrastructure of the Bank.

The main tasks of the Committee:

- development, control and coordination of information infrastructure;
- implementation of new and improvement of

existing projects for business development;

- improvement of processes for managing IT projects, changes and incidents.

In the reporting year, the Committee considered issues related to artificial intelligence and robotics, modernization of the IT infrastructure and ensuring fault tolerance of the Bank's information systems, implementation and development of software aimed at remote customer service (Front & Middle), customer service (Back), etc.

6. Budget Committee

The main purpose of the Committee is to ensure timely and high-quality development of the annual budget/ Plan of incomes and expenses, Investment plan, Procurement plan/Long-term procurement plan of the Bank for the planned period, as well as proposals for improvement, implementation and control thereof.

The main task of the Committee is to consider financial and non-financial information in order to make an informed decision in accordance with the Development Strategy and Development Plan of the Bank when drafting the annual Budget / Plan of incomes and

expenses, Investment Plan and Procurement plan / Long-term procurement plan of the Bank.

In the reporting year, the Committee considered issues related to the Budget, Investment Plan, Income and Expenditure Plan of the Central Office/branches, needs of the departments of the Central Office/branches, limits, reports on them, accounting and analysis of the implementation of the Procurement Plan for Goods, Works and services, etc.

The main purpose of the Committee's activities

7. Controlling Committee

is to assist the Management Board of the Bank in performance of the controlling functions in terms of considering, planning and evaluating the charts of key performance indicators of the heads of structural subdivisions, managing directors and advisers to the Chairman of the Management Board of the Bank.

The Committee's tasks:

- support the process of planning work to achieve the set goals in accordance with the Bank's Development Strategy.
- organization of control over the implementation of

planned activities by the heads of structural divisions of the Central Office of the Bank, managing directors and advisers to the Chairman of the Management Board of the Bank.

In the reporting year, the Committee considered issues related to the approval, adjustment and monitoring of the efficiency of Managing Directors, advisers to the Chairman of the Management Board of the Bank and heads of structural divisions of the Central Office of the Bank, approval and adjustment of planned indicators of the Bank's branches.

8. Committee for Personnel Issues

The main tasks of the Committee for Personnel Issues:

- implementation of the internal personnel policy of the Bank
- coordination of work on certification of employees, including when resolving disputed issues;
- consideration of candidates for forming the Bank's personnel reserve;

- consideration of candidates for moral incentives;
- consideration of facts of violations by the Bank's employees of the requirements of the legislation of the Republic of Kazakhstan, internal documents of the Bank.

In the reporting year, the Committee considered issues related to the Bank's personnel issues.

9. Information Security Committee

The main tasks of the Information Security Committee:

- ensuring compliance of the information security management system with the legislation of the Republic of Kazakhstan;
- maintaining the Bank's internal documents on information security issues up-to-date;
- ensuring minimization of the probability of information security incidents and their possible damage;
- complete and comprehensive analysis of

information security issues submitted for consideration by the Bank's Management Board;

- maintaining up-to-date technical information security tools for the Bank.

As part of its function, the Committee considers issues related to the IT strategy, ISMS, internal documents of the Bank on information security issues, information security incidents, technical means of information security, reporting on information security and IT risks, list of critical information assets of the Bank, etc.

10. Commission for Determining the Cost and Write-off of Fixed Assets, Intangible Assets and Unsalable Inventories

The main tasks of the Commission for Determining the Cost and Write-off of Fixed Assets, Intangible Assets and Unsalable Inventories are to consider issues and make decisions on:

- determination of the value, terms of standard and useful service life of fixed assets and intangible assets of the Bank;
- write-off of the Bank's property in accordance with the Bank's internal regulatory documents regulating the disposal of the Bank's property;

- revaluation of the Bank's fixed assets (buildings, structures) in accordance with the Bank's Accounting Policy based on an independent appraiser's opinion;

- performing an impairment test for property, plant and equipment and intangible assets.

In the reporting year, the Commission considered issues related to the sale and determination of starting and minimum prices of long-term assets, increasing the value of intangible assets, etc.

11. Risk Committee

The main tasks of the Risk Committee:

- preparation of recommendations and proposals on organizing and maintaining an effective risk management system (hereinafter – the RMS) and internal control system (hereinafter – the ICS) for the Management Board of the Bank; development of processes designed to identify, assess, monitor and control the Bank's risks;
- coordination of the risk management and internal control process by the Bank's structural divisions and branches;
- ensuring constant exchange of information on risks and internal control of the Bank between

the Committee members and communicating such information to the owners of risks and risk factors in order to increase the risk culture, transparency and effectiveness of the RMS, ICS;

- making decisions on issues aimed at improving the quality of services provided, as part of the report on customer requests (complaints).

