

APPROVED BY
decision of the Board of Directors
JSC
"Mortgage organization
"Kazakhstan Mortgage Company" JSC
dated September 22, 2015 No. 11

The name shall be amended in accordance with the [decision](#) of the Board of Directors of Kazakhstan Housing Company JSC dated 29.10.21 No. 15 ([see old ed.](#))

**Risk Management Policy of
Kazakhstan Housing Company Joint Stock Company**
(as amended and supplemented as of 07.12.2022)

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1. General provisions

Paragraph 1 shall be amended in accordance with the [decision](#) of the Board of Directors of JSC "Kazakhstan Housing Company" dated 29.10.21 No. 15 ([see old ed.](#))

1. This Risk Management Policy of Kazakhstan Housing Company Joint Stock Company (the Policy) has been developed in accordance with the requirements of legislation of the Republic of Kazakhstan, the Risk Management Policy of Baiterek National Managing Holding JSC, as well as taking into account international standards in the field of risk management (COSO ERM:2017, ISO 31000:2018) and recommendations of the Basel Committee on Banking Supervision.

Paragraph 2 was amended in accordance with the [decision](#) of the Board of Directors of JSC "Kazakhstan Housing Company" dated 29.10.21 No. 15 ([see old ed.](#))

2. The Policy reflects the vision, goals and objectives of the corporate risk management system in Kazakhstan Housing Company JSC (the Company), defines the risk management structure, the main components of risk management system, provides a systematic and consistent approach in implementation of risk management process.

Paragraph 3 was amended in accordance with the [decision](#) of the Board of Directors of JSC "Mortgage Organization "Kazakhstan Mortgage Company" dated 29.08.19 No. 9

3. Description of methods and procedures of the risk management process, including the procedure for submitting and reporting forms on risk management, tasks, functions and responsibilities of participants in the process of managing the main types of risks, risk

management measures and other components of the risk management process are presented in the Company's internal documents specified in [Appendix 1](#) to this Policy.

4. The Company's Management Board determines the methods and procedures of the Company's specific risk management process. The methods and procedures for assessing and managing the main types of risks that are common to Baiterek National Managing Holding JSC (the Holding) and the Company are determined by the Holding.

5. This Policy applies to all activities of the Company. The Policy is binding on all structural divisions and all employees of the Company. In the performance of functional duties and the implementation of assigned tasks, each employee of the Company is guided by this Policy.

The Policy was supplemented by paragraph 5-1 in accordance with the [decision](#) of the Board of Directors of JSC "Kazakhstan Housing Company" dated 29.10.21 No. 15

5-1. Risk management means a set of culture, capabilities, practices and coordinated actions aimed at defining and achieving the strategic goals of an organization taking into account risk.

6. The purpose of the risk management process is to achieve a balance between maximizing the use of opportunities in order to obtain benefits and prevent losses. This process is an important component of the management process and an integral part of a developed corporate governance system.

The Policy was supplemented by paragraph 6-1 in accordance with the [decision](#) of the Board of Directors of JSC "Kazakhstan Housing Company" dated 29.10.21 No. 15

6-1. Risk management is not a separate function or a function of a separate structural unit of the Company, but is an integral part of each business process of the Company and the functional responsibilities of each employee of the Company.

7. The introduction of corporate risk management system in the Company implies the establishment and development of necessary infrastructure and culture, and also covers the application of logical and systematic methods of identification, analysis and evaluation, monitoring, control and risk management inherent in all areas of activity, functions or processes of the Company, in order to prevent losses and maximize benefits.

8. The main element of the Company's risk management process is its integration with the specifics of the organization, the basic principles of activity, business processes, and the involvement of each employee in the risk management process.

9. When carrying out its activities within the framework of the Policy, the Company takes into account the interests and consequences of the implementation of risks for the Holding.

Paragraph 10 is amended in accordance with the [decision](#) of the Board of Directors of JSC "Mortgage Organization "Kazakhstan Mortgage Company" dated 11.06.18, No. 8; [decision](#) of the Board of Directors of JSC "Kazakhstan Housing Company" dated 29.10.21, No. 15 ([see old ed.](#))

10. The following basic concepts are used in this document:

risk appetite means the possibility of changes in results, both on a short-term and long-term basis, which the Company and its managers are ready to accept as part of their business development strategy;

risk owners mean structural divisions or employees of the Company who, by virtue of their functional tasks, are or may be a potential source of material and (or) intangible losses in the course of their activities, and also have the capabilities to identify, analyze and control exposure to events that are sources of exposure to various types of risk;

risk means exposure to uncertainty related to events or actions that may affect the achievement of goals and objectives;

SU of the Holding/Company - structural unit responsible for risk management of the Holding/Company;

Risk management culture (risk culture) means recognition by all structural divisions and employees at all levels of the Company of the need to manage and control exposure to risks and build their work with this aspect in mind.

11. The Policy is publicly disclosed on the Company's website and in the annual report. Changes in the risk management system are communicated to all employees and officials of the Company by e-mail.

2. Risk Management Policy

12. The main objectives of the Policy are:

- to build an effective integrated system and create an integrated risk management process as an element of the Company, as well as continuous improvement of activities based on a unified standardized approach to risk management methods and procedures;
- to ensure that the Company accepts acceptable risks that are adequate to the scale of its activities.

13. The policy is aimed at implementing the following tasks:

- creation of a full-fledged base for decision-making and planning;
- ensuring a continuous coordinated risk management process based on timely identification, assessment, analysis, monitoring, control to ensure the achievement of the set goals;
- implementation and improvement of a management system to prevent and minimize potentially negative events;
- improving the efficiency of use and allocation of resources;
- prevention of losses by improving the efficiency of the Company's activities, ensuring the protection of assets and equity of the Company;
- ensuring the efficiency of business processes, reliability of internal and external reporting and promoting compliance with legal requirements.

14. Risk management in the Company is a constant, dynamic and continuous process and consists of components according to the following scheme: identification, measurement, control, monitoring.

2.1. Internal environment

Paragraph 15 is amended in accordance with the [decision](#) of the Board of Directors of JSC "Mortgage Organization "Kazakhstan Mortgage Company" dated 11.06.18 No. 8

15. The internal environment determines the general attitude of the Company to risks, and how its employees consider and react to risks. The internal environment is the basis for all other components of the risk management system, includes the philosophy of risk management, risk appetite, control by management bodies, ethical values, competence and responsibility of employees, the structure of the Company, its capabilities determined by human, financial and other resources.

