



# APPENDIX

# APPENDIX 1. ABOUT THE REPORT

This annual report of Otbasyl Bank JSC includes financial and non-financial information on the Bank's activities for the period from January 1 to December 31, 2022, as well as data from previous periods and a number of forward-looking statements. The Bank has been preparing reports on an annual basis since 2004. The current 2021 Annual Report was not externally certified.

This is the fourth Annual Report of the Bank, which includes information on sustainable development, disclosed in accordance with the international non-financial reporting standards GRI Standards («Basic Compliance Option»).

## When preparing the Annual Report, the Bank followed the principles of determining the content of the GRI Standards report:

- 1 Stakeholder Engagement –**  
the content of the report was determined based on the interests of key stakeholder groups.
- 2 Sustainable Development Context –**  
the Bank's activities in this report are presented in a broader socio-economic context.

The principles of "materiality" and "stakeholder engagement" have been applied to define sustainable development topics that will be reflected in the Report.

- 3 Materiality –**  
the report covers only those issues in respect of which the Bank exerts great influence on the decisions of stakeholders.
- 4 Completeness –**  
the Bank tried to cover the essential topics of its activities as fully as possible and provide all the necessary information.

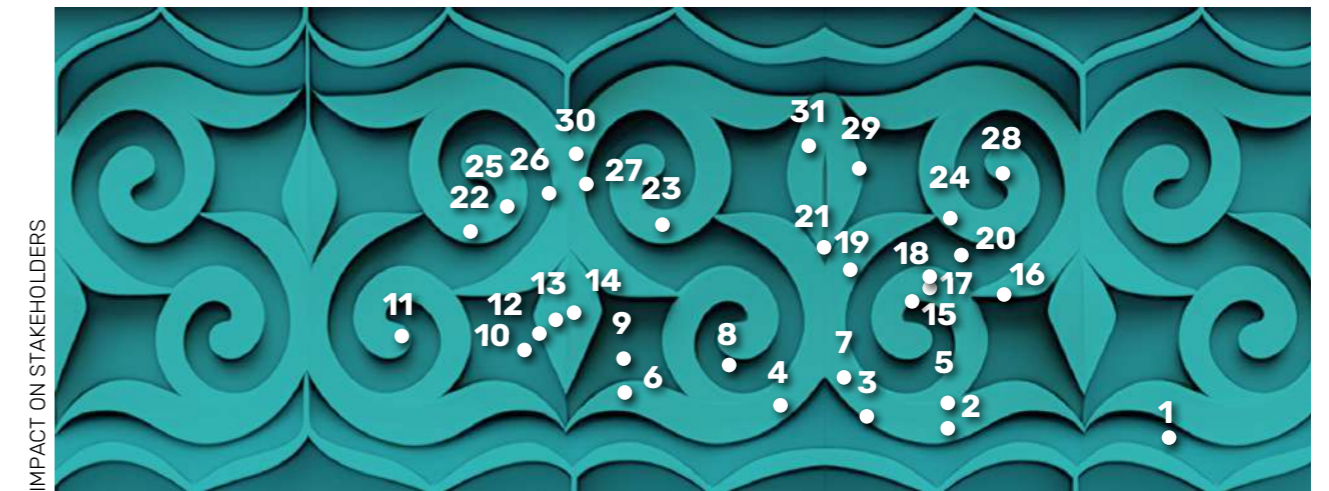
The principles of the "sustainable development context" and "completeness" were applied in collecting information and disclosing it on selected topics.

## DETERMINING THE REPORT CONTENT

To determine the list of information to be included in this Report, the Bank analyzed all the topics proposed by the GRI Standards and determined a list of material topics that are most significant for disclosure in the annual report. Topics were ranked according to their importance to the Bank, taking into account its development strategy, and according to their importance to stakeholders, which was determined in the course of interaction with them during the year. Based on the results of the analysis, a

questionnaire was prepared, with the help of which a survey was conducted among the Bank's stakeholders (members of the Board of Directors, the Management Board, employees of the Bank, the Holding, media representatives, external auditors, etc.). Based on the survey results, a Materiality Matrix was built and is presented below. The topics included in the upper right corner of this matrix were recognized as the most significant and were disclosed in this Report.

## MATERIALITY MATRIX



IMPACT ON THE COMPANY

Themes <i>(the topics recognized by the results of the analysis as the most significant are marked in gray)</i>	Legend
Economic performance	1
Market presence	2
Indirect economic impacts	3
Procurement practices	4
Anti-corruption	5
Obstacle to competition	6
Taxes	7
Materials	8
Energy	9
Water and wastewater	10
Biodiversity	11
Emissions	12
Discharges and waste	13
Environmental assessment of suppliers	14
Employment	15
Employee-management relations	16
Occupational health and safety	17
Training and education	18
Diversity and equal opportunities	19
Non-discrimination	20
Freedom of association and collective bargaining	21
Child labour	22
Forced or compulsory labour	23
Safety practices	24
Rights of indigenous and small-numbered peoples	25
Local communities	26
Assessing the impact of suppliers on society	27
Public policy	28
Consumer health and safety	29
Labeling of products and services	30
Consumer privacy	31

# APPENDIX 2. FINANCIAL STATEMENTS

## STATEMENT OF FINANCIAL POSITION

<i>(thousands of Kazakhstani tenge)</i>	Note:	December 31, 2022	December 31, 2021
<b>ASSETS</b>			
Cash and cash equivalents	7	327,515,241	595,066,321
Funds in financial institutions	8	75,434,625	17,000
Investments in debt securities	9	138,325,012	186,877,167
Investments in equity securities		1,747	1,747
Loans and advances to customers	10	2,877,313,730	1,999,326,511
Other financial assets	11	8,851,935	11,450,453
Other assets	11	331,252	354,054
Intangible assets	12	6,711,795	5,566,033
Fixed assets and right-of-use assets	12	5,286,760	5,188,019
Long-term assets held for sale		249,493	272,678
<b>TOTAL ASSETS</b>		<b>3,440,021,590</b>	<b>2,804,119,983</b>
<b>OBLIGATIONS</b>			
Payables to customers	13	2,300,445,036	1,898,429,002
Borrowed funds	14	193,469,370	191,456,190
Issued debt securities	15	108,542,872	78,910,328
Government subsidies	16	76,739,163	-
Deferred tax liability	17	4,536,445	4,349,852
Current income tax liabilities		387,342	92,900
Other financial liabilities	24	29,022,900	25,114,446
Other liabilities	17	3,127,732	2,681,864
Payables to customers	18	261,489,488	221,981,940
<b>TOTAL LIABILITIES</b>		<b>2,977,760,348</b>	<b>2,423,016,522</b>
<b>CAPITAL</b>			
Share capital	19	78,300,000	78,300,000
Additional paid-in capital		148,298,334	127,470,774
Revaluation fund for investment securities measured at fair value through other comprehensive income		(4,530,906)	(1,703,462)
Retained earnings		237,910,479	174,752,814
<b>TOTAL EQUITY</b>		<b>462,261,242</b>	<b>381,103,461</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>3,440,021,590</b>	<b>2,804,119,983</b>

\* Hereafter, in the financial statements of Otbasy Bank JSC and in the notes thereto, December 31 of any given year means 24.00 Almaty time on December 31 of the corresponding year.

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

<i>(thousands of Kazakhstani tenge)</i>	Notes	December 31, 2022	December 31, 2021
Interest income calculated using the effective interest method	20	251,018,805	171,023,329
Interest and similar expenses	20	(86,323,652)	(54,597,033)
<b>Net interest margin and similar income</b>		<b>164,695,153</b>	<b>116,426,296</b>
116,426,296 Credit loss expense	7,9,10	(12,106,771)	(2,406,247)
<b>Net interest margin and similar income after provision after credit losses</b>		<b>152,588,382</b>	<b>114,020,049</b>
Government subsidy income	18	11,623,720	32,375,919
Fee income	21	3,016,032	1,918,666
Fee expense	21	(7,212,054)	(7,111,094)
Expenses less income arising from the initial recognition of financial instruments at below market rates	4	(23,915,177)	(41,393,980)
Expenses from modifying financial assets measured at amortized cost that do not result in derecognition		8,763	-
Income less expenses on debt securities at fair value through other comprehensive income		808	19,587
Income less expenses from operations with foreign currency		37,159	9,181
Other operating expenses less gains	22	(2,298,436)	(1,907,488)
Administrative expenses	23	(24,281,537)	(22,100,237)
<b>Profit before tax</b>		<b>109,567,660</b>	<b>75,830,603</b>
Income tax expense	24	(13,532,530)	(10,075,780)
<b>Net profit</b>		<b>96,035,130</b>	<b>65,754,823</b>
<b>Other comprehensive income/(loss):</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Income less expenses on debt securities at fair value through other comprehensive income		(2,826,636)	490,500
Income/(expenses) less (expenses)/income on debt securities measured at fair value through other comprehensive income transferred to the statement on profit and loss upon disposal		(808)	10,384
<b>Other comprehensive (loss)/income</b>		<b>(2,827,444)</b>	<b>500,884</b>
<b>Total comprehensive income for the period</b>		<b>93,207,686</b>	<b>66,255,707</b>
<b>Basic and diluted earnings per share for earnings attributable to a Shareholder of the Bank</b> (Kazakhstani tenge per share)	32	12,265	<b>8,398</b>

## STATEMENT OF CHANGES IN EQUITY

<i>( thousands of Kazakhstani tenge)</i>	Notes	Share capital	Additional paid-in capital/ A provision in a business combination	Reserve on revaluation of securities at fair value through other comprehensive income	Other reserves	Retained earnings	Total equity
<b>Balance at 1 Jan 2021</b>	<b>19</b>	<b>78,300,000</b>	<b>95,406,389</b>	<b>(2,204,346)</b>	<b>2,283,335</b>	<b>108,997,942</b>	<b>282,783,320</b>
Profit for the year		-	-	-	-	65,754,823	<b>65,754,823</b>
Other comprehensive income		-	-	500,884	-	-	<b>500,884</b>
<b>Total comprehensive income reflected for the period</b>		-	-	<b>500,884</b>	-	<b>65,754,823</b>	<b>66,255,707</b>
Recognition of discount on loans from the Government of the Republic of Kazakhstan less deferred tax effect in the amount of 8,016,096 thousand tenge	4	-	32,064,385	-	-	-	<b>32,064,385</b>
Refund payment		-	-	-	-	49	<b>49</b>
<b>Balance at December 31, 2021</b>		<b>78,300,000</b>	<b>127,470,774</b>	<b>(1,703,462)</b>	<b>2,283,335</b>	<b>174,752,814</b>	<b>381,103,461</b>
<b>Balance at 1 January 2022</b>		<b>78,300,000</b>	<b>127,470,774</b>	<b>(1,703,462)</b>	<b>2,283,335</b>	<b>174,752,814</b>	<b>381,103,461</b>
Profit for the year		-	-	-	-	96,035,130	<b>96,035,130</b>
Other comprehensive loss		-	-	(2,827,444)	-	-	<b>(2,827,444)</b>
<b>Total comprehensive income for the year</b>		-	-	<b>(2,827,444)</b>	-	<b>96,035,130</b>	<b>93,207,686</b>
Recognition of discount on loans from local executive bodies of the Republic of Kazakhstan and on deposits raised from a subsidiary of the Parent Company, net of deferred tax effect in the amount of KZT 7,362,018 thousand	4	-	29,448,072	-	-	-	<b>29,448,072</b>
Recognition of the discount on deposits placed in a subsidiary of the Parent Company, except for net of deferred tax effect in the amount of KZT 2,155,128 thousand	4	-	(8,620,512)	-	-	-	<b>(8,620,512)</b>
Dividends declared		-	-	-	-	(32,877,465)	<b>(32,877,465)</b>
<b>Balance at 31 December 2022</b>	<b>19</b>	<b>78,300,000</b>	<b>148,298,334</b>	<b>(4,530,906)</b>	<b>2,283,335</b>	<b>237,910,479</b>	<b>462,261,242</b>

## CASH FLOW STATEMENT

Note:	December 31, 2022	December 31, 2021
<b>Cash flows from operating activities</b>		
Interest income received using the effective interest method	236,361,380	162,437,761
Interest paid using the effective interest method	(76,776,355)	(46,463,874)
Fees received	3,016,022	1,918,666
Fees paid	(7,329,937)	(6,835,045)
Personnel maintenance expenses paid	(12,878,360)	(11,481,835)
Administrative and other operating expenses paid	(10,249,521)	(9,513,594)
<b>Net cash flows from operating activities before income tax</b>	<b>132,143,229</b>	<b>90,062,079</b>
Income tax paid	(14,536,524)	(11,013,404)
<b>Cash received from operating activities before changes in operating assets and liabilities</b>	<b>117,606,705</b>	<b>79,048,675</b>
Net (decrease/increase) in:		
due from financial institutions	(100,011,000)	-
- loans and advances to customers	(884,664,771)	(715,349,144)
- other financial assets	3,441	(1,545,676)
- other assets	(23,406)	(42,560)
Net increase/(decrease) in:		
- payables to customers	404,710,665	796,448,384
- payables to financial institutions	80,000,000	-
- other financial liabilities	419,901	578,075
- other liabilities	8,618	38,834
<b>Net cash from operating activities</b>	<b>(381,949,847)</b>	<b>159,176,588</b>
<b>Cash from investing activities</b>		
Acquisition of fixed	(1,218,545)	(691,113)
Acquisition of intangible assets	(2,542,681)	(1,181,183)
Sale of fixed assets	73,481	89
Acquisition of debt securities at fair value through other comprehensive income	-	(12,766,458)
Acquisition of investments in debt securities carried at amortized cost	(34,866,152)	(44,733,251)
Proceeds from disposal of debt securities at fair value through other comprehensive income	42,636,088	38,337,016
Proceeds from repayment of debt securities carried at amortised cost	36,917,160	65,600,000

<b>Net cash received from/ (used in) investing activities</b>		<b>40,999,351</b>	<b>44,565,100</b>
<b>Cash from financing activities</b>			
Obtaining loans from the Government of the Republic of Kazakhstan	15	66,300,000	102,000,000
Obtainig of loans from the Government of the Republic of Kazakhstan			
Loans from local executive bodies of the Republic of Kazakhstan	15	26,333,536	18,048,000
Repayment of loans from local executive bodies of the Republic of Kazakhstan	15	(2,000)	(2,000)
Repayment of loan from NWF Samruk-Kazyna JSC	15	-	(15,163,000)
Obtaining loans from the Asian Development Bank	15	14,000,000	8,400,000
Obtaining loans from other organizations	15	116,000	120,000
Repayment of loans from other organizations		-	(9,100)
Proceeds from the issuance of debt securities	14	-	140,000,000
Dividends paid to the Shareholder	19	(32,877,465)	-
Long-term lease	17	(506,756)	(337,134)
<b>Net cash generated from financing activities</b>	<b>13</b>	<b>73,363,315</b>	<b>253,056,766</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>		<b>36,101</b>	<b>9,975</b>
<b>Net increase (outflow) in cash and cash equivalents</b>		<b>(267,551,080)</b>	<b>456,808,429</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>7</b>	<b>595,066,321</b>	<b>138,257,892</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>327,515,241</b>	<b>595,066,321</b>

**Full package of the Bank's financial statements, including the auditor's report, is available on our corporate website hcsbk.kz in the "About Bank"/"Reporting" section.**

# APPENDIX 3. REPORT ON COMPLIANCE/ NON-COMPLIANCE WITH THE PRINCIPLES AND PROVISIONS OF THE CORPORATE GOVERNANCE CODE JSC «HOUSING CONSTRUCTION SAVINGS BANK OF KAZAKHSTAN» FOR 2022

No	Principles and provisions of the Corporate Management Code of the joint-stock company «Housing Construction Savings Bank of Kazakhstan»	Compliance/ Non-compliance	Measures taken to implement the principles and provisions of the Corporate Governance Code of JSC «Housing Construction Savings Bank of Kazakhstan»
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## 1. General provisions

1.1.	The Code of Corporate Governance (hereinafter – the Code) of JSC «Housing Construction Savings Bank of Kazakhstan» (hereinafter – the Bank) is a set of rules and recommendations that the Bank follows in its operations to ensure efficiency, transparency, accountability, and a high level of business ethics in relations within the Fund and with other stakeholders. Control over the Bank's implementation of this Code shall be entrusted to the Board of Directors of the Bank. Corporate Secretary monitors and advises the Board of Directors and the executive authority of the Bank for the proper observance of this Code, prepare an annual compliance/non-compliance report and provisions. The report is then submitted to the relevant committee of the Board of Directors, approved by the Board of Directors and incorporated into the Bank's annual report.	Compliance	The Bank Code was approved by the decision of the Board of JSC «National Managing Holding «Baiterek» on January 12, 2018 (Protocol 01/18). The Bank's operations are carried out in accordance with the requirements of the Laws of the Republic of Kazakhstan «On joint-stock companies», «On banks and banking operations», the Bank's Charter, the Corporate Governance Code, as well as other internal documents, approved by the Sole Shareholder – JSC «National Managing Holding «Baiterek», the Board of Directors and the Management Board of the Bank. On an annual basis, the Corporate Secretary of the Bank prepares the Report on compliance/ non-compliance with the principles and provisions of the Code (hereinafter referred to as the Report) and submits it for preliminary consideration to the Committee on Strategic Planning and Corporate Development, further to the Board of Directors of the Bank. In 2022, the Strategic Planning and Corporate Development Committee of the Board of Directors provisionally reviewed the Report for 2021 and recommended for approval (meeting of 27 June 2022 4). The Report for 2021 was approved by the decision of the Board of Directors of June 29, 2022 (Protocols 7).
1.2.	The objectives of this Code are to improve corporate governance at the Fund, to ensure transparency and efficiency in governance, and to confirm the Bank's commitment to follow the standards of good corporate governance. In particular: 1) the Bank is managed to maximize the value of the Bank and other benefits for the sole shareholder in compliance with legal principles, clear and appropriate distribution of responsibilities and powers, accountability and efficiency; 2) disclosure of information and transparency, including careful assessment, disclosure and periodic review of the	Compliance	The management of the Bank operates in compliance with the principle of legality and an appropriate level of responsibility, a clear delineation of powers, accountability and efficiency. The bank has a clear distribution of powers between the governing authority – the Board of Directors and the executive authority – the Management Board. In 2022, changes and additions were made to the Regulations on the Board of Directors of the Bank by the decision of the Sole Shareholder, issued on August 17, 2022 (Protocols No. 33/22). Disclosure of information, transparency of the Bank's operations is ensured through open publications in the media, on the Kazakhstan

No	Principles and provisions of the Corporate Management Code of the joint-stock company «Housing Construction Savings Bank of Kazakhstan»	Compliance/ Non-compliance	Measures taken to implement the principles and provisions of the Corporate Governance Code of JSC «Housing Construction Savings Bank of Kazakhstan»
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	objectives that justify state participation in the Fund; 3) risk management and internal control systems are properly in process; 4) the risk of a conflict of interest, which may lead to decisions other than decisions based on the best interests of the Fund and the general public, is minimized. This Code has been developed in accordance with the provisions of the legislation and by taking into account the developing corporate governance practices in the Republic of Kazakhstan and in the world The Bank in its operations is obliged to strictly comply with the provisions of the Code. In case of non-compliance, indicate in the annual report an explanation of the reasons for non-compliance with each of the provisions, periodically (at least once every two years) conduct an assessment (if necessary, an independent assessment) of corporate governance and post the relevant results on the Bank's Internet resource a		Stock Exchange, the AIFC, in the Financial Statements Depository, on the Bank's external website. The risk management and internal control systems has been established and effectively operates at the Bank. The risk of a conflict of interest that could lead to decisions different from decisions based on the interests of the Bank and the general public has been minimized.
1.3.	Officials and employees of the Bank assume the obligations given by this Code, including on the basis of relevant agreements with the Bank, and undertake to comply with its provisions in the Bank. Control over the Bank's implementation of this Code is assigned to the Board of Directors of the Bank. The Corporate Secretary monitors and advises the Board of Directors and the executive authority of the Bank on issues of proper compliance with this Code, and prepares an annual report on compliance/ non-compliance with its principles and provisions. Subsequently, this report is submitted for consideration by the relevant committee of the Board of Directors, approved by the Board of Directors and included in the annual report of the Bank. Cases of non-compliance with the provisions of this Code are considered at meetings of the relevant committee of the Board of Directors and the board of directors with the adoption of appropriate decisions aimed at further improving corporate governance in the Bank.	Compliance	Article 13 of the Bank's Charter determines the responsibility of the Bank's officials. According to subparagraph 17) of paragraph 19 of the Regulations on the Management Board of the Bank, the Chairman and members of the Management Board are obliged not to disclose any confidential information about the Bank known to the members of the Management Board. The obligation to maintain confidentiality by a member of the Management Board remains in force for 5 (five) years after the expiration of the term of official duties. According to subparagraph 6) of paragraph 9 of the Regulations on the Board of Directors of the Bank, members of the Board of Directors should conscientiously fulfill their duties, including not to disclose or use confidential information about the Bank for personal interests or in the interests of third parties during the official term of a member of the Board of Directors and within 5 (five) years after the end of the the term of official duties of a member of the Board of Directors, unless a longer period is given by other internal documents of the Bank. According to subparagraph 12) of paragraph 8 of the Regulations on the Committee for Strategic Planning and Corporate Development of the Board of Directors, the competence of the Committee includes consideration on an annual basis of a report on compliance / non-compliance with the principles and provisions of the corporate governance code, with the formation in cases presence of non-compliance with relevant recommendations aimed at further improvement of corporate governance and their submission to the Board of Directors. In 2022, the Bank sent a letter No. 09/1-12-26/11257 issued on July 11, 2022 to the Sole Shareholder on a report on compliance/non-compliance with the principles and provisions of the Corporate Governance Code of the Joint Stock Company «Housing Construction Savings Bank of Kazakhstan» for 2021, approved by the decision of the Board of Directors of the Bank (Protocols of the meeting No.7 from 06/29/2022)

