

**JOINT STOCK COMPANY  
UNIFIED ACCUMULATIVE  
PENSION FUND**

Pension Plan Assets

Financial Statements and  
Independent Auditor's Report  
for the Year Ended 31 December 2020

# Joint Stock Company Unified Accumulative Pension Fund

## TABLE OF CONTENTS

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	<b>Page</b>
STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020	1
INDEPENDENT AUDITOR'S REPORT	2-4
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020:	
Statement of Profit and Loss	5
Statement of Net Assets Available for Benefits	6
Statement of Cash Flows	7
Statement of Changes in Net Assets Available for Benefits	8
Notes to the Financial Statements	9-43

# Joint Stock Company Unified Accumulative Pension Fund

## Pension Plan Assets

### Statement of Management's Responsibilities for the Preparation and Approval of the Financial Statements for the Year Ended 31 December 2020

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Management of Joint Stock Company Unified Accumulative Pension Fund ("the Fund") is responsible for the preparation of the financial statements that present fairly the financial position of the pension assets as at 31 December 2020, and the results of its operations, cash flows and changes in net assets available for benefits for the year then ended, in accordance with Financial Reporting Standard "Accounting and disclosure of operations with pension assets" approved by Regulation No. 195 of the Management Board of the National Bank of the Republic of Kazakhstan on 26 July 2013 ("the FRS"). The FRS sets out certain specific accounting and financial reporting requirements in respect of the pension assets, and stipulates that International Financial Reporting Standards ("IFRS") apply for those areas not specifically addressed by the FRS. In preparing the financial statements, the Fund, as a reporting organization, in accordance with IAS 26 Accounting and Reporting by Retirement Benefit Plans, for pension assets uses the concept of "Pension Plan Assets" ("Plan").

In preparing the financial statements, management is responsible for:

- Properly selecting and applying accounting policies;
- Presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Providing additional disclosures when compliance with the specific requirements in FRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Plan's financial position and financial performance; and
- Making an assessment of the Plan's ability to continue as a going concern.

Management is also responsible for:

- Designing, implementing and maintaining an effective and sound system of internal controls throughout the Plan;
- Maintaining adequate accounting records that disclose, with reasonable accuracy at any time, the financial position of the Plan, and which enable them to ensure that the financial statements of the Plan comply with FRS;
- Maintaining accounting records in compliance with legislation of the Republic of Kazakhstan;
- Taking such steps as are reasonably available to them to safeguard the assets of the Plan; and
- Detecting and preventing fraud and other irregularities.

The financial statements of the Plan for the year ended 31 December 2020 were authorised for issue by the Management of the Fund on 16 March 2021.

On behalf of the Management Board:

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**Kurmanov Zhanat Bostanovich**  
Chairman of the Management Board

16 March 2021  
Almaty

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**Sarinova Amankul Zhaksylykovna**  
Chief Accountant

16 March 2021  
Almaty

## INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Joint Stock Company Unified Accumulative Pension Fund

### Opinion

We have audited the financial statements of the Pension Plan Assets ("the Plan") of Joint Stock Company Unified Accumulative Pension Fund ("the Fund"), which comprise the statement of net assets available for benefits as at 31 December 2020, the statement of profit and loss, statement of cash flows and statement of changes in net assets available for benefits for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Plan as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with Financial Reporting Standard "Accounting and disclosure of operations with pension assets" approved by Regulation No. 195 of the Management Board of the National Bank of the Republic of Kazakhstan on 26 July 2013 ("the FRS").

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). 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 Plan in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (the "IESBA Code") together with the ethical requirements that are relevant to our audit of the financial statements in the Republic of Kazakhstan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with FRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Plan's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Plan or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Plan's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive 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 higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 Plan's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 Plan'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 Plan to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Zhangir Zhilybayev  
General Director  
Deloitte LLP  
State license on auditing in the  
Republic of Kazakhstan  
№0000015, type MFU-2, given by the  
Ministry of Finance of the  
Republic of Kazakhstan  
dated 13 September 2006



Roman Sattarov  
Engagement Partner  
Qualified Auditor of the Republic of Kazakhstan  
Qualification certificate №MF-0000149  
dated 31 May 2013  
Deloitte LLP

16 March 2021  
Almaty

# Joint Stock Company Unified Accumulative Pension Fund

## Pension Plan Assets

### Statement of Profit and Loss for the Year Ended 31 December 2020 (in thousands of Kazakhstani Tenge)

	Notes	For the year ended 31 December 2020	For the year ended 31 December 2019
Interest income	4, 21	806,227,203	648,865,833
Dividend income	5, 21	25,449,324	19,198,440
Net gain on financial assets	6	87,163,610	23,433,149
Net gain/(loss) on foreign exchange operations	7	290,944,118	(7,114,453)
Net gain on assets under investment management of foreign organisations	15	50,249,168	12,941,942
Recovery of previously written-off impairment losses on financial assets		266,249	1,549,301
Other income		2,201,059	892,874
<b>Total income</b>		<b>1,262,500,731</b>	<b>699,767,086</b>
Commission expense	8, 21	(42,656,240)	(58,010,578)
<b>Net profit for the year</b>		<b>1,219,844,491</b>	<b>641,756,508</b>

On behalf of the Management Board:

  
Kurmanov Zhanat Bostanovich  
Chairman of the Management Board

16 March 2021  
Almaty

  
Sarinova Armankul Zhaksylykovna  
Chief Accountant

16 March 2021  
Almaty

The notes on pages 9-43 form an integral part of these financial statements.



# Joint Stock Company Unified Accumulative Pension Fund

## Pension Plan Assets

### Statement of Cash Flows for the Year Ended 31 December 2020 (in thousands of Kazakhstani Tenge)

	Year ended 31 December 2020	Year ended 31 December 2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets available for benefits	2,112,936,234	1,422,897,227
<i>Adjustments for:</i>		
Interest income	(806,227,203)	(648,865,833)
Dividend income	(25,449,324)	(19,198,440)
Net gain on financial assets	(87,163,610)	(23,433,149)
Net (gain)/loss on unrealised foreign exchange operations	(290,944,118)	7,114,453
Net gain on assets under investment management of foreign organisations	(50,249,168)	(12,941,942)
Recovery of previously written-off impairment losses	(266,249)	(1,549,301)
<b>Change in operating assets and liabilities</b>		
Increase in other assets	(3,345,398)	(589,617)
Decrease in commission payable	(3,279,193)	(1,501,465)
(Decrease)/increase in claims of pension beneficiaries	(1,487,360)	2,189,960
(Decrease)/increase in personal income tax payable from benefits paid	(252,573)	474,955
Decrease in other liabilities	(6,895)	(443)
<b>Cash inflows from operating activities</b>	<b>844,265,143</b>	<b>724,596,405</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	638,157,118	559,932,314
Dividends received	25,286,044	17,440,098
Proceeds from bank deposits	31,658,116,407	44,714,718,155
Placement of bank deposits	(31,805,443,240)	(44,662,997,172)
Proceeds from reverse repurchase agreements	10,375,512,531	268,786,388
Purchases of reverse repurchase agreements	(10,397,270,366)	(268,861,667)
Sales and repayment of financial assets at fair value through profit or loss	5,168,029,167	8,311,797,079
Purchases of financial assets at fair value through profit or loss	(6,175,254,959)	(8,978,824,180)
Sales of derivatives	12,907,879	1,403,107
Sales and repayment of financial assets at amortised cost	400,396,087	584,161,046
Purchases of financial assets at amortised cost	(704,334,234)	(766,146,032)
Placement of assets to investment management of foreign organisation	(554,391,000)	(116,146,000)
<b>Cash outflows from investing activities</b>	<b>(1,358,288,566)</b>	<b>(334,736,864)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(514,023,423)</b>	<b>389,859,541</b>
Cash and cash equivalents at the beginning of the year (Note 9)	521,573,950	133,804,275
Effect of changes in exchange rates on cash and cash equivalents	26,981,466	(2,089,866)
<b>Cash and cash equivalents at the end of the year (Note 9)</b>	<b>34,531,993</b>	<b>521,573,950</b>

During 2019, in accordance with FRS, the Plan reclassified financial assets from "fair value" into "amortised cost" category and from "amortised cost" into "fair value" category. The effect of reclassification is disclosed in Note 12.

On behalf of the Management Board:

Kurmanov Zhanat Bostanovich  
Chairman of the Management Board

16 March 2021  
Almaty



Sarinova Amankul Zhaksylykovna  
Chief Accountant

16 March 2021  
Almaty

The notes on pages 9-43 form an integral part of these financial statements.

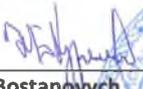
# Joint Stock Company Unified Accumulative Pension Fund

## Pension Plan Assets

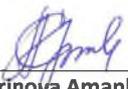
### Statement of Changes in Net Assets Available for Benefits for the Year Ended 31 December 2020 (in thousands of Kazakhstani Tenge)

	Notes	Year ended 31 December 2020	Year ended 31 December 2019
Net profit for the year		1,219,844,491	641,756,508
Pension contributions received	17	1,086,520,316	991,331,093
Benefits paid	18	(193,428,573)	(210,190,374)
<b>Change in net assets available for benefits</b>		<b>2,112,936,234</b>	<b>1,422,897,227</b>
Net assets available for benefits at the beginning of the year		10,800,539,394	9,377,642,167
<b>Net assets available for benefits at the end of the year</b>		<b>12,913,475,628</b>	<b>10,800,539,394</b>

On behalf of the Management Board:

  
Kurmanov Zhanat Bostanovich  
Chairman of the Management Board

16 March 2021  
Almaty

  
Sarinova Aمانкул Zhaksylykovna  
Chief Accountant

16 March 2021  
Almaty

The notes on pages 9-43 form an integral part of these financial statements.