The chapter was supplemented by paragraph 15-1 in accordance with the [decision](#) of the Board of Directors of JSC "Mortgage Organization "Kazakhstan Mortgage Company" dated 11.06.18 No. 8

15-1. The risk management philosophy is a set of beliefs and attitudes that are common to the Company, characterizing how the Company assesses risk in all processes, including the development and implementation of strategy goals in the course of its activities. The risk management philosophy reflects the values established in the Company, influencing the culture and methods of risk management.

16. The Company's relationships with the external environment (business structures, social, regulatory, other government and financial institutions) are reflected in the internal environment and influence its formation. The external environment of the Company is complex in its structure and includes various industries interconnected with each other, and creates conditions for the emergence of systemic risks.

Paragraph 17 was amended in accordance with the [decision](#) of the Board of Directors of JSC "Kazakhstan Housing Company" dated 29.10.21 No. 15 ([see old ed.](#))

17. The Company's activities are aimed at creating an internal environment that increases employees' understanding of risks and increases their responsibility for risk management. The internal environment should support the following principles of the Company's activities:

- identification and consideration of all forms of risks in decision-making and support of a comprehensive risk vision by the Company's management;
- creation and assessment at the Company level of such a risk profile that best meets the Company's goals;
- support for a sense of ownership and responsibility for risks and risk management at the appropriate levels of the management hierarchy (Company, Company's SU, risk owners, other structural units, etc.). At the same time, risk management does not mean transferring responsibility to others;
- monitoring compliance with the Company's internal policies and procedures, and the state of the corporate governance system;
- timely information about significant (critical) risks and shortcomings of the risk management system;
- understanding that risk management policies and procedures are mandatory;
- rational decision-making and action in the interests of the Company based on a comprehensive assessment of the information provided in good faith, with due diligence and care (duty of care). The duty to exercise prudence and care does not apply to mistakes in the process of making business decisions, unless employees and officials of the Company have shown gross negligence in doing so;
- making decisions by employees and officials of the Company and acting in good faith in the interests of the Company, without taking into account personal benefits, the interests of persons connected with the Company by special relations, to the detriment of the interests of the Company (duty of loyalty).

18. The main principles of the Company's risk management process are:

- integrity - consideration of the elements of the Company's total risk in the context of the corporate risk management system;
- openness - a ban on considering the corporate risk management system as autonomous or separate;
- structurality - a comprehensive risk management system has a clear structure;
- awareness - risk management is accompanied by the availability of objective, reliable and up-to-date information;
- continuity - the risk management process is carried out on an ongoing basis;
- cyclicity - the risk management process is a constantly repeating structured cycle of its main components.

19. The structure of risk management system in the Company is represented by risk management at several levels involving the following bodies and divisions of the Company: the Board of Directors, the Management Board, the Company's SU, the Internal Audit Service, risk owners, and other structural units.

20. The first level is represented by the Company's Board of Directors. The Board of Directors plays a key role in overseeing the corporate risk management system. The Board of Directors performs part of the functions in the field of risk management through the creation of appropriate committees under the Board of Directors.

Paragraph 21 is amended in accordance with the [decision](#) of the Board of Directors of JSC "Mortgage Organization "Kazakhstan Mortgage Company" dated 11.06.18, No. 8; [decision](#) of the Board of Directors of JSC "Kazakhstan Housing Company" dated 29.10.21, No. 15 ([see old ed.](#))

21. The Board of Directors performs the following functions in the field of risk management: setting goals (short-term and long-term) of the Company;
approval of the Company's Risk Management Policy;

approval of the levels of responsibility for monitoring and controlling the Company's risks by approving this Policy;

analysis of conclusions of external auditors on improving internal control and risk management and the results of audits conducted by the Internal Audit Service;

approval of register, the Company's risk map and the risk management action plan (as part of the approval of risk reports);

approval of matrix of business processes, risks and controls;

approval of key risk indicators (as part of the approval of risk reports);

approval of risk reports;

review of reports on effectiveness of the risk management system;

determination of forms and deadlines for submission of financial and management reports to the Board of Directors, providing an opportunity to analyze and evaluate the financial performance of the Company;

approval of the Company's risk appetite;

formation of three lines of defense in the Company:

1) the first line of defense is provided by the structural divisions of the Company responsible for timely identification, risk assessment, communication of information about them to the divisions of the second line of defense, as well as risk management. The first line of defense performs operations within the approved levels of the Company's risk appetite and operates within the framework of accepted risk management policies;

2) the second line of defense is provided by independent risk management, compliance control units and other units performing control functions (including, within their competence, units performing security, financial control, staffing, legal risk management, operational risk). The Risk Management Unit conducts a comprehensive risk analysis of the Company's activities, generates the necessary reports to the Company's Board of Directors and the Risk Management Committee, contributes to the critical assessment and identification of risks by members of the Management Board and business units.

The Compliance Control Unit organizes procedures for compliance with the requirements of civil, tax, banking legislation of the Republic of Kazakhstan, legislation of the Republic of Kazakhstan on state regulation, control and supervision of the financial market and financial organizations, 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 and financial reporting, on credit bureaus and the formation of credit histories, on collection activities, on countering the legalization (laundering) of proceeds from crime and the financing of terrorism, on joint-stock companies, legislation of foreign countries that affect the Company's activities, as well as internal documents of the Company regulating the procedure for the provision of services by the Company and conducting operations in the financial market, and provides full and reliable information to the board of directors on the existence of compliance risks;

3) the third line of defense is provided by an independent internal audit unit responsible for assessing the quality and effectiveness of the risk management and internal control system, the first and second lines of defense.

22. In order to implement effective risk management, the committees under the Company's Board of Directors may be assigned functions and powers determined by the Company's Board of Directors.

Paragraph 23 is amended in accordance with the [decision](#) of the Board of Directors of JSC "Kazakhstan Housing Company" dated 29.10.21 No. 15 ([see old ed.](#))

23. The second level is the Company's Management Board, responsible for organizing an effective risk management system and creating a risk control structure to ensure compliance and compliance with corporate policies. The Management Board is responsible for creating a culture of "risk awareness" (risk culture) that reflects the Company's risk management policy and philosophy. The Management Board encourages employees to participate in the decision-making

process and openly discuss risks for strategic and operational purposes. The Management Board considers risks when making decisions, which includes discussion and analysis of risk scenarios before making final decisions. The Management Board is also responsible for creating an effective risk management system so that employees have clearly defined risk management responsibilities and are responsible for fulfilling their responsibilities. The Management Board has the right to carry out part of the functions in the field of risk management through the creation of appropriate committees.

