

**INSURANCE PAYMENT
GUARANTEE FUND
JOINT STOCK COMPANY**

Financial statements for the period ended
December 31, 2022

INSURANCE PAYMENT GUARANTEE FUND JSC

CONTENT

	Page
MANAGEMENT CONFIRMATION OF RESPONSIBILITY FOR THE PREPARATION AND APPROVAL OF FINANCIAL STATEMENTS FOR THE 12 MONTHS ENDED DECEMBER 31, 2022	
INDEPENDENT AUDITOR'S REPORT	
FINANCIAL STATEMENTS FOR 2022:	
Statement of financial position	2
Statement of profit or loss and other comprehensive income	3
Statement of changes in equity	4
Statement of cash flows	5
Notes to the financial statements	6–40

**INSURANCE PAYMENT GUARANTEE FUND JSC
MANAGEMENT CONFIRMATION OF RESPONSIBILITY FOR THE PREPARATION
AND APPROVAL OF FINANCIAL STATEMENTS FOR THE 12 MONTHS
ENDED DECEMBER 31, 2022**

Management is responsible for the preparation of the financial statements of Insurance Payment Guarantee Fund JSC (hereinafter – the Fund) that present fairly the financial position of the Fund on December 31, 2022, as well as its financial performance, cash flows and changes in equity for the 12 months ended December 31, 2022, in accordance with International Financial Reporting Standards (IFRS).

In preparing the financial statements, management of the Fund is responsible for:

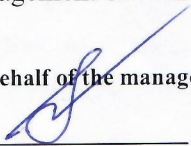
- ensuring the right choice and application of accounting policies;
- presentation of information, incl. data on accounting policies in a form that ensures the relevance, reliability, comparability and comprehensibility of such information;
- disclosure of additional information in cases where compliance with IFRS is not sufficient for users to understand the financial statements of the impact that certain transactions, as well as other events or conditions, have on the financial position and financial performance of the Fund;
- assessment of the Fund's ability to continue operations in the foreseeable future.

The management of the Fund is also responsible for:

- development, implementation and maintenance of an effective and reliable system of internal control of the Fund;
- maintaining records in a form that allows you to disclose and explain the transactions of the Fund, as well as provide at any date information of sufficient accuracy about the financial position of the Fund and ensure that financial statements comply with IFRS;
- accounting in accordance with the legislation of the Republic of Kazakhstan and IFRS;
- taking all reasonably possible measures to ensure the safety of the assets of the Fund; and
- identification and prevention of facts of financial and other abuses.

The financial statements of the Fund for the 12 months ended December 31, 2022 were approved by the management on March 31, 2023.


On behalf of the management of the Fund:



B.B. Kogulov
Chairman of the Board

March 31, 2023
Almaty, Republic of Kazakhstan





A.S. Assaubayeva
Chief Accountant

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Insurance Payment Guarantee Fund JSC

Opinion

We have audited the financial statements of the organization Insurance Payment Guarantee Fund JSC (hereinafter – the Fund), which comprise the statement of financial position on December 31, 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the 12 months ended on that date, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements, in all material respects, give a true and fair view of the financial position of the Fund on December 31, 2022, as well as its financial performance and cash flows for the 12 months ended on that date, in accordance with International Financial Reporting Standards (IFRS).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in *the Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with *the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Important circumstances – separate accounting of provisions

The total amount of the Fund's investment income on December 31, 2022, is reflected in its retained earnings for each of the Fund's individual provisions and for the Fund's equity. After the reporting date, according to the results of the execution of the decisions of the annual general meeting of the Fund's shareholders, the undistributed income of the Fund will be reduced and the insurance claims guarantee and indemnity reserves will be increased by 1,143,356 thousand tenge, that is by the amount of income from the investment of the Fund's provisions for 2022 (see Note 10). Our opinion contains no reservation in respect of this issue.

Responsibilities of management and those responsible for corporate governance for financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS and for the internal control system that management considers necessary to prepare financial statements that are free from material misstatement due to fraud or error.

In preparing the financial statements, management is responsible for assessing the ability of the Fund to continue to operate continuously, for disclosing, as appropriate, information related to business continuity, and for preparing statements based on the going concern assumption, unless management intends to liquidate the Fund, terminate its activity or when it does not have any other real alternative, except liquidation or termination of activity.

Those responsible for corporate governance are responsible for overseeing the preparation of the financial statements of the Fund.

Responsibilities of the auditor for the audit of financial statements

Our goal is to obtain reasonable assurance that the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report containing our opinion.

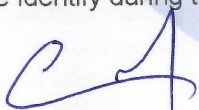
Reasonable assurance represents a high degree of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always reveal material misstatement, if any.

Misstatements may be the result of fraud or error and are considered material if it can reasonably be assumed that, individually or collectively, it may affect the economic decisions of users based on these financial statements.

We apply professional judgment and maintain professional skepticism throughout the audit as part of the audit conducted in accordance with the International Auditing Standards. In addition, we do the following:

- we identify and assess the risks of material misstatement of the financial statements due to fraud or error; design and perform audit procedures in response to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is greater than the risk of not detecting a material misstatement resulting from error, because fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control; evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- we conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern;
- we evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements present the underlying transactions and events in a manner that achieves fair presentation.

We carry out information interaction with persons responsible for corporate governance, bringing to their attention, among other things, information about the planned scope and timing of the audit, as well as significant comments on the audit results, including significant deficiencies in the internal control system that we identify during the audit process.



Shyngysbek Sartayev
Audit Partner
IAC Russell Bedford A+ Partners LLP



Sholpanay Kudaibergenova
General Director
IAC Russell Bedford A+ Partners LLP



The qualification certificate of the auditor
No.MF-0000297 dated November 9, 2015.

State license for engaging in audit activities in the
Republic of Kazakhstan No. 18013076, issued by the
Committee of Internal State Audit of the Ministry of
Finance of the Republic of Kazakhstan on July 3,
2018.

March 31, 2023

Almaty, Republic of Kazakhstan



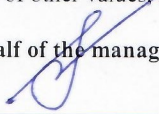
INSURANCE PAYMENT GUARANTEE FUND JSC
STATEMENT OF FINANCIAL POSITION
ON DECEMBER 31, 2022

<i>In thousands of Kazakhstani tenge</i>	Note	December 31, 2022	December 31, 2021
ASSETS			
Cash and cash equivalents	5	66,890	143,758
Bank deposits	6	1,596,494	1,465,868
Financial assets at amortised cost	7	16,156,130	14,175,837
Financial assets at fair value through other comprehensive income	8	2,087,395	2,281,310
Income tax prepaid		17,515	15,681
Intangible assets		3,153	3,731
Property, plant and equipment	9	260,106	271,226
Other assets		11,494	10,658
TOTAL ASSETS		20,199,177	18,368,069
EQUITY AND LIABILITIES			
Liabilities			
Provisions for insurance payment guarantees and compensation for damages	10	13,602,256	12,153,237
Including:			
PIIG GI		9,339,138	8,313,825
PIIG LI		1,628,041	1,374,052
PCG		2,635,077	2,465,360
Trade payables		26,134	25,738
Deferred tax liability	18	16,822	17,514
Total liabilities		13,645,213	12,196,488
Equity			
Authorized capital	11	500,000	500,000
Treasury shares	11	(98,200)	(98,200)
Share premium		94,321	94,321
Reserve capital	12	5,055,388	5,055,388
Revaluation provision for financial assets at fair value through other comprehensive income	13	(94,250)	11,968
Provision for losses on financial assets at fair value through other comprehensive income	13	786,130	2,195
Retained earnings (uncovered loss)		310,575	605,908
Including:			
for the reporting period		845,234	1,205,748
at the expense of			
PIIG GI		739,990	787,197
PIIG LI		98,907	123,015
PCG		304,459	244,726
PF, net		(298,122)	50,810
for the period before the reporting period		(534,659)	(599,840)
Total equity		6,553,964	6,171,581
TOTAL EQUITY AND LIABILITIES		20,199,177	18,368,069

The Fund presents the line items in the statement of financial position as a whole in order of liquidity.

In these financial statements, all monetary values of the reporting year are rounded to thousands of tenge according to the rules of mathematical rounding, unless otherwise indicated; this ignores the possibility that the rounded value, which is the result of the addition of other values, may not coincide with the sum of the rounded summed values.

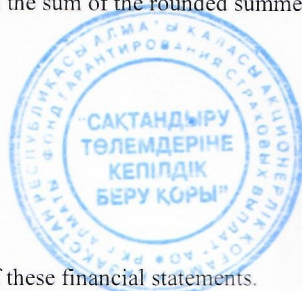
On behalf of the management of the Fund:



B.B. Kogulov
 Chairman of the Board

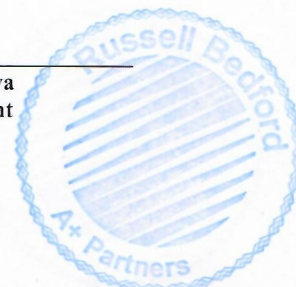
March 31, 2023

Almaty, Republic of Kazakhstan

The notes on pages 6-40 are the integral part of these financial statements.



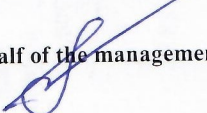

A.S. Assaubayeva
 Chief Accountant




INSURANCE PAYMENT GUARANTEE FUND JSC
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2022

<i>In thousands of Kazakhstani tenge</i>	Note	2022	2021
Investment income		1,118,262	1,466,231
Including:			
interest income	14	1,694,957	1,381,949
exchange rate difference, net	15	207,552	75,085
expected credit losses, net	16	(784,248)	9,197
Other income		2,437	2,991
Total income		1,120,699	1,469,222
Operational expenses	17	(275,809)	(259,706)
Gross profit		844,890	1,209,516
Income tax expense	18	344	(3,768)
Total profit for the year		845,234	1,205,748
Other comprehensive income			
Including:			
net change in fair value of financial assets at fair value through other comprehensive income	13	(106,219)	36,938
net change in provision for expected credit losses on financial assets at fair value through other comprehensive income		783,934	1,131
Other comprehensive income for the year		677,716	38,068
Total comprehensive income for the year		1,522,949	1,243,816

On behalf of the management of the Fund:


B.B. Kogulov
 Chairman of the Board




A.S. Assaubayeva
 Chief Accountant

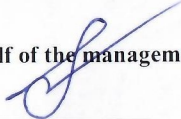
March 31, 2023
 Almaty, Republic of Kazakhstan
 The notes on pages 6-40 are the integral part of these financial statements.



**INSURANCE PAYMENT GUARANTEE FUND JSC
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2022**


<i>In thousands of Kazakhstani tenge</i>	Note	Authorized capital	Treasury shares	Share premium	Reserve capital	Revaluation provision for financial assets	Retained earnings (uncovered loss)	Total
Balance on January 1, 2021		500,000	(100,577)	78,509	5,055,388	(23,905)	441,020	5,950,435
Total comprehensive income		–	–	–	–	38,068	1,205,748	1,243,816
Repurchase of shares		–	(11,520)	–	–	–	–	(11,520)
Sale of previously repurchased shares		–	13,897	15,812	–	–	–	29,709
Formation of PIIG GI, PIIG LI, PCG	10	–	–	–	–	–	(1,040,860)	(1,040,860)
Balance on December 31, 2021		500,000	(98,200)	94,321	5,055,388	14,163	605,908	6,171,580
Total comprehensive income		–	–	–	–	677,717	845,234	1,522,951
Repurchase of shares		–	–	–	–	–	–	–
Sale of previously repurchased shares		–	–	–	–	–	–	–
Formation of PIIG GI, PIIG LI, PCG	10	–	–	–	–	–	(1,140,567)	(1,140,567)
Balance on December 31, 2022		500,000	(98,200)	94,321	5,055,388	691,880	310,575	6,553,964

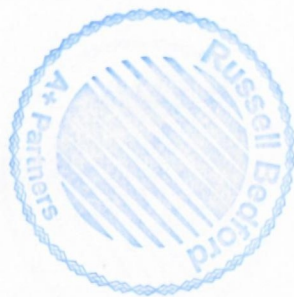
On behalf of the management of the Fund:


B.B. Kogulov
Chairman of the Board

March 31, 2023
Almaty, Republic of Kazakhstan
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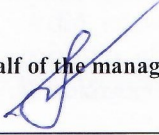

A.S. Assaubayeva
Chief Accountant




INSURANCE PAYMENT GUARANTEE FUND JSC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