In the reporting year, the Committee considered issues related to operational risks, information technology risks, information security and internal control, as well as other issues in accordance with the Regulations on the Risk Committee.

PERFORMANCE OF THE MANAGEMENT BOARD AND COMMITTEES REPORTING TO THE MANAGEMENT BOARD

The executive body of the Bank is the Management Board acting on the basis of the Regulation on the Management Board as approved by the Board of Directors of the Bank. The Management Board of the Bank is in charge of the day-to-day operations of the Bank.

The Management Board of the Bank acts on behalf of the Bank, including representing its interests, settling transactions in accordance with the procedure established by the legislation of the Republic of Kazakhstan and the Articles of Association of the Bank, approving the staff list, including the Central Office,

branches, representative offices, issuing resolutions and giving instructions binding on all employees of the Bank.

During the reporting period, the Bank's Management Board made decisions on all issues of the Bank's activities that were not assigned by the legislative acts of the Republic of Kazakhstan and the Bank's Charter to the competence of the Sole Shareholder, the Bank's Board of Directors.

The Bank's Management Board held 228 meetings in 2022 (2021: 214 meetings).

THE WORK OF THE BANK'S MANAGEMENT BOARD COMMITTEES IS PRESENTED IN THE TABLE BELOW.

№	Name of the committee	Number of meetings held		Number of issues considered	
		2021	2022	2021	2022
1.	Committee for Strategy and Corporate Development	24	29	43	45
2.	Committee for Asset and Liability Management	44	63	182	219
3.	Committee for Banking Products, Processes and Quality of	46	66	118	136
4.	Credit Committee:	69	81	134	149
	Committee 1	50	51	111	92
	Committee 2	19	30	23	57
5.	Committee on Information Resources	28	32	85	94
6.	Budget Committee	47	46	191	107
7.	Controlling Committee	23	19	31	28
8.	Committee for Personnel Issues	28	19	70	56
9.	Information Security Committee	26	30	101	121
10.	Commission for Determining the Cost and Write-off of Fixed Assets, Intangible Assets and Unsalable Inventories	14	15	35	15
11.	Risk Committee	36	40	83	91

Achievement of KPI by Members of the Management Board

Performance of the Management Board of the Bank is assessed based on the KPIs for 2021 approved by the Board of Directors of the Bank. Activities of the Management Board of the Bank in the reporting period are generally characterized as positive. The planned

level of corporate key performance indicators (KPIs) and individual KPIs of the members of the Management Board of 2022 has been achieved. Achievement of the key performance indicators for 2022 is:



MAJOR TRANSACTIONS AND RELATED PARTY TRANSACTIONS

In the reporting year 2022, there were no major transactions (25% or more of the Bank's assets) and transactions with persons related to the Bank by special relations.

BASIC PRINCIPLES OF REMUNERATING MEMBERS OF THE MANAGEMENT BOARD AND THE BOARD OF DIRECTORS

The purpose of the policy of remuneration and bonuses of the members of the Management Board is to stimulate conscientious, efficient and high-quality work, which allows providing fair remuneration depending on the complexity and volume of work performed, the position held and personal contribution to the implementation of the Bank's tasks.

Annual performance remuneration of the members of the Management Board is a remuneration designed to stimulate the performance of the members of the Management Board to be paid depending on the results of achieving strategic key performance indicators and the results of performance evaluation by the resolution of the Board of Directors of the Bank.

The members of the Board of Directors of the Bank

– representatives of the Sole Shareholder – Baiterek NMH JSC – are not paid remuneration and bonuses. For the independent directors – the members of the Board of Directors of the Bank, the remuneration is established in accordance with the Regulation on the Board of Directors of the Bank. The amount of remuneration is determined in the manner prescribed by the legislation of the Republic of Kazakhstan and the Articles of Association of the Bank taking into account the experience and qualifications of an independent director.

In 2022, the remunerations paid to independent directors – the members of the Board of Directors – and the remunerations and bonuses paid to the members of the Management Board of the Bank amounted to 284,6 million tenge.

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

The Bank has in place the Code of Corporate Governance. The objectives of the Code are to improve corporate governance, ensure transparency of management, and reaffirm adherence to the standards of good corporate governance.