No	Principles and provisions of the Corporate Management Code of the joint-stock company «Housing Construction Savings Bank of Kazakhstan»	Compliance/ Non-compliance	Measures taken to implement the principles and provisions of the Corporate Governance Code of JSC «Housing Construction Savings Bank of Kazakhstan»
<b>2. Power-sharing principle</b>			
2.1.	Rights, duties and competences of the sole shareholder, board of directors and top management are determined and assigned in accordance with the current legislation of the Republic of Kazakhstan, and internal regulations.	Compliance	<p>The rights, obligations and competencies of the Sole Shareholder represented by JSC «National Managing Holding «Baiterek» ( hereinafter referred to as the Sole Shareholder), the Board of Directors and the Management Board of the Bank are determined by the legislation of the Republic of Kazakhstan and the Charter of the Bank.</p> <p>According to paragraph 7.1. Art. 7 of the Charter of JSC «Housing Building Savings Bank» Otbasy Bank «(hereinafter - the Charter), approved by the decision of the Board of JSC» National Managing Holding «Baiterek « (hereinafter - the Holding) No. 41/14 issued on December 24, 2014, the authorities of the Bank are :</p> <ol style="list-style-type: none"> <li>1) Supreme authority - the Sole Shareholder;</li> <li>2) Governing authority - the Board of Directors;</li> <li>3) Executive authority - the Management Board;</li> <li>4) the authority exercising control over the financial and economic operations of the Bank - the Internal Audit Unit;</li> <li>5) other permanent collegiate authorities of the Bank, created 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 operations.</li> </ol> <p>It is not allowed to transfer issues, the adoption of decisions on which is referred to the exclusive competence of the Sole Shareholder of the Bank, to the competence of other authorities- the Board of Directors, the Management Board, officials and employees of the Bank, unless otherwise provided by the Law of the Republic of Kazakhstan «On Joint Stock Companies» and other legislative acts of the Republic Kazakhstan.</p> <p>Issues related to the exclusive competence of the Board of Directors of the Bank cannot be transferred for decision to the Management Board of the Bank.</p> <p>The Board of Directors of the Bank is not entitled to make decisions on issues that, in accordance with this Charter, are assigned to the exclusive competence of the Management Board of the Bank, as well as make decisions that contradict the decisions of the Sole Shareholder of the Bank.</p>

### 3. The principle of protecting the rights and interests of the Sole Shareholder

3.1.	Corporate governance in the Bank functions to ensure the protection, respect for the rights and legitimate interests of the Sole Shareholder and is aimed at contributing to the efficient operation of the Bank and at achieving breakeven of its operations.	Compliance	<p>The exclusive competence of the Sole Shareholder, given in Art. 14 of the Law of the Republic of Kazakhstan "On Joint Stock Companies", the Charter of the Bank is complied with.</p> <p>The decisions of the Board of the Sole Shareholder approved the followings:</p> <ul style="list-style-type: none"> <li>- Charter of the Bank (issued on December 24, 2014 (Protocols No. 41/14);</li> <li>- Corporate Governance Code of the Bank (issued on January 12, 2018 (Protocols No. 01/18);</li> <li>- Regulations on the Board of Directors of the Bank (issued on November 28, 2018 (Protocols No. 53/18);</li> <li>- Regulations on the interaction of the Holding with subsidiaries (issued on December 20, 2017 (Protocols No. 52/17).</li> </ul> <p>As of 01/01/2022, the members of the Board of Directors - representatives of the Sole Shareholder were: Omarkhodzhaev A.S. and Khamitov E.E.</p> <p>As of December 31, 2022, the members of the Board of Directors - representatives of</p>
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No	Principles and provisions of the Corporate Management Code of the joint-stock company «Housing Construction Savings Bank of Kazakhstan»	Compliance/ Non-compliance	Measures taken to implement the principles and provisions of the Corporate Governance Code of JSC «Housing Construction Savings Bank of Kazakhstan»
			<p>the Sole Shareholder were: Sharlapaev K.B., Mukhamedzhanov A.B. and Khamitov E.E.</p> <p>Materials on issues submitted for consideration by the Bank's Sole Shareholder are prepared and sent within the time limits established by the Bank's internal documents and contain information to the extent necessary for making informed decisions on issues.</p> <p>In order to comply with this principle, in accordance with the decision of the Sole Shareholder issued on August 28, 2019 (Protocols No. 42/19),»On approval of the list, forms and frequency of reporting to the Holdingsubsidiaries, the Bank regularly provides the Sole Shareholder with information on the results of financial and economic operations, management and financial reporting in accordance with the approved forms of the reporting package, as well as in accordance with the Rules for the formation of a risk management and internal control system for second-tier banks, approved by a resolution of the Board of the National Bank of the Republic of Kazakhstan No. 188 issued on November 12, 2019.</p>
3.2.	The sole shareholder must have access to information regarding the conditions and procedure for paying dividends, as well as be provided with reliable information about the financial position of the Bank when paying dividends. For these purposes, the Sole Shareholder approves the dividend policy. The Dividend Policy defines the principles by which the Board of Directors (Supervisory Board and/or executive authority) is guided when preparing proposals for the Sole Shareholder on the distribution of the Bank's and/or its subsidiary's net income for the past financial year. The dividend policy is based on the following principles:	Compliance	<p>Payment of dividends by subsidiaries of the Holding regulated by the Procedure for determining the amount of dividends paid by subsidiaries of the Holding, approved by the protocols of the Board of the Holding issued on May 11, 2014 (Protocols No. 14/14).</p> <p>The amount of dividends accrued by the Bank in favor of the Holding is determined depending on the financial and economic condition and on the basis of financial stability and liquidity indicators of the Bank.</p> <p>In accordance with the legislation of the Republic of Kazakhstan, the above Procedure for determining the amount of dividends paid by the Holding's subsidiaries and the Charter of the Bank, the authorized bodies of the Bank prepare proposals on the procedure for distributing the Bank's net income for the past financial year and the amount of dividends for the year per one ordinary share of the Bank.</p> <p>The final decision on the amount of dividends is established by the decision of the Sole Shareholder of the Bank.</p> <p>The Board of Directors of the Bank (Protocols No. 5 issued on April 26, 2023) decided:</p> <ol style="list-style-type: none"> <li>1. Preliminarily approve the audited annual financial statements of JSC «Otbasy Bank» for 2022, with subsequent submission for consideration by the Sole Shareholder of JSC «Otbasy Bank» - JSC "National Managing Holding "Baiterek", in accordance with Appendix No. 5 to this protocol.</li> <li>2. Recommend to the Sole Shareholder of JSC «Otbasy Bank» - JSC "National Managing Holding "Baiterek" to take the following decisions: on approval of the following procedure for the distribution of net income of JSC «Otbasy Bank» received at the end of the 2022 reporting financial year in the amount of 96,035,129,578.28 (ninety-six billion thirty-five million one hundred and twenty-nine thousand five hundred and seventy-eight) tenge 28 tiyn : - 67,224,699,900.00 (sixty-seven billion two hundred twenty-four million six hundred ninety-nine thousand nine hundred) tenge 00 tiyn from net income, to allocate to the payment of dividends to the Sole Shareholder, at the rate of 70% of the amount of net income attributable</li> </ol>

No	Principles and provisions of the Corporate Management Code of the joint-stock company «Housing Construction Savings Bank of Kazakhstan»	Compliance/ Non-compliance	Measures taken to implement the principles and provisions of the Corporate Governance Code of JSC «Housing Construction Savings Bank of Kazakhstan»
			<p>to one share (total 7,830,000 shares), which is 8,585.53 (eight thousand five hundred and eighty five) tenge 53 tiyn of net income per share;</p> <p>- 28,810,429,678.28 (twenty eight billion eight hundred ten million four hundred twenty nine thousand six hundred seventy eight) tenge 28 tiyn from net income, to be left at the disposal of JSC «Otbasy Bank»;</p> <p>on approval of the amount of dividends per one ordinary share of JSC «Otbasy Bank» 8,585.53 (eight thousand five hundred and eighty five) tenge 53 tiyn;</p> <p>determine the start date for the payment of dividends - from the date of the decision by the Sole Shareholder;</p> <p>pay dividends to the bank account of the Sole Shareholder of JSC «Otbasy Bank» in cash by bank transfer from the moment the decision to pay dividends on ordinary shares is made, no later than 90 (ninety) days from the moment the decision is made by the Sole Shareholder;</p> <p>take into account the information on the amount and structure of the remuneration of the members of the Board of Directors and the Management Board of JSC «Otbasy Bank» paid in 2022;</p> <p>take into account the information about the absence of appeals from the Sole Shareholder to the actions of JSC «Otbasy Bank» and its officials in 2022.</p>

#### 4. The principle of effective management of the Bank by the Board of Directors and the Management Board

4.1.	The Board of Directors is a management authority providing strategic management of the Bank and control over the operations of the Management Board. At the same time, the Board of Directors pays special attention to the following issues: 1) definition of the Development Strategy (directions and results); 2) setting and monitoring KPIs established in the Development Strategy and/or Development Plan; 3) organization and supervision of the effective functioning of the risk management, internal control and internal audit system; 4) approval and monitoring of the effective implementation of large investment projects and other key strategic projects within the competence of the Board of Directors; 5) election (re-election), remuneration, succession planning and supervision over the operations of the head and members of the executive authority; 6) corporate governance; 7) compliance in the Bank with the provisions of this Code and corporate standards of the Bank in the field of business ethics (Code of Business Ethics).	Compliance	<p>According to paragraph 7.1. Art. 7 of the Bank's Charter, the governing authority is the Board of Directors. The exclusive competence of the Board of Directors, given by the Law of the Republic of Kazakhstan "On Joint Stock Companies", is observed by the Charter of the Bank.</p> <p>The Report on the implementation of the Bank's Development Strategy until 2023 was approved by the decision of the Board of Directors issued on May 31, 2022 (Protocols No. 6).;</p> <p>The Report on the results of assessing the effectiveness of the risk management system of JSC «Otbasy Bank» was approved by the decision of the Board of Directors issued on December 26, 2022 (Protocols No. 17).;</p> <p>The report on the operations of the Internal Audit Department for 2022 was approved by the decision of the Board of Directors issued on February 24, 2023 (Protocols No. 2);</p> <p>By the decision of the Board of Directors issued on May 31, 2022 (Protocols No. 6), it was decided to pay remuneration to the Chairman of the Management Board and members of the Management Board based on the results of work for 2021.</p> <p>The Report on compliance/non-compliance with the principles and provisions of the Bank's Corporate Governance Code for 2021 was approved by the decision of the Board of Directors issued on June 29, 2022 (Protocols No.7).</p>
4.2.	The amount of members of the Board of Directors is determined by the Sole Shareholder. The member of the Board of Directors is established individually, taking into account the scope of operations, current tasks, development strategy and/or development plan, and financial capabilities. The amount of members of the Board of Directors must be balanced, which means	Compliance	The official term of the Board of Directors is established by the Sole Shareholder. The official term of members of the Board of Directors coincides with the official term of the entire Board of Directors, unless otherwise determined by the decision of the Sole Shareholder, and expires at the time the Sole Shareholder decides to elect a new member of the Board of Directors. As of 01/01/2022, the members of the Board of Directors:

No	Principles and provisions of the Corporate Management Code of the joint-stock company «Housing Construction Savings Bank of Kazakhstan»	Compliance/ Non-compliance	Measures taken to implement the principles and provisions of the Corporate Governance Code of JSC «Housing Construction Savings Bank of Kazakhstan»
	a combination of members of the Board of Directors (representatives of the Sole Shareholder, independent directors, head of the executive authority), ensuring decision-making in the interests of the Holding and the tasks set for it to develop the economy. The presence and participation of independent directors is mandatory in the amount of members of the Board of Directors. The number of members of the Board of Directors must be at least three. At least one third of the members of the Board of Directors of the Bank must be independent directors. At the same time, the number of independent directors should be sufficient to ensure the independence of decisions made. The recommended number of independent directors in the C Board of Directors of the Bank is up to fifty percent of the total number of members of the Board of Directors.		<p>Chairman of the Board of Directors - Uskenbaev K.A., representative of the Sole Shareholder.</p> <p>Members of the Board of Directors: - Khamitov E.E., representative of the Sole Shareholder; - Omarkhodzhaev A.S., representative of the Sole Shareholder; - Ibragimova L.E., Chairman of the Management Board of the Bank. - Kydyrbaev D.Kh., independent director; - Ermekova E.M., independent director; - Tokobaev N.T., independent director.</p> <p>By the decision of the Holding issued on February 16, 2022 (Protocols No. 09/22), the amount of members of the Board of Directors is determined in the amount of 7 (seven) people, with a official term of 3 (three) years.</p> <p>As of December 31, 2022, the member of the Board of Directors: Chairman of the Board of Directors - Kanat Bisimbayevich Sharlapaev, representative of the Sole Shareholder.</p> <p>Members of the Board of Directors: - Khamitov YersainYerbulatovich, representative of the Sole Shareholder; - Mukhamedzhanov Adil Bektasovich, representative of the Sole Shareholder; - Ibragimova Lyazzat Yerkenovna, Chairman of the Board of the Bank. - Zhamalov Sanzhar Yerkebayevich, independent director; - Ermekova Elmira Muslimovna, independent director; - Tokobaev Nurlan Tursunbekovich, independent director.</p>
4.3.	Relations between independent directors and the Bank are formalized by agreements subject to the requirements of the legislation of the Republic of Kazakhstan, the provisions of this Code and internal documents of the Bank. The agreements must specify the rights, obligations, liability of the parties and other essential conditions, as well as the obligations of the independent directors of the Board of Directors to comply with the provisions of this Code, including devoting sufficient time to perform their functions, not to disclose internal information about the Bank after the termination its operations for a period established by the Board of Directors and additional obligations due to the requirements for the status and functions of independent directors (in terms of a timely declaration of loss of independence and others). Contracts may set terms for members of the Board of Directors to perform certain duties.	Compliance	<p>Agreements have been signed between the Bank and the Independent Directors, in accordance with which the Independent Director undertakes to perform the duties of a member of the Board of Directors of the Bank / an independent director - a member of the Board of Directors of the Bank, determined by the regulatory legal acts of the Republic of Kazakhstan, the charter and other internal documents of the Bank, and the Bank undertakes to timely and fully in the amount to pay remuneration to the Director and compensate for expenses related to the performance of the duties of a member of the Board of Directors in the manner prescribed by the Agreement.</p> <p>Before signing the Agreement, the Bank shall provide the Independent Director with a copy of the Charter of the Bank and internal documents of the Bank regulating the operations of members of the Board of Directors of the Bank, in accordance with the annex to the Agreement. During the term of the Agreement, the Bank notifies the Director of making changes to the relevant internal documents of the Bank in accordance with the annex to the Agreement and the adoption of new internal documents of the Bank within 15 (fifteen) calendar days from the date of such changes.</p>
4.4.	The Bank needs to ensure that succession plans for members of the Board of Directors are in place to maintain business continuity and renew the member of the Board of Directors. The Board of Directors approves the induction program for newly elected members of the Board of Directors and the professional development program, if necessary. The corporate secretary ensures the	Compliance partially	The succession plan for members of the Board of Directors has not been developed. Program for members of the Board of Directors has not been developed. The induction program is not developed as a separate document. Paragraph 35 of the Regulations on the Board of Directors of the Bank describes the process of induction of members of the Board of Directors.



No	Principles and provisions of the Corporate Management Code of the joint-stock company «Housing Construction Savings Bank of Kazakhstan»	Compliance/ Non-compliance	Measures taken to implement the principles and provisions of the Corporate Governance Code of JSC «Housing Construction Savings Bank of Kazakhstan»
	implementation of this program. Members of the Board of Directors elected for the first time, after their appointment, undergo an induction program. During the induction process, members of the Board of Directors become familiar with their rights and obligations, key aspects of the Bank's and its subsidiaries' operations and documents, including those associated with the greatest risks.		
4.5.	<p>The level of remuneration of members of the Board of Directors is recommended to be set at an amount sufficient to attract and motivate each member of the Board of Directors of the level required for the successful management of the Bank. The Human Resources, Remuneration and Social Affairs Committee of the Board of Directors of the Bank makes proposals on the amount of remuneration of candidates for independent directors.</p> <p>No person should be involved in decisions related to their own remuneration.</p> <p>The remuneration should fairly reflect the expected contribution of a member of the Board of Directors to improving the efficiency of the entire Board of Directors and the Bank's operations.</p> <p>When setting the amount of remuneration for a member of the Board of Directors, the responsibilities of members of the Board of Directors, the scale of the Bank's operations, long-term goals and objectives determined by the development strategy, the complexity of issues considered by the Board of Directors and, if necessary, the level of remuneration in similar private sector companies ( benchmarking , review rewards).</p> <p>Members of the Board of Directors are paid a fixed annual remuneration, as well as additional remuneration for participation and chairmanship in committees of the Board of Directors. The remuneration of a member of the Board of Directors shall not include options or other elements related to the performance of the Bank.</p> <p>At the same time, members of the Board of Directors of the Bank who are civil servants and/or representatives of a shareholder, as well as the Chairman of the Management Board (in case of his membership in the Board of Directors), are not paid remuneration for membership in the Board of Directors.</p> <p>The sole shareholder of the Bank determines the amount and terms of payment of remuneration and compensation of expenses to members of the Board of Directors of the Bank. At the same time, the terms of remuneration of directors are reflected in the agreements signed with them, and/or, if necessary, in the internal document of the Bank.</p>	Compliance	<p>The following types of remuneration to independent directors of the Bank are determined according to paragraph 24 of Chapter 5 of the Regulations on the Board of Directors of the Bank:</p> <ul style="list-style-type: none"> <li>- fixed annual remuneration for membership in the Board of Directors of the Bank ;</li> <li>- a fixed annual remuneration for participation in the meetings of the Committee of the Board of Directors of the Bank as the Chairman of the Committee;</li> <li>- a fixed annual remuneration for participation in meetings of the committee of the Bank's Board of Directors as a member of the committee.</li> </ul> <p>By internal documents of the Holding, members of the Board of Directors of the Bank - representatives of the Sole Shareholder in the Board of Directors of the Bank, as well as the Chairman of the Board of the Bank, are not paid remuneration for membership in the Board of Directors.</p> <p>In accordance with the Regulations on the Board of Directors of the Bank, agreements with the Independent Directors of the Board of Directors of the Bank have been signed.</p>
4.6.	<p>The Chairman of the Board of Directors is responsible for the overall governance 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.</p> <p>The Chairman of the Board of Directors should strive to create a unified team of professionals</p>	Compliance	<p>In accordance with paragraph 31 of the Regulation on the Board of Directors of the Bank, the Chairman of the Board of Directors is responsible for the overall governance of the Board of Directors, ensures the full and effective implementation of 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 Board of the Bank.</p> <p>The Chairman of the Board of Directors organizes the work of the Board of Directors, conducts its</p>

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	who are committed to achieving profitability and sustainable development of the Bank, who are able to respond to internal and external challenges in a timely manner and at the proper professional level. The roles and functions of the Chairman of the Board of Directors and the Chairman of the Management Board of the Bank should be clearly separated and fixed in the internal documents of the Bank. The Chairman of the Management Board cannot be elected as the Chairman of the Board of Directors of the Bank. The key functions of the Chairman of the Board of Directors include:		
	<ol style="list-style-type: none"> <li>1) planning meetings of the Board of Directors and setting the agenda;</li> <li>2) ensuring timely receipt by members of the Board of Directors of complete and up-to-date information for decision-making;</li> <li>3) ensuring that the attention of the Board of Directors is focused on consideration of strategic issues and minimizing issues of a current (operational) nature subject to consideration by the Board of Directors;</li> <li>4) ensuring maximum effectiveness of the meetings of the Board of Directors by allocating sufficient time for discussions, comprehensive and in-depth consideration of agenda items, stimulating open discussions, reaching agreed decisions;</li> <li>5) ensuring monitoring and supervision of the proper execution of the adopted decisions of the Board of Directors and the sole shareholder;</li> <li>6) in the event of corporate conflicts, taking measures to resolve them and minimize the negative impact on the Bank's operations, and timely informing the sole shareholder, if it is impossible to resolve such situations on their own.</li> <li>7) building proper communication and interaction with the Sole Shareholder, including the organization of consultations when making key strategic decisions.</li> </ol>		<p>meetings, and also performs other functions determined by the Charter of the Bank.</p> <p>The key functions of the Chairman of the Board of Directors are the followings:</p> <ol style="list-style-type: none"> <li>1) planning meetings of the Board of Directors and setting the agenda;</li> <li>2) ensuring timely receipt complete and up-to-date information for decision-making by members of the Board of Directors;</li> <li>3) ensuring that the attention of the Board of Directors is focused on consideration of strategic issues and minimizing issues of a current (operational) nature subject to consideration by the Board of Directors;</li> <li>4) ensuring maximum effectiveness of the meetings of the Board of Directors by allocating sufficient time for discussions, comprehensive and in-depth consideration of agenda items, stimulating open discussions, reaching agreed decisions;</li> <li>5) ensuring monitoring and supervision of the proper execution of the adopted decisions of the Board of Directors and the sole shareholder;</li> <li>6) in the event of corporate conflicts, taking measures to resolve them and minimize the negative impact on the Bank's operations, and timely informing the sole shareholder, if it is impossible to resolve such situations on their own.</li> <li>7) building proper communication and interaction with the Sole Shareholder, including the organization of consultations when making key strategic decisions.</li> </ol> <p>The Chairman of the Board of Directors adheres to the principle of freedom of expression of the point of view of the members of the Board of Directors on the issues under discussion, promotes the search for an agreed decision, the achievement of consensus by the members of the Board of Directors, and the adoption of decisions in the interests of the sole shareholder and the Bank. The Chairman of the Board of Directors promotes effective leadership in order to create conditions for the members of the Board of Directors to work as a single team.</p> <p>The Chairman of the Board of Directors is recommended to maintain constant contacts with other authorities and officials of the Bank. Such contacts should be aimed not only at timely obtaining the most complete and reliable information necessary for the Board of Directors to make decisions, but also at ensuring, where possible, effective interaction between these authorities and officials among themselves and with third parties.</p> <p>According to paragraph 10.8. of the Bank's Charter - the Chairman of the Board of Directors approves the Agenda;</p> <p>In accordance with paragraph 46 of the Code and paragraph 31 of the Regulations on the Board of Directors - forms the agenda;</p> <p>At the same time, according to paragraph 67 of the Regulations on the Board of Directors of the Bank, when making a decision on the agenda item of the meeting of the Board of Directors, each member of the Board of Directors has one vote.</p> <p>In practice, the agenda is formed by the Corporate Secretary, agreed with the Chairman of the Board of Directors and approved by the decision of the Board of Directors.</p> <p>In accordance with paragraph 36 of the Regulations on the Board of Directors of the Bank, the Board of Directors of the Bank draws</p>