<i>In thousands of Kazakhstani tenge</i>	Note	For the year ended December 31, 2022	For the year ended December 31, 2021
OPERATING ACTIVITIES			
Interest received		1,477,182	975,913
Payments to employees		(161,795)	(154,953)
Other taxes paid		(46,475)	(31,865)
Cash paid to suppliers		(41,127)	(41,002)
Other receipts		2,031	3,341
Cash from operations before income taxes paid		1,229,816	751,434
Income tax paid		(11,832)	(9,013)
Net cash flows from operating activities		1,217,984	742,421
INVESTING ACTIVITIES			
Cash flows on bank deposits, net		(25,847)	(28,370)
Cash flows on financial assets at amortized cost including receipts from the redemption (sale) of assets purchase of assets	7	(1,737,428)	(1,383,900)
Cash flows on financial assets at fair value through other comprehensive income including receipts from the redemption (sale) of assets purchase of assets	8	147,033	(49,528)
Purchase of property, plant and equipment and intangible assets	9	(436)	(4,559)
Net cash flows from investing activities		(1,616,678)	(1,466,357)
FINANCING ACTIVITIES			
Receipt of contributions and penalties equal to contributions	10	380,729	335,482
Payments for compensation of damage to the life and health of the victim and/or funeral expenses	10	(71,743)	(14,615)
Compensation of payments to compensate for damage to the life and health of the victim and/or funeral expenses	10	167	30
Warranty payments	10	(3,065)	-
Sale of previously repurchased shares		-	29,709
Repurchase of shares		-	(11,520)
Net cash flows from financing activities		306,088	339,086
Net cash flows		(92,606)	(384,850)
Effect of exchange rate changes		15,738	(4,648)
Cash at the beginning of the year	5	143,758	532,523
Change in provision for impairment of cash		-	733
Cash at the end of the year	5	66,890	143,758

On behalf of the management of the Fund:


B.B. Kogulov
Chairman of the Board




A.S. Assaubayeva
Chief Accountant

March 31, 2023
 Almaty, Republic of Kazakhstan
 The notes on pages 6-40 are the integral part of these financial statements.



INSURANCE PAYMENT GUARANTEE FUND JSC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

1. GENERAL INFORMATION

Insurance Payment Guarantee Fund Joint Stock Company (hereinafter – the Fund) is a legal entity registered in accordance with the legislation of the Republic of Kazakhstan. The Fund operates on the basis of the Law of the Republic of Kazakhstan No. 423-II On the Insurance Payment Guarantee Fund dated June 3, 2003 (hereinafter – the Fund Law) and the Fund’s Charter. According to the Law on the Fund, the Fund is a non-profit organization.

The state registration of the Fund was performed by the Department of Justice of the City of Almaty on August 14, 2003, the number of the certificate of state registration of a legal entity is 57331-1910-AO, General Classifier of Enterprises and Organizations code is 40062695. As a taxpayer, the Fund was registered by the Tax Committee of the City of Almaty on August 21, 2003, taxpayer certificate number 60, series 0011852. The Business Identification Number (BIN) of the Fund is 030840002921.

The head office of the Fund is registered and located at 28/7 Ryskulbekov Street, Almaty, 050042, Kazakhstan.

Guaranteed types and classes of insurance for which the Law on the Fund provides for mandatory participation of insurance organizations in the Fund include:

- compulsory insurance of civil liability of owners of vehicles (hereinafter in the tables – CICL OV);
- compulsory insurance of civil liability of the carrier to passengers (hereinafter in the tables – CICL CP);
- compulsory tourist insurance (hereinafter in the tables – CTI);
- annuity insurance carried out in accordance with the Law of the Republic of Kazakhstan On Pension Provision in the Republic of Kazakhstan (hereinafter in the tables – PA);
- annuity insurance, carried out in accordance with the Law of the Republic of Kazakhstan On Compulsory Insurance of Employees against Accidents in the Performance of Labor (Service) Duties (hereinafter in the tables – CIEAP).

Within the framework of the insurance guarantee for compulsory types of insurance the Fund assumes the following obligations in case of forced liquidation of the participant of the insurance payment guarantee system (hereinafter – the IPGS), which carried out activities in the General Insurance industry (from the date of entry into legal force of the court decision on such liquidation):

- to pay for the insurance portfolio of this IPGS participant transferred to another insurance organization in the manner and on the terms provided for by the laws of the Republic of Kazakhstan on insurance and insurance activities;
- to make guarantee payments to creditors of this IPGS participant on all occurring insured events under insurance contracts, under which this IPGS participant wrongfully refused (in full or in part) or did not make an insurance payment in full, until the date of transfer (acceptance) of the insurance portfolio of this IPGS participant in the manner prescribed by the Law of the Republic of Kazakhstan On Insurance Activities.

As part of the annuity insurance guarantee, the Fund, in the event of a decision of the authorized body to revoke the license of the IPGS participant, provides:

- continuity and timeliness of insurance payments under the existing annuity insurance contracts, concluded by this IPGS participant, from the date of appointment by the authorized body of the temporary administration on the basis of this decision and until the transfer of the insurance portfolio of this IPGS participant to another insurance (reinsurance) organization, licensed to operate in the Life Insurance industry;
- payment of the insurance premium under the annuity insurance contract, concluded in the case of determination or extension (re-examination) of the degree of professional disability of an employee, when the temporary administration cannot transfer the insurance portfolio of this IPGS participant to another insurance (reinsurance) organization licensed to operate in the Life Insurance industry, and when the legal entity (employer) terminates its activities (liquidation).

INSURANCE PAYMENT GUARANTEE FUND JSC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

In addition to making payments on the guaranteed types and classes of insurance, since October 2008, the Fund makes payments to compensate harm caused to life, health of a victim and/or expenses for a burial in cases provided by the Law on the Fund. In the practice of the Fund's activity such payments are sometimes called payments under the additional function because such payments were included in the Fund's functions according to amendments introduced in the Law of the Republic of Kazakhstan No. 244-III dated May 07, 2007 On amendments and additions to some legislative acts of the Republic of Kazakhstan on compulsory types of insurance.

In accordance with the Law on the Fund, the main objectives of the Fund are:

- protection of the rights and legitimate interests of creditors;
- ensuring the protection of the rights and legitimate interests of persons, whose life or health was harmed by another person as a result of a transport accident, in cases stipulated by the Law on the Fund;
- ensuring the functioning and development of the system of insurance indemnity guarantees in the manner prescribed by the Law on the Fund and regulatory legal acts of the authorized body.

In order to fulfill its main objectives, the Fund performs the following functions:

- making guarantee payments in accordance with the Law on the Fund;
- payment of the insurance portfolio of a forcibly liquidated insurance (reinsurance) organization, transferred to another insurance organization in the manner and on the terms stipulated by the legislation of the Republic of Kazakhstan on insurance and insurance activities;
- attracting premiums of IPGS participants - compulsory and extraordinary, initial one-time and additional ones;
- making payments to compensate for harm caused to the life, health of the victim, and/or funeral expenses in accordance with the Law on the Fund;
- implementation of investment activities in the manner prescribed by the legislation of the Republic of Kazakhstan.

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

Standards that affect financial reporting

The Fund did not make an early transition to the new and amended standards in the preparation of these financial statements.

The following amendments to the standards and interpretations are not expected to have a significant impact on the Fund's financial statements:

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2
- Amendments to IFRS 16 Lease Covid-19-Related Rent Concessions beyond 30 June 2021.

Standards that have been issued but have not yet entered into force

The following are the new standards, amendments and interpretations that have been issued but are not yet effective up to the date of issuance of the financial statements of the Fund. The Fund intends to adopt these standards, amendments and interpretations, if applicable, when they become effective.

- IFRS 17 Insurance Contracts.
- Amendments to IAS 1 Classification of Liabilities as Current or Non-Current.
- Amendments to IFRS 3 References to the Conceptual Framework.
- Amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use.
- Amendments to IAS 37 Onerous Contracts – Cost of Fulfilling a Contract.

INSURANCE PAYMENT GUARANTEE FUND JSC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

- Amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a First-time Adopter.
- Amendment to IFRS 9 Financial Instruments – Fees in the ‘10 per cent’ Test for Derecognition of Financial Liabilities.
- Amendments to IAS 41 Agriculture – Taxation in Fair Value Measurements.
- Amendments to IAS 8 Definition of Accounting Estimates.
- Amendments to IAS 1 and Practice Statement No. 2 on the Application of IFRS – Disclosure of Accounting Policies.

The Fund is currently evaluating the impact these amendments may have on the disclosure of the Fund’s accounting policies.

3. KEY PRINCIPLES OF ACCOUNTING POLICY

Basis of preparation

These financial statements are presented in thousands of tenge, unless otherwise indicated.

These financial statements have been prepared under the historical cost convention, except for financial assets measured at fair value in accordance with IFRS 9 Financial Instruments.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Functional currency

Items in the Fund’s financial statements are measured in the currency of the primary economic environment in which the entity operates (the functional currency). The presentation currency of these financial statements is tenge. All values are rounded to whole thousand tenge, unless otherwise stated.

Going concern principle

These financial statements have been prepared on a going concern basis, which assumes the realization of the assets of the Fund and the settlement of its liabilities in the normal course of business.

Transactions and balances in foreign currencies

Transaction amounts in foreign currencies are translated into the functional currency using exchange rates at the dates of the transactions. Profit and loss from exchange differences arising from such transactions and from the translation of monetary balances of assets and liabilities denominated in foreign currencies into the functional currency using exchange rates at the reporting date are recognized in the statement of profit or loss and other comprehensive income.

Non-monetary balances of assets and liabilities denominated in foreign currencies, which are measured at historical cost, are translated to tenge at exchange rates at the dates of the initial transactions. Non-monetary balances of assets and liabilities denominated in foreign currencies that are measured at fair value are translated to tenge at exchange rates at the dates the fair values were determined.

Exchange rates

Transactions in foreign currencies are translated to the functional currency of the Fund at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date when the fair value was determined and those measured at historical cost at the date of the transaction. Exchange differences arising on translation at the transaction

INSURANCE PAYMENT GUARANTEE FUND JSC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

date and on translation of monetary assets and liabilities at the reporting date are recognized in the statement of profit or loss and other comprehensive income.

The following official exchange rates of the tenge to foreign currencies were used in the preparation of these financial statements.

	2022		2021	
	End of the year	Average	End of the year	Average
US dollar	462.65	460.85	431.67	426.03

Cash and cash equivalents

Cash and cash equivalents include cash balances on the Fund’s bank accounts and on its personal accounts with brokers, as well as claims on reverse repo transactions carried out by the Fund in the course of its activities, in particular, as one of the liquidity management methods. The execution of reverse repo transactions is allowed by the normative legal acts of the Republic of Kazakhstan regulating the Fund’s investment activities (for more details see Note 19 to these financial statements).

Legislation of the Republic of Kazakhstan defines a repo transaction as a set of two simultaneously concluded, differing in terms of execution and opposite in direction to each other transactions with securities of the same issue, which are the subject of repo transaction, the parties to which are the same two persons (repo transaction participants).

In practice of Kazakhstan repo transactions are divided into repo transactions (direct repo) and reverse repo transactions. Internal document of Kazakhstan Stock Exchange JSC “Rules of execution of repo transactions in trade and clearing system ASTS+” determines that in relation to an individual repo transaction is repo transaction, at execution of which this individual buys subject of repo transaction on conditions of obligation of its further reverse sale.

In the accounting records of the Fund, reverse repo transactions are classified as cash equivalent and are recorded as cash equivalent to those placed on deposit, the liabilities on which are secured by a pledge of securities or other assets.

The Fund carries out reverse repo transactions in accordance with the usual market practice. At that, the normative legal acts of the Republic of Kazakhstan regulating the Fund’s investment activities require that the Fund executes reverse repo transactions only by the so-called automatic method (according to the terminology of Kazakhstan Stock Exchange JSC), and limit the term of any of such transactions to 30 days.

Securities used as subjects of reverse repo transactions will be recognized in the accounting records of the Fund only when the risks and rewards associated with ownership of these securities are transferred to the Fund.

Financial instruments

The Fund recognizes a financial asset or financial liability as a financial instrument in accordance with IFRS 9 Financial Instruments, i.e., when, and only when, the Fund becomes a party to the contractual provisions of the instrument.