Paragraph 24 is amended in accordance with the [decision](#) of the Board of Directors of JSC "Mortgage Organization "Kazakhstan Mortgage Company" dated 11.06.18, No. 8; [decision](#) of the Board of Directors of JSC "Kazakhstan Housing Company" dated 29.10.21, No. 15 ([see old ed.](#))

24. The Management Board ensures the integrity and functionality of the risk management system by performing the following functions:

- implementation of the Company's Risk Management Policy;
- organization of an effective risk management system that allows identifying and assessing potential risks;
- provision of reports to the Board of Directors and the Holding in accordance with approved regulatory documents;
- ensuring compliance with the provisions of this Policy by the Company's structural divisions;
- approval of organizational structure of the Company that meets the needs and ensures adequate control and risk reduction;
- creation of Company's assets, liabilities and Risks management committee, functions of which include consideration of the Company's risk management issues, as well as development of appropriate recommendations based on the results of consideration of these issues;
- review of risk management reports in the Company and taking appropriate measures within its competence;
- approval of response measures and risk management methodologies in the Company;
- improvement of internal procedures and regulations in the field of risk management;
- determination of human capital necessary for implementation of strategic and operational goals, improvement of level of competence of employees, formation of an effective system of incentives and assessments for employees to achieve long-term and short-term tasks (with the assistance of structural unit responsible for human resources management);
- communication with the Company's employees regarding the strategic vision of risk management, risk culture and compliance with risk management processes.

25. In order to effectively organize risk management, collegial bodies under the Management Board of the Company may be assigned functions and powers determined by the Management Board of the Company.

Paragraph 26 is amended in accordance with the [decision](#) of the Board of Directors of JSC "Mortgage Organization "Kazakhstan Mortgage Company" dated 11.06.18, No. 8; [decision](#) of the Board of Directors of JSC "Kazakhstan Housing Company" dated 29.10.21, No. 15 ([see old ed.](#))

26. The third level in the risk management process is the Company's SU, responsible for coordinating the risk management system, with the following main functions (including, but not limited to):

- organization and coordination of the risk identification and assessment process, as well as coordination with risk owners of the risk register and risk map, matrix of business processes, risks and controls, key risk indicators, the Company's risk management action plan, as well as monitoring the implementation of the plan;
- informing the Management Board and the Board of Directors of the Company about significant deviations in the risk management processes;

maintaining a database of realized risks, tracking external factors that may have a significant impact on risks;

preparation and provision of risk information (including on a consolidated basis) to the Management Board and the Board of Directors of the Company;

participation in the organization of periodic assessment of risk management systems by making proposals for assessment of Risk Management sub-component as part of the diagnostics of the level of corporate governance;

development, implementation and updating (if necessary) of the methodological framework, policies and rules for identification, assessment and risk management, risk monitoring procedures in the Company;

ensuring the integration of risk management into other business processes and development of risk management culture in the Company;

providing methodological and consulting support to the Company's employees on risk management issues;

making proposals regarding conducting training seminars and trainings on risk management for the Company's employees;

interaction with the Company's Internal Audit Service in terms of forming an internal audit plan, exchanging information, discussing audit results, sharing knowledge and methodologies.

27. The responsibilities, powers of the Company's SU employees, and reporting requirements are provided for by this Policy, the Company's SU regulations, and job descriptions of the Company's SU employees.

28. Employees of the Company's SU should interact with other divisions, as well as external and internal auditors of the Company for the effective implementation of the goals and objectives of the risk management system.

29. Employees of the Company's SU should have access to information, documents of the Company necessary for performance of their functional duties specified in this Policy and job descriptions of these employees.

Paragraph 30 is amended in accordance with the [decision](#) of the Board of Directors of JSC "Mortgage Organization "Kazakhstan Mortgage Company" dated 11.06.18 No. 8

30. The Company's Internal Audit Service performs the following main functions in the risk management process:

- audit of risk management procedures and risk assessment methodology, as well as development of proposals to improve the effectiveness of risk management procedures;
- submission of a report on assessment of the effectiveness of the risk management system for the Company's Board of Directors, as well as, if necessary, a report on an independent assessment of the effectiveness of the risk management system;
- other functions in accordance with approved regulatory documents.

Paragraph 31 is amended in accordance with the [decision](#) of the Board of Directors of JSC "Kazakhstan Housing Company" dated 29.10.21 No. 15 ([see old ed.](#))

31. One of the important elements in the structure of the risk management system are structural divisions of the Company represented by each employee and other employees of the Company. Structural units should understand that they play a key role in the risk management process. The Company's employees work with risks on a daily basis, manage them and monitor their potential impact in the sphere of their functional responsibilities. Structural divisions are responsible for implementation of the risk management action plan, must promptly identify and inform about significant risks in their field of activity and make proposals on risk management for inclusion in the action plan. The regulations on structural divisions should reflect the functional responsibilities for managing risks associated with business processes and tasks of these divisions and employees, as well as the decisions they make.

Paragraph 32 was amended in accordance with the [decision](#) of the Board of Directors of JSC "Kazakhstan Housing Company" dated 29.10.21 No. 15 ([see old ed.](#))

32. The main functions of the Company's structural divisions and other employees in the risk management process are:

- identification and assessment of risks on a regular basis;
- participation in development of methodological and regulatory documentation within their competence;
- implementation of approved risk response measures;
- facilitating the development of risk communication.

Paragraph 33 is amended in accordance with the [decision](#) of the Board of Directors of JSC "Kazakhstan Housing Company" dated 29.10.21 No. 15 ([see old ed.](#))

33. The risk management structure in the Company ensures an adequate flow of information - vertically and horizontally. At the same time, the information coming from the bottom-up provides the Board of Directors and the Management Board of the Company with information: about current activities; about the risks taken in the course of activities, their assessment, control, response methods and the level of their management. Information sent from top to bottom ensures that goals, strategies and objectives are achieved by approving internal documents, regulations and instructions. The horizontal transmission of information implies the interaction of structural divisions and other employees within the Company.