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			<p>up a plan of its meeting with a schedule of meetings for the previous year. The work plan of the Board of Directors is approved by the decision of the Board of Directors. In practice, the Corporate Secretary forms the Work Plan of the Board of Directors on the basis of proposals from the Bank's structural divisions and submits it to the Board of Directors for approval.</p> <p>According to subparagraph 3) of paragraph 10.8 of the Charter of the Bank, the Chairman of the Board of Directors of the Bank organizes the keeping of protocols at meetings of the Board of Directors, in the manner prescribed by the legislation of the Republic of Kazakhstan. In accordance with subparagraph 11) of paragraph 17 of the Regulations on the Corporate Secretary, the Corporate Secretary ensures that the protocols of the meeting of the Board of Directors, Committees are kept, which reflects the time and place of the meeting, the names of the meeting participants, the agenda, quorum and decisions taken, and also ensures the timely signing by the members of the Board of Directors and committee protocols of meetings.</p>																								
4.7.	<p>Committees have been established under the Board of Directors, whose competence includes consideration of issues related to strategic planning, audit, personnel, remuneration and social issues, risks and internal control. In order to improve the efficiency of investment decision-making, the strategic planning committee preliminary considers issues related to investment operations, the consideration of which is within the competence of the board of directors. Committees are created to conduct a detailed analysis and develop recommendations on a range of the most important issues prior to their consideration at a meeting of the Board of Directors. The final decision on issues considered by committees is made by the board of directors.</p> <p>To organize the work of the committee, the committee or the board of directors, the secretary of the committee appoints a corporate secretary or an employee of the corporate secretary service (if any). The Board of Directors decides on the creation of committees, determines the members of committees, terms and powers.</p> <p>The committees consist of members of the Board of Directors who have the necessary professional knowledge, competencies and skills to work on the committee. When forming the members of the committees, the presence of potential conflicts of interest is taken into account. Committee chairmen, along with professional competencies, should have organizational and leadership qualities, good communication skills to effectively organize the committee's operations.</p>	Compliance	<p>By the decision of the Board of Directors of the Bank issued on August 25, 2021 ( Decision No. 8), the following were approved:</p> <ul style="list-style-type: none"> <li>- Regulations on the Audit Committee of the Board of Directors of the Bank;</li> <li>- Regulations on the Committee for Personnel, Remuneration and Social Payments of the Board of Directors of the Bank ;</li> <li>- Regulations on the Committee for Strategic Planning and Corporate Development of the Board of Directors of the Bank;</li> <li>- Regulations on the Risk Management Committee of the Board of Directors of the Bank (hereinafter collectively referred to as the Committees).</li> </ul> <p>In 2022, 40 meetings of the Committees of the Board of Directors were organized and held, during which 182 issues were considered. The Bank has not created the Corporate Secretary Service. The functions of the Secretary of the 4 Committees are performed by the Corporate Secretary of the Bank. February 21, 2022, the decision of the Board of Directors of the Bank (Protocols of the meeting No. 1) determined the members of the Committees of the Board of Directors of the Bank.</p> <p>1.Audit Committee:</p> <table border="1"> <thead> <tr> <th>No</th> <th>FULL NAME.</th> <th>Position</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Zhamalov Sanzhar Erkebaevich</td> <td>Chairman of the Committee - member of the Board of Directors, independent director</td> </tr> <tr> <td>2.</td> <td>Tokobaev Nurlan Tursunbekovich</td> <td>Member of the Committee - member of the Board of Directors, independent director</td> </tr> <tr> <td>3.</td> <td>Khamitov Ersain Erbulatovich</td> <td>Member of the Committee - Member of the Board of Directors (Deputy Chairman of the Board of the Holding ).</td> </tr> </tbody> </table> <p>2. Risk Management Committee:</p> <table border="1"> <thead> <tr> <th>No</th> <th>FULL NAME.</th> <th>Position</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Tokobaev Nurlan Tursunbekovich</td> <td>Chairman of the Committee - member of the Board of Directors, independent director</td> </tr> <tr> <td>2.</td> <td>Zhamalov Sanzhar Erkebaevich</td> <td>Member of the Committee - member of the Board of Directors, independent director</td> </tr> <tr> <td>3.</td> <td>Mukhamedzhanov Adil Bektasovich</td> <td>Member of the Committee - member of the Board of Directors (Deputy Chairman of the Management Board of the Holding).</td> </tr> </tbody> </table>	No	FULL NAME.	Position	1.	Zhamalov Sanzhar Erkebaevich	Chairman of the Committee - member of the Board of Directors, independent director	2.	Tokobaev 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 (Deputy Chairman of the Board of the Holding ).	No	FULL NAME.	Position	1.	Tokobaev Nurlan Tursunbekovich	Chairman of the Committee - member of the Board of Directors, independent director	2.	Zhamalov Sanzhar Erkebaevich	Member of the Committee - member of the Board of Directors, independent director	3.	Mukhamedzhanov Adil Bektasovich	Member of the Committee - member of the Board of Directors (Deputy Chairman of the Management Board of the Holding).
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1.	Ermezkova Elmira Muslimovna	Chairman of the Committee - member of the Board of Directors, independent director																												
2.	Tokobaev 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 (Deputy Chairman of the Board of the Holding ).																												
4.8.	<p>The Chairman of the Strategic Planning Committee is elected from among the independent members of the Board of Directors for the term of the Board of Directors exercising its powers at one of the first meetings of the Board of Directors. The decision on election is taken by a simple majority of votes of the total number of members of the Board of Directors. If necessary, experts with relevant experience and competence may be involved in the Strategic Planning Committee. Committee members who are not members of the Board of Directors are appointed by the Board of Directors on the proposal of the Chairman of the Committee.</p> <p>The main functions of the Strategic Planning Committee are the development and submission to the Board of Directors of the Bank of recommendations on the development of priority areas of the Bank's operations and its development strategy, including issues on the development of measures that enhance the efficiency of the Bank's operations, its profitability and sustainable development. Detailed goals and objectives of the committee are provided by the regulations on the committee.</p>	Compliance	<p>Zhamalov S.Ye., an independent director, was elected Chairman of the Committee for Strategic Planning and Corporate Development. members of the Committee: Mukhamedzhanov A.B. – representative of the Holding , Ermezkova E.M. – independent director, Tokobaev N.T. – independent director. Experts were not involved in the work of the Committee.</p> <p>The Committee is a consultative and advisory authority of the Board of Directors of the Bank and it is created to consider the most important issues. All proposals developed by the Committee are recommendations that are submitted for consideration to the Board of Directors of the Bank.</p> <p>The Committee is established to facilitate the effective performance of the control functions of the Board of Directors of the Bank, and prepares recommendations on the development of priority areas of activity and strategic goals, as well as develop measures to improve the efficiency of the Bank's operations. (Items 3. 4 of the Regulations on the Committee for Strategic Planning and Strategic Planning of the Board of Directors of the Bank.</p>																											
4.9.	<p>The Audit Committee consists of independent directors with the necessary knowledge and practical experience in the field of accounting and auditing, risk management, and internal control. The Chairman of the Audit Committee is an independent director. The main functions of the Audit Committee include issues of internal and external audit, financial reporting, internal control and risk management, compliance with the legislation of the Republic of Kazakhstan, internal documents and other issues on behalf of the Board of Directors. In addition, the Audit Committee evaluates</p>	Compliance	<p>Independent director Zhamalov S.E. was elected as the Chairman of the Audit Committee, members of the Committee: Khamitov E.E. – representative of the Holding, Tokobaev N.T. – independent director. Experts were not involved in the work of the Committee.</p> <p>The Committee is a consultative and advisory authority of the Board of Directors of the Bank and is created to consider the most important issues. All proposals developed by the Committee are recommendations that are submitted for consideration to the Board of Directors of the Bank.</p>																											

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	<p>candidates for the Bank's external auditors, and also preliminarily analyzes the opinion of the audit organization before submitting it to the Board of Directors and the Holding .</p> <p>A member of the Board of Directors, who is not independent, may be elected to the committee if the Board of Directors, on an exceptional basis, decides that the membership of this person in the audit committee is necessary in the interests of the Holding and the Bank. In the event of such an appointment, the Board of Directors should disclose the nature of the dependency of this person and justify such a decision.</p>		<p>The Committee is established to facilitate the effective performance of the control functions of the Board of Directors of the Bank. The Committee controls the preparation of the Bank's financial statements and ensures the reliability and completeness of the Bank's financial statements, ensures control over the independence of internal and external audit. (Items 3, 4 of the Regulation on the Audit Committee of the Board of Directors of the Bank.</p>
4.10.	<p>The HR, Remuneration and Social Affairs Committee includes a majority of independent directors in order to develop objective and independent decisions and prevent the influence of interested parties (representatives of the Sole Shareholder, the head of the board, employees and other persons) on the opinions of the committee members.</p> <p>Committee members should have the necessary knowledge and practical experience in the field of personnel management and evaluation of its performance, as well as in the field of corporate governance. The chairman of the committee is an independent director.</p> <p>The Human Resources, Remuneration and Social Affairs Committee determines the criteria for selecting candidates for members of the Board of Directors, candidates for top managers, develops the Bank's policy in the field of remuneration of these persons, and regularly evaluates the performance of members of the Board of Directors and top managers.</p> <p>The main functions of the Committee include issues of appointment (election), setting motivational KPIs, performance evaluation, remuneration and succession planning of the Chairman and members of the Management Board, issues of appointment and remuneration of the Corporate Secretary, as well as participation in the consideration of these issues in relation to the members of the Board of Directors itself, in cases of such powers by the Sole Shareholder. In this case, members of the Human Resources, Remuneration and Social Affairs Committee are advised not to allow a situation of conflict of interest to arise and not to take part in the consideration of issues of their own appointment and / or remuneration.</p>	Compliance	<p>Ermekeva E.M., an independent director, was elected as the Chairman of the Committee for Human Resources, Remuneration and Social Benefits, members of the Committee: Khamitov E.E., representative of the Holding, Tokobaev N.T. - independent director.</p> <p>Experts were not involved in the work of the Committee.</p> <p>The Committee is a consultative and advisory authority of the Board of Directors of the Bank and is created to consider the most important issues. All proposals developed by the Committee are recommendations that are submitted for consideration to the Board of Directors of the Bank.</p> <p>The Committee is established in order to facilitate the effective performance of the control functions of the Board of Directors of the Bank, prepare recommendations on personnel policy, election (appointment), remuneration of the Bank's executives, employees of the Bank, whose appointment is within the competence of the Board of Directors of the Bank, as well as to improve the efficiency of the Bank's management social issues. (Items 3, 4 of the Regulations on the Human Resources and Remuneration Committee of the Board of Directors of the Bank .</p>
4.11.	<p>Risk management committee consists of independent directors with the necessary knowledge and practical experience in the field of risk management and internal control. The Chairman of the Risk and Internal Control Committee is an independent director.</p> <p>If necessary, experts with relevant experience and competence may be involved in the Risk and Internal Control Committee. Committee members who are not members of the Board of Directors are appointed by the Board of Directors on the proposal of the committee chairman.</p> <p>The main functions of the Risk and Internal Control Committee include issues on risk management and internal control, compliance with the laws of the Republic of Kazakhstan,</p>	Compliance	<p>An independent director Tokobaev N.T. was elected as the Chairman of the Risk Management Committee, members of the Committee: Mukhamedzhanov A.B. - representative of the Holding , Zhamalov S.E. - independent director.</p> <p>Experts were not involved in the work of the Committee.</p> <p>The Committee is a consultative and advisory authority of the Board of Directors of the Bank and is created to consider the most important issues. All proposals developed by the Committee are recommendations that are submitted for consideration to the Board of Directors of the Bank.</p> <p>The Committee is established to facilitate the effective performance of the control functions of the Board of Directors of the Bank. The Committee</p>

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	<p>internal documents and other issues on behalf of the Board of Directors.</p>		<p>ensures the reliability and efficiency of risk management, as well as coordinates operations and provides methodological support on internal control issues. (Items 3, 4 of the Regulations on the Committee for Risks and Internal Control of the Board of Directors of the Bank.</p>
4.12.	<p>Preparing and holding meetings of the Board of Directors should contribute to the maximum effectiveness of its operations.</p> <p>The recommended frequency of meetings of the Board of Directors is at least six meetings per year. An even distribution of the number of issues planned for consideration during the year is recommended to ensure a thorough and meaningful discussion and the adoption of timely and high-quality decisions.</p> <p>The Board of Directors should follow the procedures established by the Bank's documents for preparing and holding meetings of the Board of Directors.</p> <p>Meetings of the Board of Directors are held in accordance with the work plan approved by the Board of Directors prior to the beginning of the calendar year, which includes a list of issues under consideration and a schedule of meetings with dates.</p> <p>Meetings of the Board of Directors and its committees are carried out through in-person or absentee voting, while the number of meetings with absentee voting must be minimized. Consideration and adoption of decisions on issues of an important and strategic nature is carried out only at meetings of the Board of Directors with in-person voting.</p> <p>A member of the Board of Directors who has an interest in an issue submitted for consideration by the Board of Directors does not participate in the discussion and voting on this issue, which is recorded in the protocols of the meeting of the Board of Directors.</p>	Compliance	<p>In 2022, 17 meetings of the Board of Directors of the Bank were organized and held, of which 5 meetings were held by absentee voting, 11 meetings were held in person, and 1 meeting was closed . 155 issues were considered : 116 in person , 38 in absentia, and 1 in closed voting .</p> <p>The procedures, procedure for organizing the preparation, holding meetings/absentee voting of the Board of Directors of the Bank are determined by the Regulations on the Board of Directors of the Bank, the Regulations for the interaction of the Holding with subsidiaries.</p> <p>The work plan of the Bank's Board of Directors for 2022 was approved by decision of the Board of Directors No. 14 issued on December 24, 2021.</p> <p>Absentee meetings held in 2022 : 5 Face-to-face meetings held in 2022 : 11 Closed meeting in 2022 held: 1</p> <p>In 2022, the Board of Directors submitted 11 issues for consideration regarding the conclusion of transactions with persons related to the Bank by special relations. According to the signed protocols, the interested persons did not take part in the voting in respect of themselves, their close relatives and spouse.</p>
4.13.	<p>The Board of Directors, committees and members of the Board of Directors are evaluated on an annual basis, if the Chairman of the Board of Directors of the Bank initiates an appropriate evaluation. At the same time, at least once every three years, the assessment is carried out with the involvement of an independent professional organization.</p> <p>The assessment makes it possible to determine the contribution of the Board of Directors and each of its members in achieving the strategic objectives of the Bank's development, as well as to identify areas and recommend measures for improvement. The results of the assessment are taken into account when re-election or early termination of powers of members of the Board of Directors.</p> <p>Evaluation is one of the main tools for improving the professionalism of the Board of Directors and its individual members. Evaluation is mandatory for both independent directors and representatives of the Sole Shareholder.</p> <p>The assessment is carried out according to the principles such as regularity, comprehensiveness, continuity, realism, confidentiality.</p> <p>The assessment includes, but it is not limited to, consideration of the following issues:</p>	Compliance	<p>In 2022, an external assessment of the operations of the Board of Directors and its committees, the Chairman and members of the Board of Directors, the Corporate Secretary based on the results of 2021 (hereinafter referred to as the Evaluation) was carried out with the involvement of an independent consultant - LLP Gaverance and Sustainability Matrix Kazakhstan and Central Asia. According to the results of the Assessment, the overall assessment of the operations of the Board of Directors in 2021 amounted to 79.90%.</p> <p>The results of the Assessment were considered at a closed meeting of the Board of Directors of the Bank issued on August 26, 2022 (ProtocolsNo. 11).</p> <p>Decision of the Board of Directors issued on August 26, 2022 (Protocols No. 11) on the agenda item "On consideration of the report on the results of an external assessment of the operations of the Board of Directors and its committees, the Chairman and members of the Board of Directors, the Corporate Secretary of JSC «Otbasy Bank» based on the results of 2021" :</p> <p>1. Take note of the report on the results of the external assessment of the operations of the Board of Directors, its committees, the Chairman and members of the Board of Directors, the Corporate Secretary of JSC «Otbasy Bank» based on the results of 2021, in accordance with Appendix No. 1 to this Protocol.</p>

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	<p>1) the optimal amount of members of the Board of Directors (balance of skills, experience, diversity of members, objectivity) in the context of the tasks facing the Bank;</p> <p>2) clarity of understanding of the vision, strategy, main tasks, problems and values of the Bank;</p> <p>3) succession and development plans;</p> <p>4) functioning of the Board of Directors as a single authority, the role of the Board of Directors and the head of the Management Board in the operations of the Bank;</p> <p>5) the effectiveness of the interaction of the Board of Directors with the Sole Shareholder, the Board and officials of the Bank;</p> <p>6) efficiency of each member of the Board of Directors;</p> <p>7) performance efficiency of the committees of the Board of Directors and their interaction with the Board of Directors, members of the Management Board;</p> <p>8) quality of information and documents provided to the Board of Directors;</p> <p>9) the quality of discussions at the Board of Directors, in committees;</p> <p>10) performance of the corporate secretary;</p> <p>11) clarity in understanding processes and competencies;</p> <p>12) the process of identifying and assessing risks;</p> <p>13) interaction with the Sole Shareholder and other interested parties.</p> <p>Methods of assessment are self-assessment or the involvement of an independent consultant to improve the quality of the assessment. An independent external consultant is engaged at least once every three years.</p> <p>The results of the assessment may serve as a basis for re-election of the entire Board of Directors or its individual member, revision of the members of the Board of Directors and the amount of remuneration to members of the Board of Directors. In the event of serious shortcomings in the performance of individual members of the Board of Directors, the Chairman of the Board of Directors consults with the Sole Shareholder.</p> <p>The sole shareholder may evaluate the Board of Directors independently or with the involvement of an independent consultant. The results of the assessment carried out independently by the Board of Directors, the results of the Bank's operations, the achievement of KPIs and other factors are taken into account.</p>		<p>2. Approve the Plan for improving the operations of the Board of Directors of JSC «Otbasy Bank», in accordance with Appendix No. 2 to this protocol. In accordance with the requirements of the Regulations on the Board of Directors of the Bank, the results of the assessment and the Plan for improving the operations of the Board of Directors were sent to Baiterek Holding JSC by letter No. 09/1-12-26/14625 issued on September 8, 2022.</p>
4.14.	<p>In order to effectively organize the operations of the Board of Directors and the interaction of the Board with the sole shareholder, the Board of Directors appoints the Corporate Secretary.</p> <p>The Board of Directors decides on the appointment of the corporate secretary, determines the term of its powers, functions and procedures, the amount of the official salary and remuneration conditions, decides on the establishment of the service (secretariat) of the corporate secretary (if necessary) and determines the budget for this service. The Corporate Secretary is accountable to the Board of Directors and is independent of the Bank's Management Board. The main duties of the corporate secretary include timely and high-quality assistance for corporate decisions by the</p>	Compliance	<p>In accordance with the Charter of the Bank, the Corporate Secretary is appointed to the position by the decision of the Board of Directors of the Bank.</p> <p>According to the Regulations on the Board of Directors of the Bank, the Corporate Secretary is accountable to the Board of Directors and is independent of the Management Board of the Bank.</p> <p>In 2022, the Corporate and Secretaries of the Bank were:</p> <p>- Pogrebnaya E.D. (from January 1, 2022 to March 24, 2022);</p> <p>- Mendybaev M.B. (from March 24, 2022 to April 29, 2022);</p> <p>- Tolkimbekova M.U. (from May 3, 2022 to present).</p> <p>By the decision of the Board of Directors issued on</p>

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	<p>Board of Directors, the sole shareholder, acting as an Advisor to members of the Board of Directors on all issues of their operations and application of the provisions of this Code, as well as monitoring the implementation of this Code and participating in the improvement corporate governance in the Bank and subsidiaries. The Corporate Secretary also prepares a report on compliance with the principles and provisions of this Code, which is included in the annual report of the Bank. This report should reflect the list of principles and provisions of the Code that are not observed, with appropriate explanations.</p> <p>A person with a higher legal or economic education with at least 5 years of experience and practical knowledge in the field of corporate governance and corporate law is appointed to the position of the Corporate Secretary.</p> <p>The Corporate Secretary operates on the basis of a regulation approved by the Board of Directors, which specifies the functions, rights and obligations, the procedure for interaction with the Bank's bodies, qualification requirements and other information.</p> <p>To perform its functions, the Corporate Secretary is vested with the following powers:</p> <p>1) request and receive from the bodies, officials and employees of the Bank documents and information necessary for making decisions at meetings of the Board of Directors and decisions of the Sole Shareholder;</p> <p>2) take measures to organize meetings of the Board of Directors and to bring to the attention of the Bank's officials information on the decisions taken by the Board of Directors and the Sole Shareholder, as well as subsequent control over their implementation;</p> <p>3) interact directly with the Chairman and members of the Board of Directors, the first manager and members of the Management Board, employees of the Bank, the Sole Shareholder.</p> <p>The Management Board of the Bank provides the Corporate Secretary with comprehensive assistance in the performance of his powers.</p>		<p>March 30, 2018 (Protocols No. 3), the Regulations on the Corporate Secretary were approved, according to which the following qualification requirements were approved for the position of the Bank's Corporate Secretary:</p> <p>1) have a higher legal or economic education;</p> <p>2) have at least 5 (five) years of work experience and practical knowledge in the field of corporate governance and corporate law;</p> <p>3) have knowledge of the legislation of the Republic of Kazakhstan;</p> <p>4) be able to negotiate and regulate conflicts between participants in corporate relations;</p> <p>5) have organizational and analytical skills;</p> <p>6) be proficient in the state language, as well as in English if there are persons on the board of directors who do not speak the state language and/or Russian.</p> <p>The Regulations on the Corporate Secretary of the Bank approved by the decision of the Board of Directors of the Bank issued on March 30, 2018 (Protocols No. 3) determine the status of the Corporate Secretary in the organizational structure and corporate governance system of the Bank, the procedure for appointing and early dismissal of the Corporate Secretary, his tasks, functions, rights and duties, powers and responsibilities, organizational and technical support of operations.</p>
4.15.	<p>The Bank is developing a program of induction and succession planning for the Corporate Secretary. The appointment of the Corporate Secretary is carried out on the basis of open and transparent procedures set out in the Bank's internal documents.</p> <p>Depending on the size of the Bank and the scope of its operations, a Corporate Secretary Service may be established.</p>	Not respected	<p>No induction and succession planning program has been developed for the Corporate Secretary at the Bank.</p> <p>The Bank has not created the Corporate Secretary Service.</p>
4.16.	<p>In order to comply with the principles of business ethics, optimal regulation of social and labor disputes arising in the Bank, an Ombudsman is appointed from among the employees of the Bank.</p> <p>A candidate for the position of Ombudsman should have an impeccable business reputation, high authority, and the ability to make impartial decisions.</p> <p>The Ombudsman is appointed by the Board</p>	Compliance	<p>By the decision of the Board of Directors of the Bank issued on June 29, 2022 (Protocols No. 7), the Head of the Office was appointed as the Ombudsman of the Bankholding Akrachkova Dina Viktorovna, with an official term for two years.</p>