Recognition and measurement

Classification of financial instruments at initial recognition depends on contractual terms and conditions and business model used by the Fund to manage financial instruments. Financial instruments are initially measured by the Fund at fair value, including or excluding transaction costs, except when financial assets and financial liabilities are measured at fair value through profit or loss. If the fair value of financial instruments at initial recognition differs from the transaction price, the Fund records a first-day profit or loss as described below.

INSURANCE PAYMENT GUARANTEE FUND JSC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

The Fund classifies all of its financial assets in accordance with IFRS 9 Financial Instruments into the following categories based on the business model used to manage the financial assets and the terms of the transactions:

- as measured at amortized cost;
- as measured at fair value through other comprehensive income.

Financial assets are classified as financial assets measured by the Fund at amortized cost if they are held within a business model whose objective is to hold financial assets to collect contractual cash flows and the cash flows are solely payments of principal and interest on the outstanding principal amount. The Fund measures at amortized cost bonds of the Ministry of Finance of the Republic of Kazakhstan and short-term notes of the National Bank of the Republic of Kazakhstan. In addition, when preparing financial statements, the Fund includes cash and cash equivalents (including claims on reverse repo transactions), bank deposits among financial assets carried at amortized cost.

Financial assets are classified as financial assets measured by the Fund at fair value through other comprehensive income if they are held within a business model whose objective is to hold financial assets in order to collect both contractual cash flows and the sale of financial assets with cash flows representing solely payments of principal and interest on the principal outstanding. Until the financial asset is derecognized or reclassified in this category, the gain or loss relating to the asset is recognized in other comprehensive income, except for impairment profit or loss and profit and loss from changes in exchange rates. Profit or loss from changes in the fair value of such assets are reclassified to the Fund's income and expenses when they are derecognized. The Fund measures at fair value through other comprehensive income those financial assets that it does not measure at amortized cost, namely corporate bonds.

The Fund first applied the referenced business models beginning on January 1, 2018, and then applied them retrospectively to those financial assets that were not derecognized on that date.

The Fund implemented a classification of financial assets pursuant to its Investment Committee's from November 1, 2019, decision to determine the Fund's intent with respect to the financial instruments comprising its investment portfolios. The Fund used the SPPI (solely payments of principal and interest) test and an algorithm designed to determine business models for financial assets in preparing proposals to its Investment Committee for classifying financial assets.

If any financial asset is reclassified, all other financial assets with the same terms of issue, circulation, redemption (if any) as this asset will also be subject to reclassification.

Financial liabilities are classified by default by the Fund as measured at amortized cost, except as expressly permitted by IFRS 9, Financial Instruments, in which case financial liabilities must be classified as measured at fair value through profit or loss.

Derecognition

The Fund's accounting policy establishes that the Fund derecognizes an item as a financial asset when the Fund's rights to cash flows from the item under the contract are terminated for any of the following reasons:

- the expiry of those rights;
- transfer of this object to another person, meeting the requirements of IFRS 9 Financial Instruments for the derecognition of this object as a financial asset;
- entry into legal force of a court decision to deprive the Fund of these rights;
- failure to fulfill all obligations under the object (full default);
- completion of liquidation of the legal entity that was liable for the object.

The Fund derecognizes a financial liability when it is discharged, cancelled or expired. However, when a financial liability is replaced by another liability to the same creditor on significantly different terms, or when the terms of an existing financial liability change significantly, such replacement (such change) is treated by the Fund as derecognition of the original financial liability and recognition of the new financial

INSURANCE PAYMENT GUARANTEE FUND JSC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

liability, and the difference between the carrying amounts of the new and original financial liabilities is recognized by the Fund as income or expense.

Impairment of financial assets

The application of IFRS 9 Financial Instruments has changed the accounting procedure used by the Fund in relation to impairment losses on financial assets. This IFRS requires the Fund to recognize valuation provisions for expected credit losses for all financial assets not measured at fair value through profit or loss. The Fund records changes in such provisions as its current period impairment profit or loss.

In accordance with the Fund's accounting policy, the provision for expected credit losses on a financial asset is formed by the Fund in the amount of the credit loss expected on the asset for 12 months of its expected existence (except for the case when the credit risk on a financial asset has significantly increased since the initial recognition, in which case the provision for such losses is formed by the Fund in the amount of the credit loss expected on the asset for the entire period of its expected existence). The expected credit loss on financial asset classified as financial assets measured at amortized cost decreases the carrying amount of this asset.

The procedure for recognition of expected credit losses on financial assets and other actions related to such recognition is determined by the Fund's internal document Rules for Recognition of Expected Credit Losses. According to the mentioned document for the purposes of recognition of expected credit losses the Fund uses credit ratings assigned to financial assets or their issuers according to the scales of Standard & Poor's, Moody's Investors Service, Fitch Ratings, as well as values of probabilities of default and values of relative amounts of losses expected on financial assets in cases of default (default on the financial assets) tied to such ratings. Financial assets are distributed into four baskets depending on their inherent credit risk levels, from zero to maximum credit risk.

Expected credit losses are calculated by the Fund on a quarterly basis, on the end of the last business day of the quarter.

Determination of fair value

The fair value of financial instruments traded in an active market at the reporting date is determined by the Fund on the basis of transaction prices for these instruments or bid prices for these instruments, excluding transaction costs. The fair value of other financial instruments is determined by the Fund using suitable valuation methods, such as net present value or by comparison with similar financial instruments for which prices exist in an active market.

The fair value of financial assets denominated in foreign currencies is determined in the same foreign currency and translated into tenge at the official exchange rate of tenge to the foreign currency at the reporting date. The resulting exchange differences are recognized in other comprehensive income.

Offsetting

Financial assets and financial liabilities recognized by the Fund as financial instruments are offset and the result of such offsetting is reflected in the Fund's statement of financial position in accordance with IAS 32 Financial Instruments: Presentation when there is a legally enforceable right to perform such offsetting and when the Fund intends either to settle on a net basis or to realize the financial asset and settle the financial liability simultaneously.

Receivables

In accordance with IFRS 15 Revenue from Contracts with Customers, the Fund recognizes as a receivable its right to compensation under the contract, if this right is unconditional. The Fund accounts for accounts receivable in accordance with IAS 32 Financial Instruments: Presentation, taking into account the specifics established by the accounting policies of the Fund.

INSURANCE PAYMENT GUARANTEE FUND JSC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

The Fund accounts for accounts receivable at the cost of their recognition, with the formation of valuation provisions for expected credit losses on receivables.

The procedure for recognition of expected credit losses on receivables and other actions related to such recognition is determined by the Fund's internal document Rules for Recognition of Expected Credit Losses. According to the mentioned document for the purposes of recognition of expected credit losses the Fund uses the terms of formation and size of receivables, as well as values of probabilities of default and values of relative amounts of losses expected on receivables in cases of defaults on receivables tied to such indicators. Receivables are distributed into four baskets depending on their inherent credit risk levels - from zero credit risks to maximum credit risks.

For purposes of accounting for receivables, the Fund classifies receivables as receivables under a contract that does not contain a significant financing component and receivables under a contract that contains a significant financing component. The Fund defines a contract as not containing a significant financing component if, under the terms of that contract in effect at its inception, receivables are due and payable within 12 months of its effective date. In addition, the Fund identifies IPGS participants' contribution receivables and recourse receivables from the Fund as accounts receivable.

The Fund recognizes receivables for payment of any contribution by an IPGS participant when the obligation of such IPGS participant to pay such contribution arises and in the amount of such contribution. The moment when the IPGS participant's obligation to pay the contribution arises is determined in accordance with the laws of the Republic of Kazakhstan and the participation agreement. The Fund shall account for contribution receivables by IPGS participants both in terms of IPGS participants and in terms of types of contributions.

If established by the legislation of the Republic of Kazakhstan or the contract of participation in the Insurance Payment Guarantee System, the failure to fulfill or untimely fulfillment of the IPGS participant's obligation to pay any contribution is the basis for the Fund to make a claim against this IPGS participant for the payment of a penalty in favor of the Fund.

Receivables on the recourse claims of the Fund arise due to the fact that from the date of the guarantee payment to the creditor of the forcibly liquidated insurance organization, which carried out activities in the general insurance industry, or the insurance organization, which carried out activities in the life insurance industry and was deprived of the license by the decision of the authorized body, the Fund receives the right to claim the creditor under the insurance contract in the amount of the guarantee payment made by the Fund.

The creditor's claim transferred to the Fund, as well as the claim for reimbursement of the Fund's expenses related to the implementation of the guarantee payment, shall be presented by the Fund to the liquidation commission of this insurance organization in the order stipulated by the legislation of the Republic of Kazakhstan. Reimbursement of the Fund's expenses related to the implementation of the guarantee payments to creditors of the insurance organization, is made by the liquidation commission of this insurance organization in the order of priority established by Article 51 of the Civil Code of the Republic of Kazakhstan (General part), in accordance with the interim liquidation balance of this insurance organization, starting from the date of its approval.

INSURANCE PAYMENT GUARANTEE FUND JSC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Property, plant and equipment

Recognition and accounting

Property, plant and equipment are carried by the Fund at cost less accumulated depreciation and impairment losses.

The cost of an item of property, plant and equipment includes costs directly attributable to its purchase. The cost of item of property, plant and equipment manufactured or constructed by the Fund by economic means includes the cost of materials and direct labor, any other costs directly attributable to bringing the item into working order for its intended use, and the costs of dismantling and removing items and restoring the site on which the item is located, and the capitalized costs of loans borrowed by the Fund to manufacture or construct the item. If an item of property, plant and equipment is equipment, software purchased by the Fund that is integral to the functionality of that equipment is capitalized to its cost.

If item of property, plant and equipment consists of separate components with different useful lives, each of them is accounted for as a separate item (significant component) of property, plant and equipment.

Any profit or loss from the disposal of item of property, plant and equipment is determined by the Fund by comparing the proceeds from the disposal of that item with its book value and is recognized net under other income or other expenses in the Fund’s net profit or loss.

Subsequent expenses

The cost of replacing part (major component) of the item of property, plant and equipment increases the carrying amount of the item if it is probable that future economic benefits embodied within the part will flow to the Fund and its cost can be measured reliably. The carrying value of the replaced part of the item of property, plant and equipment is written off. Expenses for current repairs and maintenance of property, plant and equipment are recognized in the Fund’s income and expenses at the moment of their occurrence.

Depreciation

Depreciation of the item of property, plant and equipment is computed on a straight-line basis over the estimated useful life of the asset. The estimated useful lives of property, plant and equipment are as follows.

	Number of years
Buildings and constructions	50
Other property, plant and equipment	3-10

Intangible assets

The Fund’s intangible assets primarily represent software acquired by the Fund that has a finite useful life and are carried at cost, which includes acquisition cost plus any costs directly attributable to preparing the intangible assets for their intended use, less accumulated amortization and impairment losses.

Intangible assets are depreciated on a straight-line basis over the useful life of the asset. The useful lives of intangible assets are as follows.

	Number of years
Operating systems and software	5
Other intangible assets	10

Impairment of non-current assets (property, plant and equipment and intangible assets)

The Fund reviews the carrying amounts of non-current assets for impairment whenever events or changes in circumstances indicate that the carrying amounts of non-current assets may not be recoverable. If there is an indication that non-current assets are impaired, the Fund makes an assessment to determine whether the

INSURANCE PAYMENT GUARANTEE FUND JSC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

carrying amounts of non-current assets exceed their recoverable amounts. This analysis is performed separately for each asset, except for assets that are not independent sources of cash inflows. In this case, the analysis is performed at the level of the Fund as a whole.

If the carrying amount of non-current asset exceeds its recoverable amount, the Fund creates a provision to reflect this asset at the lower value. Recovery of losses and impairment losses on this asset are recognized in the Fund's income and expenses.

Calculation of the reimbursable amount

The recoverable amount of the non-current asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The recoverable amount of non-current assets, which are not independent sources of cash inflows, is determined as part of the Fund's recoverable amount as a whole.