2.2. Determination of goals

Paragraph 34 is amended in accordance with the [decision](#) of the Board of Directors of JSC "Mortgage Organization "Kazakhstan Mortgage Company" dated 11.06.18, No. 8; [decision](#) of the Board of Directors of JSC "Kazakhstan Housing Company" dated 29.10.21, No. 15 ([see old ed.](#))

34. The Company is exposed to risks from external and internal sources, and the main condition for effective identification, assessment and development of risk management methods is setting goals. The goals of the Company's activities are determined by the Company's Development Strategy and establish the basis for development of operational goals.

Paragraph 35 is amended in accordance with the [decision](#) of the Board of Directors of JSC "Mortgage Organization "Kazakhstan Mortgage Company" dated 11.06.18, No. 8; [decision](#) of the Board of Directors of Kazakhstan Housing Company JSC dated 29.10.21, No. 15 ([see old ed.](#))

35. The goals and objectives of the organization must correspond to the mission of the Company and are consistent with the risk appetite of the Company. Goals are defined before identifying potential risks that may negatively affect their achievement. Corporate risk management allows making sure that the Company has a process of defining goals and objectives that are consistent with the mission and correspond to the risk appetite of the Company.

36. Deleted in accordance with the [decision](#) of the Board of Directors of JSC "Mortgage Organization "Kazakhstan Mortgage Company" dated 11.06.18 No. 8

37. Deleted in accordance with the [decision](#) of the Board of Directors of JSC "Mortgage Organization "Kazakhstan Mortgage Company" dated 11.06.18 No. 8

Paragraph 38 is amended in accordance with the [decision](#) of the Board of Directors of JSC "Kazakhstan Housing Company" dated 29.10.21 No. 15 ([see old ed.](#))

38. The Company's risks in forming a Development Strategy and setting goals can be reduced by:

- 1) accounting of strategic and program documents of the Republic of Kazakhstan;
- 2) analysis of external and internal environment;
- 3) determination of risk appetite;
- 4) discussions and coordination of the Development Strategy with interested government agencies, structural divisions and other employees of the Company, working groups.

5) setting targets for monitoring the effectiveness of Company's activities and supporting the achievement of strategic goals.

The Policy was supplemented by paragraph 38-1 in accordance with the [decision](#) of the Board of Directors of Kazakhstan Housing Company JSC dated 29.10.21 No. 15

38-1. Risk Appetite is aimed at integrating risk factors into the Company's management process. Risk appetite reflects acceptable levels of risk by the Company's stakeholders, including shareholders, customers, the public, regulatory authorities and investors."

The Policy was supplemented by paragraph 38-2 in accordance with the [decision](#) of the Board of Directors of Kazakhstan Housing Company JSC dated 29.10.21 No. 15

38-2. The risk level acceptable by the Company should be reflected in the risk appetite structure, which includes, but is not limit to, such components as capital adequacy, profitability and liquidity.

The Policy was supplemented by paragraph 38-3 in accordance with the [decision](#) of the Board of Directors of Kazakhstan Housing Company JSC dated 29.10.21 No. 15

38-3. The Company's Board of Directors annually reviews and approves the risk appetite in order to ensure its compliance with the Company's strategy, business environment and the requirements of stakeholders in accordance with [Appendix 2](#) to the Policy.

The Policy was supplemented by paragraph 38-4 in accordance with the [decision](#) of the Board of Directors of Kazakhstan Housing Company JSC dated 29.10.21 No. 15

38-4. Risk appetite is also an integral part of the Company's strategic planning and budgeting. The risk appetite components are transformed into the Company's operational activities through limits and targets that are mandatory for the Company.

The Policy was supplemented by paragraph 38-5 in accordance with the [decision](#) of the Board of Directors of Kazakhstan Housing Company JSC dated 29.10.21 No. 15

38-5. Limits are risk appetite parameters that the Company should not exceed. Another definition of limits is risk tolerance, i.e., it is the level of risks that the Company is able to accept without significant damage to its activities, in other words, the Company should not accept risks greater than the level of tolerance.

The Policy was supplemented by paragraph 38-6 in accordance with the [decision](#) of the Board of Directors of Kazakhstan Housing Company JSC dated 29.10.21 No. 15

38-6. At the same time, target levels can be set to determine the optimal level of risk that the Company should achieve.

The Policy was supplemented by paragraph 38-7 in accordance with the [decision](#) of the Board of Directors of Kazakhstan Housing Company JSC dated 29.10.21 No. 15

38-7. When forming a risk appetite, all available information, both quantitative and qualitative, should be used in order to determine the optimal risk profile of the Company.

The Policy was supplemented by paragraph 38-8 in accordance with the [decision](#) of the Board of Directors of Kazakhstan Housing Company JSC dated 29.10.21 No. 15

38-8. The main components of risk appetite, covering most aspects of risk management, are determined based on the specifics of the Company's activities.

The Policy was supplemented by paragraph 38-9 in accordance with the [decision](#) of the Board of Directors of Kazakhstan Housing Company JSC dated 29.10.21 No. 15

38-9. The components for determining risk appetite, includes also the following:

- 1) capital adequacy;
- 2) profitability;
- 3) liquidity.

The Policy was supplemented by paragraph 38-10 in accordance with the [decision](#) of the Board of Directors of Kazakhstan Housing Company JSC dated 29.10.21 No. 15

38-10. Capital adequacy is an important component due to the need to maintain an overall balance between available capital and the Company's risk profile, and to maintain regulatory requirements.

The Policy was supplemented by paragraph 38-11 in accordance with the [decision](#) of the Board of Directors of Kazakhstan Housing Company JSC dated 29.10.21 No. 15

38-11. Profitability is an important component due to the need for the Company to achieve its strategic goals, taking into account, at least, the break-even of its activities.

The Policy was supplemented by paragraph 38-12 in accordance with the [decision](#) of the Board of Directors of Kazakhstan Housing Company JSC dated 29.10.21 No. 15

38-12. Liquidity is an important component due to the need to ensure timely and full fulfillment of its obligations.

The Policy was supplemented by paragraph 38-13 in accordance with the [decision](#) of the Board of Directors of Kazakhstan Housing Company" JSC dated 29.10.21 No. 15

38-13. The limitation for each of the components used is determined based on the principles of risk aversion and risk preference:

1) principle of non-acceptance of an unmanageable level of risk contributes to determining the amount of risk that the Company is ready to assume, expressed in the variability (volatility) of profits and amount of losses of the Company;

2) principle of risk preference helps to determine the level and type of risks that the Company wants to assume in order to achieve strategic goals.