# Joint Stock Company Unified Accumulative Pension Fund

## Pension Plan Assets

### Notes to the Financial Statements for the Year Ended 31 December 2020 (in thousands of Kazakhstani Tenge)

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#### 1. Organization

These financial statements reflect Pension Plan Assets (hereinafter - “the Plan”) as a reporting organization, in accordance with International Financial Reporting Standards (hereinafter - “IFRS”) (IAS) 26 “Accounting and Reporting by Retirement Benefit Plans”, are regulated by the pension legislation of the Republic of Kazakhstan and represents a defined contribution plan where pension contributions are accumulated and out of which benefits are paid.

On 21 June 2013, there were amendments enacted to the Law “On pensions in the Republic of Kazakhstan” (hereinafter - “the Law on pensions”). In accordance with the amended Law on pensions all mandatory pension, mandatory professional pension contributions in the Republic of Kazakhstan are performed by the Fund.

The Fund is a non-for-profit organisation. Its sole shareholder is the Government of the Republic of Kazakhstan, represented by the Committee of State Property and Privatisation of the Ministry of Finance of the Republic of Kazakhstan (hereinafter - the “CSPP”).

In accordance with the Law on pensions and the Agreement on fiduciary management signed by National Bank of the Republic of Kazakhstan (hereinafter - “the NBRK”) No. 362 dated 26 August 2013, the state portfolio of shares of the Fund was passed under the fiduciary management to the NBRK (hereinafter - “the Trustee”).

The NBRK performs fiduciary management in respect of pension assets in accordance with the Investment Declaration approved by the Resolution of the NBRK Board No. 10 dated 24 February 2020 and amendments approved by the Resolution of the NBRK Board No. 118 dated 21 September 2020, No.145 dated 21 December 2020.

Investment Declaration approved by the Resolution of the NBRK Board No. 86 dated 17 March 2016 and amendments approved by the Resolution of the NBRK Board No. 165 dated 28 August 2017, No. 326 dated 28 December 2018 and No. 135 dated 13 August 2019 was cancelled by the Resolution of the NBRK Board No. 10 dated 24 February 2020.

The investment declaration regulates the list of investment objects, goals, strategies and restrictions for the investment activity of the Plan, the conditions for hedging and diversification of pension assets of the Plan, taking into account the recommendations of the Council for National Fund of the Republic of Kazakhstan Management headed by the President of the Republic of Kazakhstan.

In addition, the NBRK may entrust pension assets to another party to take actions necessary to manage the pension assets of the Plan entrusted in accordance with the investment management agreement.

# Joint Stock Company Unified Accumulative Pension Fund

## Pension Plan Assets

### Notes to the Financial Statements (continued) for the Year Ended 31 December 2020 *(in thousands of Kazakhstani Tenge)*

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All employers' of Republic of Kazakhstan are liable to make mandatory contributions on behalf of their employees equal to 10% of employee's income, but not less than 10% of the minimum salary, established for the relevant financial year by the Law of Republic of Kazakhstan "On the Republican budget". Starting from 1 January 2019, a new type of tax regime was introduced for civilians carrying out entrepreneurial activities without registering as an individual comprehensive payment (ICP), 30% of which were accrued to individual pension accounts in the form of mandatory pension contributions. Additional voluntary contributions can be made by individuals and legal entities. Mandatory professional pension contributions are made by the employers at their own expense for the benefit of employees engaged in jobs with hazardous working conditions, in the amount of 5% of monthly income of the employee.

The pension provision system in Kazakhstan is a multi-level system, which consists of the solidarity and base component, the accumulative mandatory and voluntary savings components. The solidarity component is calculated, if there is a work experience not less than 6 months as at 1 January 1998, and guaranteed by the Government of the Republic of Kazakhstan and is calculated and provided by the State Corporation "Government for Citizens" (hereinafter - the "GC"). The mandatory accumulative pension component is based on savings adjusted for inflation are also guaranteed by the Government. Thus, if at the moment of occurrence of the right to receive pension from the Plan, the amount of accumulated pension is less than all the pension contributions made adjusted for the inflation rate, the Government guarantees to pay the difference.

Each participant has an individual pension account, which is credited with his/her contribution and allocation of the Plan's investment income and is charged with an allocation of commission expense. The amount of allocated investment income and charged commission expense are determined in accordance with the pension legislation of Republic of Kazakhstan. When the conditions defined by the Law on pensions are met, participants are entitled to receive pension benefits up to the amount of pension savings, accumulated on their individual pension accounts.

When a participant reaches pension age, payments of pension accumulations from the Plan are performed in accordance with schedule, within the limits of annual payment amount, defined by the pension legislation for the corresponding year.

On termination of service due to death or emigration outside the Republic of Kazakhstan, a participant (heir, in case of death) is entitled to receive a lump-sum amount accumulated on the individual pension account as it was defined by the legislation of Republic of Kazakhstan.

When a participant reaches age, as defined in the Law on pensions and sufficiency of pension accumulations on his/her pension account, he/she has an option either to transfer the accumulated pension benefits to any insurance company as a contribution towards a pension annuity agreement.

# Joint Stock Company Unified Accumulative Pension Fund

## Pension Plan Assets

Notes to the Financial Statements (continued)  
for the Year Ended 31 December 2020  
(in thousands of Kazakhstani Tenge)

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## 2. Significant accounting policies

### Basis of preparation

These financial statements have been prepared assuming that the Plan is a going concern and will continue operation for the foreseeable future.

In accordance with IAS 1 “Presentation of Financial Statements”, the Plan may use titles for the statements other than those used in the Standard. The Plan has chosen the titles, which according to their judgment, they fully reflect its activities.

### Statement of compliance

The accompanying financial statements are prepared in accordance with Financial Reporting Standard “Accounting and disclosure of operations with pension assets” approved by Regulation No. 195 of the Management Board of the National Bank of the Republic of Kazakhstan on 26 July 2013 (hereinafter - “the FRS”). The FRS sets out certain specific accounting and financial reporting requirements in respect of the Plan, and stipulates that International Financial Reporting Standards (hereinafter - “IFRS”) apply for those areas not specifically addressed by the FRS. Specifically, the FRS establishes and stipulates guidelines on accounting of pension plan assets, initial recognition and subsequent accounting of financial assets, reclassification and derecognition of financial assets, impairment of financial assets at amortised cost and other financial assets, and defines the fair value of financial assets at fair value through profit or loss.

These financial statements are presented in thousands of Kazakhstani tenge (hereinafter - “KZT thousand”), unless otherwise indicated.

These financial statements have been prepared on the cost basis of account arrangement or purchase price of financial instruments, except for certain financial instruments that are measured at amortised cost or fair value at the end of each reporting period, as explained below.

### Functional currency

Items included in the financial statements are measured using the currency of the primary of the economic environment in which the Plan operates (hereinafter - “the functional currency”).

The presentational currency of the financial statements of the Plan is the KZT thousand. All values are rounded to the nearest thousand Tenge, except when otherwise indicated.

Stipulations of accounting policy, described further, were implemented by the Plan subsequently in all reporting periods, presented in these financial statements.

# Joint Stock Company Unified Accumulative Pension Fund

## Pension Plan Assets

Notes to the Financial Statements (continued)  
for the Year Ended 31 December 2020  
(in thousands of Kazakhstani Tenge)

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### Foreign currencies

In preparing financial statements, transactions in currencies other than the Plan's functional currency ("foreign currencies") are recognised at the rates of exchange prevailing at the date of transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at reporting date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value is determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss.

The exchange rates used by the Plan in the preparation of the financial statements as at year-end are as follows:

	31 December 2020	31 December 2019
1 United States Dollar (USD)	420.91	382.59
1 Russian Rouble (RUB)	5.62	6.16
1 Pound Sterling (GBP)	574.88	503.41
1 Japanese Yen (JPY)	4.09	3.52
1 Euro (EUR)	516.79	429

### Cash and cash equivalents

Cash and cash equivalents comprise current accounts at the NBRK.

### Financial instruments

#### *Classification*

In accordance with the FRS the financial assets of the Plan are classified into one of the following categories:

- 1) measured at amortised cost;
- 2) measured at fair value.

The classification is performed in accordance with the Rules "On accounting and valuation of pension assets" developed by the NBRK in Decree No. 24 dated 26 February 2014 (hereinafter - "the Valuation Rules"). Deposits and receivables, and securities that have fixed redemption value and that have been acquired to match obligations of the Plan, are classified to the category "at amortised cost".

According to the FRS the reclassification of financial instruments between these categories is allowed at any time.

# Joint Stock Company Unified Accumulative Pension Fund

## Pension Plan Assets

### Notes to the Financial Statements (continued) for the Year Ended 31 December 2020 (in thousands of Kazakhstani Tenge)

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According to the FRS it is allowed to sell financial assets at amortised cost directly from this category.

#### **Recognition**

Financial assets and liabilities are recognised in the statement of net assets available for benefits when the Plan becomes a party to the contractual provisions of the instrument. Financial assets are recognised at the trade date.

#### **Measurement**

A financial asset or liability is initially measured at its fair value. In the case of a financial asset or liability measured not at fair value, change of which reflected in profit or loss, such financial assets or liability is initially measured at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset or liability.

Subsequent to initial recognition, financial assets, including derivatives that are assets, are measured at their fair values, without any deduction for transaction costs that may be incurred on sale or other disposal, except for:

- deposits, receivables and financial instruments, which are measured at amortised cost using the effective interest method.

All financial liabilities, other than those designated at fair value through profit or loss and financial liabilities that arise when a transfer of a financial asset carried at fair value does not qualify for derecognition, are measured at amortised cost.

#### **Amortised cost**

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment. Premiums and discounts, including initial transaction costs, are included in the carrying amount of the related instrument and amortised based on the effective interest rate of the instrument.

#### **Fair value measurement principles**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the Plan has access at that date. The fair value of a liability reflects its non-performance risk.

At subsequent measurement, fair values of the financial assets classified into the fair value through profit or loss category are determined in accordance with the Valuation Rules. Valuation Rules are also applied to determine fair value of financial assets classified into the “amortised cost” category.