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	of Directors of the Bank and is subject to re-election every two years. The role of the Ombudsman is to consult employees, participants in labor disputes, conflicts and assist them in developing a mutually acceptable, constructive and feasible solution, taking into account compliance with the norms of the legislation of the Republic of Kazakhstan (including confidentiality, if necessary), assisting in solving problematic social and labor issues of both employees and the Bank. The Ombudsman submits for consideration of the relevant authorities and officials of the Bank the problematic issues identified by him, which are of a systemic nature and require the adoption of appropriate decisions (comprehensive measures), puts forward constructive proposals for their solution.		
4.17.	The Ombudsman at least once a year submits a report on the results of his work to the Committee for Personnel, Remuneration and Social Affairs, and the Audit Committee of the Board of Directors of the Bank, which evaluate the results of his operations. The Board of Directors of the Bank evaluates the performance of the Ombudsman and decides on the extension or termination of the powers of the person holding the position of the Ombudsman.	Compliance	The report on the work of the Ombudsman of JSC «Otbasy Bank» for 2022 was considered during the meeting of the Committee for Personnel, Remuneration and Social Payments of the Board of Directors of the Bank issued on February 23, 2023 No. 2 Also considered during the absentee meeting of the Board of Directors of the Bank issued on February 24, 2023 No. 3.
4.18.	To carry out internal audit as an activity providing independent and objective guarantees and consultations aimed at improving the work of the Bank, the Internal Audit Service has been established and is functioning. The Board of Directors of the Bank determines the amount of members and official term of the Internal Audit Service, appoints its head and employees, and terminates their powers ahead of schedule, determines the procedure for its work, the amount and terms of remuneration and bonuses for employees of the Internal Audit Service, as well as the budget of the Internal Audit Service. Employees of the Internal Audit Service cannot be elected to the Board of Directors and the Management Board of the Bank. The Internal Audit Service (hereafter - IAS) reports directly to the Bank's Board of Directors and is independent of the Bank's Management Board. The tasks and functions of the Internal Audit Service, its rights and responsibilities are determined by the regulation on the Internal Audit Service approved by the Board of Directors of the Bank. The key responsibilities of the Internal Audit Service include assessing the quality of the Bank's internal control, risk management and corporate governance systems and bringing to the attention of the Board of Directors information on the sufficiency and effectiveness of these systems. The main task of the Internal Audit Service is to contribute to the improvement of the Bank's performance. The regulation on the Internal Audit Service defines and fixes the following: 1) adherence to the principles and regulations adopted by the international Institute of Internal Auditors (The Institute of Internal Auditors);	Compliance	According to paragraphs . 4) Paragraph 7.1 of the Bank's Charter, the internal audit division is the authority exercising control over the financial and economic operations of the Bank. In accordance with paragraph 12) paragraph 10.2 of the Charter of the Bank, the exclusive competence of the Board of Directors of the Bank includes determining the amount of members and official term of the internal audit unit, appointing its head and employees, as well as early termination of their powers, determining the procedure for the work of the Internal Audit Service (hereafter - IAS), the amount of official salaries and conditions of remuneration, bonuses for employees of the IAS, provision of social support, as well as decision-making on bonuses for the head and employees of the IAS. Also, the Board of Directors annually approves the budget of the IAS (separately or as part of the overall budget of the Bank). Based on the decision of the Board of Directors issued on February 25, 2020 No. 1, in 2022, the actual data on the IAS are as follows: <ul style="list-style-type: none"> <li>regular number of employees of IAS - 13 units,</li> <li>a 3-year official term of the IAS was determined from February 10, 2020 to February 09, 2023,</li> <li>operations were carried out by appointed employees of the IAS, including the director of the IAS,</li> <li>the remuneration of labor to the employees of the IAS was carried out in accordance with certain sizes of official salaries and established grades .</li> </ul> By the decision of the Board of Directors of December 26, 2022 No. 17, a 3-year official term of the IAS was determined from February 10, 2023 to February 09, 2026, and the salary scheme for employees of the IAS was approved. The annual audit plan of the IAS for 2022 (AAP), the Budget of the IAS for 2022, as well as the Plan for the professional training of IAS employees for 2022 were approved by the decision of the Board of Directors of December 24, 2021 No. 14.

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	2) status, goals and objectives of the Bank's internal audit; 3) the conditions for ensuring the independence, objectivity and professionalism of the Internal Audit Service, in order to achieve the goals and objectives of internal audit and the effective performance by the Internal Audit Service of its functions and duties; 4) qualification requirements for the head and employees of the Internal Audit Service; 5) scope and content of internal audit operations; 6) the right to access documentation, employees and tangible assets in the performance of relevant tasks; 7) the procedure for interaction of the Internal Audit Service with the Board of Directors and the Management Board of the Bank and reporting to the Audit Committee and the Board of Directors of the Bank. The regulation on the Internal Audit Service also provides for the following tasks and functions: 1) assistance to the Management Board and employees of the Bank in developing and monitoring the implementation of procedures and measures to improve risk management, internal control and corporate governance systems; 2) coordination of operations with the external auditor of the Bank, as well as persons providing consulting services in the field of risk management, internal control and corporate governance; 3) conducting, within the established procedure, internal audit of subsidiaries that do not have their own internal audit services / functions, as well as the conditions and procedure for interaction with the internal audit services of subsidiaries on the collection and submission of the necessary information to the Board of Directors of the Bank and on the development / improvement of operations internal audit services of subsidiaries as a whole; 4) preparation and submission to the Board of Directors and the Audit Committee of periodic reports on the results of the operations of the internal audit service and the implementation of the (annual) audit plan (including information on significant risks, shortcomings, results and effectiveness of the implementation of measures to eliminate the identified shortcomings, the results of the assessment the actual state, reliability and efficiency of the risk management, internal control and corporate governance system); 5) verification of compliance by members of the Management Board of the Bank and its employees with the provisions of the legislation of the Republic of Kazakhstan and internal documents related to insider information and the fight against corruption, compliance with ethical requirements; 6) monitoring the implementation of the recommendations of the external auditor; 7) providing advice within the framework of the work plan approved by the Board of Directors on the organization and improvement of internal control, risk management, corporate governance and		In 2022, all IAS employees supported professional development, and also received training in accordance with the vocational training plan for IAS employees for 2022: 1) the director of the IAS passed the CIA part 3 exam and received the international professional certificate Certified Internal auditor ; 2) the head of the Business Process Audit Department of the IAS passed the CIA Part 1 exam; 3) the auditor of the Business Process Audit Department of the IAS received an international professional certificate DipIFR . According to paragraph 12.6 of the Bank's Articles of Association, employees of the IAS cannot be elected to the Board of Directors and the Management Board of the Bank. In 2022, IAS employees were not elected to the Board of Directors and the Management Board of the Bank. According to paragraphs 8, 10 of the Regulations on the IAS, approved by the decision of the Board of Directors issued on March 30, 2018 No. 3, the DVA is directly organizationally subordinate and functionally accountable to the Board of Directors and administratively subordinate to the Management Board of the Bank. At the same time, the Board of the Bank should not use administrative oversight to influence the independence and objectivity of the IAS. In accordance with paragraphs 16, 17 of the Regulations on the IAS, the IAS must be independent of the influence of the members of the Board and other persons in order to properly perform the tasks and functions assigned to it, to ensure objective and impartial judgments. Members of the Management Board and other persons are not allowed to interfere in the processes of determining participants (subjects), subjects (objects), volumes and periods of the audit, planning and executing audit tasks, generating and submitting reports on the results of their operations. In 2022, before the start of the audits, all IAS employees, including directors, confirmed their independence by signing a declaration of independence. In 2022, there were no facts of influencing the independence and objectivity of the IAS, as well as the operations of the IAS and the submission of reports of the IAS on the results of their operations. In 2022, IAS did not make management decisions. The tasks and functions, rights and responsibilities of the IAS are determined by the Regulations on the IAS, approved by the decision of the Board of Directors (Protocols No. 3) issued on 30.03.2018. In accordance with the Regulations on the IAS, the key responsibilities of the IAS include assessing the effectiveness of the internal control systems (ICS), risk management (RMS) and corporate governance (CGS) in the Bank , as well as IT and IS audits. Evaluation of the effectiveness of the ICS, RMS and CGS is carried out by IAS periodically in accordance with the requirements of the legislation of the Republic of Kazakhstan, but at least once every two years. IT and IS audits are carried out by IAS on an annual basis. Reports on the results of the assessment of the effectiveness of the ICS, RMS, I&C, as well as reports on the results of IT and IS audits are submitted for approval to the Board of Directors after prior approval by the Audit Committee. The mission of the IAS is to provide the necessary assistance to the Board of Directors and the Management Board in fulfilling their responsibilities in achieving the strategic goals of the Bank. The main purpose of the operations of the IAS is to provide the Board of Directors with independent reasonable guarantees and consultations aimed at improving the Bank's operations and increasing the efficiency of the

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	<p>organization of internal audit, as well as on other issues within the competence of the Internal Audit Service.</p> <p>Evaluation of the effectiveness of the operations of the Internal Audit Service, its head and employees is carried out by the Board of Directors on the basis of consideration of the reports of the Internal Audit Service, compliance with the deadlines for the implementation of the (annual) audit plan and reporting, assessment of the compliance of reports with the requirements of standards and internal regulatory documents of the Internal Audit Service.</p> <p>To carry out internal audit as an activity to provide independent and objective guarantees and consultations aimed at improving the work of the Bank, the Internal Audit Service has been established and is functioning.</p> <p>The Board of Directors of the Bank determines the amount of members and official term of the Internal Audit Service, appoints its head and employees, and terminates their powers ahead of schedule, determines the procedure for its work, the amount and terms of remuneration and bonuses for employees of the Internal Audit Service, as well as the budget of the Internal Audit Service.</p> <p>Employees of the Internal Audit Service cannot be elected to the Board of Directors and the Management Board of the Bank.</p> <p>The Internal Audit Service reports directly to the Bank's Board of Directors and is independent of the Bank's Management Board. The tasks and functions of the Internal Audit Service, its rights and responsibilities are determined by the regulation on the Internal Audit Service approved by the Board of Directors of the Bank.</p> <p>The key responsibilities of the Internal Audit Service include assessing the quality of the Bank's internal control, risk management and corporate governance systems and bringing to the attention of the Board of Directors information on the sufficiency and effectiveness of these systems. The main task of the Internal Audit Service is to contribute to the improvement of the Bank's performance.</p> <p>The regulation on the Internal Audit Service defines and fixes the following:</p> <p>1) adherence to the principles and regulations adopted by the international Institute of Internal Auditors (The Institute of Internal Auditors);</p> <p>2) status, goals and objectives of the Bank's internal audit;</p> <p>3) the conditions for ensuring the independence, objectivity and professionalism of the Internal Audit Service, in order to achieve the goals and objectives of internal audit and the effective performance by the Internal Audit Service of its functions and duties;</p> <p>4) qualification requirements for the head and employees of the Internal Audit Service;</p> <p>5) scope and content of internal audit operations;</p> <p>6) the right to access documentation, employees and tangible assets in the performance of relevant tasks;</p> <p>7) the procedure for interaction of the Internal Audit Service with the Board of Directors</p>	<p>Bank's management.</p> <p>The Regulation on IAS defines and fixes the following:</p> <p>1) In accordance with paragraph 4 of the Regulations, in carrying out its operations, the IAS is guided by the International Basics of the Professional Practice of Internal Audit, the constituent elements of which are the definition, mission, basic principles of the professional practice of internal audit, the code of ethics of internal auditors (hereinafter referred to as the Code of Ethics), international professional standards for internal audit, as well as practical guidelines and guidelines for them;</p> <p>2) the organizational status, goals and objectives of the IAS are regulated by Chapters 2-4 of the Regulations;</p> <p>3) the conditions for ensuring the independence, objectivity and professionalism of the IAS, in order to achieve the goals and objectives of internal audit and the effective performance of the IAS of their functions and duties, incl. by limiting the participation of auditors in the audit of processes carried out by them during the period that is subject to audit, the inadmissibility of interference in the operations of the IAS, the establishment of qualification requirements for the employees of the IAS, continuous professional development, etc.;</p> <p>4) qualification requirements for the head and employees of the IAS are provided in the standard forms of job descriptions, which are appendices 1-5 to the Regulation on the IAS;</p> <p>5) the scope and content of internal audit operations, which include the performance of audit assignments / consulting services in accordance with the approved Annual Audit Plan, monitoring the implementation of recommendations of internal / external audit of other authorized bodies, development of internal regulatory documents of the Bank regulating the operations of the IAS, etc. d.;</p> <p>6) in accordance with paragraph 25 of the Regulations, in order to ensure the fulfillment of the main tasks and functions, the IAS has the right to have unhindered and full access to any assets, to all documents, accounting records and any other information about the operations of the Bank, including confidential information, as well as have unhindered and full access to information databases, software in a passive viewing mode, without the right to enter and correct data;</p> <p>7) the procedure for interaction of IAS with the Board of Directors and the Management Board of the Bank and reporting to the Audit Committee and the Board of Directors of the Bank is given in Chapters 8 and 9 of the Regulations.</p> <p>The Regulations on IAS also provide for the following tasks and functions:</p> <p>1) in accordance with paragraph 12) of paragraph 20 of the Regulations, the IAS provides advice to the Management Board on the issues of improving the processes of internal control, risk management and corporate governance. Consulting services are provided by IAS based on the results of control procedures while maintaining the independence and objectivity of TDOs, excluding the adoption of management decisions by TDOs;</p> <p>2) in accordance with subparagraph 6) of paragraph 20 of the Regulations, the IAS interacts with the Sole Shareholder, external auditors and government authorities within the competence of the IAS, and, if necessary, participates in the processes of audit, evaluation, analysis conducted by external auditors, independent appraisers and / or consultants;</p> <p>3) the structure of the Bank does not provide for subsidiaries, and therefore there is no need to create a separate internal audit service and conduct an internal audit of subsidiaries;</p>	

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	<p>and the Management Board of the Bank and reporting to the Audit Committee and the Board of Directors of the Bank.</p> <p>The regulation on the Internal Audit Service also provides for the following tasks and functions:</p> <p>1) assistance to the Management Board and employees of the Bank in developing and monitoring the implementation of procedures and measures to improve risk management, internal control and corporate governance systems;</p> <p>2) coordination of operations with the external auditor of the Bank, as well as persons providing consulting services in the field of risk management, internal control and corporate governance;</p> <p>3) conducting, within the established procedure, internal audit of subsidiaries that do not have their own internal audit services / functions, as well as the conditions and procedure for interaction with the internal audit services of subsidiaries on the collection and submission of the necessary information to the Board of Directors of the Bank and on the development / improvement of operations internal audit services of subsidiaries as a whole;</p> <p>4) preparation and submission to the Board of Directors and the Audit Committee of periodic reports on the results of the operations of the internal audit service and the implementation of the (annual) audit plan (including information on significant risks, shortcomings, results and effectiveness of the implementation of measures to eliminate the identified shortcomings, the results of the assessment the actual state, reliability and efficiency of the risk management, internal control and corporate governance system);</p> <p>5) verification of compliance by members of the Management Board of the Bank and its employees with the provisions of the legislation of the Republic of Kazakhstan and internal documents related to insider information and the fight against corruption, compliance with ethical requirements;</p> <p>6) monitoring the implementation of the recommendations of the external auditor;</p> <p>7) providing advice within the framework of the work plan approved by the Board of Directors on the organization and improvement of internal control, risk management, corporate governance and organization of internal audit, as well as on other issues within the competence of the Internal Audit Service.</p> <p>Evaluation of the effectiveness of the operations of the Internal Audit Service, its head and employees is carried out by the Board of Directors on the basis of consideration of the reports of the Internal Audit Service, compliance with the deadlines for the implementation of the (annual) audit plan and reporting, assessment of the compliance of reports with the requirements of standards and internal regulatory documents of the Internal Audit Service.</p>		<p>4) in accordance with subparagraph 3) of paragraph 20 of the Regulations, the IAS regularly, following the results of the reporting period (quarter, year), submits for consideration and approval by the Board of Directors a report on the operations of the IAS, previously reviewed by the Audit Committee. The reports contain information on significant risks, deficiencies, results and effectiveness of the implementation of measures to eliminate the identified deficiencies, the results of assessing the actual state, reliability and efficiency of the risk management system, internal control and corporate governance;</p> <p>5) in accordance with paragraphs 7, 8, 10, paragraph 19 of the Regulations, one of the main tasks of the IAS is to comply with the requirements of the legislation of the Republic of Kazakhstan, internal policies and other documents of the Bank, as well as the effectiveness of systems and procedures created and applied to ensure compliance with these requirements (compliance control), implementation of decisions of the Bank's authorities and instructions (proposals) of authorized (supervisory) state bodies, the effectiveness of the corporate governance system and the process of its improvement, compliance with the accepted principles of corporate governance, relevant ethical standards and values. Also, in accordance with paragraph 8 of paragraph 20 of the Regulations, it assesses the risks of committing fraud and how the Bank manages the risk of fraud;</p> <p>6) in accordance with subparagraph 4) of paragraph 20 of the Regulations, the IAS monitors the implementation by the Bank of the recommendations / orders of the external auditor and other auditing state authorities adopted in the prescribed manner, and also provides the Board of Directors with information on the progress and quality of implementation within the framework of periodic reports corrective actions;</p> <p>7) in accordance with paragraphs 12, 13, 16 of paragraph 20 of the Regulations, the IAS provides advice to the Board on improving the processes of internal control, risk management and corporate governance and performs other functions within the competence of the IAS.</p> <p>In 2022, all audit reports based on the results of the audits planned in the approved PAO for 2022 (Board Decision No. 14 issued on December 24, 2021) were completed in a timely manner, reviewed by the Bank's Management Board and preliminarily approved by the Audit Committee. In 2022, the Board of Directors of the bank approved periodic reports on the results of the operations of the IAS, containing information on significant risks, shortcomings, the results and effectiveness of the implementation of measures to eliminate the identified shortcomings, the results of assessing the actual state, reliability and effectiveness of the risk management system, internal control and corporate governance:</p> <p>1) for the 4th quarter of 2021 (03/11/2022 No. 3)</p> <p>2) annual report for 2021 (03/11/2022 No. 3).</p> <p>3) for the 1st-3rd quarters of 2022 (04.29.2022 No. 5, 07.14.2022 No. 9, 10.27.2022 No. 14).</p> <p>4) The annual report on the operations of the IAS for 2022 was approved by the decision of the Board of Directors issued on February 24, 2023 (Protocols No. 2).</p> <p>Periodic reports on the results of the operations of the IAS in 2022 also contain information on the implementation of the AAP for 2022, the budget for 2022 and the Vocational Training Plan for 2022, as well as the results of monitoring the implementation of recommendations issued as a</p>

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			<p>result of internal and external audits.</p> <p>In 2022, IAS provided advisory services to the Bank as part of its daily operations. Separate consulting assignments were not carried out.</p> <p>In 2022, no corporate governance assessment of the Bank was carried out.</p> <p>In 2022, the BD approved the results of 4 audits performed by IAS:</p> <p>1) evaluation of the effectiveness of the RMS - decision of the Board of Directors issued on December 26, 2022 No. 17;</p> <p>2) assessment of the effectiveness of the ICS - decision of the Board of Directors issued on January 25, 2023 No. 1.</p> <p>3) audit of information systems (IT audit) - decision of the Board of Directors issued on July 14, 2022 No. 09;</p> <p>4) information security audit - decision of the Board of Directors issued on October 27, 2022 No. 14.</p> <p>DVA provides regular (internal and external) assessment of the effectiveness and quality of its operations, which is submitted for approval to the Board of Directors, while:</p> <ul style="list-style-type: none"> <li>• internal evaluation (self-assessment) is carried out on an ongoing basis (according to the results of the reporting year) by the IAS independently, which is approved by the Board of Directors simultaneously with the annual report on the results of the operations of the IAS. During the period of external evaluation, internal evaluation based on the results of the corresponding period is not carried out;</li> <li>2) an external assessment is carried out at least once every five years by an external auditor selected in accordance with the established procedure by the decision of the Board of Directors of the Bank, the results of which are submitted to the Board of Directors for consideration.</li> </ul> <p>In 2022, an external independent assessment of the operations of the IAS of KPMG Tax and Advisory LLP was carried out. According to the results of the external assessment, the activity of the IAS complies with the definition of internal audit and the Code of Ethics of the Institute of Internal Audit (hereinafter referred to as the IIA), as well as the requirements of 95% of the international basics of the professional practice of internal audit (decision of the Board of Directors issued on 01.12.2022 No. 15).</p> <p>As part of a comprehensive assessment of the performance of IAS employees based on the results of 2022, an assessment was made of the personal and business competencies (hereinafter referred to as PBC) of IAS employees, as well as the calculation of the average actual KPI performance based on the results of the reporting quarters of 2022, followed by an analysis of the level of the final actual performance of employees IAS for 2022 and the level of development of personal and business competencies. According to the results of a comprehensive assessment of the performance of the employees of the IAS at the end of 2022, all employees of the IAS corresponded to level IX - the best employee. The results of the assessments of the IAS and the employees of the IAS are presented in the IAS Annual Report for 2022.</p> <p>The results of the assessment based on the results of operations for 2022 were approved by the decision of the Board of Directors issued on February 24, 2023 (Protocols No. 2).</p>
4.19.	Management of the current activity of the Bank is carried out by the Management Board. The Chairman and members of the Management Board have high professional and personal characteristics, good business reputation and adhere to ethical standards.	Compliance	The Chairman and members of the Management Board in 2022 were: Chairman of the Board - Lyazzat Yerkenovna Ibragimova since January 2017. In April 2022, she was elected for a new term as the Chairman of the Management Board of the Bank with a