The Policy was supplemented by paragraph 38-14 in accordance with the [decision](#) of the Board of Directors of Kazakhstan Housing Company JSC dated 29.10.21 No. 15

38-14. In their activities, the structural divisions of the Company are obliged to be guided by the principle of non-acceptance of an unmanageable level of risk, while taking into account the risks in their activities when carrying out the main operations and functional tasks of structural division of the Company.

The Policy was supplemented by paragraph 38-15 in accordance with the [decision](#) of the Board of Directors of Kazakhstan Housing Company JSC dated 29.10.21 No. 15

38-15. Each component can include various metrics that contribute to the evaluation of the components in question.

2.3. Risk management strategy

39. Risk management strategy defines the Company's long-term risk management principles and rules based on the prediction of risk situations and the use of various risk management methods. The risk management strategy is an integral part of the Company's strategy and covers all the main activities of the Company.

40. The Company's basic principles of risk management:

1) the risk management system is part of the procedures of the general management structure of the Company, which means its compliance with the Company's development strategy and the specifics of its activities;

2) features of risk management system are reflected in its goals and objectives, which implies a highly specialized nature of decision-making within the risk management system;

3) when managing risk, external and internal constraints should be taken into account, which means that appropriate special measures should be coordinated with the conditions and opportunities of the Company's activities;

4) unified risk management policy should be implemented with respect to the entire set of risks, which requires comprehensive and simultaneous management of all risks of the Company;

5) risk management process is dynamic, which is associated with the continuous nature of decision-making related to the Company's risk management.

41. The basic principles of risk management characterize the features of the Company's risk management system as a whole. At the same time, their specific implementation may be different.

42. The specification of the principles depends on the general economic situation and trends in macroeconomics, the planned level of market penetration and necessary profitability indicators for the coming period.

43. Measures to specify the Company's risk management principles are considered by the Risk Management Committee.

2.4. Identification of risks

44. Risk identification is determination of the Company's exposure to the impact of risks, the occurrence of which may negatively affect the ability to achieve the planned goals and implement the tasks set.

45. The Company's corporate risk management system is aimed at identifying a wide range of risks and considering them in a complex, which contributes to reflecting a coherent picture of existing risks and improves the quality of risk analysis.

Paragraph 46 is amended in accordance with the [decision](#) of Board of Directors of Kazakhstan Housing Company JSC dated 29.10.21 No. 15 (see old ed.)

46. In accordance with the best international risk management practices of the Company, on a regular basis (including when implementing internal documents, when making corporate decisions, within the framework of functional tasks of all employees and within the framework of the management reporting system), risk identification is carried out with the participation of employees of all structural divisions in order to identify the maximum range of risks, increase awareness of environmental risks and stimulating the development of the risk culture of the organization.

Paragraph 47 is amended in accordance with the [decision](#) of Board of Directors of Kazakhstan Housing Company JSC dated 29.10.21 No. 15 (see old ed.)

47. To identify risks, a combination of various techniques and tools is used, such as risk identification based on strategic goals and objectives, expert analysis (including SWOT analysis, scenario analysis, industry and international comparisons), business process analysis, interviewing and questionnaires, databases of potential and realized risks, key risk indicators, statistical methods, seminars, discussions and other tools described in more detail in the Company's internal documents regulating the identification and assessment of the Company's risks.

Paragraph 48 is amended in accordance with the [decision](#) of Board of Directors of JSC "Mortgage Organization "Kazakhstan Mortgage Company" dated 11.06.18 No. 8

48. Identified events and risks are systematized in the form of risk register. Risk Register is a list of risks faced by the Company in its activities, which also includes the possible consequences of implementation of the risk. For each risk, the owners of the risk are identified, i.e. the units that deal with this risk by virtue of their functional responsibilities. The Risk Register is supplemented by the Company's structural divisions on an ongoing basis as new risks are identified.

49. Systematization of identified risks allows:

- achieving consistency in the classification and quantification of risks, which makes it possible to improve the comparison of the risk profile (by business processes, structural units, projects, etc.);
- providing a platform for building more sophisticated risk quantification tools and technologies;
- providing an opportunity for coordinated risk management and control in the Company.

Paragraph 50 is amended in accordance with the [decision](#) of Board of Directors of Kazakhstan Housing Company JSC dated 29.10.21 No. 15 (see old ed.)

50. The results of risk identification and assessment are provided to the Management Board and the Board of Directors of the Company, as well as to the relevant committees, in the form of

a risk report, which includes information on critical risks, an action plan for managing critical risks, and proposals for improving existing measures.

Paragraph 51 is amended in accordance with the [decision](#) of Board of Directors of Kazakhstan Housing Company JSC dated 29.10.21 No. 15 ([see old ed.](#))

51. The risks in the register are classified into categories (for example, strategic risks, credit risks, market risks, liquidity risk, operational risks and others). The division of categories into areas is different for each organization, depending on the scope of its activities. Classification of risks by category has only a navigation function.

2.5. Risk assessment

52. Risk identification and assessment are aimed at providing a common vision of existing risks and their size by implementing a basic ranking to identify the most "weak" places. This process makes it possible to evaluate the methods and procedures used to manage the main risks.

53. Assessment of probability of realization and possible impact of risks allows to develop an understanding of risks, provides the necessary informative basis for making decisions about the need to manage a certain risk, as well as the most appropriate and cost-effective strategies to reduce it.

Paragraph 54 is amended in accordance with the [decision](#) of Board of Directors of Kazakhstan Housing Company JSC dated 29.10.21 No. 15 ([see old ed.](#))

54. According to the risks systematized in the risk register, the risk assessment process is carried out in order to identify the most significant (critical) risks that may negatively affect the Company's activities and achievement of strategic goals and objectives. These risks should be submitted for consideration by the Board of Directors, which should make decisions on the management and control of these risks.

55. Within the framework of risk assessment and analysis, the Company uses qualitative, quantitative analyses or a combination of them, which create a methodological basis for risk management process.

56. Risk assessment includes consideration of the sources and causes of each risk, the negative consequences of their implementation, and the likelihood that a certain event will occur.