# Joint Stock Company Unified Accumulative Pension Fund

## Pension Plan Assets

### Notes to the Financial Statements (continued) for the Year Ended 31 December 2020 (in thousands of Kazakhstani Tenge)

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Assessment of ordinary and preference shares of the first class of liquidity of organisations-residents of the Republic of Kazakhstan is performed weekly as at the end of the first working day of the week at the closing price of the previous trading day in the trading system of trades organiser.

Assessment of the Global Depository Receipts (hereinafter - "GDR") of organisations-residents and organisations-non-residents of the Republic of Kazakhstan is performed weekly as at the end of the first working day of the week at the closing price of the previous trading day according to the data of Bloomberg and Reuters informational-analytical systems.

Assessment of debt securities traded on the territory of the Republic of Kazakhstan and international (foreign) markets, classified "at fair value" is performed weekly as at the end of the first working day of the week at the closing price of the previous trading day according to the data of Bloomberg and Reuters informational-analytical systems.

Assessment of shares (GDRs) of organisation-residents of the Republic of Kazakhstan that are not considered as liquid, debt securities traded exclusively on the territory of the Republic of Kazakhstan, which have no market rates in Bloomberg and Reuters informational-analytical systems, structural notes is performed by an appraiser not less than twice per year in accordance with the Law of the Republic of Kazakhstan dated 30 November 2000 "On appraising activity in the Republic of Kazakhstan".

#### ***Gains and losses on subsequent measurement***

A gain or loss on a financial instrument classified as at fair value through profit or loss is recognised in statement of profit and loss.

For financial assets and liabilities carried at amortised cost, a gain or loss is recognised in the statement of profit and loss when the financial asset or liability is derecognised or impaired, and through the amortisation process.

#### ***Derecognition***

The Plan derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Plan neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Plan is recognised as a separate asset or liability in the statement of net assets available for benefits. The Plan derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Plan writes off assets when 180 days pass after the carrying amount becomes nil either as a result of impairment or fair value adjustment.

# Joint Stock Company Unified Accumulative Pension Fund

## Pension Plan Assets

Notes to the Financial Statements (continued)  
for the Year Ended 31 December 2020  
(in thousands of Kazakhstani Tenge)

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### ***Amounts receivable under reverse repurchase agreements***

Securities purchased under agreements to resell (“the reverse repo”) are recorded as amounts receivable under reverse repo transactions. The difference between the purchase and resale prices represents interest income and is recognised in profit or loss over the term of the reverse repo agreement.

### ***Assets under investment management of foreign organisations***

Accounting of pension assets, transferred by the NBRK to another party (“the asset manager”), in accordance with the investment management agreements dated 6 March 2018, 30 January 2019, 7 November 2019 and 27 July 2020 are carried out on the basis of the total amount transferred to asset manager without specification of financial instruments. Accounting is performed based of foreign custodian reports.

The change in value of pension assets is recognised in the statement of profit and loss as gain/loss on assets under investment management of foreign organisations.

Revaluation of assets under investment management of foreign organisations is carried out at least 1 (one) time per month.

### ***Derivative financial instruments***

Derivative financial instruments include swap, forward, futures, spot transactions and options in interest rate, foreign exchange, precious metals and stock markets, and any combinations of these instruments.

The Pension Plan assets are invested in derivative financial instruments in accordance with the Investment Declaration, according to which the investment limit is set at no more than 10% of the Pension Plan assets.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. All derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative.

Changes in the fair value of derivatives are recognised immediately in profit or loss. Derivatives may be embedded in another contractual arrangement (“the host contract”). An embedded derivative is separated from the host contract and it is accounted for as a derivative if, and only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the combined instrument is not measured at fair value with changes in fair value recognised in profit or loss. Derivatives embedded in financial assets or financial liabilities at fair value through profit or loss are not separated.

# Joint Stock Company Unified Accumulative Pension Fund

## Pension Plan Assets

Notes to the Financial Statements (continued)  
for the Year Ended 31 December 2020  
(in thousands of Kazakhstani Tenge)

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### *Offsetting*

Financial assets and liabilities are offset and the net amount reported in the statement of net assets available for benefits when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

### **Impairment**

Objective evidence that financial assets are impaired include default or delinquency by a borrower, bankruptcy or liquidation of the borrower.

Impairment test of the Plan's financial assets is performed according to the Methodology on impairment of pension assets ("Methodology"), approved by the minute of NBRK Committee on valuation of financial instruments comprising of the Plan's pension assets No. 1 dated 13 July 2015 (with amendments dated 13 August 2019). According to the Methodology, impairment test is performed based on the following major criteria:

- the presence of the guarantee or surety of the Government of the Republic of Kazakhstan;
- the availability of collateral;
- measures taken by the issuer of the security to improve its financial situation and (or) execution of obligations: a partial fulfilment of the obligations, additional capitalisation of the share capital, the appropriation/upgrade by international rating agencies, the initiation of the procedure of restructuring and optimisation of the debt burden, or other specific measures.

The Plan monthly assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. If any such evidence exists, the Plan determines the amount of any impairment loss.

The amount of the decrease in the value of a financial instrument classified as "at fair value" is calculated from the carrying amount of the asset.

The amount of provisions for impairment losses for financial instruments classified as "at amortized cost" is calculated as a percentage of amortised cost excluding reserves (provisions) for impairment losses and taking into account accumulated interest.

Depending on the identified impairment indicators and the presence of one of the above criteria, the size of reserves (provisions) or the size of the negative adjustment of the value of financial instruments is determined.

All impairment losses are recognised in the statement of profit and loss.

### **Taxation**

The Plan is not subject to income taxes.

# Joint Stock Company Unified Accumulative Pension Fund

## Pension Plan Assets

### Notes to the Financial Statements (continued) for the Year Ended 31 December 2020 (in thousands of Kazakhstani Tenge)

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#### Income and expense recognition

Interest income is recognised in the statement of profit and loss using the effective interest method. Interest income in respect of the securities that are in default for more than 180 days is not recognised.

Accrued discounts and premiums on financial instruments at fair value through profit or loss are recognised in gains less losses from financial instruments at fair value through profit or loss, respectively.

Dividend income is recognised in the statement of profit and loss on the date that the dividend is declared.

#### Commission expense

Commission expense is recognised using the accrual method when the corresponding service is provided in accordance with the Rules for charging commissions by the unified accumulative pension fund approved by the Resolution of the National Bank of the Republic of Kazakhstan No. 185 dated 26 July 2013. The basis for calculating the expense is explained in details in Note 9.

#### Pension contributions, transfers and benefits paid

Pension contributions are accounted for when contributions are received by the Plan's custodian. Benefits paid and pension transfers are recognised when the Plan has an obligation to pay or transfer pensions, which arise at the request of one of the Plan's participants in accordance with the pension legislation.

### 3. Critical accounting judgements and key sources of estimation uncertainty

The application of Plan's accounting policy the Plan's management is required to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### Fair value measurement and valuation process

Part of financial assets and financial liabilities of the Plan are measured at fair value. In estimating the fair value of a financial asset or a liability, the Plan uses available market-observable data. Where such Level 1 inputs are not available, the Plan engages independent appraisers. Information about valuation techniques and inputs used to determine the fair value of assets and liabilities is disclosed in Note 23.

# Joint Stock Company Unified Accumulative Pension Fund

## Pension Plan Assets

Notes to the Financial Statements (continued)  
for the Year Ended 31 December 2020  
(in thousands of Kazakhstani Tenge)

### 4. Interest income

	Year ended 31 December 2020	Year ended 31 December 2019
<b>Interest income comprises:</b>		
<b>Financial assets recorded at amortised cost:</b>		
- unimpaired financial assets	682,124,134	428,076,443
<b>Financial assets at fair value</b>	<b>124,103,069</b>	<b>220,789,390</b>
<b>Total interest income</b>	<b>806,227,203</b>	<b>648,865,833</b>
<b>Financial assets recorded at amortised cost comprises:</b>		
Financial assets at amortised cost	632,103,523	381,074,337
Bank deposits	45,530,168	46,875,094
Amounts receivable under reverse repurchase agreements	4,490,443	127,012
<b>Total interest income on financial assets recorded at amortised cost</b>	<b>682,124,134</b>	<b>428,076,443</b>
<b>Financial assets at fair value:</b>		
Financial assets at fair value through profit or loss	124,103,069	220,789,390
<b>Total interest income on financial assets at fair value</b>	<b>124,103,069</b>	<b>220,789,390</b>
<b>Total interest income</b>	<b>806,227,203</b>	<b>648,865,833</b>

### 5. Dividend income

	Year ended 31 December 2020	Year ended 31 December 2019
<b>Equity Securities:</b>		
Ordinary shares of JSC Halyk Bank	12,264,375	7,740,630
GDR of JSC National Atomic Company Kazatomprom	4,605,203	3,919,405
Ordinary shares of JSC KEGOC	1,924,053	1,171,598
GDR of JSC Halyk Bank	1,322,219	834,202
Ordinary shares of JSC KazTransOil	1,241,546	1,094,244
Preference shares of JSC Atameken-Agro	800,647	1,760,495
GDR of JSC Sberbank Russia	636,781	594,379
Preference shares of JSC Fincraft Resources	525,954	262,977
GDR of JSC Kcell	421,378	260,692
Ordinary shares of JSC Kazakhtelecom	285,637	286,720
GDR of PJSC Gasprom	276,481	307,509
Ordinary shares of JSC ForteBank	220,641	118,134
Ordinary shares of RIOTINTO PLC	183,906	277,772
Ordinary shares of JSC Kcell	154,438	102,478
Preference shares of JSC Nurbank	120,398	120,398
GDR of PJSC MMC Norilsk Nickel	104,093	101,578
Others – domestic equity	240,880	85,724
Others - foreign equity	120,694	159,505
<b>Total dividend income</b>	<b>25,449,324</b>	<b>19,198,440</b>