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	The Chairman of the Management Board has high organizational skills, works in active interaction with the Sole Shareholder and constructively builds a dialogue with the Board of Directors, employees and other interested parties.		<p>official term until the expiration of the powers of the Management Board of the Bank as a whole.</p> <p>Aidarbekova Aliya Karataevna - Deputy Chairman of the Management Board of the Bank since September 2017. Responsible for financial and reporting matters.</p> <p>Akshanov Nurlan Sagyndykovich - Deputy Chairman of the Management Board of the Bank since June 2018. Responsible for business development issues.</p> <p>Beisembaev Miras Berikovich - Deputy Chairman of the Management Board of the Bank since September 2017. Supervises issues of information security, legal and administrative issues.</p> <p>Raspekova Elmira Sabyrzhannovna - Deputy Chairman of the Management Board of the Bank since November 2020. Supervises issues of information technology and digital transformation.</p> <p>Kairbekov Islambek Urumbayevich - Deputy Chairman of the Management Board of the Bank since January 2020. Supervises issues of risk management and internal control.</p> <p>Azimbekov Mukhtar Mirlanovich - Deputy Chairman of the Management Board of the Bank since June 2021. Supervises operational issues.</p> <p>Qualification requirements are approved by the Regulations on the Management Board of the Bank. The current Chairman and members of the Management Board of the Bank meet the following qualification requirements:</p> <ul style="list-style-type: none"> <li>- the presence of higher education;</li> <li>- availability of work experience established by the Law of the Republic of Kazakhstan «On Banks and Banking Operations in the Republic of Kazakhstan» in international financial organizations, the list of which is established by the authorized body and (or) work experience in the provision and (or) regulation of financial services and (or) services for conducting an audit of financial organizations;</li> <li>- at least 3 (three) years of work experience in managerial positions;</li> <li>- an impeccable business reputation;</li> <li>- other requirements for the Bank's executives in accordance with the banking legislation of the Republic of Kazakhstan.</li> </ul>
4.20.	The Management Board is accountable to the Board of Directors and manages the daily operations of the Bank, and it is responsible for the implementation of the development strategy and / or development plan and decisions made by the Board of Directors and the Sole Shareholder.	Compliance	According to paragraph 11.1. and 11.2, Article 11 of the Charter of the Bank The Management Board of the Bank manages the day-to-day operations of the Bank. The Board of the Bank is obliged to execute the decisions of the Sole Shareholder and the Board of Directors of the Bank.
4.21.	The Board of Directors elects members of the Management Board (with the exception of the Chairman of the Management Board), determines the official term, the amount of the official salary, the terms of payment for their work and bonuses. The Human Resources, Remuneration and Social Affairs Committee of the Board of Directors of the Bank plays a key role in the process of searching for and selecting candidates for the Management Board and determining their remuneration.	Compliance	<p>According to paragraph 17) paragraph 9.2. Art. 9 of the Charter of the Bank, the election of the Chairman of the Board of the Bank, as well as the early termination of his powers, is the exclusive competence of the Sole Shareholder.</p> <p>According to paragraph 11.3. of the Bank's Charter, the Management Board consists of its members consisting of at least three people, including: the Chairman of the Management Board, his deputies (s) and (or) other members of the Management Board of the Bank, elected by the Board of Directors of the Bank for a period of five years.</p> <p>By the decision of the Board of Directors of the Bank (Protocols No. 3) issued on March 11, 2022, the amount of members of the Management Board is determined in the amount of 7 (seven) units.</p>

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4.22.	The Board of Directors may at any time terminate the official term of members of the Management Board (except for the Chairman of the Management Board).	Compliance	In 2022, the members of the Management Board did not terminate their the official term.
4.23.	It is recommended to elect members of the Bank's Management Board for up to three years. The terms of office of the Chairman and members of the Management Board coincide with the official term of the Management Board as a whole. To increase the transparency of the processes of appointment and remuneration of members of the Bank's Management Board, the Board of Directors is also recommended to approve the rules for the appointment, remuneration, evaluation and succession of members of the Bank's Management Board.	Compliance	The official term of the current Management Board of the Bank is 5 years, from April 17, 2022, by the decision of the Board of Directors of the Bank (Protocols No.3) issued on March 11, 2022.  By Decision of the Board of Directors of the Bank No. 11 issued on October 7, 2019, the Rules on the internal policy on remuneration, accrual of monetary remuneration, as well as other types of material incentives for the Bank's executives were approved .
4.24.	The Chairman and members of the Management Board may hold positions in other organizations only with the approval of the Board of Directors. The Chairman of the Board can not hold the position of the head of the board of another legal entity.	Compliance	According to subparagraph 11.4. of the Bank's Charter, a member of the Management Board may hold a position in other organizations or in the authorities of other organizations only with the consent of the Board of Directors of the Bank. In 2022, the members of the Management Board of the Bank did not hold positions in other authorities.
4.25.	The Management Board ensures the creation of an optimal organizational structure of the Bank. The organizational structure should focus on: 1) decision-making efficiency; 2) increasing the productivity of the Bank; 3) efficiency of decision-making; 4) organizational flexibility.	Compliance	Organizational structure of the Bank in accordance with the requirements of the Charter, paragraph 30. paragraph 10.2. Art. 10 is approved by the Board of Directors. In 2022, decisions to change the organizational structure were made by decisions of the Board of Directors issued on April 11, 2022 (Protocols No. 4) and August 26, 2022 (Protocols No. 10).
4.26.	The selection of candidates for vacant positions of the Bank is carried out on the basis of open and transparent competitive procedures. Career advancement, financial incentives for the Bank's employees are carried out in accordance with the principles of meritocracy, taking into account the level of knowledge, competencies, work experience and achievement of the set goals. The Bank is forming a pool of personnel reserve employees, from which appointments can subsequently be made to senior positions of middle and top management. Employees undergo a comprehensive performance assessment on an annual basis. Personnel selection procedures are implemented according to the following requirements: preference for the development of the internal resources of the Bank and subsidiaries, and in the absence of such an opportunity, openness and lack of restrictions on holding positions for a wide range of people, ensuring the principle of equal opportunities that contribute to increased competition and selection of worthy applicants who meet the requirements of professionalism and competence; impartial selection of personnel and the complete absence of protectionism, the patronage system of admission (based on the principle of loyalty, ethnicity, family ties and personal friendship); legal regulation, including in matters of fixing the principles and criteria for evaluating candidates, excluding conditions for subjectivity in making a decision.	Compliance	In 2022, 60 employees of the Bank were transferred from a lower position to a higher position . The procedure for the formation of a personnel reserve for the management and managerial staff of personnel has been carried out in the Bank since 2008 in accordance with the Regulation on the formation and organization of work with the personnel reserve of the Bank by identifying high-potential employees and organizing their professional and career growth. The Regulation on the Talent Pool was approved by the decision of the Management Board of the Bank No. 10 issued on September 18, 2020. As of the end of 2022, the Bank's Talent Pool consists of 71 people, of which 24 people are employees of the Central Office and 47 people are employees of the Bank's branches. Starting from 2009, the Bank conducts employee appraisal to determine the extent to which employees meet the requirements for their positions and make the necessary management decisions regarding further labor relations with the Bank's employees based on the results of the appraisal. The frequency of certification is not more than once every three years; in case of unsatisfactory results of the performance assessment operations (efficiency below 75%), certification is carried out no more than once a year. Certification stages - analysis of qualification requirements, testing, meeting of the Certification Commission. At the end of 2022, 98.2% of the total number of employees of the Bank (567 employees) passed the certification, the average performance among employees was 90%. Of these, 53% are women (301 employees), 47% are men (266 employees). And also out of 567 employees who passed certification - 19 heads of structural divisions (3.3%) and 548 chief managers, specialists (96.7%).

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4.27.	The Chairman and members of the Management Board are evaluated by the Board of Directors. The main evaluation criterion is the achievement of the set KPIs. Motivational KPIs of the Chairman and members of the Management Board are approved by the Board of Directors of the Bank. Proposals regarding motivational KPIs of members of the Management Board are submitted to the Board of Directors for consideration by the Chairman of the Management Board. The results of the assessment have an impact on the amount of remuneration, promotion, re-election (appointment) or early termination of powers. The remuneration of the Chairman and members of the Management Board consists of a fixed and a variable part. When setting the official salary, the complexity of the tasks performed, the employee's personal competencies and his competitiveness in the market, the contribution made by this person to the development of the Bank, the level of official salaries in similar companies, and the economic situation in the Bank are taken into account. In case of early termination of the employment contract, remuneration is paid in accordance with internal documents approved by the Board of Directors of the Bank.	Compliance	The KPI cards of the Chairman and members of the Management Board of the Bank for 2022 were approved by the Board of Directors of the Bank on December 24, 2021 (Protocols No. 14). The performance of the Management Board of the Bank is assessed based on the approved KPI maps for 2022. The operations of the Bank's Management Board in the reporting period are generally characterized as positive. The planned level of corporate key performance indicators (KPI) and individual KPI of members of the Management Board for 2022 was achieved. The performance of key performance indicators for 2022 is: 1) Chairman of the Board Ibragimova L.E. - 118%, 2) Deputy Chairman of the Board Aidarbekova A.K. - 123%, 3) Deputy Chairman of the Board Akshanov N.S. - 114%, 4) Deputy Chairman of the Board Azimbekov M.M. - 112%, 5) Deputy Chairman of the Board Beisembayev M.B. - 113%, 6) Deputy Chairman of the Board Kairbekov I.U. - 124%, 7) Deputy Chairman of the Management Board Raspekova E.S. - 124%.
<b>5. The principle of sustainable development</b>			
5.1.	The Bank and its subsidiaries are aware of the importance of their impact on the economy, the environment and society to ensure sustainable development in the long term, while maintaining a balance of interests of stakeholders. A responsible, thoughtful and rational approach to stakeholder engagement will contribute to the sustainable development of the Bank and its subsidiaries.	Compliance	The Bank is aware of the importance of its impact on the economy, environment and society to ensure sustainable development in the long term. As part of the implementation of this principle, the Bank approved the Sustainable Development Policy (hereinafter referred to as the Policy) by the decision of the Board of Directors of the Bank issued on June 04, 2019 (Decision No. 7). In accordance with the provisions of the Policy, the roles, competencies, responsibilities of each authority and all employees for the implementation of the principles, standards and plans in the field of sustainable development are clearly defined and fixed in the sustainable development management system. The Board of Directors of the Bank carries out strategic management and control over the implementation of sustainable development, the Board of the Bank forms an appropriate action plan. In 2022, all operations envisaged in the Bank's Action Plan for Sustainable Development for 2022 were implemented.
5.2.	The Bank strives for profitability, ensures sustainable development, and maintains a balance of interests of stakeholders. The Bank in the course of its operations influences or is influenced by stakeholders. Operations in the field of sustainable development meet the best international standards. Stakeholders can have both a positive and a negative impact on the operations of the Bank and its subsidiaries, namely on the achievement of profitability, sustainable development, reputation and image, create or reduce risks. The Bank and its subsidiaries attach great importance to proper stakeholder engagement.	Compliance	The Bank has analyzed all the topics of sustainable development proposed by the GRI Standards . Topics were rated according to their importance to the Bank, taking into account its development strategy, and according to their importance to stakeholders, which was determined in the course of interaction with them during the year. The Bank determines a complete list of stakeholders with whom it interacts in the course of its operations, with a description of the contribution of stakeholders and their interests. When assessing the significance of stakeholders, the stakeholders are ranked in terms of their importance for the Bank according to two factors: the strength of the stakeholder's influence on the Bank and the degree of stakeholder's interest in the Bank's operations. Interested parties ( stakeholders ) of the Bank are customers, the public, employees of the Bank,



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			the Sole Shareholder, the Board of Directors, the Management Board, government agencies, competitors, investors, strategic partners, financial institutions, auditors, consulting organizations, suppliers, international organizations, the media and public, non-governmental bodies.
5.3.	<p>The Bank ensures the alignment of its economic, environmental and social goals for sustainable development in the long term. Sustainable development in the Bank and its subsidiaries consists of three components: economic, environmental and social.</p> <p>The economic component directs the Bank's operations to the profitability of their operations, ensuring the interests of shareholders and investors, increasing the efficiency of processes, increasing investment in the creation and development of more advanced technologies, and increasing labor productivity.</p> <p>The environmental component contributes to minimizing the impact on biological and physical natural systems, the optimal use of limited resources, the use of environmentally friendly, energy and material-saving technologies.</p> <p>The social component is focused on the principles of social responsibility, which, among other things, include ensuring labor safety and maintaining the health of employees, fair remuneration and respect for the rights of employees, individual development of personnel, implementation of social programs for personnel, creation of new jobs, sponsorship and charity, environmental and educational promotions.</p> <p>The Bank selects employees on the basis of transparent competitive procedures in accordance with the Bank's internal documents.</p> <p>The Bank conducts an analysis of its operations and risks in these three aspects, and also seeks to prevent or reduce the negative impact of its results on stakeholders.</p>	Compliance	<p>In accordance with the approved Development Strategy until 2023, the Bank's mission is to provide Kazakhstani families with their own housing and strengthen the feeling of the Motherland. In this regard, the Bank supports the government's policy in the field of housing construction.</p> <p>As part of its operations, the Bank has a significant impact on the development of regions, in connection with which the Bank periodically assesses the multiplier effect on related industries and the economy as a whole.</p> <p>Due to the nature of its operations, the Bank does not have a direct significant impact on the environment. The main resources consumed by the Bank, as mentioned above, are electricity, heat and water. The Bank applies the principles and methods of rational use of resources that best ensure the prevention of adverse environmental impacts.</p> <p>during the year, and there are no penalties.</p> <p>One of the priority tasks of the Bank is the formation and maintenance of a staff of employees that meets the qualification requirements of the Bank, aimed at achieving strategic goals and solving the problems facing the Bank. Labor relations are regulated by the Rules of labor relations and internal labor regulations of the Bank in accordance with the legislation of the Republic of Kazakhstan.</p> <p>Considering that personnel development is one of the components of the success of any organization, the Bank annually plans funds for personnel training and development.</p>

## 6. The principle of risk management, internal control and internal audit

6.1.	<p>The Bank has an effectively functioning risk management and internal control system aimed at providing reasonable assurance that the Bank will achieve its strategic and operational goals, and which is a set of organizational policies, procedures, standards of conduct and actions, methods and management mechanisms created by the Board of Directors and the Management Board Bank to ensure:</p> <ol style="list-style-type: none"> <li>1) the optimal balance between the profitability of the Bank's operations, strategic goals and the associated risks;</li> <li>2) efficiency of financial and economic activity and achievement of financial stability of the Bank;</li> <li>3) safety of assets and efficient use of the Bank's resources;</li> <li>4) completeness, reliability and reliability of financial and management reporting;</li> <li>5) compliance with the requirements of the</li> </ol>	Compliance	<p>According to the Bank's Risk Management Policy (approved by the decision of the Board of Directors No. 9 of September 24, 2020, as amended by the Board of Directors No. 4 of March 28, 2023);</p> <p>The Board of Directors of the Bank ensures that a risk management system is in place that corresponds to the chosen business model, scale of activity, types and complexity of operations and ensures the proper process for identifying, measuring and evaluating, monitoring, controlling and minimizing the Bank's significant risks in order to determine the Bank's equity capital and liquidity, necessary to cover significant risks inherent in the Bank's operations.</p> <p>The Bank's risk management system is a set of components that provides a mechanism for the interaction of internal procedures, processes, policies, structural divisions of the Bank developed and regulated by the Bank in order to timely identify, measure, control and monitor the Bank's risks, as well as minimize them to ensure its financial stability and stable operation.</p>
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			legislation of the Republic of Kazakhstan and internal documents of the Bank;
			6) proper internal controls to prevent fraud and provide effective support for the functioning of the main and auxiliary business processes and analysis of performance results.
			The risk management system ensures:
			<ol style="list-style-type: none"> <li>1) the optimal ratio between the profitability of the Bank's main operations and the level of accepted risks, based on the choice of a viable and sustainable business model, an effective strategy and budget planning process, taking into account the risk appetite strategy;</li> <li>2) an objective assessment of the size of the Bank's risks, the completeness and documentation of risk management processes, their preventive identification, measurement and assessment, monitoring and control, minimization of significant types of risks at each level of the organizational structure with the optimal use of financial resources, personnel and information systems in order to maintain sufficient the amount of the Bank's equity capital and liquidity;</li> <li>3) coverage of all types of the Bank's operations subject to significant risks at all levels of the organizational structure, the completeness of the assessment of certain significant types of risks, their mutual influence in order to determine the risk profile of the Bank and build a risk appetite strategy;</li> <li>4) availability of risk appetite levels for all types of significant risks and an algorithm of actions in cases of violation of the established levels, including responsibility for accepting risks, the level of which is determined as high, procedures for informing the Board of Directors of the Bank, CIAC and the Management Board as part of the risk appetite strategy;</li> <li>5) awareness of the authorized collegial authorities of the Bank, which make decisions that carry risks, by building an effective corporate governance system, the availability of complete, reliable and timely management information about the significant risks inherent in the Bank's operations;</li> <li>6) rational decision-making and action in the interests of the Bank based on a comprehensive assessment of the information provided in good faith, with due diligence and diligence ( dutyofcare ). The obligation to exercise due diligence and diligence does not extend to errors in the process of making business decisions, unless the employees and officials of the bank have shown gross negligence in doing so;</li> <li>7) making decisions by employees and officials of the Bank and acting in good faith in the interests of the Bank, not taking into account personal benefits, the interests of persons related to the bank by special relations, to the detriment of the interests of the bank ( dutyofloyalty );</li> <li>8) clear distribution of functions, duties and powers of risk management between all structural divisions and employees of the Bank, and their responsibilities, taking into account minimization of conflicts of interest;</li> <li>9) separating the function of risk management and internal control from the Bank's operations by building a system of three lines of defense;</li> <li>10) availability of documents developed in order to regulate the operations of the Bank, create and operate effective risk management and internal control systems in the Bank and comply with the strategy, organizational structure, risk profile of the Bank and the requirements of the civil, tax, banking legislation of the Republic of Kazakhstan, the legislation of the Republic of Kazakhstan on state regulation, control and supervision of the financial market and financial organizations, the legislation of the Republic of Kazakhstan on currency</li> </ol>

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			<p>regulation and currency control, on payments and payment systems, on pension provision, on the securities market, on accounting and financial reporting, on credit bureaus and the formation of credit histories, on collection operations, on mandatory deposit guarantees, on countering the legalization (laundering) of proceeds from crime and the financing of terrorism, on joint-stock companies, as well as their periodic review and updating;</p> <p>11) compliance with the requirements of the civil, tax, banking legislation of the Republic of Kazakhstan, the legislation of the Republic of Kazakhstan on state regulation, control and supervision of the financial market and financial organizations, the legislation of the Republic of Kazakhstan on currency regulation and currency control, on payments and payment systems, on pensions, on the securities market, on accounting and financial reporting, on credit bureaus and the formation of credit histories, on collection operations, on mandatory guaranteeing of deposits, on countering the legalization (laundering) of proceeds from crime and the financing of terrorism, on joint-stock companies;</p> <p>12) compliance with existing procedures, processes, policies and other internal documents of the Bank for risk management through the construction of an effective internal control system.</p> <p>The financial and credit risk management system of the Bank is regulated by the following documents:</p> <ul style="list-style-type: none"> <li>- Risk management policy of the Bank (SD No. 9 issued on September 24, 2020, as amended by SD No. 4 issued on March 28, 2023);</li> <li>- Risk Appetite Strategy of the Bank (SD No. 9 issued on September 24, 2020, as amended by SD No. 4 issued on March 28, 2023);</li> <li>- Funding, investment and hedging strategy of the Bank (SD No. 10 issued on September 30, 2020, as amended by SD No. 4 issued on June 3, 2022);</li> <li>- Regulations on the internal process for assessing the capital adequacy of the Bank (SD No. 6 of 06/19/2020, as amended by DS No. 4 of 03/28/2023);</li> <li>- Regulations on the internal process for assessing the Bank's liquidity adequacy (SD No. 9 issued on September 24, 2020, as amended by SD No. 4 issued on March 28, 2023);</li> <li>- Market risk management policy of the Bank (SD No. 17 of December 22, 2017, as amended by SD No. 4 of March 28, 2023);</li> <li>- Capital management policy of the Bank (BD No. 19 issued on 12/25/2014, as amended by BD No. 7 issued on 06/03/2022);</li> <li>- Financing plan for contingency of the Bank (SD No. 19 issued on 12/25/2014, as amended by BD No. 0 6 issued on 05/31/2022);</li> <li>- Methodology for determining the reserve for stress losses of the Bank (GD No. 146 of 09/06/2021);</li> <li>- Methodology for assessing the business risk of the Bank (GD No. 148 issued on July 30, 2015, as amended by GD No. 112 issued on July 9, 2021);</li> <li>- Stress testing methodology in the Bank (RP No. 39 of 07/26/2018, as amended by RP No. 43 of 03/10/2023);</li> <li>- Methodology for creating provisions (reserves) in the Bank for securities (including REPO transactions) and receivables in accordance with IFRS 9, regulatory provisions» (GD No. 46 issued</li> </ul>