Recovery of impairment losses

A previously recognized impairment loss in respect of non-current assets is reversed if there has been a change in the estimates used to determine the asset's recoverable amount. An impairment loss in respect of non-current assets is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Provisions for insurance payment guarantees

Provisions for insurance payment guarantees include:

- provision for insurance payment guarantees for the general insurance industry (which receives mandatory premiums of IPGS participants for compulsory insurance of civil liability of owners of vehicles, for compulsory insurance of civil liability of carriers to passengers, as well as mandatory premiums for compulsory tourist insurance paid by those IPGS participants who operate in the general insurance industry);
- provision for insurance payments guarantee for the life insurance industry (which receives mandatory contributions of IPGS participants for annuity insurance carried out in accordance with the Laws of the Republic of Kazakhstan On Pension Provision in the Republic of Kazakhstan and On Compulsory Accident Insurance of Employees in the Performance of Labor (Service) Duties, as well as mandatory contributions for compulsory tourist insurance paid by those IPGS participants, which carry out activities in the life insurance industry).

In accordance with the Law on the Fund the insurance payment guarantee provisions are formed at the expense of mandatory premiums, profits (losses) received from their investment (net of the Fund's commission), as well as cash received by the Fund from forcibly liquidated insurance (reinsurance) organizations in satisfaction of the Fund's claims. In addition, in accordance with the accounting policy of the Fund, insurance payment guarantee provisions are formed at the expense of penalties paid by IPGS participants (see below for more details).

The provisions for insurance payment guarantees are used to guarantee payments on insured events that have occurred. In case of insufficiency of any provision for insurance payment guarantees to make guarantee payments and payment of the insurance portfolio of the forcibly liquidated insurance (reinsurance) organization, transferred to the current participant of IPGS, the Fund attracts emergency contributions of the relevant IPGS participants, and in case of continuing insufficiency partially uses its equity (depending on which insurance sector is guaranteed) and attracts loans from the National Bank of the Republic of Kazakhstan. In this case, the Fund's expenses on the implementation of guarantee payments and on payment of the insurance portfolio of the forcibly liquidated insurance (reinsurance) organization, transferred to the acting IPGS participant, shall be compensated at the expense of extraordinary premiums of the IPGS participants within the limits of their contingent liabilities.

INSURANCE PAYMENT GUARANTEE FUND JSC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

In addition, the provision for insurance payment guarantees for the general insurance industry can be used when it is necessary to make payments to compensate for damage to life, health of the injured person and/or funeral expenses in case of insufficiency of the provision for compensation for damages. In order to restore the provision for insurance payment guarantees in the general insurance industry thus used, the Fund attracts extraordinary contributions of IPGS participants, operating in the general insurance industry.

Provision for compensation for damages

In accordance with the Law on the Fund, the provision for compensation for damage is formed at the expense of initial one-time and additional contributions, profit (losses) received from their investment (net of the Fund's commission). In addition, in accordance with the accounting policies of the Fund, the provision for compensation for damage is formed at the expense of penalties paid by IPGS participants (see below for more details).

Payers of the initial one-time and additional premiums are only those IPGS participants that operate in the general insurance industry for compulsory civil liability insurance of vehicle owners.

Amounts and rates of premiums and contingent liabilities

The amount of initial one-time contributions for the formation of the provision for compensation for damage is established by the authorized body.

The rates of compulsory and contingent liabilities, rates (amounts) of additional contributions are approved by the Board of Directors of the Fund according to the normative legal act of the Republic of Kazakhstan "Methodology of calculation of rates of compulsory, additional contributions and contingent liabilities, procedure and terms of payment of compulsory, additional and extraordinary contributions, procedure of formation and accounting of contingent liabilities by insurance organizations, branches of non-resident insurance organizations of the Republic of Kazakhstan - participants of the Insurance Payment Guarantee Fund", approved by the Decree of the Board of the National Bank of the Republic of Kazakhstan No. 387 dated December 24, 2012.

According to the above normative legal act the formulas for calculation of the basic rate of compulsory contributions, rates of additional contributions, rates of contingent liabilities are approved by the Board of Directors of the Fund. At the same time, the formulas for calculating the basic rate of compulsory contributions and rates of contingent liabilities are subject to revision every three years.

In addition to the basic rate of compulsory contributions, the Board of Directors of the Fund approves an individual rate of compulsory contributions for each IPGS participant based on the values of indicators characterizing the financial condition of that participant. The requirements to the conditions and procedure for calculation of this rate are also established by the above normative legal act.

The terms and procedure for determining the rates of compulsory contributions and contingent liabilities, absolute amounts of additional contributions for IPGS participants are determined by the internal document of the Fund Rules for calculation of rates of compulsory contributions and contingent liabilities, absolute amounts of additional contributions approved by the decision of the Board of Directors of the Fund in March 2021. Formulas for calculating the rates of mandatory contributions and contingent liabilities, absolute amounts of additional contributions approved by decisions of the Board of Directors of the Fund as part of the approval of the said document and amendments thereto are an integral part of the said document. The Fund accounts for IPGS participants' contributions on an accrual basis.

Investment income as a source of formation of the Fund's provisions

In accordance with the accounting policies of the Fund, profits (losses) received from the investment of insurance claims provisions and compensation provision are directed to the increase or decrease of these provisions not as such profits (losses) are received (to avoid possible non-compliance with the tax legislation

INSURANCE PAYMENT GUARANTEE FUND JSC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

of the Republic of Kazakhstan and the legislation of the Republic of Kazakhstan on accounting and financial reporting), but according to the decisions of the general meeting of the Fund shareholders, which does not contradict the Law of the Fund.

The General Meeting of Shareholders of the Fund, by making a decision to direct the profits (losses) received from the investment of funds of the provisions for insurance payment guarantees and the compensation provision, to increase or decrease these provisions, also determines the amount of commission that the Fund deducts from such income in accordance with the Law on the Fund and the bylaws.

Forfeitures as a source of formation of the Fund's provisions

The Fund's accounting policy establishes that in its accounting and management accounting the Fund considers and accounts for forfeit payments received by it from IPGS participants for non-performance or untimely performance of their obligations to pay contributions, not as income of the Fund, but as contributions of IPGS participants. Accordingly, the Fund allocates penalties received by it from IPGS participants for non-fulfillment or untimely fulfillment of their contribution payment obligations to the provision of insurance payment guarantees, compensation for damages provision as these penalties are received.

Guarantee payments on compulsory types of insurance

The Fund, in the event of entry into force of a court decision on the compulsory liquidation of an IPGS participant operating in the general insurance industry, performs guarantee payments to creditors:

- for all insured events occurred during the period before the effective date of the court decision on compulsory liquidation of this IPGS participant under the insurance contracts, under which it wrongfully refused (fully or partially) or failed to make an insurance payment in full;
- for insured events occurring during the period from the effective date of the court decision on the involuntary liquidation of this IPGS participant until the date of transfer (acceptance) of its insurance portfolio to the current IPGS participant in the manner prescribed by the Law of the Republic of Kazakhstan On Insurance Activities.

The guarantee payment does not cover moral damages, the creditor's loss of profit, contractual penalties and other costs previously recovered from the IPGS participant being forcibly liquidated by a court.

Where, in accordance with the Fund Law, a creditor of a forcibly liquidated IPGS participant has applied to an existing IPGS participant for an insurance payout, the Fund will recover expenses of the second of these IPGS participants associated with the insurance payout, including the costs of the assessment of damaged property, in the amount of the actual expenses, but not more than seven times the monthly calculation index.

The right of claim of a creditor under the insurance contract in the amount of the guaranteed payment shall be transferred to the Fund from the date of making the guarantee payment to the creditor of a forcibly liquidated IPGS participant. The transferred right of claim of the creditor, as well as the claim for recovery of expenses associated with the implementation of the guarantee payment, shall be presented by the Fund to the liquidation commission of this IPGS participant in the manner prescribed by the legislation of the Republic of Kazakhstan.

Guaranteed payment of guaranteed annuity classes of insurance

If the authorized body revokes the license of an IPGS participant operating in the life insurance industry, after two working days from the date of submission to the Fund by the temporary administration of the register of annuity insurance contracts, under which the guarantee is provided, the Fund makes the guarantee payments to the creditors:

INSURANCE PAYMENT GUARANTEE FUND JSC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

- under annuity insurance contracts in effect at the time of appointment by the authorized body of the temporary administration of this IPGS participant on the basis of the decision of the authorized body to deprive this IPGS participant of its license;
- under the annuity insurance contracts concluded in connection with the establishment or extension (re-certification) of the degree of professional incapacity for work of the employees, when the temporary administration of this IPGS participant cannot transfer the insurance portfolio to the acting IPGS participant and when the legal entity - employer terminates its activities (liquidation) (from the date of appointment by the authorized body of the temporary administration).

If the Fund makes guarantee payments on the first of the above grounds, the creditors' rights to receive guarantee payments shall be valid until the date of transfer of the insurance portfolio of the liquidated IPGS participant to the acting IPGS participant in the manner prescribed by the Law of the Republic of Kazakhstan On Insurance Activities.

The right of claim of a creditor under the insurance contract to the extent of the guarantee payment shall be transferred to the Fund from the date of the guarantee payment to the creditor of the liquidated IPGS participant. The transferred right of claim of the creditor, as well as the claim for recovery of expenses associated with the implementation of the guarantee payment, shall be presented by the Fund to the liquidation commission of this IPGS participant in the manner prescribed by the legislation of the Republic of Kazakhstan.

Payments to compensate for damage to the life, health of the victim and/or funeral expenses

The Fund makes payments to compensate for damage to life, health of the victim and / or funeral expenses in cases of failure to identify persons who fled from the scene of traffic accidents and responsible for causing harm to victims. Citizens of the Republic of Kazakhstan, as well as foreigners and stateless persons have the right to receive such payments. Payments for compensation for harm caused to the victim's health are made by the Fund only in case of serious damage to the victim's health.

Payments for compensation for damage to the life, health of the victim and/or funeral expenses are made from the funds of the compensation provision.

Provisions

The Fund recognizes (creates) a provision for its liability when it arises from a past event, is legal or constructive in nature, can be reasonably estimated and it is probable that an outflow of economic resources will be required to settle the obligation. If the effect of the time value of money is material, provisions for the Fund's liability are calculated by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting of expected future cash flows at a pre-tax rate is used, the increase in the provision due to the passage of time is recognized as a financial expense.

Other provisions are made by the Fund when the Fund has a legal or constructive obligation for which an outflow of resources is probable and for which a reasonable cost estimate can be made.

Pension liabilities

The Fund has no additional pension provision schemes other than participation in the cumulative pension system of the Republic of Kazakhstan, the parameters of which require employers to pay compulsory pension contributions from income paid to employees to the unified cumulative pension fund, calculated at a specified rate as a percentage of the employee's monthly income taken for the calculation of such contributions.

INSURANCE PAYMENT GUARANTEE FUND JSC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Interest income

Interest income from financial assets is recognized by the Fund if there is a high probability of obtaining economic benefits and the amount of such income can be reliably determined. Interest income is recognized by the Fund on an accrual basis and is calculated using the effective interest rate method.

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability (or a group of similar financial assets or a group of similar financial liabilities) and of allocating the interest income or interest expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of interest payments on the debt instrument, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period at the time of initial recognition.

If a financial asset or a group of similar financial assets has been fully or partially written off (was fully or partially written off) as a result of impairment, interest income is determined on the basis of the interest rate used to discount future cash flows for the purpose of calculating impairment losses.

Interest earned on assets measured at fair value is classified as interest income.

Income or loss under a reverse repo transaction is recognized by the Fund as interest income in the statement of profit or loss and other comprehensive income based on the difference between the sale price of the financial assets used as the subject of this transaction and their purchase price at the opening of this transaction. In case when the reverse repo transaction is executed on initial conditions, its profitability is recognized using the effective interest rate method.

Information on the Fund's interest income is presented in Note 14 to these financial statements.

Income tax expense

The Fund's income tax expense includes income tax of the current period and deferred tax liability. The Fund's income tax expense is recognized in the Fund's income, except for the part that relates to operations recognized in equity (in this case, the Fund's income tax expense is recognized in its equity).

Current income tax is the amount of income tax payable by the Fund with respect to its taxable income for the reporting year, as well as all adjustments to the Fund's income tax liability for prior years.

The Fund's deferred tax liability is determined using the balance method by determining temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes.

Deferred tax assets and liabilities are measured by the Fund at the tax rates and tax laws enacted or substantively enacted at the date of the financial statements, which the Fund expects to apply to the period when the asset is realized or the liability is settled.