# Joint Stock Company Unified Accumulative Pension Fund

## Pension Plan Assets

Notes to the Financial Statements (continued)  
for the Year Ended 31 December 2020  
(in thousands of Kazakhstani Tenge)

### 6. Net gain on financial assets

	Year ended 31 December 2020	Year ended 31 December 2019
Net gain /(loss) on operations with financial assets at fair value through profit or loss	80,304,084	(13,196,874)
Net gain on operations with financial assets at amortised cost	6,859,526	36,630,023
<b>Total net gain on financial assets</b>	<b>87,163,610</b>	<b>23,433,149</b>
	Year ended 31 December 2020	Year ended 31 December 2019
<b>Net gain/(loss) on operations with financial assets at fair value through profit or loss comprises:</b>		
Change in fair value, net	85,794,027	(32,997,803)
Dealing, net	(5,489,943)	19,800,929
<b>Total net gain/(loss) on operations with financial assets at fair value through profit or loss</b>	<b>80,304,084</b>	<b>(13,196,874)</b>
	Year ended 31 December 2020	Year ended 31 December 2019
<b>Change in fair value, net:</b>		
Government bonds of the Ministry of Finance of the Republic of Kazakhstan	52,575,522	(68,717,721)
JSC National Atomic Company Kazatomprom	29,816,958	(4,889,862)
JSC Kcell	5,901,051	7,794,045
JSC Fincraft Resources	5,395,035	-
JSC Halyk Bank	(4,169,611)	23,264,188
National Bank of the Republic of Kazakhstan	(2,642,430)	345,649
PJSC Sberbank Russia	(217,589)	3,760,027
Government bonds of the Republic of Azerbaijan	-	3,648,043
Other	(864,909)	1,797,828
<b>Total change in fair value, net</b>	<b>85,794,027</b>	<b>(32,997,803)</b>
	Year ended 31 December 2020	Year ended 31 December 2019
<b>Net gain on operations with financial assets at amortised cost comprises:</b>		
Dealing, net	6,859,526	36,630,023
<b>Total net gain on operations with financial assets at amortised cost</b>	<b>6,859,526</b>	<b>36,630,023</b>

# Joint Stock Company Unified Accumulative Pension Fund

## Pension Plan Assets

Notes to the Financial Statements (continued)  
for the Year Ended 31 December 2020  
(in thousands of Kazakhstani Tenge)

### 7. Net gain/(loss) on foreign exchange operations

	Year ended 31 December 2020	Year ended 31 December 2019
Translation difference, net	291,024,707	(7,373,311)
Dealing, net	(80,589)	258,858
<b>Total net gain/(loss) on foreign exchange operations</b>	<b>290,944,118</b>	<b>(7,114,453)</b>

### 8. Commission expense

	Year ended 31 December 2020	Year ended 31 December 2019
Commission expense on investment income	27,797,468	40,563,014
Commission expense on pension assets	14,858,772	17,447,564
<b>Total commission expense</b>	<b>42,656,240</b>	<b>58,010,578</b>

In accordance with the Law on pensions, the Fund is authorised to receive a commission from the Plan not exceeding 7.5% of investment income and not exceeding 0.025% per month of total pension assets.

In 2020, the Plan accrued commission expenses on investment income from pension plan assets of 2.00% (2019: 5.00%). The calculation and accrual of commission expense is made on a monthly basis and the investment income from the Pension Plan assets accrued for the month is used to calculate the results of which the value of the Pension Plan assets is calculated, which is used for the calculation of the commission expense of the Pension Plan assets.

In 2020, the Plan accrued commission expenses of 0.011% per month on pension plan assets (2019: 0.015% per month). The calculation is performed on a monthly basis and for the calculation uses the value of the pension Plan assets as at the beginning first day of the month preceding the month for which the calculation and accrual of commission expenses is made. In the calculation, the Plan uses the value of pension plan assets without accrual of investment income from pension plan assets estimated in accordance with the Valuation rules.

Commission expenses rates on pension plan assets and on investment income from pension plan assets for 2020 were determined in accordance with regulation No. 179 of the Management Board of the NBRK dated 11 November 2019.

# Joint Stock Company Unified Accumulative Pension Fund

## Pension Plan Assets

Notes to the Financial Statements (continued)  
for the Year Ended 31 December 2020  
(in thousands of Kazakhstani Tenge)

### 9. Cash and cash equivalents

	31 December 2020	31 December 2019
Current accounts with the National Bank of the Republic of Kazakhstan	34,531,993	521,573,950
<b>Total cash and cash equivalents</b>	<b>34,531,993</b>	<b>521,573,950</b>

As at 31 December 2020 and 2019, cash and cash equivalents are neither impaired nor past due.

### 10. Amounts receivable under reverse repurchase agreements

	31 December 2020 Carrying value	31 December 2020 Fair value
Bonds of JSC Kazakhstan Sustainability Fund	16,981,792	16,981,792
Bonds of JSC KazAgroFinance	9,266,487	9,266,843
<b>Total amounts receivable under reverse repurchase agreements</b>	<b>26,248,279</b>	<b>26,248,635</b>

As at 31 December 2019, the amounts receivable under reverse repurchase agreements are nil.

### 11. Bank deposits

	31 December 2020	31 December 2019
National Bank of the Republic of Kazakhstan	332,187,500	138,000,000
Development Bank of Singapore Ltd.	126,290,140	31,787,519
BANK OF NOVA SCOTIA	67,777,117	129,212,529
JSC Halyk Bank	66,847,576	66,847,576
JSC SB Sberbank of Russia	51,324,137	51,324,137
JSC Eurasian Bank	48,352,000	48,352,000
ING BANK N.V.	46,729,420	-
SOCIETE GENERALE PARIS	42,100,786	15,197,006
JSC ForteBank	41,174,028	41,174,027
JSC ATF Bank	20,535,671	20,535,671
JSC Kaspi Bank	20,301,918	20,301,918
JSC Bank RBK	3,176,693	3,176,693
CREDIT AGRICOLE CIB (HONGKONG BRANCH)	-	76,959,647
BANK OF TOKYO-MITSUBISHI, LTD., THE(LONDON BRANCH)	-	38,387,487
Natixis (Capital Market) Paris	-	30,620,395
HSBC BANK PLC (ALL U.K. OFFICES)	-	6,254,678
JSC SB Alfa-Bank	-	3,197,444
<b>Total bank deposits</b>	<b>866,796,986</b>	<b>721,328,727</b>

As at 31 December 2020, the accrued interest income amounted KZT 6,845,466 thousand (31 December 2019: KZT 7,962,250 thousand) and was included in the bank deposits.

# Joint Stock Company Unified Accumulative Pension Fund

## Pension Plan Assets

### Notes to the Financial Statements (continued) for the Year Ended 31 December 2020 (in thousands of Kazakhstani Tenge)

The analysis of changes of allowance for impairment losses for the years ended 31 December 2020 and 2019 is presented in the table below:

	2020	2019
Balance at the beginning of the year	-	1,057,984
Write-off	-	(1,057,984)
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>

## 12. Financial assets at fair value through profit or loss

	31 December 2020	31 December 2019
<b>Financial assets designated at fair value through profit or loss:</b>		
Debt securities	2,720,889,691	1,440,829,739
Equity securities	324,811,114	268,388,459
<b>Total financial assets at fair value through profit or loss</b>	<b>3,045,700,805</b>	<b>1,709,218,198</b>

	31 December 2020	31 December 2019
<b>Debt securities:</b>		
<b>Government bonds</b>		
Bonds of Ministry of Finance of the Republic of Kazakhstan	1,629,070,383	-
US treasury bills	944,803,720	924,572,284
Notes of NBRK	81,648,210	443,712,133
Bonds of Ministry of Finance of Russian Federation	-	3,530,620
<b>Total government bonds</b>	<b>2,655,522,313</b>	<b>1,371,815,037</b>
<b>Corporate bonds:</b>		
Merrill Lynch	18,880,860	17,075,455
JSC ForteBank	14,636,386	22,042,978
JSC Doszhan Temir Zholy	13,760,132	15,332,747
JSC Fincraft Resources	5,276,082	-
Bank of America, N.A.	3,656,741	3,738,153
Commerzbank AG	2,487,358	2,529,427
JSC KazExportAstyk	2,445,431	3,962,533
Societe Generale	2,405,921	2,278,118
JSC Bank CenterCredit	1,388,241	1,262,119
JSC Abdi	383,276	602,939
JSC Halyk Bank	46,950	42,797
JSC Ekoton +	-	147,436
<b>Total corporate bonds</b>	<b>65,367,378</b>	<b>69,014,702</b>
<b>Total debt securities</b>	<b>2,720,889,691</b>	<b>1,440,829,739</b>

# Joint Stock Company Unified Accumulative Pension Fund

## Pension Plan Assets

### Notes to the Financial Statements (continued) for the Year Ended 31 December 2020 (in thousands of Kazakhstani Tenge)