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			<p>on November 23, 2017, as amended by GD No. 201 issued on November 29, 2022);</p> <ul style="list-style-type: none"> <li>- Methodology for calculating and determining the aggregate levels of the Bank's risk appetite (RP No. 91 of 08/26/2020, as amended by RP No. 55 of 03/31/2023);</li> <li>- Rules for managing liquidity risk in the Bank (PP No. 351 of December 31, 2014, as amended by RP No. 140 issued on August 27, 2022);</li> <li>- Rules for managing the market risk of the Bank (GD No. 363 issued on December 31, 2014, as amended by GD No. 62 issued on April 11, 2023);</li> <li>- Collateral policy of the Bank (SD No. 3 issued on May 15, 2020, as amended by SD No. 7 issued on June 9, 2021);</li> <li>- Credit risk management policy of JSC «Otbasy Bank» (BoD No. 8 issued on September 21, 2020, as amended by BoD No. 7 issued on June 9, 2021);</li> <li>- Rules on the internal credit policy of the Bank (Credit Policy) (SD No. 10 issued on September 30, 2020, as amended by SD No. 06 issued on May 31, 2022);</li> <li>- General requirements for collateral accepted by the Bank (RP No. 26 issued on 29.06.2017, as amended by RP No. 53 issued on 30.03.2023);</li> <li>- Methodology for calculating provisions (reserves) of the Bank (RP No. 40 of 08/01/2018, as amended by RP No. 50 of 03/27/2023);</li> <li>- Methodology for managing credit risk in the Bank (RP No. 77 issued on 07/27/2020, as amended by RP No. 1 issued on 01/12/2022);</li> <li>- Instructions on monitoring the collateral for loans granted by the Bank (RP No. 69 issued on 13.07.2020, as amended by RP No. 109 issued on 03.07.2021);</li> <li>- Regulations of the Credit Committee «Decision Making Center» of the Bank (RP No. 43 of 09.11.2017, as amended by RP No. 54 of 31.03.2023);</li> <li>- Methodology for analyzing the creditworthiness (solvency) of individuals in the Bank (RP No. 127 of 10/29/2020, as amended by RP No. 209 of 12/08/2022).</li> </ul> <p>Internal documents in terms of managing financial and credit risks comply with the requirements of the law, including Resolution of the NBK No. 188 issued on November 12, 2019 «On Approval of the Rules for Forming a Risk Management and Internal Control System for Second-Tier Banks, Branches of Non-Resident Banks of the Republic of Kazakhstan «.</p> <p>The management system for operational risks, information security and information technology risks of the Bank is regulated by the following documents:</p> <ul style="list-style-type: none"> <li>- Operational risk management policy of the Bank (SD No. 5 issued on June 17, 2020, as amended by SD No. 2 issued on March 5, 2022);</li> <li>- Operational risk management rules of the Bank (RP No. 85 issued on 08/12/2020, as amended by RP No. 91 issued on 06/17/2022);</li> <li>- Methodology of capital reservation for operational risks in Bank (GD No. 145 issued on 07/30/2015, as amended by RP No. 50 issued on 04/05/2021);</li> <li>- Instruction for the application of key indicators of the Bank's operational risk (GD No. 167 issued on August 19, 2015, as amended by GD No. 218 issued on December 21, 2022);</li> <li>- Instructions for collecting and maintaining a database of losses and operational risk events in the Bank (GD No. 261 issued on November 25, 2015, as amended);</li> </ul>

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			<p>- Instruction for self-assessment of operational risks Bank (GD No. 1 of 01/06/2017, as amended by RP No. 151 of 09/13/2021)</p> <p>- Information security risk management policy Bank (SD No. 6 issued on 06/19/2020, as amended by SD No. 3 issued on 03/31/2021)</p> <p>- Information technology risk management policy of the Bank (SD No. 6 issued on June 19, 2020, as amended by SD No. 3 issued on March 31, 2021)</p> <p>- Business continuity management policy of the Bank (SD No. 17 issued on December 22, 2017, as amended by SD No. 3 issued on March 31, 2021);</p> <p>- Bank's Business Continuity Management Rules (RP No. 66 issued on 10/19/2018, as amended by RP No. 35 issued on February 28, 2023);</p> <p>- Information technology risk management rules of JSC «Otbasy Bank» (RP No. 103 of 06/29/2021, as amended by RP No. 184 of 11/15/2021);</p> <p>- Methodology for determining the potential loss on information security risks of JSC «Otbasy Bank» (RP No. 69 issued on April 30, 2021);</p> <p>- Methodology for assessing information security risks of JSC «Otbasy Bank» (RP No. 54 of 04/15/2021, as amended by RP No. 125 of 08/09/2022).</p> <p>Internal documents in terms of managing operational risks, information security and information technology risks comply with the requirements of the law, including Resolution of the NBK No. 188 issued on November 12, 2019 «On approval of the Rules for the formation of a risk management and internal control system for second-tier banks, branches of banks- non-residents R K «.</p> <p>Internal documents in terms of internal control, including the Internal Control Policy of JSC «Housing Construction Savings Bank» (SD No. 17 issued on November 28, 2014), comply with the requirements of the law, including the NBRK Resolution No. 188 issued on November 12, 2019 «On Approval of the Rules formation of a risk management and internal control system for second-tier banks, branches of non-resident banks of the Republic of Kazakhstan».</p>
6.2.	<p>The Board of Directors of the Bank approves internal documents that define the principles and approaches to the organization of the risk management and internal control system, based on the objectives of this system.</p> <p>The organization of an effective risk management and internal control system in the Bank is aimed at building a management system that can ensure that employees, management, authorities of the Bank understand the reasonableness and acceptability of the level of risks when they make decisions, quickly respond to risks, exercise control over the main and auxiliary business processes and day-to-day operations, and to promptly inform the appropriate level of management of any significant deficiencies.</p> <p>The principles and approaches to organizing an effective risk management and internal control system provide for:</p> <ol style="list-style-type: none"> <li>1) determination of the goals and objectives of the risk management and internal control system;</li> <li>2) the organizational structure of the risk management and internal control system, covering all levels of decision-making and</li> </ol>	Compliance	<p>The Bank has an effectively functioning risk management, internal control and internal audit system aimed at providing reasonable assurance that the Bank will achieve its strategic and operational goals, which is a set of organizational policies, procedures, standards of conduct and actions, methods and management mechanisms created by the Board of Directors and the Management Board of the Bank.</p> <p>The internal regulatory documents of the Bank stipulate the responsibility of the Board of Directors and the Management Board of the Bank for organizing and ensuring the effective functioning of the risk management and internal control system on a consolidated basis.</p> <p>The organizational structure of the Bank within the framework of the risk management system corresponds to the chosen business model, scale of activity, types and complexity of operations, minimizes conflicts of interest and distributes risk management powers between collegial authorities and structural divisions, and includes:</p> <ol style="list-style-type: none"> <li>1) Board of Directors of the Bank;</li> <li>2) Risk Management Committee of the Board of Directors of the Bank;</li> <li>3) Strategic Planning Committee of the Board of</li> </ol>

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			<p>taking into account the role of the relevant level in the process of developing, approving, applying and evaluating the risk management and internal control system;</p> <p>3) basic requirements for organizing the risk management process (approaches to identifying risks, the procedure for identifying and assessing risks, determining response methods, monitoring, and others);</p> <p>4) requirements for the organization of the internal control system and the conduct of control procedures (characteristics of the key areas and main components of the internal control system, the procedure for assessing the effectiveness and reporting in the field of internal control, and others).</p> <p>The internal regulatory documents of the Bank establish the responsibility of the Board of Directors and the Management Board of the Bank for organizing and ensuring the effective functioning of the risk management and internal control system on a consolidated basis.</p>
6.3.	<p>Each officer of the Bank ensures that risks are properly considered when making decisions. The Management Board of the Bank ensures the implementation of risk management procedures by employees with appropriate qualifications and experience.</p> <p>Governing authority:</p> <ol style="list-style-type: none"> <li>1) ensures the development and implementation of internal documents approved by the Board of Directors in the field of risk management and internal control;</li> <li>2) ensures the creation and effective functioning of the risk management and internal control system through the practical implementation and continuous</li> </ol>	Compliance	<p>Directors of the Bank;</p> <p>4) Audit Committee of the Board of Directors of the Bank;</p> <p>5) Committee for Human Resources, Remuneration and Social Issues of the Board of Directors of the Bank;</p> <p>6) the Board of the Bank;</p> <p>7) Compliance control division ;</p> <p>8) Internal Audit Division;</p> <p>9) Structural subdivisions of the Bank providing the second line of defense.</p> <p>10) Structural subdivisions of the Bank providing the first line of defense.</p> <p>Risk management procedures ensure a rapid response to new risks, their clear identification and identification of risk owners.</p> <p>For a holistic and clear understanding of the inherent risks, the Bank annually identifies and assesses risks, which are reflected in the risk register, risk map, action plan for responding to risks (improvement of processes, minimization strategies), list of significant risks, Statement of risk appetite for previous year approved by the Board of Directors.</p> <p>Approaches to identifying risks, the procedure for identifying and assessing risks, determining response methods, and monitoring are given by internal documents as part of the risk management system.</p> <p>Risk reports are submitted to meetings of the Board of Directors on a quarterly basis, to a meeting of the Management Board on a monthly basis, if necessary, corrective measures are taken (as part of the consideration of these reports).</p> <p>The Bank's employees annually, as well as when they are hired, undergo training / introductory briefing to familiarize themselves with the adopted risk management and internal control system.</p> <p>The Bank ensures the existence of an internal control system that corresponds to the current market situation, strategy, volume of assets, level of complexity of the Bank's operations.</p> <p>The internal control policy functioning in the Bank provides that the internal control system (hereinafter referred to as the ICS) is a process built into the daily operations carried out by the Board of Directors, authorized collegial authorities of the Bank, structural divisions and all employees of the Bank in the performance of their duties, and aimed at ensuring the efficiency of the Bank's operations, including the effectiveness of managing banking risks, assets and liabilities, and ensuring the safety of assets.</p>

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	<p>implementation of the principles and procedures for risk management and internal control assigned to it;</p> <p>3) is responsible for the implementation of decisions of the Board of Directors and recommendations of the Audit Committee in the field of organization of the risk management and internal control system;</p> <p>4) monitors the risk management and internal control system in accordance with the requirements of internal documents;</p> <p>5) ensures the improvement of processes and procedures for risk management and internal control, taking into account changes in the external and internal business environment.</p> <p>In order to implement the principles of internal control and ensure the effectiveness of the risk management and internal control system, the Management Board of the Bank distributes the powers, duties and responsibilities for specific risk management and internal control procedures between the managers of the lower level and / or heads of structural divisions / owners of business processes.</p> <p>The heads of structural divisions, in accordance with their functional duties, are responsible for the development, documentation, implementation, monitoring and development of the risk management and internal control system in the functional areas of the Bank's operations entrusted to them.</p>		<p>The Management Board of the Bank manages the current operations of the Bank in accordance with the chosen business model, scope of operations, types and complexity of operations, risk profile, and internal documents approved by the Board of Directors of the Bank.</p> <p>The Management Board of the Bank is responsible for:</p> <p>1) development of the Risk Management Policy for further submission for approval by the Board of Directors and monitors compliance by the Bank with the approved document;</p> <p>2) proper performance of duties delegated to collegiate authorities or employees of the Bank within the approved organizational structure of the Bank.</p> <p>The Management Board of the Bank is responsible for providing the Board of Directors of the Bank with information on the state of internal control, in terms of timely detection of incorrect, incomplete or unauthorized transactions, shortcomings in the operations to ensure the safety of assets, errors in the preparation of financial and regulatory reporting, violations of the bank's internal documents, civil, tax, banking legislation of the Republic of Kazakhstan, the legislation of the Republic of Kazakhstan on state regulation, control and supervision of the financial market and financial organizations, the legislation of the Republic of Kazakhstan on currency regulation and currency control, on payments and payment systems, on pension provision, on the securities market, on accounting accounting and financial reporting, on credit bureaus and the formation of credit histories, on collection operations, on mandatory guaranteeing of deposits, on countering the legalization (laundering) of proceeds from crime and the financing of terrorism, on joint-stock companies, as well as the exclusion of conflicts of interest and internal abuse and fraud, including against persons associated with the bank by special relations.</p> <p>Management reporting on risks is generated in accordance with internal documents, including Rules for organizing the reporting system in the Bank (RP No. 291 issued on 12/23/2015, as amended by RP No. 71 issued on May 20, 2022), List of reporting provided by the Management Board of the Bank to the Board of Directors of the Bank (SD No. 1 issued on January 29, 2021, with as amended by SD No. 11 issued on 05.11.2021).</p>
6.4.	<p>The organizational structure of the risk management and internal control system in the Bank provides for the presence of a structural unit responsible for risk management and control issues, whose tasks include:</p> <p>1) overall coordination of risk management and control processes;</p> <p>2) development of methodological documents in the field of risk management and control and provision of methodological support to business process owners and employees in the process of identifying, documenting risks, implementing, monitoring and improving control procedures, developing action plans to respond to risks and action plans to improve the management system risks and internal control, reports on their execution;</p> <p>3) organization of training of employees in the field of risk management and control;</p> <p>4) analysis of the risk portfolio and</p>	Compliance	<p>In order to implement the principles of internal control and ensure the effectiveness of the risk management and internal control system, the Management Board of the Bank distributed powers, duties and responsibilities for specific risk management and internal control procedures between the heads and/or heads of structural divisions.</p> <p>The organizational structure of the risk management and internal control system provides for the presence of structural divisions for risk management (a division that manages credit and financial risks, a division that manages operational risks), as well as divisions that manage risks in areas of activity (a division for compliance control, a legal Division, Internal Control Division, Planning and Strategic Analysis Division, Advertising and Public Relations Division, Accounting and Reporting Division, Security Division, Human Resources Division).</p> <p>Risk management units perform, but are not</p>

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	<p>development of proposals for a response strategy and redistribution of resources in relation to the management of relevant risks;</p> <p>5) formation of consolidated reporting on risks;</p> <p>6) implementation of operational control over the process of risk management by structural units;</p> <p>7) preparation and informing the Board of Directors and/or the Management Board of the Bank about the status of the risk management system, existing threats and proposals for their prevention/levelling.</p> <p>The manager in charge of the risk management and control function is not the owner of the risk, which ensures his independence and objectivity. It is impossible to combine risk management and control functions with functions related to economic planning, corporate finance, treasury, and investment decision making. Combination with other functions is allowed if there is no significant conflict of interest.</p>		<p>limited to, the following functions:</p> <p>1) development of a risk management system, including risk management policies and procedures, risk appetite strategy and determination of risk appetite levels;</p> <p>2) identification of significant current and potential risks inherent in the operations of the Bank;</p> <p>3) risk assessment and determination of the aggregated (aggregated) level(s) of risk appetite;</p> <p>4) development of risk appetite levels for subsequent submission to the Risk Management Committee and approval by the Board of Directors of the Bank, monitoring compliance with risk appetite levels;</p> <p>5) development of early warning systems and triggers aimed at identifying violations of risk appetite levels;</p> <p>6) provision of management reporting to the Management Board, the Risk Management Committee of the Board of Directors of the Bank, the Authorized collegial authority under the Management Board.</p> <p>The Bank's subdivisions that manage risk by line of business, if necessary, develop internal documents describing risk management procedures by line of business, including the statement of risk appetite, to provide information as part of management reporting by line of business.</p> <p>Risk management procedures ensure a rapid response to new risks, their clear identification and identification of risk owners.</p> <p>For a holistic and clear understanding of the inherent risks, the Bank annually identifies and assesses risks, which are reflected in the risk register, risk map, action plan for responding to risks (improvement of processes, minimization strategies), list of significant risks, Statement of risk appetite for previous year approved by the Board of Directors.</p> <p>The Bank's employees annually, as well as when they are hired, undergo training / introductory briefing to familiarize themselves with the adopted risk management and internal control system.</p>
6.5.	<p>The risk management and internal control system provides for a procedure for identifying, assessing and monitoring all significant risks, as well as taking timely and adequate measures to reduce the level of risks.</p> <p>Risk management procedures ensure a rapid response to new risks, their clear identification and identification of risk owners.</p> <p>In the event of any unforeseen changes in the competitive or economic environment of the Bank, the risk map is reassessed and aligned with the risk appetite.</p> <p>The Board of Directors approves the general level of risk appetite and the level of tolerance for key risks, which are fixed by the Bank's internal documents.</p> <p>Tolerance levels for key risks are reviewed in the event of significant events. Limits are set to limit risks in day-to-day operations.</p> <p>For a holistic and clear understanding of inherent risks, the Bank, at least on an annual</p>	Compliance	<p>the Bank's Risk Map and Register, a list of significant risks, and the Risk Appetite Statement for 2023 were approved by decision of the Board of Directors issued on October 27, 2022 (Protocols No. 14).</p> <p>The Bank's Risk Map reflects information on risks requiring attention and offers recommendations for further risk minimization and management measures.</p> <p>The risk register consists of 16 names of risk factors provided by the Bank's structural subdivisions.</p> <p>According to the results of the analysis, 37 types of risk factors have a low probability of occurrence and (or) do not have a significant impact on the financial viability of the Bank, respectively, are located in the «green zone» of the Risk Map. There are also 5 names of risk factors located in the «yellow zone». There are no risk factors located in the «red zone» of the Risk Map.</p> <p>The list of significant risks contains a list of</p>

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			risks identified by the Bank's Risk Committee as significant (8 risks). The risk appetite statement includes levels of risk appetite for all types of significant risks in the form of quantitative and qualitative indicators. Risk reports are submitted to meetings of the Board of Directors on a quarterly basis, to a meeting of the Management Board on a monthly basis, if necessary, corrective measures are taken (as part of the consideration of these reports).
6.6.	<p>The Bank has introduced transparent principles and approaches in the field of risk management and control, the practice of training employees and officials about the risk management system, as well as the process of documenting and timely bringing the necessary information to the attention of officials.</p> <p>The Bank's employees annually, as well as when they are hired, undergo training / introductory briefing to familiarize themselves with the adopted risk management and internal control system. Based on the results of such training, knowledge testing is carried out.</p> <p>As part of the risk management and control system, the Bank has organized a safe, confidential and accessible way (hotline) to inform the Board of Directors (Audit Committee) and the internal audit unit about the facts of violations of the legislation of the Republic of Kazakhstan, internal procedures, the Code of Business Ethics by any employee and official Jar.</p>	Compliance	<p>The Bank's employees annually, as well as when they are hired, undergo training / introductory briefing to familiarize themselves with the adopted risk management and internal control system.</p> <p>In 2022, the Bank's employees completed training on the topic «Operational risk and business continuity management system». According to the results of training, as well as re-training for those who did not pass, 99% of employees were tested. Also in 2022, the Bank's employees were trained on the Internal Control Policy, and 97% of employees were tested based on the results of the training.</p> <p>As part of the risk management and control system, the Bank has organized a safe, confidential and accessible way to inform the Board of Directors and the internal audit unit about the facts of violations of the legislation of the Republic of Kazakhstan, internal procedures, the Code of Business Ethics by any employee and official of the Bank, by placing boxes for relevant correspondence. And:</p> <p>In accordance with the organization's anti-fraud and corruption measures, the Bank has introduced a Fraud and Corruption Hotline (hereinafter referred to as the Hotline). The hotline is a means to confidentially receive alerts about suspicions, violations, and facts of fraud and corruption.</p> <p>The Bank's hotline consists of the following communication channels available for use by all employees of the Bank, as well as for third parties who wish to draw the attention of the Bank's management to known intentions, suspicions or cases of fraud and corruption:</p> <p>Internal communication channels via the Hotline for employees, employees and consultants of the Bank:</p> <p>telephone line 8(727) 3309482, through which information about such suspicions/doubts, known intentions to commit and/or facts of violations/ fraud and corruption is reported;</p> <p>e-mail box antifraud@hcsbk.kz, where electronic messages and information about such suspicions/doubts, known intent to commit and/or facts of violation/fraud and corruption are received.</p> <p>External communication channels via the Hotline for the Bank's clients:</p> <p>- telephone line 8(727) 3309482, through which information about such suspicions/doubts, known intentions to commit and/or facts of violations/ fraud and corruption is reported;</p> <p>electronic mailbox antifraud@hcsbk.kz, where</p>

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			electronic messages and information about such suspicions/doubts, known intentions to commit and/or facts of violation/fraud and corruption are received; - postal address: Republic of Kazakhstan, A05A2X0, Almaty city, Almaly district, Abylai Khan avenue, 91, to the head of the security unit (marked «in person»).
6.7.	<p>The Bank has established an Internal Audit Service to systematically assess the reliability and effectiveness of the risk management and internal control system and corporate governance practices.</p> <p>In subsidiaries that are part of the Bank's group, separate authorities are also created - internal audit services. In subsidiaries in the form of a limited liability partnership, the functions of internal audit are assigned to the Audit Commission / Auditor, functionally accountable to the Supervisory Board; at the same time, the goals, functions and tasks of the Audit Commission/auditor, the procedure for their interaction with the authorities of the organization are established taking into account the principles applicable to the Internal Audit Service set forth in the Code.</p>	Compliance	<p>The Bank has established an Internal Audit Department, whose main tasks are to conduct analysis and evaluation as part of audit assignments and consultations, including:</p> <ol style="list-style-type: none"> <li>1) reliability and efficiency of the internal control system;</li> <li>2) reliability and efficiency of the risk management system (including compliance risks) ;</li> <li>3) the effectiveness of information technology and information security systems, including monitoring the integrity of databases and their protection from unauthorized access and (or) use, taking into account the measures taken in case of non-standard and emergency situations in accordance with the action plan aimed at ensuring business continuity and (or) restoration of the Bank's operations in case of non-standard and emergency situations;</li> <li>4) reliability, completeness, objectivity of the accounting system and reliability of financial reporting, regulatory and management reporting, capital adequacy and liquidity, and other information of the Bank, as well as evaluation of the rules (principles, methods) used to identify, measure, classify and present such information (plans and reporting) to internal and external users, evaluation of capital and liquidity stress testing processes;</li> <li>5) the effectiveness of the corporate governance system and the process of its improvement, compliance with the accepted principles of corporate governance, relevant ethical standards and values;</li> <li>6) reliability and efficiency of the accounting system and information and financial and regulatory reporting compiled on their basis, including the processes of interaction between the structural divisions of the Bank.</li> </ol> <p>The structure of the Bank does not provide for subsidiaries, and therefore there is no need to create a separate internal audit service.</p>
6.8.	<p>The Internal Audit Service operates on the basis of a risk-oriented (annual) audit work plan approved by the Board of Directors of the Bank. The results of the audit reports, key findings and related recommendations are presented to the Board of Directors on a quarterly basis.</p> <p>The Head of the Internal Audit Service takes into account the risk management concept adopted by the Bank, and also applies his own risk judgment, formed after consultations with the Management Board of the Bank and the Audit Committee.</p>	Compliance	<p>The AIA carries out its operations on the basis of a risk-based annual audit plan (hereinafter referred to as AAP) annually developed by the head of the AIA and approved by the decision of the Board of Directors. The results of audits, reflecting key findings and provided recommendations, are quarterly submitted for consideration by the Board of Directors as part of management reports.</p> <p>The preliminary procedures preceding the development of a risk-based PAG are:</p> <ol style="list-style-type: none"> <li>1) drawing up / updating the Map of audit areas based on the approved Matrix of business processes, risks and controls;</li> <li>2) analysis of the approved Card and the Bank's risk register.</li> </ol>