Deferred tax assets are recognized by the Fund only to the extent that it is probable that future taxable income will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are offset by the Fund under the following conditions:

- if there is a legally enforceable right to offset current tax assets against current tax liabilities;
- if the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

INSURANCE PAYMENT GUARANTEE FUND JSC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

The Fund's current income tax and deferred tax liabilities are disclosed in Note 18 to these financial statements.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In preparing these financial statements in conformity with IFRSs, the management of the Fund has used professional judgments, assumptions and estimates that are relevant to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities. Actual results may differ from these estimates.

Assumptions and underlying estimates are reviewed by management on an ongoing basis to determine whether they should be changed. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The following are the critical judgments, key assumptions and sources of estimation uncertainty about the future, which management believes may have the most significant effect on the amounts recognized in these financial statements. However, the management of the Fund does not expect significant risk in respect of changes in the value of financial assets and liabilities and tax liabilities during the next 12 months due to changes in estimates.

Estimation of expected credit losses

The Fund makes valuation provisions for expected credit losses on financial assets and receivables. The amount of such losses is determined by the Fund based on the credit losses assigned to financial assets or their issuers and the timing and amount of accounts receivable. Expected credit losses are disclosed in Note 16 to these financial statements. See also Note 3 to these financial statements, Financial Instruments. Impairment of Financial Assets and Receivables and Note 19 to these financial statements.

Financial assets measured at fair value through other comprehensive income

If the fair value of financial assets recorded in the statement of financial position cannot be derived from active market prices, they are determined by the Fund using a variety of valuation techniques that include mathematical models. The inputs to these models are observable market prices, if applicable. Otherwise, management of the Fund needs to exercise judgment to determine the fair value of financial assets. Information about financial assets measured at fair value through other comprehensive income is provided in note 8 to these financial statements. See also Note 3 to these financial statements, Financial Instruments. Impairment of Financial Assets.

Provisions for insurance payment guarantees and compensation for damages

The most important accounting estimate of the Fund's management is the estimation of liabilities arising when making payments to creditors of forcibly liquidated or liquidated insurance organizations, as well as to victims - in case of damage to their life or health. The Fund recognizes its provisions as an estimated liability, since the amount and timing of payments from the Fund's provisions cannot be reliably estimated.

In accordance with the Law on the Fund – in case of insufficiency of insurance indemnity guarantee reserves – the Fund attracts extraordinary contributions of IPGS participants, and in case of their insufficiency it uses its equity in the manner prescribed by the legislation. In case of insufficiency of the provisions of insurance payment guarantees and the Fund's equity, the Fund has the right to attract loans from the National Bank of the Republic of Kazakhstan, the Government of the Republic of Kazakhstan and other organizations.

Information on the Fund's provisions (provisions for insurance payment guarantees, provisions for compensation for damages) is presented in Note 10 to these financial statements.

INSURANCE PAYMENT GUARANTEE FUND JSC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

According to the accounting policy of the Fund, it recognizes its accumulated provisions for previous periods in the liability accounts, and investment income (investment expenses) for the reporting period received from the Fund's provisions - in the equity accounts as retained earnings (uncovered loss). After the reporting date, according to the results of the annual general meeting of the Fund's shareholders, a part of retained earnings (uncovered loss) received from the investment of the Fund's provisions shall be transferred to its liability accounts for individual provisions.

Investment income

For correct distribution of income (expenses) from investment of the Fund's provisions between these provisions, the Fund accounts for the following as investment income (expenses):

- interest income;
- income (expenses) from exchange rate differences;
- expenses for creation of valuation provisions for expected credit losses on financial assets, income from recovery of previously formed valuation provisions for expected credit losses on financial assets.

Taxation

Judgment is required for the recognition of various taxes applicable to the Fund. Judgments are made primarily with respect to corporate income tax. The management believes that its position is in compliance with the current legislation of the Republic of Kazakhstan and reflects the likely outcome of the taxation of the Fund's activities. Tax liabilities of the Fund, which may be recognized due to inspection by tax authorities in the future, may differ due to different interpretations of the tax legislation. Such interpretations could affect the amount of taxes accrued. Further details are disclosed in Note 20 to these financial statements.

5. CASH

in thousands of Kazakhstani tenge	December 31, 2022	December 31, 2021
Claims on reverse repo transactions	64,096	140,645
Cash in current bank accounts	111	158
Cash in personal brokerage accounts	2,683	2,955
	66,890	143,758

6. BANK DEPOSITS

in thousands of Kazakhstani tenge	December 31, 2022	December 31, 2021
Cash in bank deposits in tenge	17,552	5,302
Cash in bank deposits in tenge in foreign currency	1,582,903	1,464,203
	1,600,455	1,469,505
Provision for expected credit losses	(3,961)	(3,637)
	1,596,494	1,465,868

The movements in the provision for impairment of bank deposits were as follows:

in thousands of Kazakhstani tenge	2022	2021
On January 1	3,637	13,508
Accrued	5,852	6,488
Recovered	(5,528)	(16,359)
On December 31	3,961	3,637

INSURANCE PAYMENT GUARANTEE FUND JSC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

7. FINANCIAL ASSETS AT AMORTIZED COST

Financial assets measured at amortized cost are represented by bonds of the Ministry of Finance of the Republic of Kazakhstan.

The movements in securities are presented as follows:

in thousands of Kazakhstani tenge	Bonds of the MFK	Short-term notes of the NBK	Total
On January 1, 2021	10,064,010	2,307,852	12,371,862
Receipt	5,612,578	460,000	6,072,578
Disposal	(1,644,479)	(2,813,965)	(4,458,444)
Interest accrued	868,614	-	868,614
Interest received	(741,357)	-	(741,357)
Recognition of discount (bonus)	(227,029)	(3,205)	(230,234)
Amortization of discount (bonus)	211,376	49,318	260,694
Exchange rate difference	32,124	-	32,124
On December 31, 2021	14,175,837	-	14,175,837
Receipt	5,895,064	-	5,895,064
Disposal	(4,249,398)	-	(4,249,398)
Interest accrued	1,207,115	-	1,207,115
Interest received	(1,141,913)	-	(1,141,913)
Amortization of discount (bonus)	180,065	-	180,065
Exchange rate difference	89,360	-	89,360
On December 31, 2022	16,156,130	-	16,156,130

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Financial assets measured at fair value through other comprehensive income are represented by corporate bonds.

The movements in securities are presented as follows:

in thousands of Kazakhstani tenge	Corporate bonds
On January 1, 2021	2,179,480
Receipt	874,477
Disposal	(782,000)
Interest accrued	173,789
Interest received	(197,081)
Recognition of discount (bonus)	(42,949)
Amortization of discount (bonus)	33,351
Provision for expected credit losses	36,937
Exchange rate difference	5,306
On December 31, 2021	2,281,310
Receipt	272,971
Disposal	(434,384)
Interest accrued	207,836
Interest received	(188,766)
Amortization of discount (bonus)	40,846
Provision for expected credit losses	(106,544)
Exchange rate difference	14,126
On December 31, 2022	2,087,395

INSURANCE PAYMENT GUARANTEE FUND JSC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

9. PROPERTY, PLANT AND EQUIPMENT

in thousands of Kazakhstani tenge	Land	Buildings and constructions	Other	Total
Initial cost				
On January 1, 2021	9,116	267,884	34,967	311,967
Receipt	-	-	3,375	3,375
Transfer from stock	-	-	224	224
Disposal	-	-	(531)	(531)
Restructuring*	-	(21,382)	-	(21,382)
On December 31, 2021	9,116	246,502	38,035	293,653
Receipt	-	-	436	436
On December 31, 2022	9,116	246,502	38,471	294,089
Depreciation				
On January 1, 2021	-	(16,520)	(16,010)	(32,530)
Accrued depreciation	-	(4,921)	(6,583)	(11,504)
Disposal	-	-	225	225
Restructuring*	-	21,382	-	21,382
On December 31, 2021	-	(59)	(22,368)	(22,427)
Accrued depreciation	-	(5,366)	(6,190)	(11,556)
On December 31, 2022	-	(5,425)	(28,558)	(33,983)
Residual value				
On December 31, 2021	9,116	246,443	15,667	271,226
On December 31, 2022	9,116	241,077	9,913	260,106

The Fund owns property, plant and equipment with 100% depreciation charge on December 31, 2022 with the expired standard useful life and initial cost of 21,687 thousand tenge (on December 31, 2021: 7,444 thousand tenge).

INSURANCE PAYMENT GUARANTEE FUND JSC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

10. PROVISIONS FOR INSURANCE PAYMENT GUARANTEES AND COMPENSATION FOR DAMAGES

in thousands of Kazakhstani tenge	PIIG GI				PIIG LI					
	CICL OV	CICL CP	CTI	Total	PA	CIEAP	CTI	Total	PCG	Total
On January 1, 2022	7,860,572	336,762	116,491	8,313,825	1,008,968	365,071	13	1,374,052	2,465,360	12,153,237
Contributions accrued	230,821	6,007	14,246	251,074	113,931	18,076	-	132,007	-	383,081
Penalties equal to contributions*	-	-	14	14	-	-	-	-	(1)	13
Payments from provisions	(3,065)	-	-	(3,065)	-	-	-	-	(71,575)	(74,640)
Recovery of payments from provisions	-	-	-	-	-	-	-	-	-	-
Provisioning from investment income, net including	735,368	31,758	10,164	777,290	89,621	32,362	-	121,983	241,293	1,140,566
from investment income	744,742	32,162	10,293	787,197	92,144	33,272	-	125,416	242,325	1,154,938
from the Fund's commission	(9,374)	(404)	(129)	(9,907)	(2,523)	(910)	-	(3,433)	(1,032)	(14,372)
On December 31, 2022	8,823,696	374,527	140,915	9,339,138	1,212,520	415,509	13	1,628,041	2,635,077	13,602,256

* Penalties for failure to fulfill or untimely fulfillment of IPGS participants' obligations to pay contributions.

The movements on the formation of provisions for insurance payment guarantees and compensation for damages during 2022 are presented below.

in thousands of Kazakhstani tenge	Provisions for insurance payment guarantees and compensation for damages	Payables on contributions (overpayments)	Total
On January 1, 2022	12,153,237	10,385	12,163,622
Payments for contributions	383,079	(10,385)	372,694
Payments for penalties equated to contributions	14	-	14
Payments from provisions	(74,640)	-	(74,640)
Formation of provisions at the expense of investment income, net	1,140,567	-	1,140,567
On December 31, 2022	13,602,256	-	13,602,256

INSURANCE PAYMENT GUARANTEE FUND JSC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Separate accounting of provisions and equity funds

In accordance with the amendments to the Law on the Fund, introduced by the Law of the Republic of Kazakhstan No. 166-VI On amendments and additions to some legislative acts of the Republic of Kazakhstan on regulation and development of the insurance market and securities market dated July 2, 2018, the Fund shall maintain separate accounting of the provisions and equity, including separate accounting of income (expenses) from investment of the Fund's provisions and its equity, and direct the income received from investment of the Fund's provisions to their Prior to these amendments, the income received from the investment of the Fund's provisions was fully allocated to the Fund's reserve capital each year during the years 2007 through 2018. The Extraordinary General Meeting of Shareholders of the Fund approved a methodology, in accordance with which the Fund calculated the amounts of investment income of the Fund for the second half of 2018 and for 2019, to be allocated to the formation of the Fund provisions on November 05, 2019. The methodology was agreed with the authorized body, which in November 2020 was the NBK. The calculation results were also used to divide the Fund's single investment portfolio into four separate investment portfolios managed separately (three provisions plus equity) in May 2020.

This method of formation of the Fund's provisions is stipulated by its accounting policy, according to which during the year, income (expenses) from the investment of its provisions are recorded within the retained earnings (uncovered loss) of the Fund, and then are directed to increase or decrease the provisions of the Fund in accordance with the decision of the general meeting of its shareholders.

The division of the single investment portfolio of the Fund into four independent investment portfolios performed in May 2020 allowed the Fund to switch to separate accounting of income (expenses) from the investment of the Fund's provisions and equity. In order to determine the terms and procedures for separate accounting of the Fund's provisions and equity, the Board of Directors of the Fund approved an internal document Rules for separate accounting of provisions and equity on April 10, 2020, based on the use of the notional unit method for accounting of each of the Fund's provisions in terms of the shares of IPGS participants. This document was not put into effect de jure, but de facto was used by the Fund in a test mode until December 2021, during which the Fund accumulated information on how the norms of this document are convenient in practice and meet the needs for simple and accurate accounting. As a result, on December 27, 2021, after obtaining the consent of the Advisory Committee of the Fund with the application of the proportional method of accounting of the Fund's provisions in terms of shares of IPGS participants, the Board of Directors of the Fund approved a new internal document Rules of detailed accounting of provisions, which applies to the conditions and procedure for the detailed accounting of the Fund's provisions in terms of their types, shares of IPGS participants, guaranteed types and classes of insurance from the period starting from January 1, 2020. The retroactive effect of the new internal document had no effect on the data for 2020 on the amounts of the Fund's provisions and their structures in terms of guaranteed types and classes of insurance, presented in these financial statements.