	31 December 2020	31 December 2019
<b>Equity securities:</b>		
GDR of JSC National Atomic Company Kazatomprom	98,033,271	62,122,186
Ordinary shares of JSC Halyk Bank	87,488,388	91,214,494
Ordinary shares of JSC KEGOC	31,760,724	15,403,090
GDR of JSC Kcell	29,006,581	24,444,569
GDR of PJSC SB Sberbank of Russia	10,857,645	11,080,861
Ordinary shares of JSC KazTransOil	9,877,586	10,889,829
Ordinary shares of JSC Kazakhtelecom	9,641,898	9,860,982
GDR of JSC Halyk Bank	9,586,764	10,040,016
Ordinary shares of JSC Kcell	9,395,507	8,047,923
GDR of JSC Gasprom	4,537,034	6,194,225
Ordinary shares of PLC Rio Tinto	3,697,856	2,642,383
Ordinary shares of KAZ Minerals PLC	2,945,276	2,233,716
Ordinary shares of JSC ForteBank	2,446,403	1,953,401
Ordinary shares of JSC Bayan Sulu	1,899,810	1,510,120
Ordinary shares of Mcomoran Copper	1,878,185	897,327
GDR of PJSC MMC Norilsk Nickel	1,581,382	1,391,212
GDR of NEWMONT MINING CORP	1,578,311	1,013,106
Ordinary shares of JSC Bank CenterCredit	1,090,751	1,148,194
Preferred shares of JSC Atameken Agro	1,211,047	1,107,174
Preferred shares of JSC Fincraft Resources	1,159,729	-
GDR of JSC VTB Bank	1,021,217	1,389,294
GDR of ORANGE	836,998	906,490
Preferred shares of JSC Nurbank	682,055	623,011
Ordinary shares of BARRICK GOLD CORP	653,291	476,349
Ordinary shares of JSC KazTransCom	625,928	575,797
Ordinary shares of CATERPILLAR INC	377,893	283,652
GDR of POSCO	258,018	197,684
Preferred shares of JSC Kazakhtelecom	221,941	230,680
GDR of CHINA MOBILE LTD-SPON	201,790	270,373
Ordinary shares of JSC ATF Bank	115,735	129,623
GDR of VALE DE RIO DOCE SA	74,952	54,726
Ordinary shares of JSC Nurbank	67,131	55,956
GDR of JSC Kazakhtelecom	17	16
<b>Total equity securities</b>	<b>324,811,114</b>	<b>268,388,459</b>
<b>Total financial assets at fair value through profit or loss</b>	<b>3,045,700,805</b>	<b>1,709,218,198</b>

As at 31 December 2020, the accrued interest income of KZT 99,573,591 thousand (31 December 2019: KZT 1,221,557 thousand) was included in financial assets at fair value through profit or loss.

### Reclassification

During the year ended 31 December 2019, securities with a total carrying amount of KZT 3,186,969,268 thousand were reclassified from “fair value” into “amortised cost” category, and securities with a total carrying amount of KZT 48,819,156 thousand were reclassified from “amortised cost” into “fair value” category. The reclassification of financial instruments is allowed at any time in accordance with FRS (Note 2). The net gain from reclassification in the the total amount of KZT 277,348 thousand was included in the net gain on financial assets in the statement of profit and loss for the year ended 31 December 2019.

# Joint Stock Company Unified Accumulative Pension Fund

## Pension Plan Assets

Notes to the Financial Statements (continued)  
for the Year Ended 31 December 2020  
(in thousands of Kazakhstani Tenge)

### Revaluation

During 2020, in accordance with the Law of the Republic of Kazakhstan dated 30 November 2000 “On appraising activity in the Republic of Kazakhstan”, the non-liquid pension assets of the Plan was revalued by independent appraiser as at 1 June and 1 November 2020 (2019: as at 1 May and 1 October 2019).

### 13. Derivative financial assets and liabilities

	31 December 2020	31 December 2019
<b>Derivative financial assets</b>		
USD/KZT	-	16,701,465
USD/JPY	-	2,371,728
<b>Total derivative financial assets</b>	<b>-</b>	<b>19,073,193</b>
<b>Derivative financial liabilities</b>		
EUR/USD	-	675,371
<b>Total derivative financial liabilities</b>	<b>-</b>	<b>675,371</b>

As at 31 December 2020, the derivative financial assets and liabilities represents currency swaps. For the year ended, the net (loss)/gain from derivative financial assets and liabilities in the amount of KZT 5,489,943 thousand (Note 6) (as at 31 December 2019: KZT 19,800,929 thousand) was recognised.

### 14. Financial assets at amortised cost

	31 December 2020	31 December 2019
<b>Financial assets at amortised cost:</b>		
Government bonds	4,354,624,356	4,231,248,168
Corporate bonds	3,772,682,119	3,382,064,627
<b>Total financial assets at amortised cost</b>	<b>8,127,306,475</b>	<b>7,613,312,795</b>
	31 December 2020	31 December 2019
<b>Government bonds:</b>		
Ministry of Finance of the Republic of Kazakhstan	4,019,329,046	3,924,293,822
Government of the Russian Federation	109,322,036	100,259,887
Government of Republic of Indonesia	70,258,397	64,324,522
Government of the United Mexican States	45,830,190	41,875,716
Government of Republic of Philippines	27,505,921	25,211,337
Government of Republic of Peru	23,784,518	21,877,865
Government of Republic of Chili	22,100,229	20,073,150
Government of Republic of Poland	20,896,563	19,059,347
Government of Brazil	15,597,456	14,272,522
<b>Total government bonds</b>	<b>4,354,624,356</b>	<b>4,231,248,168</b>

# Joint Stock Company Unified Accumulative Pension Fund

## Pension Plan Assets

### Notes to the Financial Statements (continued) for the Year Ended 31 December 2020 (in thousands of Kazakhstani Tenge)

	31 December 2020	31 December 2019
<b>Corporate bonds:</b>		
JSC National Managing Holding KazAgro	633,103,088	626,848,811
JSC Halyk Bank	509,736,185	501,881,010
European Bank for Reconstruction and Development	442,552,344	293,275,826
JSC Development Bank of Kazakhstan	299,036,541	274,609,943
JSC National Company Kazakhstan Temir Zholy	257,669,917	283,096,690
JSC Kaspi Bank	194,121,785	190,148,222
JSC National Managing Holding Baiterek	158,656,229	71,800,947
JSC ATF Bank	151,032,632	150,744,304
JSC Kazakhstan Sustainability Fund	147,145,245	-
JSC AstanaGas KMG	96,041,397	87,310,361
JSC KEGOC	68,884,177	68,483,463
JSC Bank RBK	68,269,256	62,017,952
Eurasian Development Bank	63,225,907	42,830,479
JSC National Welfare Fund Samruk-Kazyna	63,111,713	60,288,000
JSC Bank CenterCredit	60,721,928	60,398,270
JSC ForteBank	52,109,135	52,109,039
JSC Agrarian Credit Corporation	48,897,763	14,475,030
JSC JSC First Heartland Jysan Bank	39,204,284	43,366,636
JSC Kazakhtelecom	38,356,532	38,356,532
Sinopec Group Overseas Development	36,754,762	33,230,586
PJSC Gasprom	35,260,746	31,802,646
Subsidiary of State Grid Corporation of China	33,985,892	30,800,950
PERUSAHAAN LISTRIK NEGAR	25,724,627	23,387,624
PJSC Sberbank of Russia	21,335,018	19,727,560
Asian Bank of Development	20,814,445	20,757,357
JSC Nurbank	18,270,109	17,677,338
JSC Eurasian Bank	14,301,480	13,691,524
JSC Home Credit Bank	12,672,808	12,641,385
EXPORT-IMPORT BANK INDIA	11,427,581	10,360,170
JSC Kazakhstan Mortgage Company	10,762,846	15,977,837
EXPORT-IMPORT BANK CHINA	10,868,624	9,816,885
AVI FUNDING CO LTD	10,507,527	9,528,416
EMPRESA NACIONAL DEL PET	10,436,163	9,457,169
THREE GORGES FIN I KY	10,112,006	9,119,802
INDIAN RAILWAY FINANCE	9,607,611	8,677,438
PERTAMINA PERSERO PT	8,510,253	7,760,348
SB JSC Sberbank of Russia	8,105,087	37,423,009
BANCO NACIONAL COM EXT	8,046,982	7,310,341
JSC SB Alfa Bank	7,645,573	7,645,573
PELABUHAN INDONESIA III	7,518,772	6,834,733
PJSC Rosneft	7,075,739	6,305,316
JSC AsiaCredit Bank	6,229,670	10,199,328
Merrill Lynch	5,477,391	4,772,511
CODELCO INC	5,324,691	4,813,157
JSC SevKazEnerg	5,301,736	5,815,729
International Financial Corporation (IFC)	4,836,198	4,836,084
PJSC UNICREDITBA AG	3,464,880	3,432,974
Three Gorges Finance I (Cayman Islands) Ltd.	3,329,395	3,018,070
JSC Kcell	2,630,972	2,630,972
Barclays Bank PLC	2,189,249	2,019,775
Southern Copper	615,160	558,713
Rongshi International Finance Ltd.	612,052	553,530
Citigroup Inc	431,467	406,418
Astrazeneca PLC	409,742	372,040
IBM CORP	208,807	187,986
JSC KazMunayGas	-	63,709,063
Morgan Stanley	-	2,762,755
<b>Total corporate bonds</b>	<b>3,772,682,119</b>	<b>3,382,064,627</b>
<b>Total financial assets at amortised cost</b>	<b>8,127,306,475</b>	<b>7,613,312,795</b>

# Joint Stock Company Unified Accumulative Pension Fund

## Pension Plan Assets

### Notes to the Financial Statements (continued) for the Year Ended 31 December 2020 (in thousands of Kazakhstani Tenge)

As at 31 December 2020, the accrued interest income amounted KZT 243,140,962 thousand (31 December 2019: KZT 207,742,378 thousand) is included in financial assets carried at amortised cost.

## 15. Assets under investment management of foreign organisations

During 2019, the NBRK, in accordance with the Rules for the selection of foreign organisations managing pension assets of the JSC Unified Accumulative Pension Fund, including requirements for them, instructed by them to perform actions necessary to manage pension assets of the UAPF, approved by the Resolution of the Board of the NBRK No. 232 dated 27 September 2018, 27 July 2020 (2019: No. 173 dated 30 January and 7 November 2019) the NBRK concluded an Investment Management Agreement with a foreign organisations:

	31 December 2020	31 December 2019
<b>Assets under investment management of foreign organisations:</b>		
PGIM Limited	221,925,068	38,259,000
Principal Global Investors (Europe) Limited	220,264,555	38,287,616
HSBC Global Asset Management (UK) Limited	164,217,550	38,387,757
Aviva Investors Global Services Limited	117,577,181	96,950,819
Robeco Institutional Asset Management B.V.	92,541,006	-
<b>Total assets under investment management of foreign organisations</b>	<b>816,525,360</b>	<b>211,885,192</b>

For the year ended 31 December 2020, the net gain on assets under investment management of foreign organisations is KZT 50,249,168 thousand (31 December 2019: KZT 12,941,942 thousand).