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6.9.	<p>In carrying out its operations, the Internal Audit Service evaluates the effectiveness of internal control, risk management and corporate governance systems using generally accepted standards of activity in the field of internal audit and corporate standards, in accordance with the methods approved by the Board of Directors.</p> <p>Evaluation of the effectiveness of the internal control system includes:</p> <ol style="list-style-type: none"> <li>1) analysis of the conformity of the goals of business processes, projects and structural units with the goals of the Bank, verification of ensuring the reliability and integrity of business processes (operations) and information systems, including the reliability of procedures for combating illegal actions, abuse and corruption;</li> <li>2) checking the reliability of accounting (financial), statistical, managerial and other reporting, identifying the results of business processes and structural divisions for compliance with the set goals;</li> <li>3) determination of the adequacy of the criteria established by the Management Board of the Bank for the analysis of the degree of fulfillment (achievement) of the set goals;</li> <li>4) identification of deficiencies in the internal control system that did not allow (do not allow) to achieve the goals set;</li> <li>5) evaluation of the results of the introduction (implementation) of measures to eliminate violations, shortcomings and improve the internal control system implemented at all levels of management;</li> <li>6) verification of the effectiveness and expediency of the use of resources;</li> <li>7) checking the safety of the Bank's assets;</li> <li>8) verification of compliance with the requirements of the legislation of the Republic of Kazakhstan, the Charter and internal documents of the Bank.</li> </ol> <p>Evaluation of the effectiveness of the risk management system includes:</p> <ol style="list-style-type: none"> <li>1) verification of the sufficiency and maturity of the elements of the risk management system for effective risk management (goals and objectives, infrastructure, organization of processes, regulatory and methodological support, interaction of structural units within the risk management system, reporting);</li> <li>2) verification of the completeness of identification and correctness of risk assessment by the executive authority at all levels of its management;</li> <li>3) verification of the effectiveness of control procedures and other risk management activities, including the efficiency of the use of resources allocated for these purposes;</li> <li>4) analysis of information on realized risks (violations identified as a result of internal audits, facts of failure to achieve goals, facts of litigation).</li> </ol> <p>The corporate governance assessment includes checking:</p> <ol style="list-style-type: none"> <li>1) compliance with ethical principles and corporate values of the Bank;</li> <li>2) the procedure for setting goals, monitoring and controlling their achievement;</li> <li>3) the level of regulatory support and procedures for information exchange</li> </ol>	Compliance	<p>The effectiveness of the internal control, risk management and corporate governance systems is assessed by the TBA using generally accepted standards of activity in the field of internal audit and corporate standards, in accordance with the methods that are annexes to the Rules for the organization of internal audit in the Bank, approved by the decision of the Board of Directors issued on May 22, 2018 . (protocol No. 5).</p> <p>Evaluation of the effectiveness of the internal control system includes:</p> <ol style="list-style-type: none"> <li>1) analysis and evaluation as part of audit engagements and consultations: <ul style="list-style-type: none"> <li>- reliability and efficiency of the internal control system;</li> <li>- the reliability of the functioning of the internal control system over the use of automated information systems, including monitoring the integrity of databases and their protection against unauthorized access and (or) use, taking into account the measures taken in case of non-standard and emergency situations in accordance with the action plan aimed at ensuring continuity operations and (or) restoration of the Bank's operations in case of non-standard and emergency situations</li> <li>- sufficiency and/or efficiency of business processes carried out by the structural units of the Bank, measures to achieve the tasks set for them within the framework of the strategic goals of the Bank;</li> <li>- the effectiveness of the system of measures to combat fraud and corruption ;</li> </ul> </li> <li>2) analysis of the reliability, completeness, objectivity of the accounting system and reliability of financial reporting, regulatory and management reporting, capital adequacy and liquidity, and other information of the Bank, as well as evaluation of the rules (principles, methods) used to identify, measure, classify and presentation of such information (plans and reporting) to internal and external users, assessment of the processes of stress testing the level of capital and liquidity, the reliability and efficiency of the accounting system and information and financial and regulatory reporting compiled on their basis, including the processes of interaction between the structural divisions of the Bank ;</li> <li>3) assessment of the extent to which the goals formalized in regulations, policies, etc. or identified by the owner of the process correspond to the Bank's development strategy and the general rules of goal setting; criteria used by management to determine the effectiveness and efficiency of business processes; compliance of the current system of motivation of the owner and participants of the business process with the goals of the business process / sub-process . If the goals of the business process are not formalized, and the process owner also finds it difficult to formulate them clearly, internal auditors should, based on their own theoretical and practical knowledge and skills (including based on benchmarking), propose goals for this process and indicators for measuring them and coordinate them with the owner of the process;</li> <li>4) testing the reliability of the ICS to determine the probability of achieving the goal of the control procedure, with the help of which the owner of the analyzed risk can effectively manage this risk;</li> <li>5) evaluation of the results of the introduction (implementation) of measures to eliminate</li> </ol>

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	<p>(including on internal control and risk management) at all levels of management, including interaction with stakeholders;</p> <ol style="list-style-type: none"> <li>4) ensuring the rights of the Sole Shareholder, including subsidiaries, and the effectiveness of relationships with stakeholders;</li> <li>5) procedures for disclosing information about the operations of the Bank and its subsidiaries.</li> </ol>		<p>violations, shortcomings and improve the internal control system, implemented at all levels of management by monitoring the implementation by the Bank of the recommendations of the TAA, issued and accepted in the prescribed manner, as well as within the framework of periodic reports;</p> <ol style="list-style-type: none"> <li>6) checking the rationality and efficiency of the use of resources;</li> <li>7) analysis of the methods (methods) used to ensure the safety of property (assets);</li> <li>8) verification of compliance with the requirements of the legislation of the Republic of Kazakhstan, internal policies and other documents of the Bank, as well as the effectiveness of systems and procedures created and applied to ensure compliance with these requirements ( compliance control).</li> </ol> <p>Evaluation of the effectiveness of the risk management system includes:</p> <ol style="list-style-type: none"> <li>1) verification of the sufficiency and maturity of the elements of the risk management system for effective risk management (goals and objectives, infrastructure, organization of processes, regulatory and methodological support, interaction of structural units within the risk management system, reporting) in accordance with the approved RMS Assessment Methodology;</li> <li>2) verification of the completeness of identification and correctness of risk assessment by the executive authority at all levels of its management by analyzing business processes and control procedures, management reporting, information from the Database on realized risks, the availability of approved levels of risk appetite / limits and timely monitoring of compliance with established limits, Action plans to minimize risks, etc.;</li> <li>3) verification of the effectiveness of control procedures and other risk management activities, including the efficiency of the use of resources allocated for these purposes by analyzing business processes, approved regulations, action plans to minimize risks, management reporting, etc.;</li> <li>4) analysis of information on realized risks (violations identified as a result of internal audits, facts of failure to achieve set goals, facts of litigation) by analyzing information from the Database on realized risks, the results of internal investigations, inspections conducted by DVK, CCM, internal and external audits.</li> </ol> <p>The corporate governance assessment includes checking:</p> <ol style="list-style-type: none"> <li>1) the effectiveness of the corporate governance system and the process of its improvement, compliance with the accepted principles of corporate governance, relevant ethical standards and values;</li> <li>2) sufficiency and/or efficiency of the business processes carried out by the structural units of the Bank, measures to achieve the tasks assigned to them within the framework of the strategic goals of the Bank, monitoring and control of the achievement of strategic goals;</li> <li>3) availability and compliance with the approved regulations, information interaction between the structural divisions and authorities of the Bank (including on issues of internal control and risk management) at all levels of management, including interaction with external stakeholders,</li> </ol>

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			incl . for reporting; 4) ensuring the rights of the Sole Shareholder, incl . when paying dividends, providing management reporting, and the effectiveness of relationships with stakeholders (ministries, departments and other authorized bodies); 5) procedures for disclosing financial and non-financial information about the operations of the Bank, incl . by posting on the Bank's website and other public sources.
6.10.	The Bank conducts an annual audit of financial statements by engaging an independent and qualified auditor, who, as a third party, provides an objective opinion to interested parties on the reliability of financial statements and their compliance with IFRS. The norms regarding the annual audit are applied if the audit of the annual financial statements is given by the legislation of the Republic of Kazakhstan and/or internal documents of the Bank. The selection of the external auditor is carried out on the basis of a competition. An important role in the selection process is played by the Audit Committee of the Board of Directors of the Bank, which agrees on the qualification requirements and/or technical specifications developed for the purpose of the competition.	Compliance	In accordance with paragraph 3 of Article 76 of the Law of the Republic of Kazakhstan "On Joint Stock Companies" (hereinafter referred to as the JSC Law), annual financial statements are subject to prior approval by the Board of Directors no later than thirty days before the date of the annual general meeting of shareholders, final approval of the annual financial statements Bank a is made at the annual general meeting of shareholders. According to subparagraph 5) of paragraph 2 of Article 53 of the JSC Law, subparagraphs 5), 33) of paragraph 10.2 of Article 10 of the Charter of the Bank, the exclusive competence of the Board of Directors of the Bank includes preliminary approval of the annual financial statements of the Bank, preparation of recommendations to the Sole Shareholder regarding the procedure for distributing the Bank's net income for the past financial year. In accordance with subparagraphs 7), 8) of paragraph 1 of Article 36 of the JSC Law, subparagraphs 11), 18) of paragraph 9.2. Article 9 of the Bank's Charter approval of the Bank's annual financial statements is within the exclusive competence of the sole shareholder of the Bank. In accordance with paragraph 1-1 of Article 57 of the Law of the Republic of Kazakhstan "On Banks and Banking Activity in the Republic of Kazakhstan" (hereinafter referred to as the Law on Banks), a mandatory requirement is given for second-tier banks to audit financial statements based on the results of the financial year.
6.11.	The bank should approve the documents regulating the audit procedure and relations with the external auditor, including the process of selecting the external auditor, the powers and functions of the competition committee, issues of the provision of consulting services by an audit organization not related to the audit of financial statements and other information, issues of rotation of audit organizations and senior staff of the audit organization, issues of hiring former employees of the audit organization. Rotation of partners and senior personnel of the audit organization responsible for the audit of financial statements is carried out at least once every five years, if the audit organization has been providing audit services to the Bank for more than 5 years in a row.	Compliance	The Bank has developed a Policy (procedure) for attracting an external audit of JSC "Housing Construction Savings Bank", approved by the decision of the Board of Directors of JSC "Housing Construction Savings Bank" (Protocols No.14) issued on October 20, 2017. In order to organize an external audit for the audit of financial statements, the Bank performs the following procedures in accordance with the legislation of the Republic of Kazakhstan and in the manner prescribed by the Procurement Rules: 1) conducting procurement procedures for the services of an audit organization that audits financial statements; 2) preliminary approval by the Management Board of the Bank of the issue of determining an audit organization that audits financial statements and the amount of payment for its services; 3) preliminary approval by the audit committee of the Board of Directors of the Bank of the issue of determining an audit organization that audits financial statements and the amount of payment for its services; 4) preliminary approval by the Board of Directors of the Bank of the issue of determining an audit organization that audits financial statements,

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			determination by the Board of Directors of the amount of payment for the services of an audit organization that audits financial statements; 5) adoption of the decision of the Shareholder on the determination of the audit organization carrying out the audit financial reporting; 6) conclusion of an agreement to audit the financial statements of the Bank. This paragraph does not apply to cases of external audit at the initiative of the Board of Directors or at the request of the Shareholder. 6. In order to organize an external audit for another audit, the Bank performs the following procedures in accordance with the legislation of the Republic of Kazakhstan and in the manner prescribed by the Procurement Rules: 1) conducting procurement procedures for the services of an external auditor; 2) adoption of a decision by the Management Board of the Bank on the determination of an audit organization conducting a different audit, as well as determining the amount of payment for the services of an audit organization carrying out a different audit. 3) conclusion of an agreement for another audit of the Bank. This paragraph does not apply to cases of external audit at the initiative of the Board of Directors or at the request of the Shareholder.» 7. The decision to approve the members of the tender commission is issued in the form of an order of the Chairman of the Management Board of the Bank or another person authorized by him.

## 7. The principle of regulation of corporate conflicts and conflicts of interest

7.1.	Members of the Board of Directors and the Management Board of the Bank, employees of the Bank, perform their professional functions in good faith and reasonably in the interests of the Sole Shareholder and the Bank, avoiding conflicts. In the event of the presence (emergence) of corporate conflicts, the participants seek ways to resolve them through negotiations in order to ensure effective protection of the interests of the Bank and stakeholders. At the same time, the Bank's officials promptly notify the Corporate Secretary and/or the Ombudsman of the presence (emergence) of a conflict. Efficiency of work on the prevention and settlement of corporate conflicts implies the full and prompt identification of such conflicts and coordination of actions of all authorities of the Bank.	Compliance	In order to prevent and resolve possible corporate conflicts and conflicts of interest, the decision of the Board of Directors of the Bank issued on March 27, 2015 (Protocols No. 4) approved the Policy on Settlement of Corporate Conflicts and Conflicts of Interest of the Bank (hereinafter referred to as the Policy). The Policy regulates the procedure and procedures for pre-trial settlement of conflicts, as well as the actions of the bodies, officials and employees of the Bank in the framework of these processes. The purpose of the Policy is: – determination of the procedure for preventing and resolving corporate conflicts, disputable conflict situations, timely detection and prevention of conflicts of interest in the Bank; – determination of clear coordination of actions of all authorities of the Bank in case of occurrence or possibility of occurrence of a corporate conflict and/or conflict of interest; – improving the efficiency of decisions made by the Bank's authorities by ensuring a fair, objective and independent decision-making process in the interests of the Bank and its Sole Shareholder. At the same time, taking into account the norms of the current internal regulatory documents of the Bank, in order to ensure an objective assessment of a corporate conflict and a conflict of interest and create conditions for its effective settlement, persons whose interests are affected by the conflict or may be affected may apply to the Bank's ombudsman.
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7.2.	<p>A conflict of interest is defined as a situation in which the personal interest of a Bank employee affects or may affect the impartial performance of official duties.</p> <p>Serious violations related to a conflict of interest may damage the Bank's reputation and undermine its credibility on the part of the Sole Shareholder and other interested parties. The personal interests of an official or employee should not affect the impartial performance of their official, functional duties.</p>	Compliance	<p>The Bank's policy on corporate conflicts and conflicts of interest considers the following situations that may lead to a conflict of interest:</p> <p>1) a situation in which an official, an employee of the Bank, their close relatives or a legal entity in which he or any of his close relatives, his spouse is an official or a major participant are a party to an agreement, project or transaction related to with the Bank, with the exception, due to the specifics of the Bank's operations, agreements on housing construction savings, loan agreements and arising, in connection with their conclusion, agreements and agreements signed to ensure the fulfillment of obligations, both of the above-mentioned persons themselves and for the obligations of third parties persons, as well as holding auctions in accordance with the Bank's internal documents regulating the procedure for the disposal and write-off of fixed assets, intangible assets, stale inventories, overdue receivables resulting from the administrative and economic operations of the Bank from off-balance sheet accounting of non- expendable property ;</p> <p>2) any commercial or other interest of officials and employees of the Bank (direct or indirect) in transactions, contracts, projects related to the Bank;</p> <p>3) a situation in which an official or employee of the Bank competes with the Bank in terms of the provision of services, the conclusion of an agreement, the implementation of a project or a transaction with a third party;</p> <p>4) a situation in which an official or employee of the Bank, without obtaining the appropriate permissions from the Bank's bodies, if obtaining permission follows from an employment contract signed with an official or employees of the Bank, if necessary, is a member of the Boards of Directors / Supervisory Boards of other organizations or combines, in addition to working in the Bank work in another organization, except classes in pedagogical, scientific and other creative operations ;</p> <p>5) a situation in which an official, an employee of the Bank, their close relatives or a legal entity in which he or any of his close relatives, his spouse is an official or a major participant, receive remuneration in the form of money, services and in in other forms for the performance by an official or employee of the Bank of their professional duties or other services related to the performance by an official or employee of the Bank of their professional duties, from organizations and individuals in which they do not perform the relevant duties;</p> <p>6) a situation in which an official, an employee of the Bank, their close relatives or a legal entity in which he or any of his close relatives, his spouse (wife) is an official or a major participant, accepts gifts or services in connection with the performance of his professional duties or from persons dependent on them for work, with the exception of symbolic signs of attention and symbolic souvenirs in accordance with generally accepted norms of courtesy and hospitality or during protocol and other official events;</p> <p>7) a situation in which an official, an employee of the Bank, their close relatives or a legal entity in which he or any of his close relatives, his spouses an official or a major participant , receives from suppliers or customers of the Bank personal discounts or other exceptional benefits that are generally not available to other officials, employees of the Bank or their close relatives;</p> <p>8) a situation in which an official or employee of the Bank uses the resources, intellectual property and</p>

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7.3.	<p>The Bank's employees do not allow a situation in which a conflict of interest may arise, either in relation to themselves (or persons related to them), or in relation to others.</p> <p>In order to avoid conflicts of interest that impede the objective performance of its duties by the Board of Directors, and to limit political interference in the processes of the Board of Directors of the Bank, mechanisms are being introduced to prevent and regulate them.</p>	Compliance	<p>equipment of the Bank (including corporate mail and computer programs) for personal purposes;</p> <p>9) a situation in which an official or employee of the Bank discloses confidential information that has become known to him due to the performance of his professional duties, or information, the disclosure of which may have a negative impact on the interests of the Bank, as well as any use of confidential information related to the Bank to obtain personal benefits by an official, an employee of the Bank or their close relatives or a legal entity in which he or any of his close relatives, his spouse (wife) is an official or a major participant.</p> <p>10) a situation in which an official or employee of the Bank takes part in the discussion or decision-making on issues of evaluation of his work, reappointment (re-election), payment of remuneration or other issues in relation to himself.</p> <p>The situations of conflict of interest listed in the Policy are not exhaustive. Officials and employees of the Bank in all cases must be guided by the definition of a conflict of interest given in paragraph 6 of this Policy.</p>
<b>8. The principle of transparency and objectivity in the disclosure of information about the operations of the Bank</b>			
8.1.	<p>In order to comply with the interests of stakeholders, the Bank promptly and reliably discloses information given by the legislation of the Republic of Kazakhstan and internal documents of the Bank, as well as information on all important aspects of its operations, including financial condition, performance results, ownership and management structure.</p>	Compliance	<p>The Bank discloses information regarding the Bank's corporate events, as well as the list of the Bank's affiliates in accordance with the requirements of the Rules for Disclosure of Information by the Issuer and the requirements for the content of information to be disclosed by the Issuer, as well as the terms for disclosure by the Issuer of information on the Internet resource of the financial reporting depository, approved by the Resolution of the Management Board of the National Bank of the Republic of Kazakhstan issued on August 27, 2018 No. 189, the Kazakhstan Stock Exchange exchange and the Astana International Financial Center.</p>
8.2.	<p>To ensure systematic disclosure of information, the Bank approves internal documents that define the principles and approaches to the disclosure and protection of information, a list of information disclosed to interested parties, the timing, procedure, method, form of information disclosure, responsible officials and employees, indicating their functions and responsibilities , as well</p>	Compliance	<p>Issues of ensuring the confidentiality of information security, ensuring the safety of commercial, official and other secrets protected by law, disclosing information about JSC "Housing Construction Savings Bank" and placement sources are regulated by the following internal regulatory documents:</p> <ul style="list-style-type: none"> <li>- the information security policy of the Bank, approved by the decision of the Management</li> </ul>



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	as other provisions governing disclosure processes.		Board of the Bank issued on August 28, 2018 (Protocols No. 60); - Policy for reporting violations related to the operations of the Bank, approved by the decision of the Board of Directors of the Bank issued on November 28, 2014 (Protocols No. 17). In addition, by the decision of the Board of Directors of the Bank issued on October 15, 2018 (Protocols No. 12), the List of protected information was approved, including, among other things, information about information constituting an official, commercial or other secret protected by law of JSC "Housing Construction Savings Bank".
8.3.	In order to protect information constituting commercial and official secrets, the Bank, in accordance with the legislation of the Republic of Kazakhstan, determines the procedure for classifying information as access categories, the conditions for storing and using information. The Bank determines the circle of persons entitled to free access to information constituting commercial and official secrets and takes measures to protect its confidentiality.	Compliance	The Bank has approved and applies the following documents: - Rules for categorizing information, information assets and developing the List of protected information in the Bank (approved by RP No. 44 issued on 12.05.2020) - The list of protected information, including, among other things, information about information constituting an official, commercial or other secret protected by law of JSC "Housing Construction Savings Bank" ( approved by the Board of Directors on 30.04.2021 , protocol No. 14); - Rules for accounting, use and storage of protected information in JSC « House Construction Savings Bank of Kazakhstan» (approved by GD No. 28 issued on February 19, 2015)
8.4.	The corporate Internet resource is structured, easy to navigate and contains sufficient information for interested parties to understand the operations of the Bank. It is recommended that information be posted in separate thematic sections of the corporate Internet resource . The corporate Internet resource is updated as needed, but at least once a week. The Bank regularly monitors the completeness and relevance of information posted on the corporate Internet resource , and also determines the compliance of this information posted on the Kazakh, Russian, English versions of the corporate Internet resource . For these purposes, responsible persons (structural unit) are assigned who are responsible for the completeness and relevance of information on the corporate Internet resource .	Compliance	The information disclosure rules of JSC «Otbasy Bank» , approved by the decision of the Bank's Management Board issued on December 28, 2017 (Protocols No. 51), the obligation for posting and updating information on the Internet resource. The bank lies with the responsible division and the information technology division. According to the List of responsible units, for posting and updating information in the sections of the external Internet resource of Order No. 451 issued on October 04, 2019 «On the formation, placement and updating of information in the sections of the external Internet resource of JSC «Otbasy Bank»» as necessary and on time in accordance with internal documents, the information on the Bank's Internet resource is updated.
8.5.	Corporate Internet resource contains the following information: 1) general information about the Bank, including information about the mission, main tasks, goals and types of operations, the amount of equity capital, the amount of assets, net income and the number of employees; 2) development strategy and/or development plan (at least strategic goals); priority areas of activity; 3) the Charter and internal documents of the Bank, regulating the operations of authorities, committees, corporate secretary; 4) on ethical principles; 5) on risk management; 6) on dividend policy; 7) about the members of the Board of	Compliance	The information disclosure rules of JSC «Otbasy Bank» , approved by the decision of the Bank's Management Board issued on December 28, 2017 (Protocols No. 51), provide for the posting of the following information on the Bank's external website: 1) main directions of the Bank's operation; 2) the annual report of the Bank; 3) information about significant events in the life of the Bank; 4) information on the structure of the Board of Directors and the Management Board of the Bank; 5) information on existing vacancies, HR policy of the Bank; 6) list and addresses of the Bank's branches; 7) information about affiliated persons; 8) information about shareholders and partners of

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	Directors, including the following information: photograph (as agreed with a member of the Board of Directors), last name, first name, patronymic, date of birth, citizenship, status of a member of the Board of Directors (independent director, representative of the Sole Shareholder), indication of the functions of a member of the Board of Directors , including membership in committees of the Board of Directors or acting as Chairman of the Board of Directors, education, including basic and additional education (name of educational institution, year of graduation, qualification, degree obtained), work experience over the past five years, main place of work and other positions currently held, professional qualifications, the date of the first election to the Board of Directors and the date of election to the current Board of Directors, the number and proportion of shares of affiliated organizations owned; 8) about the members of the Management Board, including the following information: photo, last name, first name, patronymic, date of birth, citizenship, position and functions performed, education, including basic and additional education (name of educational institution, year of graduation, qualification, degree received) , work experience over the past five years, professional qualifications, positions held in combination, the number and proportion of shares of affiliated organizations owned; 9) on financial reporting; 10) annual reports; 11) on the external auditor; 12) on procurement operations, including rules, announcements and results of procurement; 13) on the structure of the authorized capital, including the following information: the number and nominal value of issued shares (participatory interests), a description of the rights granted by the shares, the number and nominal value of announced, but unplaced shares, information about the Sole Shareholder, the number and proportion of ordinary shares owned by them (participatory interests), the procedure for disposing of property rights; 14) on the structure of assets, including information on affiliated organizations of all levels with a brief indication of the scope of their operations; 15) on the annual calendar of corporate events; 16) about transactions in which there is an interest, including information about the parties to the transaction, the essential terms of the transaction (the subject of the transaction, the price of the transaction), the authority that made the decision to approve the transaction; 17) on major transactions, including information about the parties to the transaction, the essential terms of the transaction (the subject of the transaction, the price of the transaction), the authority that made the decision to approve the transaction; 18) on operations in the field of sustainable development; 19) on the amount of approved dividends; 20) news and press releases.		the Bank; 9) information on the strategic development of the Bank; 10) accounting policy of the Bank; 11) press releases and advertising and information articles of the Bank; 12) presentation stories and commercials of the Bank.