In view of the above mentioned feature of the Fund's accounting policies, according to which during the year income (expenses) from investment of the Fund's provisions are recorded within its retained earnings (uncovered loss), and then directed to increase or decrease the Fund's provisions in accordance with the decision of the general meeting of its shareholders, on the end of 2022, retained earnings of the Fund, as shown in the table below, include income from investment of the Fund's provisions in the reporting year.

INSURANCE PAYMENT GUARANTEE FUND JSC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

	2022	2021
Income from investment of the Fund's provisions	-	-
PIIG GI	739,990	787,197
PIIG LI	98,907	123,015
PCG	304,459	244,726
Total	1,143,356	1,154,938
Income from the investment of the Fund's own assets	(25,094)	311,293
Total	1,118,262	1,466,231
Other income	2,437	2,991
Operational expenses	(275,809)	(259,706)
Income tax expense	344	(3,768)
Net income for the year	845,234	1,205,748
Uncovered loss for the period before the reporting period including:	(534,659)	(599,840)
uncovered loss for the period before the reporting year	(549,031)	(623,736)
Fund's commission from investment income for the reporting period	14,372	23,897
Retained earnings at the end of the year	310,575	605,908

Income (expenses) from investment of funds of provisions

For correct allocation of income (expenses) from investment of the Fund's provisions between these provisions, the Fund accounts for the following as investment income (expenses):

- interest income;
- income (expenses) from exchange rate differences;
- expenses for creation of valuation provisions for expected credit losses on financial assets, income from recovery of previously formed valuation provisions for expected credit losses on financial assets.

A similar approach is applied to accounting for income (expenses) from the investment of the Fund's own assets (means of the Fund's equity).

Below is the structure of income (expenses) from the investment of the Fund's provisions and its own assets for the years 2022 and 2021 (for comparison).

2022 in thousands of Kazakhstani tenge	Interest income	Exchange rate difference	Expected credit losses, net	Total
PIIG GI	851,702	102,885	(214,596)	739,991
PIIG LI	137,124	13,852	(52,069)	98,907
PCG	303,740	789	(71)	304,458
Total	1,292,566	117,526	(266,736)	1,143,356
Own assets	402,391	90,026	(517,512)	(25 094)
Total	1,694,957	207,552	(784,248)	1,118,262

2021 in thousands of Kazakhstani tenge	Interest income	Exchange rate difference	Expected credit losses, net	Total
PIIG GI	740,615	36,943	9,639	787,197
PIIG LI	117,946	5,316	(247)	123,015
PCG	243,661	-	1,064	244,725
Total	1,102,222	42,259	10,456	1,154,937
Own assets	279,727	32,826	(1,260)	311,293
Total	1,381,949	75,085	9,197	1,466,231

INSURANCE PAYMENT GUARANTEE FUND JSC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Calculated provision amounts

It follows from the above-mentioned specifics of accounting for income (expenses) from investment of the Fund's provisions (within its retained earnings (uncovered loss)) that it is necessary to distinguish between the accounting and estimated amounts of the Fund's provisions. The accounting amounts of the Fund's provisions are the amounts of the Fund's provisions in the financial statements of the Fund under the item "Provisions for insurance payment guarantees and compensation for damages". Calculated amounts of the Fund's provisions differ from the accounting ones by the amount of income (expenses) from the investment of the Fund's provisions, which are reflected in the retained earnings (uncovered loss) of the Fund before the decision of the general meeting of shareholders of the Fund on the direction of these income (expenses) to increase or decrease of the Fund's provisions.

The calculated amounts of the Fund's provisions on December 31, 2022 in case of such a decision by the General Meeting of Shareholders of the Fund (excluding the Fund's commission for 2022, the amount of which is also subject to approval by the decision of the General Meeting of Shareholders of the Fund) are as follows.

in thousands of Kazakhstani tenge	Accounting amount	Investment income	Calculated amount
PIIG GI	9,339,139	739,990	10,079,129
PIIG LI	1,628,041	98,907	1,726,948
PCG	2,635,077	304,459	2,939,536
Total	13,602,256	1,143,356	14,745,613
FYI			
Retained earnings (uncovered loss) including:	310,575	(1,143,356)	(832,781)
at the expense of own assets, net	(534,659)	(298,122)	(832,781)

After the reporting date, according to the results of the execution of the decisions of the annual general meeting of the Fund's shareholders, the retained earnings of the Fund will be reduced, and the provision for insurance payment guarantees and the provision for compensation for damages will be increased by 1,143,356 thousand tenge, that is the amount of income from the investment of the Fund's provisions for 2022 (excluding the commission due to the Fund for 2022).

The calculations of the Fund's commission fee for 2022, which the Fund intends to submit to the general meeting of its shareholders, are given below for information. The same table sets forth the estimated amounts of the Fund's provisions on December 31, 2022 in the event that the general meeting of the Fund's shareholders decides to direct the investment income from the Fund's provisions to increase the Fund's provisions and to approve the amount of the Fund's commission for the year 2022.

in thousands of Kazakhstani tenge	Investment income for 2022	Yield % p.a.	Commission of the Fund	Calculated amount A	Calculated amount B
PIIG GI	739,990	8.90%	55,499	10,079,129	10,023,629
PIIG LI	98,907	7.20%	7,418	1,726,948	1,719,530
PCG	304,459	12.35%	22,834	2,939,536	2,916,702
Total	1,143,356	9.41%	85,751	14,745,613	14,659,861

* *Calculated amount – the calculated amount of the Fund's provisions on December 31, 2022 in case of the decision of the general meeting of the Fund's shareholders on the direction of income from the investment of the Fund's provisions to increase the Fund's provisions. Calculated amount A – without taking into account the Fund's commission fee for 2022. Calculated amount B – after deduction of the Fund's commission for 2022.*

Receipt of its commission by the Fund is regulated by the Law on the Fund, according to subparagraph 7) of paragraph 1 of Article 18 of which the Fund has the right "according to the results of the annual audit, the maximum amount of which shall not exceed seven and a half percent of the investment income received from the investment" of the Fund provisions. At the same time, paragraph 3 of the Rules of charging

INSURANCE PAYMENT GUARANTEE FUND JSC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

commission fee, approved by the Board of the National Bank No. 199 dated August 27, 2018, establishes that the commission of the Fund should be calculated from the difference between the actual return and the rate of inflation.

11. AUTHORIZED CAPITAL

The Fund's shareholders were insurance organizations participating in the insurance benefits guarantee system on December 31, 2022 and 2021, as shown in the table above. The number of shares of the Fund that may be held by one shareholder may not exceed 10 percent of the total number of outstanding shares of the Fund.

The par value of one share of the Fund at its inception was 10,000.00 tenge in 2003. The sole purchaser of the Fund's shares was the National Bank of the Republic of Kazakhstan. In autumn 2008, the National Bank of the Republic of Kazakhstan sold all its shares of the Fund to insurance organizations at the price of 10,693.63 tenge.

According to the Law on the Fund in case an insurance organization terminates its activity on the guaranteed types of insurance it is obliged to alienate the Fund shares owned by it by selling them to other shareholders of the Fund. If the Fund shareholders refuse to purchase these shares, the Fund is obliged to repurchase them at a price determined in accordance with the methodology for determining the value of shares at their repurchase. The current internal document of the Fund - the Methodology for determining the cost of shares for their repurchase by the Insurance Payment Guarantee Fund JSC was approved by the general meeting of shareholders of the Fund in December 2008. According to this document, taking into account the amendments made in September 2011, the Fund's shares are repurchased at their book value, but not higher than the par value (10,000 tenge). In 2010-2019, the Fund repurchased 15,341 shares from the shareholders for the total amount of 190,300 tenge, of which in 2020 the Fund sold 7,233 shares for a total amount of 168,232 thousand tenge at the placement price of 23,259 tenge. In 2021, the Fund repurchased from its shareholder (the liquidated Insurance Company Kompetenz JSC) 1,152 shares for a total amount of 11,520 thousand tenge, of which sold 1,148 shares for a total amount of 29,709 thousand tenge at the price of placement of 25,879 tenge.

Dividends

According to the Law on the Fund, the Fund is a non-profit organization. Accordingly, the payment of dividends on its shares is not provided for and is not carried out.

INSURANCE PAYMENT GUARANTEE FUND JSC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

	on December 31, 2022		on December 31, 2021	
	Q-ty	Share	Q-ty	Share
Halyk Insurance Company Subsidiary of Halyk Bank of Kazakhstan JSC	4,969	10%	4,969	10%
Standard Life Insurance Company JSC	3,971	8%	3,971	8%
Basel Insurance Company JSC (former Kaspi Insurance JSC)	3,399	7%	3,399	7%
Petroleum Insurance Company JSC	3,313	7%	3,313	7%
Victoria Insurance Company JSC	1,662	3%	1,662	3%
Grain Insurance Company JSC	1,652	3%	1,652	3%
Amanat Insurance Company JSC	1,652	3%	1,652	3%
ASKO Insurance Company JSC	1,652	3%	1,652	3%
London-Almaty Insurance company JSC	1,652	3%	1,652	3%
Nomad Insurance IC JSC	1,651	3%	1,651	3%
Kommesk-Omir Insurance Company JSC	1,152	2%	1,152	2%
Centras Insurance IC JSC	1,152	2%	1,152	2%
Halyk-Life Subsidiary Life Insurance Company of Halyk Bank of Kazakhstan JSC	1,010	2%	1,010	2%
INTERTECH Kazakhstan Corporation for Healthcare and Medical Insurance JSC	1,001	2%	1,001	2%
Eurasia Insurance Company JSC	1,000	2%	1,000	2%
KM Life Life Insurance Company JSC	1,000	2%	1,000	2%
Freedom Finance Life Insurance Company JSC	1,000	2%	1,000	2%
Nomad Life Insurance Company	1,000	2%	1,000	2%
State Annuity Company Life Insurance Company JSC	1,000	2%	1,000	2%
Centras Commesk Life Insurance Company JSC	1,000	2%	1,000	2%
Jusan Garant Insurance Company JSC	1,000	2%	1,000	2%
Sinoasia B&R Insurance Company JSC	1,000	2%	1,000	2%
Kazakhmys Insurance Company JSC	1,000	2%	1,000	2%
Freedom Finance Insurance Company JSC	1,000	2%	1,000	2%
TransOil Insurance Company JSC	1,000	2%	1,000	2%
Eurasia Life Insurance Company JSC	1,000	2%	1,000	2%
Total in circulation	41,888	84%	41,888	84%
Treasury shares	8,112	16%	8,112	16%
	50,000	100%	50,000	100%

12. CAPITAL RESERVE

In accordance with the Charter of the Fund, approved in 2011 in a new version by the decision of the extraordinary general meeting of shareholders of the Fund and effective until July 17, 2019, the reserve capital of the Fund was formed from the net income of the Fund and was used to cover losses arising from the financial and economic activities of the Fund. By the decision of the general meeting of the Fund's shareholders, the net income based on the results of the reporting year may be attributed to the formation of the reserve capital.

The new version of the Charter of the Fund, approved by the decision of the Extraordinary General Meeting of the Fund's Shareholders on July 17, 2019, does not mention the Fund's reserve capital.

In July 2020, the annual general meeting of shareholders of the Fund also decided to include in the Charter of the Fund a new item Reserve capital of the Company in order to fix the fact that the Fund has a reserve capital. According to this article the Fund's reserve capital is used for making guarantee and similar payments at the expense of the Fund's equity in accordance with the Law on the Fund in case of insufficiency of provisions for insurance payment guarantees; the Fund's reserve capital is part of its equity, and income from investment of the Fund's reserve capital is used to finance operational and capital expenses of the Fund; the procedure of formation and use of the Fund's reserve capital, the procedure of making guarantee and similar the procedure for formation and use of the reserve capital of the Fund, the procedure for making guarantee and similar payments at the expense of the equity capital of the Fund in case of insufficiency of the provisions for insurance payment guarantees, the procedure for compensation of the equity capital of the Fund used to make such payments, are determined by the internal documents of the Fund, approved by the decisions of the Board of Directors.