57. Initially, the risk assessment is carried out on a qualitative basis, then a quantitative assessment can be carried out for the most significant risks. Risks that cannot be quantified (there is no reliable statistical information for their modeling, or construction of such models is not cost-effective) are evaluated only on a qualitative basis. Quantitative assessment allows obtaining more accurate analytical data, and is especially useful when developing risk financing methods.

Paragraph 58 was amended in accordance with the [decision](#) of Board of Directors of Kazakhstan Housing Company JSC dated 29.10.21 No. 15 ([see old ed.](#))

58. All identified and assessed risks that are systematized in the risk register are reflected on the risk map. The risk map allows assessing the relative importance of each risk (compared to other risks), as well as identifying risks that are critical and require the development of measures to manage them.

The chapter was supplemented by paragraph 58-1 in accordance with the [decision](#) of the Board of Directors of JSC "Mortgage Organization "Kazakhstan Mortgage Company" dated 11.06.18 No. 8

58-1. Identification and risk assessment of the Company is carried out in accordance with the relevant internal documents of the Company.

Paragraph 59 is amended in accordance with the [decision](#) of Board of Directors of JSC "Mortgage Organization "Kazakhstan Mortgage Company" dated 11.06.18, No. 8; [decision](#) of the Board of Directors of Kazakhstan Housing Company JSC dated 29.10.21, No. 15 ([see old ed.](#))

59. The Company evaluates individual risks using various quantitative methods such as VAR, gap analysis, historical simulation method, stress testing, key risk indicators (KRI) and etc.

2.6. Risk management

Paragraph 60 is amended in accordance with the [decision](#) of Board of Directors of JSC "Mortgage Organization "Kazakhstan Mortgage Company" dated 11.06.18, No. 8; [decision](#) of the Board of Directors of Kazakhstan Housing Company JSC dated 29.10.21, No. 15 ([see old ed.](#))

60. The Company defines risk response methods and develops a risk management plan that is consistent with the Company's risk appetite.

Paragraph 61 is amended in accordance with the [decision](#) of Board of Directors of Kazakhstan Housing Company JSC dated 29.10.21 No. 15 ([see old ed.](#))

61. Risk management is the process of developing and implementing measures to reduce the negative effect and probability of losses or to receive financial compensation in the event of losses related to the risks of the Company's activities. To ensure the efficiency of process and reduce the costs of its implementation, the Company should focus on risks that may have the most significant impact on its financial condition and the achievement of goals and objectives.

Paragraph 62 was amended in accordance with the [decision](#) of the Board of Directors of Kazakhstan Housing Company JSC dated 29.10.21 No. 15 ([see old ed.](#))

62. The choice of risk response methods and development of risk management action plans to ensure an acceptable level of residual risk includes the following options:

- risk reduction and control - impact on risk by using preventive measures and planning actions in case of risk realization, which includes changing the degree of probability of risk realization in the direction of reduction and changing the causes or consequences of risk realization in order to reduce the level of possible losses;
- retention/acceptance of risk, implying that its level is acceptable for the Company, and the Company accepts the possibility of its realization, it is also possible to accept residual risk after applying measures to minimize it;
- risk financing - transfer/sharing of risk or partial transfer of risk to another party, including the use of various mechanisms (conclusion of contracts, insurance agreements, definition of structure), allowing the separation of responsibilities and obligations;
- avoiding risk by deciding against continuing or taking an action that is the source of the risk.

63. Risk reduction and control implies measures aimed at:

- preventing loss - reduction of probability of occurrence of a certain risk (loss);
- controlling loss - reduction of amount of loss in case of risk occurrence;
- diversifying - distribution of risk in order to reduce its potential impact.

64. Methods of risk reduction and control involve the introduction of procedures and processes in the Company aimed at reducing the possibility of losses.

65. Methods of reducing and controlling the Company's financial risks include setting limits on the level of accepted risk in accordance with the Company's internal documents regulating the procedure for setting and calculating limits on types of risks.

66. The basic financial principles of all treasury operations conducted by the Company are in order of priority:

- security (safety of funds) - implies compliance by the Company with the requirements established by the Holding's internal documents on risk management related to the money management process;
- liquidity (ability to convert assets into cash in the shortest possible time);

- profitability (the highest income that can be obtained subject to compliance with the principles of security and liquidity defined by this Policy);
- principle of compliance with consolidated limits established by the relevant internal regulatory documents of the Holding - the Company's internal regulatory documents regulating the establishment of limits should not lead to a violation of the consolidated limits.

67. The principles of security and liquidity prevail over the principle of profitability.

68. In order to ensure a high level of financial investment security, the Company forms a free liquidity portfolio according to the criteria for minimizing the level of investment risk, while the Company can form both short-term and long-term free liquidity portfolios.

69. Placement of free liquidity is carried out in compliance with the established limits and restrictions in accordance with the internal documents of the Company approved by the authorized body of the Company.

70. The total amount of liabilities for one Bank must comply with the limits established by the relevant internal regulatory documents of the Holding and the Company, approved by the authorized bodies of the Holding and the Company.

Paragraph 71 is amended in accordance with the [decision](#) of Board of Directors of JSC "Mortgage Organization "Kazakhstan Mortgage Company" dated 11.06.18, No. 8; [decision](#) of the Board of Directors of Kazakhstan Housing Company JSC dated 29.10.21, No. 15 ([see old ed.](#))

71. In order to diversify financial risks when placing free liquidity (temporarily available funds) of Company's accounts in second-tier banks, the amount of deposits and current or correspondent accounts in each of them should not exceed 30 (thirty) percent of total free liquidity (temporarily available cash). This requirement does not apply when placing funds within the Holding group or in the National Bank of the Republic of Kazakhstan, as well as when placing funds in a second-tier bank as part of Holding's acquisition of fifty percent or more of the voting shares (participation interests) of this bank, or if there is a decision of the Holding to place funds in this second-tier bank.

72. Speculative transactions with foreign currency, i.e. transactions with foreign currency that are not conditioned by financial and economic/core activities, are strictly prohibited.

73. In order to minimize currency risks, the Company may consider the possibility of hedging by entering into transactions with derivative financial instruments and submit this issue to the authorized body of the Company.

74. In order to effectively manage the Company's obligations, the responsible divisions of the Company carry out the following monitoring:

- monitoring and analysis of types of borrowings in order to determine the liquidity of volumes of temporarily undeveloped borrowed funds and the possibility of using liquid instruments to provide a funding base;

- monitoring the current state of assets and liabilities, other indicators in order to determine the liquidity risk, as well as interest rate, currency and other risks.