No	Principles and provisions of the Corporate Management Code of the joint-stock company «Housing Construction Savings Bank of Kazakhstan»	Compliance/ Non-compliance	Measures taken to implement the principles and provisions of the Corporate Governance Code of JSC «Housing Construction Savings Bank of Kazakhstan»
8.6.	The Bank prepares an annual report in accordance with the provisions of this Code and the best disclosure practices. The annual report is approved by the Board of Directors. The Annual Report is a structured document and is published in Kazakh, Russian and English (if necessary). The annual report is prepared and, after approval by the Board of Directors of the Bank, posted on the Internet resource	Compliance	According to subparagraph 19) of paragraph 9.2 of article 9 of the Charter of the Bank, the exclusive competence of the Sole Shareholder includes the approval of the annual report of the Bank. The annual report was preliminarily approved by the decision of the Board of Directors of the Bank (Protocols No. 8) issued on June 29, 2022 and approved by the decision of the Management Board of JSC "National Managing Holding" Baiterek" (Protocols No. 33/21) issued on June 30. In 2022, the Bank's Annual Report for 2021 was posted on the Bank's Internet resource.
8.7.	The requirements for the content of the annual report require at least the following information: 1) address of the Chairman of the Board of Directors; 2) the appeal of the Chairman of the Management Board of the Bank; 3) about the Bank: general information; on the structure of the authorized capital, including the following information: the number and nominal value of issued shares (participation interests), description of the rights granted by the shares, the number and nominal value of announced but unplaced shares, information about the sole shareholder, the number of ordinary shares owned by him, the procedure for disposing of rights property; mission; development strategy, results of its implementation; market overview and market position; 4) the results of financial and operational activities for the reporting year: review and analysis of operations in relation to the tasks set; operational and financial performance indicators; major significant events and achievements; information on significant transactions; any financial support, including guarantees received / received from the state and any obligations to the state and society assumed by the Bank (unless disclosed in accordance with IFRS); 5) the structure of assets, including subsidiaries of all levels, an overview, the main results of their financial and production operations; 6) goals and plans for future periods; 7) main risk factors and risk management system; 8) corporate governance: structure of corporate governance; member of shareholders and ownership structure; the member of the Board of Directors, including qualifications, the selection process, including information about independent directors, indicating the criteria for determining their independence; a report on the operations of the Board of Directors and its committees, which reflects the results of the operations of the Board of Directors and its committees for the reporting period, significant events, issues considered, the number of meetings, the form of meetings, attendance; information on the compliance of corporate governance practices with the principles of this Code, and in case of non-compliance, an explanation of the reasons for non-compliance with each of the principles; member of the Management Board of the Bank; report on the operations of the board; policy of remuneration of officials; 9) sustainable development; 10) auditor's report and financial statements with notes;	Compliance	In 2022, the Annual Report for 2021 was submitted for consideration by the Sole Shareholder of the Bank, which provides information on the results of the Bank's operations, including: – address of the Chairman of the Board of Directors of the Bank, Chairman of the Management Board of the Bank; – information about the main operations and services provided; – information about significant corporate events; – information about the development strategy (mission, goals and objectives); – risk management information; – information on corporate social responsibility and environmental protection; – information about the management authorities and organizational structure of the Bank; – information about the Bank's corporate governance principles, including the conflict of interest policy; – information on the results of self-assessment of adherence to the approved corporate governance code of the Bank; – information about the transparency of the Bank and the effectiveness of information disclosure processes; – annual financial statements and audit reports; – additional information in accordance with the requirements of JSC «Kazakhstan Stock Exchange».

No	Principles and provisions of the Corporate Management Code of the joint-stock company «Housing Construction Savings Bank of Kazakhstan»	Compliance/ Non-compliance	Measures taken to implement the principles and provisions of the Corporate Governance Code of JSC «Housing Construction Savings Bank of Kazakhstan»
	11) analytical indicators and data included in the annual report should reflect a comparative analysis and progress (regression) in relation to the previous period (comparison with the values of similar indicators indicated in the previous annual report). In order to compare performance with international companies operating in a similar industry, it is recommended to publish performance indicators that will allow for industry benchmarking analysis.		
8.8.	The Management Board holds in-person meetings and discusses the implementation of the development strategy and / or development plan, decisions of the Sole Shareholder, the Board of Directors and operational processes. Board meetings are held on a regular basis. The cases of holding meetings in absentia are limited and are defined in the Charter and internal documents of the Bank.	Compliance	In 2022, the Management Board of the Bank held: – 51 in-person meetings (decisions were made on 312 issues); – 177 meetings in absentia (decisions were made on 587 issues).
8.9.	The Management Board forms a work plan for the coming year with a list of issues before the start of the calendar year. Members of the Board are provided in advance with materials for consideration, of proper quality. When considering such issues as development strategies and / or development plans, investment projects, risk management, several meetings are allowed.	Compliance	The work plan of the Management Board of the Bank for 2022 was approved by the decision of the Management Board (Protocols No. 213) issued on December 30, 2021. If necessary, it is possible to hold several meetings of the Management Board when discussing such issues as development strategies and / or development plans, investment projects, risk management.
8.10.	When considering each issue, a separate discussion is devoted to the risks associated with making / not making a decision and their impact on the profitable operations of the Bank. All issues submitted at the initiative of the Management Board for consideration by the Board of Directors and the Sole Shareholder are preliminary considered and approved by the Management Board.	Compliance	Within the limits of its competence, the Management Board of the Bank, when considering each issue, conducts a separate discussion on the risks associated with the adoption / non-adoption of a decision and their impact on the profitable operations of the Bank. All issues submitted at the initiative of the Management Board for consideration by the Board of Directors and the Sole Shareholder are subject to prior approval by the Management Board of the Bank in accordance with subparagraph 13) of paragraph 11.5 of Article 11 of the Bank's Charter, subject to the exceptions specified in this subparagraph.
8.11.	The Chairman and members of the Management Board do not allow the occurrence of a situation with a conflict of interest. In the event of a conflict of interest, they notify the Board of Directors or the Chairman of the Management Board in advance of this, of the need to record this in writing and not participate in the decision-making on the issue.	Compliance	In 2022, there are no cases related to direct or indirect potential conflicts of interest. If the Management Board considers issues directly related to one of the members of the Management Board, the specified member of the Management Board does not participate in the consideration and voting on this issue.

## APPENDIX 4. GRI INDEX

Standard Number	Indicator	Report Section/Comment	Page
GRI 1: Basics			
GRI 2: General Information 2021			
<b>2-1 Organization Profile</b>			
2-1 a	Name of the organization	About Bank	page 14
2-1 b	Type of ownership and legal form	About Bank	page 14
2-1 c	Location of headquarters	About Bank, Contact information	page 14, 194
2-1 d	Location of operations	Geography of activities	page 20
<b>2-3 Reporting period, frequency and contact point</b>			
2-3 a	Reporting period and frequency	About Report	page 134
2-3 b	Reporting period and frequency of financial reports	About Report	page 134
2-3 c	Report publication date	About Report	page 134
2-3 d	Contact point for questions regarding this report	Contact information	page 194
<b>2-4 Restatement of information</b>			
2-4 a	Restatement of information made for previous reporting periods (recalculations)	Indicators were not reformulated in the previous report.	-
<b>2-5 External Assurance</b>			
2-5 a	Policy and practice of the organization regarding the provision of external assurance of accounts	About Report	page 134
<b>2-6 Activities, value chain and other business relationships</b>			
2-6 a	Sectors (public, private / financial or other) in which the organization operates	Economic environment	page 36
2-6 b	Value chain	Operating results, Bank commissions	page 41, 45
2-6 c	Other business relationships	Participation of the Bank in implementation of government programs in the Republic of Kazakhstan, Funds raised, Financial performance	page 46, 51
2-6 d	Significant changes in 2-6 a, 2-6 b and 2-6 c compared to the previous reporting period	Results of operating activities, Commissions of the Bank, Participation of the Bank in implementation of government programs in the Republic of Kazakhstan, Funds raised, Financial performance	page 41, 45, 46, 51

Standard Number	Indicator	Report Section/Comment	Page
<b>2-7 Employees</b>			
2-7 a	Total number of employees, breakdown by gender, region	Employment, composition and structure of personnel	page 112
2-7 b	Total number of permanent, temporary, full-time employees, by gender and region, and total number of part-time employees, non-guaranteed hours of work	Employment, composition and structure of personnel	page 112
2-7 c	Methodologies and assumptions used for data collection	Employment, composition and structure of personnel	page 112
2-7 d	Contextual information needed to understand the data presented in accordance with 2-7 a and 2-7 b	Employment, composition and structure of personnel	page 112
2-7 e	Significant fluctuations in the number of employees during the reporting period and between the reporting periods	Employment, composition and structure of personnel	page 112
<b>2-8 Non-employee workers</b>			
2-8 a	The total number of non-employee workers and whose work is controlled by the organization	Employment, Composition and structure of personnel	page 112
2-8 b	Methodologies and assumptions used for data collection	Employment, Composition and structure of personnel	page 112
2-8 c	Significant fluctuations in the number of non-employees during the reporting period and between the reporting periods	Employment, Composition and structure of personnel	page 112
<b>2-9 Governance structure and composition</b>			
2-9 a	Governance structure, including senior management committees	Board of Directors, Committees under the Board of Directors, Management Board, Committees reporting to the Management Board	page 68, 78, 83, 87
2-9 b	Committees of the highest governance body responsible for making decisions and overseeing the management of the organization's economic, environmental and social impacts	Committees under the Board of Directors	page 78
2-9 c	Composition of the highest governance body and its committees	Board of Directors, Committees under the Board of Directors	page 68, 78
<b>2-10 Nomination and selection of the highest governance body</b>			
2-10 a	Nomination and selection processes for the highest governance body and its committees	Board of Directors, Committees of the Board of Directors	page 68, 78
2-10 b	Criteria used to nominate and select the highest governance body	Board of Directors, Committees of the Board of Directors	page 68, 78

Standard Number	Indicator	Report Section/Comment	Page
<b>2-11 Chairman of the highest governance body</b>			
2-11 a	Chairman of the highest governance body	Board of Directors	page 68
2-11 b	Functions of the Chairman of the highest governance body within the organization	Board of Directors	page 68
<b>2-12 The role of the supreme governing body in the supervision of impact management</b>			
2-12 a	Role of the highest governance body and senior management in developing, validating and updating the goals, values or mission of the organization. Statements, strategies, policies and goals related to sustainable	Sustainable development management	page 94
2-12 b	Role of the highest governance body in overseeing processes to identify and manage the organization's economic, environmental and social impacts	Sustainable development management	page 94
2-12 c	Role of the highest governance body in reviewing the effectiveness of the organization's processes (2-12a, 2-12b), reviewing frequency	Sustainable development management	page 94
<b>2-13 Delegation of responsibility for managing impacts</b>			
2-13 a	Delegation of responsibility for managing economic, environmental and social impacts to the highest governance	Sustainable development management	page 94
2-13 b	Process and frequency of monitoring	Sustainable development management	page 94
<b>2-14 Role of the senior management body in sustainability reporting</b>			
2-14 a	Responsibility of the senior management body in the information provided	Sustainable development management	page 94
<b>2-15 Conflicts of interest</b>			
2-15 a	The organization's processes to prevent conflicts of interest by the highest governance body	Conflict of interest	page 94
2-15 b	Disclosure of conflicts of interest to interested parties	Conflict of interest	page 94
<b>2-16 Communication of critical concerns</b>			
2-16 a	Process for bringing critical concerns to the attention of the highest governance body	Board of Directors	page 68
2-16 b	Total number and nature of critical concerns reported to the highest governance body in the reporting period	Board of Directors	page 68
<b>2-17 Collective knowledge of the supreme governing body</b>			
2-17 a	Measures taken to develop the collective knowledge, skills and experience of the highest governance body to ensure sustainable development	Professional development	page 83

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<b>2-18 Evaluation of performance of the highest governing body</b>			
2-18 a	Processes for evaluating the performance of the highest governing body	Evaluation of the Board of Directors	page 82
2-18 b	Independence of evaluation, frequency of evaluation	Evaluation of the Board of Directors	page 82
2-18 c	Actions taken in response to evaluations	Evaluation of the Board of Directors	page 82
<b>2-19 Remuneration Policies</b>			
2-19 a	Remuneration policy for members of the highest governance body and senior executives	Basic principles of remuneration for members of the Management Board and the Board of Directors	page 91
2-19 b	Impact of the performance of members of the highest governance body and senior executives on remuneration policy	Basic principles of remuneration for members of the Management Board and the Board of Directors	page 91
<b>2-20 Remuneration determination process</b>			
2-20 a	Remuneration policy development and remuneration determination process	Basic principles of remuneration for members of the Management Board and the Board of Directors	page 91
2-20 b	Report on voting results of stakeholders (including shareholders) on remuneration policies and proposals	Basic principles of remuneration for members of the Management Board and the Board of Directors	page 91
<b>2-22 Sustainability Strategy Report</b>			
2-22 a	Report, statement by the highest governance body or the most senior executive of the organization on the relevance of sustainable development to the organization and its strategy to promote sustainable development	Compliance with the Corporate Governance Code, Report on compliance/non-compliance by the Bank with the principles and provisions of the Corporate Governance Code	page 92, 142
<b>2-27 Compliance with laws and regulations</b>			
2-27 a	Total number of significant cases of noncompliance with laws and regulations during the reporting period (broken down by cases for which fines were imposed and for which non-monetary sanctions were applied)	Compliance with legal requirements	page 126
2-27 b	Total number and monetary value of fines for cases of non-compliance with laws and regulations that were paid during the reporting period (broken down by fines for cases of non-compliance with laws and regulations that occurred in the current reporting period and previous reporting periods)		
2-27 c	Significant cases of non-compliance with laws and regulations		
2-27 d	Identification of significant cases of noncompliance with laws and regulations		

Standard Number	Indicator	Report Section/Comment	Page
<b>2-28 Member in Associations</b>			
2-28 a	Industry associations, other member associations and national or international human rights organizations in which the organization has a significant role	Membership in international organizations	page 23
<b>2-29 Approach to stakeholder engagement</b>			
2-29 a	Approach to stakeholder engagement, including categories of stakeholders it engages with and how they are identified; purpose of stakeholder engagement; meaningful stakeholder engagement	Stakeholder engagement	page 96
<b>2-30 Collective agreements</b>			
2-30 a	Percentage of the total number of employees covered by collective bargaining agreements	Employment, composition and structure of staff	page 112
2-30 b	Organization of labor conditions and conditions of employment for employees not covered by collective bargaining agreements		
GRI 3: Material Topics 2021			
<b>3-1 Process to determine material topics</b>			
3-1 a	Process of identifying material topics, including identifying the actual and potential, negative and positive impacts on the economy, the environment and the social environment as part of its activities and business relationships; prioritizing impacts for reporting based on their significance	About Report	page 134
<b>3-2 List of essential issues</b>			
3-2 a	List of material topics	About Report	page 134
3-2 b	Changes in the list of material topics compared to the previous reporting period		
GRI 201: Economic Performance 2016			
<b>201-1 Direct economic value generated and distributed</b>			
201-1 a	Direct economic value generated and distributed on an accrual basis, including key components for the organization's global operations	Economic performance	page 127
201-1 b	Direct economic value at the country, region or market level, and the criteria used to determine significance		
<b>201-2 Financial implications and other risks and opportunities related to climate change</b>			
201-2	Risks and opportunities associated with climate change that could potentially lead to significant changes in operations, revenues or expenses	Climate change	page 130

Standard Number	Indicator	Report Section/Comment	Page
<b>201-3 Defined benefit obligations and other pension plans</b>			
201-3 a	Estimated value of liabilities that are covered by the general resources of the organization	Remuneration of employees of the Bank	page 117
201-3 b	Fund for payment of pension obligations		
201-3 c	Coverage with fund for pension obligations		
201-3 d	Percentage of wages paid by employee or employer		
201-3 e	Level of participation in mandatory and voluntary, regional or country pension schemes or schemes with financial impact		
<b>201-4 Financial assistance received from the Government</b>			
201-4 c	Presence of any government in the shareholder structure, the degree of presence	About Bank	page 14
GRI 202: Market Presence 2016			
<b>202-1 Ratio of the standard entry-level salary by gender to the local minimum wage</b>			
202-1 a	Time of receipt of wages by a significant proportion of employees in accordance with the minimum wage rules, ratio of entry-level wages by gender in the main places of work to the minimum wage	Remuneration of employees of the Bank	page 117
202-1 b	Time of receipt of wages of other employees (with the exception of officials) performing the activities of the organization, in accordance with the minimum wage rules, actions taken to ensure that employees receive wages above the minimum wage		
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204-1	Share of spending on local suppliers	Procurement	page
GRI 205: Anti-Corruption 2016			
205-1	Operations assessed for risks related to corruption	Anti-corruption	page 124
205-2	Communication and training about anticorruption policies and procedures		
205-3	Confirmed incidents of corruption and actions taken		
GRI 206: Anti-competitive (anti-monopoly) Conduct 2016			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Anti-corruption	page 124

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207-1	Approach to tax	Information on taxes is disclosed in the full version of the Bank's financial statements, which is posted on the Bank's website <a href="http://www.hcsbk.kz">www.hcsbk.kz</a> , in the «Reporting» section.	-
207-2	Tax governance, control, and risk management		
207-3	Stakeholder engagement and management of concerns related to tax		
207-4	Country-by-country reporting		
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302-1	Energy consumption within the organization	Energy consumption and energy efficiency	page 128
302-2	Energy consumption outside the organization		
302-3	Energy intensity		
302-4	Reduction of energy consumption		
302-5	Reductions in energy requirements of products and services		
GRI 303: Water and Wastewater 2018			
303-5	Water consumption	Water consumption	
GRI 305: Emissions 2016			
305-1	Direct (Scope 1) greenhouse gas emissions	Emissions of greenhouse gases and other pollutants into the atmosphere	page 129
305-2	Indirect greenhouse gas emissions in the energy sector (Scope 2)		
305-3	Other indirect (scope 3) greenhouse gas emissions		
305-4	Intensity of greenhouse gas emissions		
305-5	Reducing greenhouse gas emissions		
305-6	Emissions of ozone-depleting substances (ODS)		
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant emissions into the atmosphere		
GRI 306: Waste 2020			
306-3	Waste generated	Waste management	
GRI 401: Employment 2016			
401-1	Recruitment of new employees and employee turnover	Employment, composition and structure of personnel	page 112
401-2	Benefits granted to full-time employees that are not provided to temporary or part-time employees		
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402-1	Minimum notice periods regarding operational changes	Labor relations practice	page
GRI 403: Occupational Health and Safety 2018			
403-1	Occupational health and safety management system	Ensuring occupational safety and health, civil defense and fire safety	page 120
403-2	Hazard identification, risk assessment, and incident investigation		
403-4	Worker participation, consultation, and communication on occupational health and safety		
403-5	Worker training on occupational health and safety		
403-6	Promotion of worker health		
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		
403-8	Workers covered by an occupational health and safety management system		
403-9	Work-related injuries		
403-10	Work-related ill health		
GRI 404: Training and Education 2016			
404-1	Average hours of training per year per employee	Training	page 115
404-2	Programs for upgrading employee skills and transition assistance programs		
404-3	Percentage of employees receiving regular performance and career development reviews		
GRI 405: Diversity and Equal Opportunity 2016			
405-1	Diversity of governance bodies and employees	Composition and structure of personnel, Remuneration of employees of the Bank	page 120, 112, 117
405-2	Ratio of basic salary and remuneration of women to men		
GRI 406: Non-discrimination 2016			
406-1	Incidents of discrimination and corrective actions taken	Remuneration of employees of the Bank	page
GRI 408: Child labor 2016			
408-1	Operations and suppliers at significant risk for incidents of child labor	Labor relations practice	page 114

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410-1	Security personnel trained in human rights policies or procedures	Ensuring safety and labor protection, civil defense and fire safety	page 122, 120
GRI 415: Public Policy 2016			
415-1	Political contribution	Housing construction savings system	page 17, 31
GRI 418: Customer Privacy 2016			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Customer privacy	page 126