INSURANCE PAYMENT GUARANTEE FUND JSC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

The reserve capital amounted to 5,055,388 thousand tenge on December 31, 2022 (on December 31, 2021: 5,055,388 thousand tenge). As stated above, in accordance with the newly approved regulations on the reserve capital, formation of the Fund's reserve capital after July 1, 2018 was discontinued.

13. REVALUATION PROVISION FOR FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME AND FOR LOSSES ON SUCH ASSETS

Revaluation provision for financial assets at fair value through other comprehensive income

in thousands of Kazakhstani tenge	Corporate bonds
On January 1, 2021	(24,969)
Net change in fair value	36,937
On December 31, 2021	11,968
Net change in fair value	(106,218)
On December 31, 2022	(94,250)

Provision for losses on financial assets at fair value through other comprehensive income

in thousands of Kazakhstani tenge	Corporate bonds
On January 1, 2021	1,064
Recovery of impairment of financial assets	1,131
On December 31, 2021	2,195
Recovery of impairment of financial assets	783,935
On December 31, 2022	786,130

Net change in fair value of financial assets at fair value through other comprehensive income

in thousands of Kazakhstani tenge	2022	2021
Change in provision for revaluation of financial assets at fair value through other comprehensive income	(106,219)	36,937
Change in provision for losses on financial assets at fair value through other comprehensive income	783,934	1,131
	677,716	38,068

14. INTEREST INCOME

in thousands of Kazakhstani tenge	2022	2021
Interest on bank deposits	18,732	16,151
Income from reverse repurchase agreements	36,181	29,350
Interest income on financial assets at amortized cost	1,391,362	1,129,308
Total interest income on financial assets recorded at amortized cost	1,446,275	1,174,809
Interest income on financial assets recorded at fair value through other comprehensive income	248,682	207,140
	1,694,957	1,381,949

INSURANCE PAYMENT GUARANTEE FUND JSC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

15. EXCHANGE RATE DIFFERENCE, NET

in thousands of Kazakhstani tenge	2022	2021
Cash and cash equivalents	15,738	(4,456)
Bank deposits	88,664	42,105
Financial assets at amortised cost	89,608	32,123
Financial assets at fair value through other comprehensive income	13,550	5,305
Other assets	(8)	8
	207,552	75,085

16. EXPECTED CREDIT LOSSES

in thousands of Kazakhstani tenge	2022	2021
From impairment of cash and cash equivalents	(1)	405
including:		
impairment losses*	(78)	(1,398)
recovery of impairment losses**	77	1,803
From impairment of bank deposits	(314)	9,932
including:		
impairment losses*	(5,330)	(6,384)
recovery of impairment losses**	5,016	16,316
From impairment of other financial assets	(783,933)	(1,132)
including:		
impairment losses*	(862,313)	(3,736)
recovery of impairment losses**	78,380	2,604
From impairment of other assets	-	(8)
including:		
impairment losses*	-	(31)
recovery of impairment losses**	-	23
	(784,248)	9,197

* Expenses on formation of valuation provisions for expected credit losses on financial assets.

** Income from recovery of valuation provisions for expected credit losses on financial assets.

17. OPERATING EXPENSES

in thousands of Kazakhstani tenge	2022	2021
Salaries and other payments to employees of the Fund	166,114	164,292
Remuneration of members of the Board of Directors of the Fund	31,219	23,889
Taxes, other than income tax	22,989	21,680
Professional services*	18,627	15,906
Depreciation and amortization	12,134	11,994
Bank and brokerage services	6,571	6,024
Administrative expenses	3,318	4,434
Transportation expenses	3,903	3,563
Utilities	2,134	1,796
Insurance	2,854	2,066
Telecommunication services	2,402	1,817
Other	3,543	2,245
	275,809	259,706

INSURANCE PAYMENT GUARANTEE FUND JSC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

18. INCOME TAX

Income tax expense

The main components of the Fund's corporate income tax expense are as follows.

in thousands of Kazakhstani tenge	2022	2021
Corporate income tax (current period)	348	-
Adjustment of accruals for previous years	-	(425)
Creation and recovery of temporary differences	(692)	4,193
	(344)	3,768

The reconciliation of the effective income tax rate to the loss for 2022 and the profit for 2021 and the amount of this tax expense for financial reporting purposes is as follows:

in thousands of Kazakhstani tenge	2022	2021
Income before tax	844,890	1,209,516
Applicable income tax rate, %	20.0%	20.0%
Income tax calculated at the applicable rate	168,978	241,903
Non-taxable interest income	(328,009)	(267,290)
Uncovered loss	-	29,146
Provision for impairment of financial assets	156,850	(1,242)
Other income (expense) not deductible for tax purposes	1,837	1,251
Income tax expense	(344)	3,768
Effective income tax rate, %	0.0%	0.3%

The tax effect on the major temporary differences that give rise to deferred tax assets on December 31, 2022 and 2021 are as follows:

in thousands of Kazakhstani tenge	December 31, 2022	December 31, 2021
Provision for vacations	1,027	1,137
Provision for audit expenses	2,240	1,568
Deferred tax assets	3,267	2,705
Property, plant and equipment and intangible assets	(20,089)	(20,219)
Deferred tax liabilities	(20,089)	(20,219)
Total	(16,822)	(17,514)

The movement in the deferred tax liability in the Fund's financial statements during 2021 and 2022 is as follows.

in thousands of Kazakhstani tenge	2022	2021
On January 1	(17,514)	(13,321)
Charged to expenses	692	(4,193)
On December 31	(16,822)	(17,514)

19. FINANCIAL INSTRUMENTS, GOALS AND POLICIES FOR FINANCIAL RISK MANAGEMENT

Investment of assets of the Fund

The Fund's investment policy is determined by the Fund's internal document Investment Strategy approved by the Board of Directors in October 2019 and is aimed at maximum reduction of credit risk, which is ensured by investing the Fund's assets in highly liquid government securities of the Republic of Kazakhstan and in short- and medium-term deposits in NBK and second-tier banks with high credit ratings. The requirements to the Fund's assets investment terms and procedure are regulated by the regulatory legal acts of the Republic of Kazakhstan:

INSURANCE PAYMENT GUARANTEE FUND JSC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

- The list of financial instruments permitted to purchase at the expense of provisions of insurance payment guarantees and provisions for compensation for damages, approved by the NBK Board Resolution No. 199 dated August 27, 2018 (hereinafter – the List No. 199).

According to the Instruction No. 148, the Fund places its assets in the amount of not less than 80% of their total amount in the following financial instruments.

Name of financial instrument	Rating	Restriction
Deposits in the National Bank of the Republic of Kazakhstan	not necessary	no restrictions
Deposits in second-tier banks of the Republic of Kazakhstan	not lower than BB- or not lower thanzBB	no more than 10% of the Fund's assets by bank
Deposits in subsidiary banks - residents of foreign banks	not lower than A-	no more than 10% of the Fund's assets by bank
Government securities of the Republic of Kazakhstan issued by the Ministry of Finance and the National Bank	not necessary	no restrictions

In accordance with Instruction No. 148, the Fund also has the right to place its assets in the following financial instruments.

Name of financial instrument	Rating	Restriction
Bonds of legal entities of the Republic of Kazakhstan	not lower than BB	no more than 25% by issuer of the Fund's assets, no more than 25% of a single issue no more than 10% of the Fund's assets
Government securities issued by central governments of foreign countries	not lower than A-	no more than 10% of the Fund's assets
Reverse repo transactions		no more than 10% of the Fund's assets

Credit ratings are determined by the international scale of Standard & Poor's. The Fund also recognizes ratings assigned by Moody's Investors Service and Fitch Ratings, as well as national scale ratings assigned by Standard & Poor's.

Investment of funds of provisions for insurance payment guarantees and compensation for damages

The Fund was given a practical opportunity to comply with the terms and requirements of List No. 199 after the completion in May 2020 of work on the transition to separate accounting of the Fund's provisions and equity, on the formation of separate investment portfolios corresponding to each individual provision of the Fund and its equity.

According to the List No. 199, the Fund shall place its provisions in the amount of not less than 80% of their total amount in the following financial instruments.

INSURANCE PAYMENT GUARANTEE FUND JSC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Name of financial instrument	Rating	Restriction
Deposits in the National Bank of the Republic of Kazakhstan	not necessary	no restrictions
Deposits in the second-tier banks of the Republic of Kazakhstan, including amounts of principal and accrued interest, net of provision for doubtful debts	not lower than BB- or not lower than kzBB	no more than 20% of the provision amount by bank
Deposits with subsidiary banks - residents of foreign banks including amounts of principal debt and accrued interest less provision for doubtful debts	not lower than A-	no more than 20% of the provision amount by bank
Government securities of the Republic of Kazakhstan issued by the Ministry of Finance and the National Bank, debt securities issued by a legal entity redeeming mortgage loans of individuals not related to entrepreneurial activities, one hundred percent of shares of which belong to the National Bank of Kazakhstan, as well as securities issued under the guarantee of the Government of the Republic of Kazakhstan	not assigned	no restrictions,
Debt securities issued by the local executive bodies of the Republic of Kazakhstan, included in the official list of the stock exchange operating in the territory of the Republic of Kazakhstan, taking into account the amounts of principal debt and accrued interest, less the provision for doubtful debts	not assigned	not more than 25% of one issue

In accordance with List No. 199, the Fund also has the right to place its provisions in the following financial instruments.

Name of financial instrument	Rating	Restriction
Debt securities of legal entities of the Republic of Kazakhstan, including amounts of principal debt and accrued interest, net of provision for doubtful debts	not lower than BB-	no more than 20% of the issuer's provision, not more than 25% of one issue
Government securities issued by foreign central governments, less provision for doubtful debts	not lower than BBB-	no more than 10% of the issuer's provision
Reverse repo transactions	not assigned	no more than 10% of provision

Credit ratings are determined by the international scale of Standard & Poor's. The Fund also recognizes ratings assigned by Moody's Investors Service and Fitch Ratings, as well as national scale ratings assigned by Standard & Poor's.

List No. 199 requires the following currency diversification of financial instruments purchased with funds from provisions.

- financial instruments in foreign currencies - not more than 20% of the total amount of provisions;
- in financial instruments in national currency - not less than 80% of the total amount of provisions.

The use of financial instruments exposes the Fund to the following types of risk:

- credit risk;
- liquidity risk;
- currency risk;
- market risk.

The management of the Fund is fully responsible for organizing the risk management system and supervising the functioning of this system.

The Fund's risk management policy is designed to identify and analyze the risks to which the Fund is exposed, to set acceptable risk limits and appropriate controls, as well as to monitor risks and compliance with established limits.

INSURANCE PAYMENT GUARANTEE FUND JSC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Risk management policies and systems are reviewed regularly to determine if changes need to be made due to changes in market conditions and the Fund's operations. The Fund establishes training and management standards and procedures in order to create a streamlined and effective control system in which all employees understand their roles and responsibilities.

The Fund's management oversees compliance with the Fund's risk management policies and procedures and reviews the adequacy of the risk management system in relation to the risks faced by the Fund.

Categories of financial instruments

Financial instruments on December 31, 2022, comprise the following:

in thousands of Kazakhstani tenge	December 31, 2022	December 31, 2021
FINANCIAL ASSETS		
Financial assets carried at amortized cost	17,819,514	15,785,463
including:		
cash and cash equivalents	66,890	143,758
of which:		
claims under reverse repurchase transactions	64,096	140,645
cash in current bank accounts*	111	158
cash in personal brokerage accounts*	2,683	2,955
bank deposits*	1,596,494	1,465,868
financial assets at amortized cost*	16,156,130	14,175,837
Financial assets at fair value through other comprehensive income	2,087,395	2,281,310
	19,906,909	18,066,773
FINANCIAL LIABILITIES		
Provisions for insurance payment guarantees and compensation for damages	13,602,256	12,153,237
Trade and other payables**	6,913	6,893
	13,609,170	12,160,130
	6,297,739	5,906,643

* Less provision for impairment of the related financial asset.

** Excluding advances received and other payables.

Credit risk management

The Fund defines the credit risk as the risk of financial losses due to non-fulfillment, incomplete and/or untimely fulfillment by a person, who is a borrower (debtor) or a contract counterparty to the Fund, of its obligation to the Fund. This risk is mainly related to the Fund's cash and cash equivalents, bank deposits, financial assets measured at fair value through other comprehensive income, and receivables.