The report on compliance/non-compliance with the principles and provisions of the Bank's Code of Corporate Governance approved by the Board of

Directors of the Bank is attached as an additional Appendix to this annual report.

The Board of Directors of the Bank declares that the annual report of the Bank generally provides an objective, balanced and understandable description along with information necessary for shareholders to assess the Bank's performance.

BUSINESS ETHICS

The Bank has in place the Code of Business Conduct, which is developed in accordance with the provisions of the legislation of the Republic of Kazakhstan, the Articles of Association and internal documents of the Bank, the Code of Business Conduct of Baiterek NMH JSC, taking into account the recognized world standards of business conduct and corporate governance, and is a set of rules that establish fundamental values and principles of corporate

(business) ethics, which the Bank's employees follow. The Code applies to the members of the Board of Directors of the Bank and all employees of the Bank, regardless of their current position, and is applied on an equal basis with other internal documents of the Bank. Employees are guided by the requirements of the Code in relations with the Sole Shareholder, members of the Board of Directors, the Management Board, colleagues, customers, partners, and suppliers.

Ethical principles:

1

Equal opportunity and prohibition of discrimination. The Bank provides equal opportunities and under no circumstances will discriminate on the basis of gender, age, race, political, religious or other similar grounds.

2

The personnel are selected and promoted solely on the basis of professional knowledge, experience and competencies in accordance with the Bank's internal documents, excluding any manifestations of discrimination. Career advancement is based on an objective assessment of performance, qualifications, and competence.

3

Equal learning opportunities. The Bank provides all employees with equal opportunities for development, which depend on the results achieved, competence and qualifications. In turn, the Bank expects that all members of the collective initiative will endeavor to acquire new knowledge and to be willing to share this knowledge with colleagues. It is not allowed providing any privileges and benefits to individual employees of the Bank.

4

Equitable remuneration. With regard to establishing an equitable remuneration, the Bank is based on the recognition of work results and the achievement of key performance indicators, the level of qualifications and competencies, the complexity and quality of the work performed.

The Bank has an ombudsman institution to collect information on non-compliance with the Code of Business Ethics, consult employees on the provisions

of the Code, initiate consideration of disputes on violation of the provisions of the Code and participate in settlement thereof.

GENDER POLICY

The link between improving gender equality and accelerating economic development is widely recognized by leading international financial institutions. Recognizing this, the Bank is committed to directing efforts and resources towards creating a society that values women and men equally.

In this regard, in 2021, the Bank approved the Rules on Gender Aspects of JSC «Otbas Bank,» which align with the Sustainable Development Goals adopted by the United Nations. The objectives of the Bank's Gender Rules include overcoming all forms and manifestations of gender discrimination, promoting gender equality in the Bank's activities, and ensuring that the needs of women are equally considered alongside the needs of men in any planned event or project.

The Bank collaborates with several international and foreign organizations whose experience demonstrates that the application of gender-sensitive approaches is of great importance and contributes to the sustainable development of the country's economy. Moreover, many financial institutions today declare their readiness to support organizations, such as the European Investment Bank and many others.

The Bank commits to take into account, analyze, and address gender issues in the planning, implementation, and evaluation of internal documents, projects, and research with the aim of achieving the following objectives:

- 1) Promoting equality between women and men;
- 2) Collecting quality information, taking into account gender-disaggregated data;
- 3) Creating a social, physical, and psychological environment that promotes equal and fair treatment of men and women.

In its activities to implement the gender policy, the Bank is guided by the following principles: openness, transparency, ethical behavior, consideration of stakeholders' interests, legality, respect for human rights, and the avoidance of conflicts of interest.

Annually, the Bank develops an Action Plan for Ensuring Gender Equality and prepares an annual report on the implementation of the aforementioned Action Plan, which is published on the Bank's official website. The report on the implementation of the Action Plan for Ensuring Gender Equality for the year 2022 is available on the Bank's website at www.hcsbk.kz.

NON-DISCRIMINATION

The Bank provides its employees with equal opportunities to realize their potential in the course of their work, as well as an unbiased and fair assessment of their results.

The Bank's Personnel Policy, Sustainable Development Policy, and Code of Business Ethics govern the prevention of discrimination based on gender, age, race, political, religious, and other similar grounds. Recruitment and promotion of personnel implements the principle of equal opportunities and is based solely on an objective assessment of professional knowledge and experience in accordance with the qualification requirements for the position, excluding any manifestations of discrimination and violations of employees' rights.