## 16. Other assets

	31 December 2020	31 December 2019
Principal and interest on financial instruments – unimpaired	-	13,483,076
Overdue principal and interest on financial instruments - impaired	-	6,483
<b>Total other assets</b>	<b>-</b>	<b>13,489,559</b>

As at 31 December 2020, other assets included accrued interest income for amount of KZT Nil (31 December 2019: KZT 6,483 thousand).

As at 31 December 2019, principal and interest on financial instruments – unimpaired, included short-term receivables on financial instruments, for which coupon period is due, but period of interest repayments is not due in accordance with the securities prospectus.

# Joint Stock Company Unified Accumulative Pension Fund

## Pension Plan Assets

### Notes to the Financial Statements (continued) for the Year Ended 31 December 2020 (in thousands of Kazakhstani Tenge)

The analysis of changes of allowance for impairment losses for the years ended 31 December 2020 and 2019, is presented in the table below:

	2020	2019
Balance at the beginning of the year	-	312,498
Write-offs	-	(312,498)
Balance at the end of the year	-	-

## 17. Pension contributions received

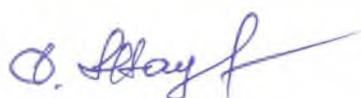
	31 December 2020	31 December 2019
Mandatory pension contributions	1,037,253,818	946,087,635
Mandatory professional pension contributions	46,877,465	43,400,169
Penalties for undue payments of pension contributions	1,378,796	1,318,426
Voluntary pension contributions	538,667	356,169
Other contributions	471,570	168,694
<b>Total pension contributions received</b>	<b>1,086,520,316</b>	<b>991,331,093</b>

## 18. Benefits paid

	31 December 2020	31 December 2019
On retirement	66,770,458	68,199,288
To contributors leaving the Republic of Kazakhstan	33,139,337	45,462,762
To heirs	32,933,098	25,152,694
For burial services	4,403,197	3,204,381
To disabled people	1,679,729	1,886,316
By court order	18,929	86,173
On seniority	16,135	37,924
<b>Total benefits paid</b>	<b>138,960,883</b>	<b>144,029,538</b>
Transfers to insurance companies	46,325,642	56,920,947
Withholding tax deducted from benefits on payment	8,142,048	9,239,889
<b>Total benefits paid</b>	<b>193,428,573</b>	<b>210,190,374</b>

## 19. Risk management

Management of risk is fundamental to the business and is an essential element of the Plan's operations. The major risks faced by the Plan are those related to market risk, which includes price, interest and currency risks and credit risk and liquidity risk.



# Joint Stock Company Unified Accumulative Pension Fund

## Pension Plan Assets

Notes to the Financial Statements (continued)  
for the Year Ended 31 December 2020  
(in thousands of Kazakhstani Tenge)

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### Risk management policies and procedures

The Plan's risk management policies aim to identify, analyse and manage the risks faced by the Plan, to set appropriate risk limits and controls, and to continuously monitor risk levels and adherence to limits. The Plan's risk management system complies with the requirements of the Investment Declaration. In accordance with clause 4.1.8 of the Agreement on State Procurement of Trust Management Services for Pension Assets of JSC Unified Accumulative Pension Fund dated 26 August 2013, the Trustee shall ensure the availability of a risk management system when performing investment activities. The risk management system adopts an integrated approach, which sets controls aimed at timely identification, assessment and prevention of events that might cause interruption to the Plan's normal operations. The Plan's risk management procedures are set and operated by the Fund. The Fund carries out post-monitoring of the portfolio of pension assets, in management reporting, in which methods for assessing investment risks using various instruments are detailed and widely used. Consideration of reporting on the condition and exposure of the portfolio of pension assets to financial risks is carried out on a monthly basis.

The Board of Directors of the Fund approves the Plan's internal policies and procedures and has overall responsibility for oversight of the risk management framework. The Board approves internal regulatory documents on minimizing non-financial risks, which use tools for self-assessment of operational risks, methods for monitoring key risk indicators, which are leading indicators and reflect potential sources of operational risks, management methods of the internal system, which are the separation of powers, determination of the responsibility of the subjects of internal control with subsequent control of operations at each stage of the process and following the hierarchy/sequence of mandatory approval procedures by responsible persons/managers and in the continuous monitoring of the internal control system in the Fund.

The Fund appoints responsible officers within each function, whose duties are to develop and regularly update the business process matrix and assess potential and identified risks inherent in these business processes.

Based on the results of using the above tools, within the framework of the operational risk management system, a risk mitigation plan is developed and approved, aimed both at eliminating the causes of risk realization and minimizing the consequences in case of risk events and potential risks.

### Market risk

Market risk is the risk that movements in market prices, including foreign exchange rates, interest rates, and equity prices will affect the Plan's change in net assets available for benefits or the value of its portfolios. Market risks comprise currency risk, interest rate risk and other price risk. Market risk arises from open positions in interest rate, currency and equity financial instruments, which are exposed to general and specific market movements and changes in the level of volatility of market prices.

The management of interest rate risk by monitoring the interest rate gap is supplemented by monitoring the sensitivity of the net interest income of the Plan's change in net assets available for benefits to various standard and non-standard interest rate scenarios.

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# Joint Stock Company Unified Accumulative Pension Fund

## Pension Plan Assets

Notes to the Financial Statements (continued)  
for the Year Ended 31 December 2020  
(in thousands of Kazakhstani Tenge)

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### Interest rate risk

Interest rate risk is the risk that movements in interest rates will affect the Plan's change in pension assets or the value of its portfolios of financial instruments.

### Interest rate sensitivity analysis

An analysis of sensitivity of the Plan's projected change in the net assets available for benefits of the Plan to changes in the market interest rate based on a simplified scenario of a 100 basis point (bp) symmetrical fall or rise in all yield curves and positions of financial assets at fair value through profit or loss existing as at 31 December 2020 and 2019 is as follows:

Impact on net profit for the year:

	31 December 2020	31 December 2019
100 bp parallel rise	(1,344,617)	(1,982,978)
100 bp parallel fall	1,475,947	2,130,433

### Currency risk

The Plan has assets and liabilities denominated in several foreign currencies.

Currency risk arises in cases where existing or projected assets denominated in a foreign currency are greater or less than existing or projected liabilities expressed in the same currency. The Plan does not hedge its exposure to currency risk.

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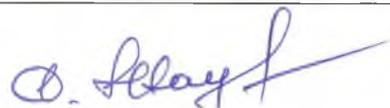
## Joint Stock Company Unified Accumulative Pension Fund

### Pension Plan Assets

Notes to the Financial Statements (continued)  
for the Year Ended 31 December 2020  
(in thousands of Kazakhstani Tenge)

The following table shows the foreign currency exposure structure of financial assets and liabilities as at 31 December 2020:

	KZT	USD	RUB	GBP	Other currencies	Total
<b>Assets</b>						
Cash and cash equivalents	24,132,323	918,088	9,123,369	312,036	46,177	34,531,993
Amounts receivable under reverse repurchase agreements	26,248,279	-	-	-	-	26,248,279
Bank deposits	583,899,522	282,897,464	-	-	-	866,796,986
Financial assets at fair value through profit or loss	1,907,798,644	1,126,365,734	4,893,278	6,643,132	17	3,045,700,805
Financial assets at amortised cost	6,623,701,535	1,500,140,060	3,464,880	-	-	8,127,306,475
Assets under investment management of foreign organisations	-	816,525,360	-	-	-	816,525,360
<b>Total assets</b>	<b>9,165,780,303</b>	<b>3,726,846,706</b>	<b>17,481,527</b>	<b>6,955,168</b>	<b>46,194</b>	<b>12,917,109,898</b>
<b>Liabilities</b>						
Commission payable	1,948,749	-	-	-	-	1,948,749
Claims of pension beneficiaries	781,742	-	-	-	-	781,742
Other financial liabilities	1,387	-	15	-	-	1,402
<b>Total liabilities</b>	<b>2,731,878</b>	<b>-</b>	<b>15</b>	<b>-</b>	<b>-</b>	<b>2,731,893</b>
<b>Net position</b>	<b>9,163,048,425</b>	<b>3,726,846,706</b>	<b>17,481,512</b>	<b>6,955,168</b>	<b>46,194</b>	<b>12,914,378,005</b>




# Joint Stock Company Unified Accumulative Pension Fund

## Pension Plan Assets

Notes to the Financial Statements (continued)  
for the Year Ended 31 December 2020  
(in thousands of Kazakhstani Tenge)

The following table shows the foreign currency exposure structure of financial assets and liabilities as at 31 December 2019:

	KZT	USD	EUR	JPY	RUB	GBP	Other currencies	Total
<b>Assets</b>								
Cash and cash equivalents	12,219,559	214,264,389	170,581,207	124,174,531	233,681	100,583	-	521,573,950
Bank deposits	392,909,466	306,967,577	-	-	21,451,684	-	-	721,328,727
Financial assets at fair value through profit or loss	631,592,478	1,064,411,439	16	-	8,338,166	4,876,099	-	1,709,218,198
Derivative financial assets	16,701,465	2,371,728	-	-	-	-	-	19,073,193
Financial assets at amortised cost	6,144,993,849	1,462,123,217	-	-	3,432,974	-	2,762,755	7,613,312,795
Assets under investment management of foreign organisations	-	211,885,192	-	-	-	-	-	211,885,192
Other financial assets	13,481,729	7,830	-	-	-	-	-	13,489,559
<b>Total assets</b>	<b>7,211,898,546</b>	<b>3,262,031,372</b>	<b>170,581,223</b>	<b>124,174,531</b>	<b>33,456,505</b>	<b>4,976,682</b>	<b>2,762,755</b>	<b>10,809,881,614</b>
<b>Liabilities</b>								
Commission payable	5,227,942	-	-	-	-	-	-	5,227,942
Claims of pension beneficiaries	2,275,305	-	-	-	-	-	-	2,275,305
Derivative financial liabilities	-	675,371	-	-	-	-	-	675,371
Other financial liabilities	5,045	174	-	-	3,433	-	-	8,652
<b>Total liabilities</b>	<b>7,508,292</b>	<b>675,545</b>	<b>-</b>	<b>-</b>	<b>3,433</b>	<b>-</b>	<b>-</b>	<b>8,187,270</b>
<b>Net position</b>	<b>7,204,390,254</b>	<b>3,261,355,827</b>	<b>170,581,223</b>	<b>124,174,531</b>	<b>33,453,072</b>	<b>4,976,682</b>	<b>2,762,755</b>	<b>10,801,694,344</b>

# Joint Stock Company Unified Accumulative Pension Fund

## Pension Plan Assets

### Notes to the Financial Statements (continued) for the Year Ended 31 December 2020 (in thousands of Kazakhstani Tenge)

The following table details the Plan's sensitivity to 10% an increase and decrease in the USD and other currencies against the KZT as at 31 December 2020 and 2019. The sensitivity rate is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign currency exchange rates.