75. In order to reduce the interest rate risks associated with borrowing, the Company must comply with the principle of compliance with the methods of interest accrual (floating/fixed interest, maturities on the active side must occur before the maturity dates on the passive side), as well as comply with the principle of full cost coverage (the active rate must not be lower than the passive rate).

76. The methods of reducing and controlling the legal risks of the Company are monitoring of changes in legislation by the authorized structural unit of the Company responsible for legal support, which, together with interested structural units, assesses the impact of changes on the Company's activities and develops measures necessary for their adoption. Document that regulates the internal procedures of the Company, or in accordance with which the Company has obligations, must undergo mandatory examination in the structural unit responsible for the legal support of the Company's activities.

77. Reduction and control of the Company's strategic risk is carried out by monitoring the implementation of approved short- and long-term plans and strategies, as a result of which corrective measures are taken, including to reflect changes in the internal and external environment.

78. Reduction and control of operational risks in the Company is carried out by analyzing established business processes and developing appropriate action plans for their improvement in accordance with the documents regulating operational risk management.

79. If the methods used to reduce and control risks are associated with the costs of the company, and these costs are significant, the following analysis is carried out:

- to what extent are these measures necessary, and can they be reduced by retaining and/or financing (transferring) risks;
- what is the alternative value of the cost of activities compared to the value of retaining/transferring risks.

Paragraph 80 is amended in accordance with the [decision](#) of Board of Directors of JSC "Mortgage Organization "Kazakhstan Mortgage Company" dated 11.06.18 No. 8

80. Risk retention. During the identification and assessment of key risks, the Company's risk appetite is calculated, which reflects the acceptable level of risk. At the same time, risk tolerance is determined, i.e., this is the level of risks that the Company is able to accept without significant damage to its activities.

81. Deleted in accordance with the [decision](#) of the Board of Directors of JSC "Mortgage Organization "Kazakhstan Mortgage Company" dated 11.06.18 No. 8

82. Deleted in accordance with the [decision](#) of the Board of Directors of JSC "Mortgage Organization "Kazakhstan Mortgage Company" dated 11.06.18 No. 8

83. Risk financing (transfer) includes the following tools:

- insurance (for "pure" risks - risks, the occurrence of which entails only losses and cannot lead to income);
- hedging (for "speculative" risks - risks, the occurrence of which can lead to both losses and income);
- transfer of risk under the contract (transfer of responsibility for risk to the counterparty for additional remuneration or a corresponding increase in the value of the contract);
- uncommitted facility - access to bank financing on agreed terms upon the occurrence of certain events;
- other alternative methods of risk financing.

84. The main distinguishing feature of these instruments is the presence of a "fee" for risk, which, accordingly, requires the optimal use of this tool in order to reduce the Company's costs.

85. Risk avoidance includes actions aimed at stopping or refusing to carry out operations that will potentially lead to negative consequences for the Company.

86. Selection of the most appropriate option is made taking into account the balancing of the costs associated with a certain method, with the advantages that its use entails, and other direct and indirect costs.

Paragraph 87 was amended in accordance with the [decision](#) of the Board of Directors of Kazakhstan Housing Company JSC dated 29.10.21 No. 15 ([see old ed.](#))

87. The application of appropriate risk response measures and methods is described in the risk management action plan. This plan includes a list of necessary actions and responsible executors.

2.7. Control actions

88. After identifying the key risks and risk management measures, the main business processes exposed to these risks are determined. A step-by-step analysis of business processes is carried out to determine the necessity and expediency of including appropriate control actions. In addition, the analysis of planned risk management measures is carried out and control actions

and (or) indicators necessary to ensure the effective implementation of such measures are determined. Often control actions themselves are a method of risk management.

89. Control actions are policies and procedures that help ensure the implementation of risk management measures. Control actions are included in business processes at all levels of the Company. Control actions include a wide range of measures, such as approval, authorization, verification, approval, analysis of operations, asset safety and allocation of responsibilities.

90. The responsibility for conducting an analysis of business processes and determining the necessity and expediency of introducing additional control actions is borne by the risk owners - the heads of relevant structural divisions of the Company. The Company's SU is responsible for the development of control measures and indicators for risk management measures.

91. The main results and conclusions of the risk management process in the Company are displayed in the form of regular reporting on risks and measures to respond to them.

92. On the basis of regular risk reporting, the Company monitors current risks and the implementation of risk response measures.

93. Employees and officials of the Company have the right to confidentially report to the Audit Committee of the Company or the Board of Directors of the Company about the violation or incorrect execution of risk management procedures, internal control or other policies, as well as cases of fraud, violations of the law.

2.8. Information and communication

Paragraph 94 is amended in accordance with the [decision](#) of Board of Directors of JSC "Mortgage Organization "Kazakhstan Mortgage Company" dated 11.06.18 No. 8

94. In the process of implementing each component of the risk management system, information is exchanged between the structural divisions of the Company. All materials and documents prepared within the framework of the risk management system are coordinated with interested departments, which make their comments and suggestions. Proposals on Company's risk appetite, an analysis of key risks and risk management action plan are submitted to the Board of Directors at least once a year.

95. Information and communication in the Company make it possible to provide participants in the risk management process with reliable and timely information about risks, increases the level of awareness of risks, methods and tools for responding to risks. Relevant information is determined, recorded and provided in a form and within a time frame that allows employees to effectively perform their functions.

Paragraph 96 is amended in accordance with the [decision](#) of the Board of Directors of JSC "Mortgage Organization "Kazakhstan Mortgage Company" dated 11.06.18 No. 8

96. The structural divisions of the Company constantly monitor and inform the Company's SU about the losses that have occurred. For each such case, an analysis of the causes of losses is carried out and measures are taken to prevent such incidents in the future (database of operational losses on realized and potential risks).

97. The Company provides the Holding with information on risks for purpose of consolidation and informing the Management Board and the Board of Directors of the Holding in accordance with approved regulatory documents.

Paragraph 98 is amended in accordance with the [decision](#) of the Board of Directors of JSC "Kazakhstan Housing Company" dated 29.10.21 No. 15 ([see old ed.](#))

98. The Company communicates to partners, creditors, external auditors, rating agencies and other interested parties (including as part of the annual report) information on risk management, while ensuring that the degree of detail of the disclosed information corresponds to the nature and scope of the Company's activities. The annual report discloses the degree of materiality of key risks, measures aimed at managing and minimizing key risks.