Senior and middle-level managers of the Bank in their relations with subordinates should take measures aimed at protecting labor and health, creating safe and necessary conditions for effective operation, as well as creating a favorable moral and psychological atmosphere that excludes any forms of discrimination and attacks on the honor and dignity of employees/employees.

In order to resolve individual labor disputes, the Bank has established a Conciliatory Commission for the consideration of individual labor disputes. The Commission consists of an equal number of representatives of the employer and employees of the Bank, elected at the general meeting of the labor collective. The Commission is a permanent body dealing with individual labor disputes. A labor dispute is subject to consideration by the Commission if the employee independently or with the participation of a representative did not settle the differences in direct negotiations with the employer or its authorized representative.

In 2022, the Reconciliation Committee received one application from a Bank employee related to reimbursement of training expenses. The decision regarding this matter was made in favor of the employee.

In the reporting year, due to the expiration of the term of office of the current staff representatives of the Bank's Conciliatory Commission, a new Commission was re-elected at the general meeting of the labor collective.

CONFLICT OF INTEREST

The Bank has approved the Policy for the settlement of corporate conflicts and conflicts of interest, which defines a list of measures aimed at preventing conflicts of interest in the Bank, which is based on the collision of opposite interests, opinions, goals, and different ideas about how to achieve them.

The policy clearly stipulates the duty of the officials (members of the Board of Directors and the Management Board of the Bank), employees of the Bank to act in the interests of the Bank and its Sole Shareholder, as well as their responsibility is defined.

According to the requirements of the Policy, in order to avoid conflicts of interest the officials and employees of the Bank are obliged to avoid any actions and relationships that could potentially cause a conflict of interest. Any conflict of interest between personal interests and professional responsibilities in the Bank must be disclosed and settled in accordance with the legislation of the Republic of Kazakhstan and the Policy. To exclude a conflict of interest, the Bank's employees

shall sign an undertaking to comply with actions that limit the risk of a conflict of interest.

Also, the Regulation on the Board of Directors of the Bank provides that, in case of corporate conflicts, the Chairman of the Board of Directors shall take the measures to resolve them and minimize the negative impact on the Bank's activities, and promptly inform the Sole Shareholder, if it is impossible to resolve such situations using its own resources. The Bank confirms that as of 01.01.2023, 2, there are no appeals of the Sole Shareholder regarding the actions of the Bank and its officials in 2022.

In 2022, no facts of a conflict of interest, including on the part of the Bank's officials, were revealed.

In third quarter of 2022, the Bank's employees were trained on the topic «Policy for resolving corporate conflicts and conflicts of interest in Otbasy Bank JSC «with subsequent testing of their knowledge.

SUSTAINABLE DEVELOPMENT MANAGEMENT

The Bank is aware of the importance of its influence on the economy, ecology and society to ensure sustainable development in the long run. As part of implementation of this principle, the Bank approved the Sustainable Development Policy (hereinafter – the Policy) by the decision of the Board of Directors of the Bank dated 04.06.2019 (Decision No. 7) (the current Policy is available on the Bank's website in the section "The Bank's Approach to Sustainable Development").

The tasks of the Sustainable Development Policy:

- determine the principles and directions of the Bank's activities in the field of sustainable development, including in terms of creating an effective and transparent system of interaction with stakeholders;
- fix the roles, competencies, and responsibilities of each body and all employees of the Bank for implementing the principles of sustainable development;
- determine the relationship between sustainable development and key processes of the Bank.

When solving problems in the field of sustainable development, the Bank relies on its mission, the provisions of the Bank's Development Strategy, and

also uses international norms of behavior and principles of international standards in the field of sustainable development. The mission of Otbasy Bank is provision own housing for Kazakhstani families and increasing the sense of Homeland. The Bank supports the government's housing policy in this regard.

In accordance with provisions of the Policy, the roles, competencies, and responsibilities of each body and all employees for implementation of the principles and standards in the field of sustainable development are clearly defined and fixed in the sustainable development management system.

Strategic management and control over the implementation of sustainable development is carried out by the Board of Directors of the Bank.

Also, sustainable development issues are delegated to the competences of the Committee for Strategic Planning and Corporate Development of the Board of Directors of the Bank. The Board ensures formation of an appropriate system and an action plan in the field of sustainable development and their implementation. All employees and officials at all levels contribute to sustainable development. Sustainability reporting is annually submitted to the Bank's Board of Directors.