The Fund's exposure to credit risk is primarily dependent on the individual characteristics of each counterparty. The carrying amount of the Fund's financial assets represents its maximum exposure to credit risk as follows.

in thousands of Kazakhstani tenge	December 31, 2022	December 31, 2021
Cash and cash equivalents*	66,890	143,758
Bank deposits*	1,596,494	1,465,868
Financial assets measured at amortized cost*	16,156,130	14,175,837
Financial assets at fair value through other comprehensive income	2,087,395	2,281,310
	19,906,909	18,066,773

* Less provision for impairment of the related financial asset.

INSURANCE PAYMENT GUARANTEE FUND JSC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

The following is a classification of the Fund's financial assets by credit ratings.

in thousands of Kazakhstani tenge	≥ BB-	≥ B+, < BB-	Total
On December 31, 2022			
Cash and cash equivalents*	28,645	38,245	66,890
Bank deposits*	1,596,494	-	1,596,494
Financial assets measured at amortized cost*	16,156,130	-	16,156,130
Financial assets at fair value through other comprehensive income	2,087,395	-	2,087,395
	19,868,664	38,245	19,906,909
On December 31, 2021			
Cash and cash equivalents*	143,758	-	143,758
Bank deposits*	1,465,868	-	1,465,868
Financial assets measured at amortized cost*	14,175,837	-	14,175,837
Financial assets at fair value through other comprehensive income	2,281,310	-	2,281,310
	18,066,773	-	18,066,773

* Less provision for impairment of the related financial asset.

The Fund makes quarterly provisions for expected credit losses on its financial assets and receivables at the expense of the current period.

The procedure for recognition of expected credit losses and performance of other actions related to such recognition shall be determined by the Fund's internal document Rules for recognition of expected credit losses, which is a mandatory and integral part of the Fund's accounting policies.

The ageing of the Fund's financial assets is as follows.

in thousands of Kazakhstani tenge	Total	≤90 days of ECL*, %	Impairment
On December 31, 2022			
Cash and cash equivalents*	66,890	-	-
Bank deposits*	1,600,455	0.25%	3,961
Financial assets measured at amortized cost*	16,156,130	-	-
Financial assets at fair value through other comprehensive income	2,087,395	-	-
	19,910,870	0.02%	3,961
On December 31, 2021			
Cash and cash equivalents*	143,758	0.00%	-
Bank deposits*	1,469,505	0.25%	3,637
Financial assets measured at amortized cost*	14,175,837	0.00%	-
Financial assets at fair value through other comprehensive income	2,281,310	0.10%	2,195
	18,070,410	0.03%	5,832

* Expected credit losses.

The tables above do not provide information on credit risk on receivables, as the Fund considers this risk insignificant due to the small size of receivables.

INSURANCE PAYMENT GUARANTEE FUND JSC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Liquidity risk management

The Fund defines liquidity risk as the risk of non-fulfillment, incomplete and/or untimely fulfillment by the Fund of its obligations to other persons due to insufficiency of money required for fulfillment of these obligations. Liquidity risk may arise both as a result of lack or shortage of money on the Fund's current bank accounts and as a result of the Fund's inability to sell its assets quickly at their fair value or the counterparty's failure to settle its contractual obligations to the Fund, as well as due to earlier than expected maturity of the Fund's liabilities or inability of the Fund to generate cash flows as expected.

The Fund manages the liquidity risk based on the requirements of the legislation of the Republic of Kazakhstan and provisions of its investment strategy. The Fund has established the Investment Committee, which collectively makes decisions on investment of the Fund's assets, both own (the Fund's equity) and the Fund's provisions. When making its decisions the Investment Committee of the Fund shall take into account all risks, including credit and market risks, form an optimal structure of the Fund's investment portfolio in terms of liquidity, profitability, recoverability. In view of the fact that the financial instruments included in the composition of the Fund's investment portfolios are mainly represented by the government securities. The Fund is able to provide the required liquidity in any required terms.

The Fund recognizes its insurance and indemnity reserves as an estimated liability because the amount and timing of payments from these provision cannot be reliably estimated.

In accordance with the Law on the Fund - in case of insufficiency of provision for insurance payment guarantee – the Fund attracts extraordinary contributions of IPGS participants, and in case of their insufficiency it uses its equity in the manner prescribed by the legislation. In case of insufficiency of insurance indemnity guarantee reserves and the Fund's equity, the Fund shall be entitled to attract loans from the NBK, the Government of the Republic of Kazakhstan and other organizations.

Maturity of financial liabilities

The tables show the Fund's financial liabilities by their maturity based on the length of the periods between the reporting date and the contractual maturity dates of the Fund's financial liabilities. Trade and other payables presented in the table do not include advances received and overpayments by IPGS participants on obligatory contributions (prepayment of obligatory contributions by IPGS participants), which is not financial instrument.

INSURANCE PAYMENT GUARANTEE FUND JSC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

in thousands of Kazakhstani tenge	≤1	>1, ≤3	>3, ≤12	>1, ≤5	>5	Maturity is not defined	Total
On December 31, 2022							
Cash and cash equivalents*	66,890	-	-	-	-	-	66,890
Bank deposits*	17,509	-	1,578,985	-	-	-	1,596,494
Financial assets measured at amortized cost*	-	219,172	3,597,526	12,243,751	95,681	-	16,156,130
Financial assets at fair value through other comprehensive income	-	782,635	351,814	952,946	-	-	2,087,395
Provisions for insurance payment guarantees and compensation for damages	-	-	-	-	-	13,602,256	13,602,256
Trade and other payables	1,212	151	5,550	-	-	-	6,913
	85,611	1,001,958	5,533,875	13,196,697	95,681	13,602,256	33,516,079
On December 31, 2021							
Cash and cash equivalents*	143,758	-	-	-	-	-	143,758
Bank deposits*	5,289	1,460,579	-	-	-	-	1,465,868
Financial assets measured at amortized cost*	304,760	2,923,272	1,048,899	8,489,438	1,409,468	-	14,175,837
Financial assets at fair value through other comprehensive income	-	-	-	2,281,310	-	-	2,281,310
Provisions for insurance payment guarantees and compensation for damages	-	-	-	-	-	12,153,237	12,153,237
Trade and other payables	1,446	-	6,026	-	-	-	7,472
	455,253	4,383,851	1,054,925	10,770,748	1,409,468	12,153,237	30,227,482

INSURANCE PAYMENT GUARANTEE FUND JSC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Currency risk management

The Fund defines currency risk as the risk of financial losses due to adverse changes in the exchange rate of the currency in which the financial instruments acquired or intended to be acquired at the expense of the Fund's assets are denominated.

The Fund is exposed to currency risk when carrying out transactions denominated in a currency other than the functional currency of the Fund (tenge).

The Fund's exposure to currency risk is presented below. Financial instruments denominated in tenge are not exposed to currency risk and are included in the table for reconciliation of total amounts.

in thousands of Kazakhstani tenge	Tenge	US dollar	Total
On December 31, 2022			
Cash and cash equivalents*	66,890	-	66,890
Bank deposits*	17,552	1,578,942	1,596,494
Financial assets measured at amortized cost*	14,847,190	1,308,940	16,156,130
Financial assets at fair value through other comprehensive income	1,888,208	199,187	2,087,395
Provisions for insurance payment guarantees and compensation for damages	(13,602,256)	-	(13,602,256)
Trade and other payables	(6,913)	-	(6,913)
	3,210,670	3,087,069	6,297,739
On December 31, 2021			
Cash and cash equivalents*	143,754	4	143,758
Bank deposits*	5,289	1,460,579	1,465,868
Financial assets measured at amortized cost*	12,920,170	1,255,667	14,175,837
Financial assets at fair value through other comprehensive income	2,073,358	207,952	2,281,310
Provisions for insurance payment guarantees and compensation for damages	(12,153,237)	-	(12,153,237)
Trade and other payables	(6,893)	-	(6,893)
	2,982,441	2,924,202	5,906,643

* Less provision for impairment of the related financial asset.

Market risk management

The Fund defines market risk as the risk of financial losses due to a decrease in the fair value of financial instruments acquired or assumed to be acquired at the expense of the Fund's assets.

Market risk includes three types of risks - price risk, interest rate risk and currency risk.

Price risk

The Fund defines price market risk (price risk) as the risk of financial losses due to adverse changes in the market prices of financial instruments acquired or intended to be acquired at the expense of the Fund's assets.

The Fund is not exposed to the price risk in terms of its activities other than investment activities, as it is a non-profit organization and is not engaged in sale of goods, works or services.

INSURANCE PAYMENT GUARANTEE FUND JSC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Interest rate risk

The Fund defines interest rate market risk (interest rate risk) as the risk of financial losses due to adverse changes in interest rates on financial instruments acquired or intended to be acquired at the expense of the Fund's assets.

At the end of 2022, the Fund does not have any financial instruments with floating interest rates in its investment portfolios and, accordingly, it is not exposed to interest rate risk.

Capital management

The main objectives of the Fund with regard to its capital management are to comply with the requirements of the legislation of the Republic of Kazakhstan to the composition and structure of the Fund's share capital, to the procedure of the Fund's equity capital formation, and to ensure the Fund's activities on a continuous basis.

20. CONTINGENT LIABILITIES

Tax contingencies in the Republic of Kazakhstan

Kazakhstan's tax legislation and regulations are subject to ongoing changes and varying interpretations. Instances of inconsistent opinions between local, regional and republican tax authorities are not unusual. The current regime of penalties and interest related to reported and confirmed violations of Kazakhstan's tax laws are severe. Penalties are generally 50% of the taxes additionally assessed and interest is assessed at the refinancing rate established by the National Bank of the Republic of Kazakhstan multiplied by 2.5. As a result, the amount of penalties and interest can be several times higher than the amount of additional taxes to be assessed. Fiscal periods remain open to review by the authorities in respect of taxes for five calendar years preceding the year of review. Under certain circumstances reviews may cover longer periods.

The management of the Fund believes that all tax liabilities have been properly reported and disclosed in the financial statements. However, the risk remains that the tax authorities may take differing positions with regard to interpretations of the tax code and other legislation.

Litigation

In the ordinary course of business, the Fund may be subject to legal actions and proceedings. The management believes that the ultimate liability, if any, arising from such actions or proceedings will not have a material adverse effect on the Fund's future financial condition or results of operations.

INSURANCE PAYMENT GUARANTEE FUND JSC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

21. TRANSACTIONS WITH RELATED PARTIES

Remuneration to the management

Remuneration paid to key management personnel is included in salary expenses in operating expenses (see note 17) and amounted to:

in thousands of Kazakhstani tenge	2022	2021
Remuneration to the Members of the Board of Directors	31,219	23,889
Remuneration to the Members of the Management Board	82,546	89,386
	113,765	113,275

The Fund, in accordance with the Law on the Fund, is a non-profit organization. Accordingly, in accordance with the Law of the Republic of Kazakhstan On Joint Stock Companies, the Fund has no affiliates. For the purposes of these financial statements, the Fund recognizes as its related parties:

- the management employees of the Fund, which in accordance with the Law on the Fund are the Chairman and other members of the Board of Directors of the Fund, members of the Management Board of the Fund (including the Chairman of the Management Board of the Fund);
- organizations that are employers of members of the Board of Directors of the Fund;
- organizations, the major shareholders (members) and / or officials of which are members of the Management Board of the Fund (including the Chairman of the Management Board of the Fund), Chief Accountant of the Fund.

Transactions with related parties

in thousands of Kazakhstani tenge	2022	2021
Purchases from related parties	4,157	5,121
Payables to related parties	-	99

Terms of transactions with related parties

The pricing of related party transactions is determined on a regular basis depending on the nature of the transaction.

22. EVENTS AFTER THE REPORTING DATE

In accordance with the Law of the Republic of Kazakhstan On amendments and additions to some legislative acts of the Republic of Kazakhstan on regulation and development of the insurance market and securities market introduced from September 12, 2022, the list of guaranteed classes of insurance was extended. In this regard, the Fund's guarantee covers all compulsory insurance classes, pension annuities and life insurance within the framework of the State Educational Savings System. Starting in January 2023, obligations for the new classes of insurance were accepted and recognized.

There were no other significant events after the reporting period.

23. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved and signed by the management of the Fund on March 31, 2023.