2.9. Monitoring

99. The Company monitors the effectiveness of the risk management system (including existing management methods and risk controls) and, if necessary, its modification and improvement. Monitoring is carried out on a regular basis at least once a year.

100. The Company monitors and controls its risks in accordance with the basic principles, policies, rules and regulations established by the Company's Board of Directors.

101. Monitoring of the corporate risk management system is an important part of the entire business process and evaluates both the availability of such a system and the implementation of its components. Monitoring is carried out by constantly monitoring the implementation of policies, procedures and activities of the risk management system and targeted inspections. The scale and frequency of targeted inspections depends on risk assessment and the effectiveness of continuous monitoring. The shortcomings of the risk management system should be brought to the attention of the Board of Directors and the Management Board of the Company.

102. After the approval by the Company's Board of Directors of the risk management action plans, the Company's SU exercises control over the execution of measures in accordance with the deadlines for implementation of each measure.

Paragraph 103 is amended in accordance with the [decision](#) of the Board of Directors of JSC "Mortgage Organization "Kazakhstan Mortgage Company" dated 11.06.18 No. 8

103. The Company provides Holding with reports on certain types of financial risks according to the forms and within the time limits established by the relevant internal regulatory documents of the Company.

104. On a quarterly basis, no later than the 20th day of the first month following the reporting quarter, the Company's SU submits a risk report to the Company's Management Board.

105. The Management Board submits a risk report to the Company's Board of Directors on a quarterly basis, no later than the 10th day of the second month following the reporting quarter.

106. The delegation of responsibilities and responsibilities between the Internal Audit Service and the executive body in the Company's structure is based on the principles of corporate governance in order to monitor and control the main risks associated with the Company's activities.

107. The work of Management Board and structural divisions of the Company is checked by the Internal Audit Service of the Company.

Paragraph 108 is amended in accordance with the [decision](#) of the Board of Directors of JSC "Mortgage Organization "Kazakhstan Mortgage Company" dated 11.06.18 No. 8; amended in accordance with the [decision](#) of the Board of Directors of JSC "Mortgage Organization "Kazakhstan Mortgage Company" dated 29.08.19 No. 9; amended in accordance with the [decision](#) of the Board of Directors of JSC "Kazakhstan Housing Company" dated 29.10.21. No. 15 (see old ed.)

108. The Company's risk report should contain at least the following:

- register, risk map and risk management plan;
- information on implementation of risk management action plan;
- information on key risk indicators that may have a significant impact on the risk portfolio;
- information on realized risks;
- information on significant deviations from established risk management processes (if any);
- information on failure to comply with risk limits (if it happened);
- information on compliance with regulatory requirements in the field of risk management (if any);
- information on individual financial risks (credit risk, market risks, liquidity risk);
- register and map of information technology and information security risks, measures to minimize them".

Appendix 1 to the Policy should be supplemented with paragraph 23 as follows:

«23. Methodology of risk management of information technologies and information security in Kazakhstan Housing Company JSC.

109. The internal audit of risk management system and the verification of execution of plans to eliminate deficiencies in the risk management and internal control system is carried out in accordance with the Internal Audit Plan approved by the Company's Board of Directors. Internal audit is conducted in accordance with the regulatory documents regulating the process of internal audit.

The Policy was supplemented by Appendix 1 in accordance with the [decision](#) of the Board of Directors of JSC "Mortgage Organization "Kazakhstan Mortgage Company" dated 29.08.19 No. 9; amended in accordance with the [decision](#) of the Board of Directors of JSC "Kazakhstan Housing Company" dated 29.10.21 No. 15 ([see old ed.](#))

Appendix 1
to Risk Management [Policy](#)
JSC
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Internal regulatory documents of the Company regulating the functioning of the risk management system

1. [Regulations](#) of centralized risk management system of Kazakhstan Housing Company JSC;
2. [Methodology](#) for assigning solvency ratings to tenants of Kazakhstan Housing Company JSC;
3. [Instructions](#) for monitoring the financial condition of counterparties of Kazakhstan Housing Company JSC;
4. [Methodology](#) for setting limits on active transactions with counterparties of Kazakhstan Housing Company JSC;
5. [Rules](#) for provision of management reporting by structural divisions in Kazakhstan Housing Company JSC;
6. [Regulations](#) on Asset, Liability and Risk Management Committee of Kazakhstan Housing Company JSC;
7. [Regulations](#) on Credit Committee of Kazakhstan Housing Company JSC;
8. [Regulations](#) on Problem Debts Committee of Kazakhstan Housing Company JSC;
9. Regulations on Guarantee Committee of Kazakhstan Housing Company JSC;
10. Regulations on Investment Committee of Kazakhstan Housing Company JSC;
11. Regulations on Rental and Subsidy Committee of Kazakhstan Housing Company JSC;
12. [Methodology](#) for calculating provisions (reserves) against loans of Kazakhstan Housing Company JSC;
13. [Methodology](#) for calculating provisions (reserves) for financial instruments (excluding loans) of Kazakhstan Housing Company JSC;
14. Methodology of calculation of provisions (reserves) for settlement of warranty events of Kazakhstan Housing Company JSC;
15. Methodology of credit risk assessment in Kazakhstan Housing Company JSC;
16. [Methodology](#) for assessing market risk and liquidity risk of Kazakhstan Housing Company JSC;
17. Methodology of business risk assessment of Kazakhstan Housing Company JSC;
18. [Methodology](#) of real estate risk assessment of Kazakhstan Housing Company JSC;
19. [Methodology](#) for determining business processes, inherent risks and key risk indicators of Kazakhstan Housing Company JSC;

20. Operational Risk Management [Rules](#) of Kazakhstan Housing Company JSC;
21. Risk aggregation [methodology](#) of Kazakhstan Housing Company JSC;
22. The procedure for managing the risks of unforeseen circumstances in Kazakhstan Housing Company JSC.

The Policy was supplemented by Appendix 2 in accordance with the [decision](#) of the Board of Directors of Kazakhstan Housing Company JSC dated 29.10.21 No. 15

Appendix 2
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Risk appetite of Joint Stock Company "Kazakhstan Housing Company"

Component	Metric	Limit	Target level
Component 1	Metric 1		
	...		
	Metric N		
...	Metric 1		
	...		
	Metric N		
Component N	Metric 1		
	...		
	Metric N		