- planning activities in the field of sustainable development;
- coordination of activities of the Bank's departments aimed at achieving the goals and objectives in the field of sustainable development;
- reporting on the implementation of the action plan and KPI in the field of sustainable development;
- preparing the Bank's annual report including a section on sustainable development;

INTERNAL AUDIT

Activities of the Internal Audit Department of Otbasy Bank JSC are based on the international frameworks of professional practice of internal audit and are carried out in compliance with the principles of independence, impartiality, honesty, objectivity and professional competence.

Mission of the Internal Audit Department is to provide the necessary assistance to the Board of Directors and the Management Board of the Bank in fulfilling their responsibilities to achieve the strategic goals of the Bank.

The main purpose of the Internal Audit Department is to provide the Board of Directors with independent reasonable guarantees and consultations aimed at improving the Bank's activities and increasing the efficiency of risk management, internal control and corporate governance. The Internal Audit Department is an independent structural unit and is functionally accountable to the Board of Directors and administratively – to the Bank's Management Board.

The Internal Audit Department is supervised by the Audit Committee of the Board of Directors. The head and employees of the Internal Audit Department are appointed by the Board of Directors.

In 2022, the Internal Audit Department staffed 13 persons. Internal auditors carry out continuous professional development on an ongoing basis and hold the Diplomas of Certified Professional Internal Auditors issued by the Institute of Professional Financial Managers of the United Kingdom (DipPIA and DiPCPIA), as well as Certificates of Professional Accountants (CPA)

- training workshops for the Bank's employees to improve the skills of officials and employees in the field of sustainable development with the involvement of external trainers or independently;
- interaction with international organizations, institutions, agencies and departments of the Bank on sustainable development issues.

The Sustainable Cities and Communities targets, which are part of the Sustainable Development Goals of the UN Global Compact, provide for universal access to sufficient, safe and affordable housing for the population. The Bank, as part of its activities, makes a great contribution to solving this issue.

In addition, the Bank annually approves an action plan in the field of sustainable development. In 2022, all the measures envisaged in the Bank's Sustainable Development Action Plan for 2022 were implemented.

The main tasks and functions of the Internal Audit Department:

- assessment of the reliability and effectiveness of the internal control and risk management system;
- assessment of the effectiveness of corporate governance and compliance with ethical standards and values;
- assessment of sufficiency and effectiveness of the measures taken by the structural subdivisions of the Bank to achieve the tasks assigned to them within the framework of the strategic goals of the Bank;
- assessment of the reliability of the internal control system over the use of automated information systems;
- providing advice to the Bank's Executive Body and structural divisions on improving internal control, risk management and corporate governance processes.

Annual risk-based audit plans are reviewed and approved by the Board of Directors. All planned audit tasks for 2022 were completed in full.

In performing its functions, the Internal Audit Department has confirmed its independence to the Board of Directors.

EXTERNAL AUDIT

In accordance with the Bank's Rules for procurement of goods, works and services and the concluded agreement on long-term procurement of services for the audit of financial statements for 2022-2023 dated December 21, 2021, 9, based on the resolution of the Management Board of the Holding, the external audit

for the Bank is performed by the Auditing Company – PricewaterhouseCoopers LLP. The term of the agreement is from January 01, 2022 to March 30, 2024. The amount of the auditor's remuneration for 2022 is 62,160 thousand tenge.

ENGAGEMENT WITH STAKEHOLDERS

The Bank is committed to maintaining quality and sustainable relationships with the key stakeholders and takes their interests into account when making key decisions and carrying out operating activities.

The principles and procedures for interaction with stakeholders are formulated by the Code of Corporate Governance and the Policy of Sustainable Development.

The Bank has approved Stakeholders' Chart, which defines the list of key stakeholders and the degree of their influence. The chart allows systematizing and visualizing information about the Bank's environment in order to build an adequate strategy for working with each of the stakeholders. Identification of stakeholders and work with them is one of the tools that allows us to improve the business reputation of the business, the capitalization of the company, to establish effective and balanced relationships with all stakeholders.

The key stakeholder groups were selected based on their level of impact on the Bank and the level of the Bank's impact on stakeholders.

No	Stakeholders	"Interests/motives"	Tools of influence	Interaction strategy
1	Sole Shareholder	Observance of the interests of the sole shareholder of the Bank Baiterek NMH JSC	Legislation of the Republic of Kazakhstan, the Charter, internal documents of the Bank	Ensuring the implementation of the rights of the Sole Shareholder within the framework of corporate governance principles aimed at effective key decision-making in accordance with the legislation of the Republic of Kazakhstan
2	Governing Body	General management of the Bank's activities, except for issues referred to the exclusive competence of the Sole Shareholder	Legislation of the Republic of Kazakhstan, the Charter, internal documents of the Bank	Determination of priority areas of activity, development strategies of the Bank.
3	Management	Making decisions on any issues of the Bank's activities that are not referred by the legislation of the Republic of Kazakhstan and the Bank's Articles of Association to the competence of the Sole Shareholder and the Board of Directors	Legislation of the Republic of Kazakhstan, the Charter, internal documents of the Bank	Execution of decisions of the Sole Shareholder, the Board of Directors of the Bank. Preparation and implementation of development plans and other issues related to the Bank's activities.
4	Personnel	Labor relations with the employer, direct fulfillment of obligations under an employment agreement	Labor Code, employment agreement, internal documents of the Bank	Execution of official powers aimed at implementation of the tasks and functions of the Bank
5	State Bodies	Implementation of legislative functions stipulated in the legislation of the Republic of Kazakhstan	Legislation of the Republic of Kazakhstan	Control over compliance with the legislation of the Republic of Kazakhstan.
6	Investors	Making profit	Contractual relations within the framework of investment, cooperation/partnership agreements	Priority of payment of principal and remuneration for invested funds, exclusion of dependence on financing
7	Financial institutions	Making profit	Contractual relations within the framework of investment, cooperation/partnership agreements	Priority of payment of principal and remuneration for invested funds, exclusion of dependence on financing
8	Suppliers	Making profit, increasing the level of competitiveness	Contractual relations of the supply of goods, performance of works, provision of services	Compliance with the requirements for organizing the procurement process

9	Partners	Commercial interests	Contractual relations	<p>Conclusion of contracts and agreements on mutually beneficial cooperation and mutual understanding.</p> <p>Improvement of business processes and their automation.</p> <p>Control over the execution of contractual relationships.</p>
10	Customers, consumers	Quality and availability of product lines and services in the housing savings market	Preferences and customer satisfaction	Improving the quality and availability of products and services in the housing savings market.
11	Auditors	Provision of financial audit services	Contractual relationships	<p>Conclusion of contracts for the provision of audit services.</p> <p>Audit of financial statements, external audit.</p>
12	Consulting organizations	Provision of consulting services	Contractual relations	<p>Conclusion of contracts for the provision of consulting services. Improving business processes.</p> <p>Control over the execution of contractual relationships.</p>
13	Population	Quality and availability of product lines and services in the housing construction savings market	<p>Public opinion.</p> <p>Appeals to higher-level and regulatory authorities, mass media.</p>	<p>Reputation audit, public opinion polls, implementation of communication strategy.</p> <p>Publication of the Bank's financial and non-financial statements.</p> <p>Demonstration of practical commitment to the principles of social responsibility, transparency and sustainable development.</p> <p>Acceptance of additional social commitments, solving current social problems.</p> <p>Charitable activities.</p>
14	Public organizations	Various issues related to the activities of public and non-governmental organizations	Publications and information about the activities of the Bank	Compliance with the legislation of the Republic of Kazakhstan, support of local public activities, charity, provision, care for the environment. Employment, social responsibility

15	Mass media	Publications and information about the Bank	Publications and information about the activities of the Bank	Compliance with the legislation of the Republic of Kazakhstan, development of bilateral and multilateral relations with the media.
16	Competitors	Increasing the market share of household deposits, mortgage lending for the construction and purchase of housing, mortgage lending	Use of modern technologies, increasing the quality of services and products provided in the financial market, active advertising campaign, development and introduction of new lines of products and services in the market of household deposits	<p>Strategy to reduce the level of competition from competitors:</p> <p>cooperation on terms that are unattractive to competitors;</p> <p>increasing staff commitment to the Bank;</p> <p>expanding its presence in the country;</p> <p>developing and implementing new lines of products and services in the housing construction savings market;</p> <p>cooperation for mutually beneficial solutions to problems.</p>

The process of organizing the Bank's interaction with stakeholders is based on the principle of involvement, which implies taking into account the interests of stakeholders at all stages of the Bank's management process and involving stakeholders in the discussion of significant topics and important issues, potential risks and limits of responsibility.

The strategy of interaction of the Bank with each stakeholder, as well as the tools of influence, are determined by the structural divisions of the Bank independently, depending on the specifics of the activity.