Impact on net profit for the year:

	Year ended 31 December 2020
10% appreciation of USD against KZT	372,684,671
10% depreciation of USD against KZT	(372,684,671)
10% appreciation of other currencies against KZT	2,448,287
10% depreciation of other currencies against KZT	(2,448,287)

	Year ended 31 December 2019
10% appreciation of USD against KZT	326,135,583
10% depreciation of USD against KZT	(326,135,583)
10% appreciation of other currencies against KZT	33,594,826
10% depreciation of other currencies against KZT	(33,594,826)

### Equity price risk

Equity price risk is the risk that the value of an equity financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or factors affecting all instruments traded in the market.

An analysis of the sensitivity of the statement of profit and loss of the Plan for the year to changes in equity securities prices based on positions existing as at 31 December 2020 and 2019 and a simplified scenario of a 5% change in equity securities at fair value through profit or loss prices is as follows:

	Year ended 31 December 2020	Year ended 31 December 2019
5% increase in equity securities prices	16,240,556	13,419,423
5% decrease in equity securities prices	(16,240,556)	(13,419,423)

### Credit risk

Credit risk is the risk of financial loss occurring as a result of default by a counterparty (issuer) on their obligation to the Plan. The Fund has developed policies and procedures for the management of credit exposures, including limits on individual financial instruments. The Fund continuously monitors limits for each issuer and regularly assesses the creditworthiness of each issuer. The review is based on the issuer's most recent financial statements and other information submitted by the issuer or otherwise obtained by the Fund.

# Joint Stock Company Unified Accumulative Pension Fund

## Pension Plan Assets

### Notes to the Financial Statements (continued) for the Year Ended 31 December 2020 (in thousands of Kazakhstani Tenge)

The maximum exposure to credit risk is generally reflected in the carrying amounts of financial assets on the statement of net assets available for benefits. The impact of possible netting of assets and liabilities to reduce potential credit exposure is not significant.

The maximum exposure to credit risk from financial assets at the reporting date is as follows:

	31 December 2020	31 December 2019
<b>ASSETS</b>		
Cash and cash equivalents	34,531,993	521,573,950
Amounts receivable under reverse repurchase agreements	26,248,279	-
Bank deposits	866,796,986	721,328,727
Financial instruments at fair value through profit or loss	3,045,700,805	1,709,218,198
Derivative financial assets	-	19,073,193
Financial instruments at amortised cost	8,127,306,475	7,613,312,795
Assets under investment management of foreign organisation	816,525,360	211,885,192
Other financial assets	-	13,489,559

As at 31 December 2020, the Plan has one counterparty (31 December 2019: one counterparty) - the Ministry of Finance of the Republic of Kazakhstan, the credit risk exposure to whom exceeds 10% of net assets available for benefits. The credit risk exposure for this counterparty as at 31 December 2020 is KZT 4,019,329,046 thousand (31 December 2019: KZT 3,924,293,822 thousand).

As at 31 December 2020 and 2019, financial assets are neither impaired nor past due, except for other assets in the amount of KZT nil and KZT 6,483 thousand, respectively (Note 16).



## Joint Stock Company Unified Accumulative Pension Fund

### Pension Plan Assets

**Notes to the Financial Statements (continued)**  
**for the Year Ended 31 December 2020**  
*(in thousands of Kazakhstani Tenge)*

Financial assets are graded according to the current credit rating assigned by Standard and Poor's or other agencies converted into Standard & Poor's scale. The highest possible rating is AAA.

The Plan discloses rating of the security for its debt securities, sovereign rating for government securities, and the issuer's rating for equity securities and deposits. In case of two or more ratings available, the highest is disclosed, either international or national scale rating.

Below is a summary of credit ratings of financial assets held by the Plan as at 31 December 2020 and 2019:

	AAA	AA	<AA	BBB+	BBB	BBB-	<BBB-	Not rated	Total
<b>31 December 2020</b>									
Cash and cash equivalents	-	-	-	-	-	34,531,993	-	-	34,531,993
Amounts receivable under reverse repurchase agreements	-	-	-	-	9,266,487	-	16,981,792	-	26,248,279
Bank deposits	-	67,777,117	215,120,347	-	383,511,637	66,847,575	133,540,310	-	866,796,986
Financial assets at fair value through profit or loss	944,803,720	-	29,221,061	3,582,374	1,730,001,209	150,556,655	157,829,076	29,706,710	3,045,700,805
Financial assets at amortised cost	468,202,987	-	195,239,830	139,366,428	5,311,373,347	759,237,478	1,248,584,670	5,301,735	8,127,306,475
Assets under investment management of foreign organisations	11,011,618	39,281,666	305,905,451	140,009,681	145,937,530	52,722,103	20,007,116	101,650,195	816,525,360
	AAA	AA	AA-	A	BBB	BBB-	<BBB-	Not rated	Total
<b>31 December 2019</b>									
Cash and cash equivalents	-	-	-	-	-	521,573,950	-	-	521,573,950
Bank deposits	-	-	328,419,261	-	51,324,137	138,000,000	203,585,329	-	721,328,727
Financial assets at fair value through profit or loss	924,572,284	-	28,817,562	1,104,175	23,686,373	533,571,257	171,994,085	25,472,462	1,709,218,198
Derivative financial assets	-	-	2,371,728	-	-	16,701,465	-	-	19,073,193
Financial assets at amortised cost	318,869,267	-	226,273,938	73,383,059	1,036,775,588	4,620,004,588	1,338,006,355	-	7,613,312,795
Assets under investment management of foreign organisations	6,294,015	14,121,136	64,585,467	21,195,046	38,729,086	7,334,488	9,309,570	50,316,384	211,885,192
Other financial assets	-	-	-	-	8,958,235	-	4,524,841	6,483	13,489,559

## Joint Stock Company Unified Accumulative Pension Fund

### Pension Plan Assets

Notes to the Financial Statements (continued)  
for the Year Ended 31 December 2020  
(in thousands of Kazakhstani Tenge)

#### Liquidity risk

Liquidity risk is the risk that the Plan will encounter difficulty in raising funds to meet its commitments. Liquidity risk exists when the maturities of assets and liabilities do not match. The Fund manages the liquidity risk of the Plan based on Investment Declaration's requirements. The Fund monitors liquidity risk through periodic reporting using gap analysis tools to monitor the availability of funds required to meet obligations as they occur.

Due to the specific operating activities of the Plan and structure of net assets available for benefits, the liquidity risk is negligible.

The following table shows financial assets and financial liabilities by remaining expected maturity dates as at 31 December 2020:

	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	No maturity	Total
<b>Assets</b>							
Cash and cash equivalents	34,531,993	-	-	-	-	-	34,531,993
Amounts receivable under reverse repurchase agreements	26,248,279	-	-	-	-	-	26,248,279
Bank deposits	484,158,146	130,926,818	-	251,712,022	-	-	866,796,986
Financial instruments at fair value through profit or loss	158,752,562	911,725,532	154,301,030	198,112,342	1,297,998,225	324,811,114	3,045,700,805
Financial instruments at amortised cost	122,201,643	76,409,801	492,765,066	2,735,224,722	4,700,705,243	-	8,127,306,475
Assets under investment management of foreign organisations	22,044,394	1,373,875	4,293,306	128,758,571	403,296,658	256,758,556	816,525,360
<b>Total financial assets</b>	<b>847,937,017</b>	<b>1,120,436,026</b>	<b>651,359,402</b>	<b>3,313,807,657</b>	<b>6,402,000,126</b>	<b>581,569,670</b>	<b>12,917,109,898</b>
<b>Liabilities</b>							
Commission payable	1,948,749	-	-	-	-	-	1,948,749
Claims of pension beneficiaries	781,742	-	-	-	-	-	781,742
Other financial liabilities	1,402	-	-	-	-	-	1,402
<b>Total financial liabilities</b>	<b>2,731,893</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,731,893</b>
<b>Net position</b>	<b>845,205,124</b>	<b>1,120,436,026</b>	<b>651,359,402</b>	<b>3,313,807,657</b>	<b>6,402,000,126</b>	<b>581,569,670</b>	<b>12,914,378,005</b>

## Joint Stock Company Unified Accumulative Pension Fund

### Pension Plan Assets

Notes to the Financial Statements (continued)  
for the Year Ended 31 December 2020  
(in thousands of Kazakhstani Tenge)

The following table shows financial assets and financial liabilities by remaining expected maturity dates as at 31 December 2019:

	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	No maturity	Total
<b>Assets</b>							
Cash and cash equivalents	521,573,950	-	-	-	-	-	521,573,950
Bank deposits	242,899,183	223,520,078	3,197,444	251,712,022	-	-	721,328,727
Financial instruments at fair value through profit or loss	559,369,782	390,541,625	428,599,547	31,467,939	30,850,846	268,388,459	1,709,218,198
Derivative financial assets	-	-	19,073,193	-	-	-	19,073,193
Financial instruments at amortised cost	54,119,330	74,080,208	277,478,731	1,981,626,128	5,226,008,398	-	7,613,312,795
Assets under investment management of foreign organisations	1,441,886	300,373	896,855	31,270,159	95,937,519	82,038,400	211,885,192
Other financial assets	-	13,489,559	-	-	-	-	13,489,559
<b>Total financial assets</b>	<b>1,379,404,131</b>	<b>701,931,843</b>	<b>729,245,770</b>	<b>2,296,076,248</b>	<b>5,352,796,763</b>	<b>350,426,859</b>	<b>10,809,881,614</b>
<b>Liabilities</b>							
Commission payable	5,227,942	-	-	-	-	-	5,227,942
Claims of pension beneficiaries	2,275,305	-	-	-	-	-	2,275,305
Derivative financial liabilities	-	311,597	363,774	-	-	-	675,371
Other financial liabilities	8,652	-	-	-	-	-	8,652
<b>Total financial liabilities</b>	<b>7,511,899</b>	<b>311,597</b>	<b>363,774</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,187,270</b>
<b>Net position</b>	<b>1,371,892,232</b>	<b>701,620,246</b>	<b>728,881,996</b>	<b>2,296,076,248</b>	<b>5,352,796,763</b>	<b>350,426,859</b>	<b>10,801,694,344</b>

The amounts in the tables shows the carrying amounts of financial assets and financial liabilities at the reporting date and do not include future accrued interest.

*C. Blasf* *TK*

# Joint Stock Company Unified Accumulative Pension Fund

## Pension Plan Assets

Notes to the Financial Statements (continued)  
for the Year Ended 31 December 2020  
(in thousands of Kazakhstani Tenge)

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The amounts in the tables above represent carrying amounts of the assets and liabilities as at the reporting date and do not include future interest payments.

## 20. Commitments and contingencies

### Insurance

In the market of insurance services in the Republic of Kazakhstan, there is a significant improvement in the quality of services provided when concluding insurance contracts and regulating insurance claims, expanding the list of voluntary insurance products for the population, developing direct sales of insurance services, but many forms of insurance common in other parts of the world are not yet available in Kazakhstan. The Fund does not have full insurance coverage for the losses of the Plan caused by business stoppages or arising obligations to third parties in respect of damage to property or the environment caused by accidents or Plan activities. Until the Fund has adequate insurance coverage for the activities of the Plan, there is a risk that the loss or damage of certain assets may have a material adverse effect on the activities and financial position of the Plan.

### Operating environment

Emerging markets such as Republic of Kazakhstan are subject to different risks than more developed markets, including economic, political and social, and legal and legislative risks. Laws and regulations affecting businesses in Republic of Kazakhstan continue to change rapidly, tax and regulatory frameworks are subject to varying interpretations. The future economic direction of Republic of Kazakhstan is heavily influenced by the fiscal and monetary policies adopted by the government, together with developments in the legal, regulatory, and political environment.

As the Republic of Kazakhstan produces and exports large volumes of oil and gas, its economy is particularly sensitive to the price of oil and gas on the world market. In March 2020, oil prices dropped by more than 40%, which resulted in the immediate weakening of the Kazakhstani Tenge against major currencies.

In addition to that, starting from early 2020 a new coronavirus disease (COVID-19) began rapidly spreading all over the world resulting in the announcement of a pandemic status by the World Health Organization in March 2020. Responses put in place by many countries to contain the spread of COVID-19 are resulting in significant operational disruption for many companies and have significant impact on global financial markets.

Against the backdrop of growing uncertainty, there was a lack of confidence in the stability of the financial sector on the part of depositors, as well as domestic and foreign investors, which increased the risks of capital and liquidity outflow from emerging markets. In this regard, financial institutions had to have sufficient reserves to withstand the simultaneous pressure of several stress factors.

# Joint Stock Company Unified Accumulative Pension Fund

## Pension Plan Assets

### Notes to the Financial Statements (continued) for the Year Ended 31 December 2020 *(in thousands of Kazakhstani Tenge)*

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The introduced state of emergency regime and quarantine had a significant impact on the main indicators of the Accumulative Pension System in 2020. In the regional divisions of the Fund, during the period of strengthening of quarantine measures, non-contact and/or remote operation was carried out, during the period of relaxation of quarantine measures - full-time operation. The Fund, starting from March 2020, suspended its outreach activities through direct interaction with the population; from August 2020, it began outreach activities with the population online.

The state of emergency and quarantine restrictions influenced the activities of organizations, which, in turn, influenced the transfer of pension contributions. The amount of pension contributions depends on three factors: the number of payers, the regularity of payment of contributions during the year, the amount of income from which contributions are paid. So, in 2020, there is a decrease in the number of active contributors.

Management of the Fund is monitoring developments in the current environment and taking measures it considered necessary in order to support the sustainability and development of the Plan's business in the foreseeable future. However, the impact of further economic developments on future operations and financial position of the Fund might be significant.

# Joint Stock Company Unified Accumulative Pension Fund

## Pension Plan Assets

### Notes to the Financial Statements (continued)

for the Year Ended 31 December 2020

(in thousands of Kazakhstani Tenge)

## 21. Related party transactions

### Control relationships

The Plan is managed by the NBRK on the basis of an agreement on trust services for the Plan concluded between the Fund and the NBRK. As at 31 December 2020 and 2019, the Fund was owned by the Government of the Republic of Kazakhstan, represented by CSPP.

### Transactions with related parties

The outstanding balances as at 31 December 2020 and related statement of profit and loss amounts of transactions for the year ended 31 December 2020 with related parties of the Plan were as follows:

	NBRK	The Fund	Ministry of Finance of the Republic of Kazakhstan	Other related parties	Total	Total per financial statements caption
<b>Statement of net assets available for benefits</b>						
<b>ASSETS</b>						
Cash and cash equivalents	34,531,993	-	-	-	34,531,993	34,531,993
Amounts receivable under reverse repurchase agreements	-	-	-	26,248,279	26,248,279	26,248,279
Bank deposits	332,187,500	-	-	-	332,187,500	866,796,986
Financial assets at fair value through profit or loss	81,648,210	-	1,629,070,383	149,289,046	1,860,007,639	3,045,700,805
Financial assets at amortised cost	-	-	4,019,329,046	1,821,665,448	5,840,994,494	8,127,306,475
<b>LIABILITIES</b>						
Commission payable	-	1,948,749	-	-	1,948,749	1,948,749
<b>Statement of profit and loss</b>						
Interest income	49,122,087	-	379,240,775	184,157,535	612,520,397	806,227,203
Dividend income	-	-	-	8,070,629	8,070,629	25,449,324
Commission expense	-	(42,656,240)	-	-	(42,656,240)	(42,656,240)

## Joint Stock Company Unified Accumulative Pension Fund

### Pension Plan Assets

**Notes to the Financial Statements (continued)**  
**for the Year Ended 31 December 2020**  
*(in thousands of Kazakhstani Tenge)*

The outstanding balances as at 31 December 2019 and related statement of profit and loss amounts of transactions for the year ended 31 December 2019 with related parties of the Plan were as follows:

	NBRK	The Fund	Ministry of Finance of the Republic of Kazakhstan	Other related parties	Total	Total per financial statements caption
<b>Statement of net assets available for benefits</b>						
<b>ASSETS</b>						
Cash and cash equivalents	521,573,950	-	-	-	521,573,950	521,573,950
Bank deposits	138,000,000	-	-	-	138,000,000	721,328,727
Financial assets at fair value through profit or loss	443,712,133	-	-	98,506,783	542,218,916	1,709,218,198
Financial assets at amortised cost	-	-	3,924,293,822	1,604,956,678	5,529,250,500	7,613,312,795
<b>LIABILITIES</b>						
Commission payable	-	5,227,942	-	-	5,227,942	5,227,942
<b>Statement of profit and loss</b>						
Interest income	36,917,365	-	249,211,780	133,263,273	419,392,418	648,865,833
Dividend income	-	-	-	6,486,210	6,486,210	19,198,440
Commission expense	-	(58,010,578)	-	-	(58,010,578)	(58,010,578)

## 22. Fair values of financial instruments

FRS defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

**Fair value of the Plan's financial assets and financial liabilities measured at fair value on a recurring basis.**

Some of the Fund's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined.

### Hierarchy of fair value estimates

Investments measured and reported at fair value are also classified and disclosed in one of the following categories:

- Level 1 – Quoted prices are available in active markets for identical investments;
- Level 2 – Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Investments which are generally included in this category are less liquid and restricted equity securities;

## Joint Stock Company Unified Accumulative Pension Fund

### Pension Plan Assets

**Notes to the Financial Statements (continued)**  
**for the Year Ended 31 December 2020**  
*(in thousands of Kazakhstani Tenge)*

- Level 3 – data that is not available. This category includes tools evaluated using information that is not based on observable inputs, while such unobservable data has a significant impact on the valuation of the instrument. This category includes instruments valued on the basis of quotations for similar instruments for which significant unobservable adjustments or judgments are required to reflect the difference between the instruments. In accordance with the Valuation Rules, the carrying value of such financial instruments is determined based on the last fair value of these financial instruments determined by the valuations performed by the appraisers that were conducted as at 1 November 2020 and 1 October 2019, and as a result, the results of the valuation, are reflected as at 31 December 2020 and 2019, respectively. These estimates were made by independent appraisers, attracted by the NBRK, and the results were fully accepted by the NBRK and are reflected in the carrying amount of the assets at fair value through profit or loss.

The table below provides an analysis of financial assets and liabilities as at 31 December 2020 and 31 December 2019 in terms of the levels of the hierarchy of fair value.

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique and key input
	31 December 2020	31 December 2019		
Non-derivative financial assets at fair value through profit or loss	2,974,323,394	1,637,760,148	Level 1 and Level 2	Quoted prices in the market
Non-derivative financial assets at fair value through profit or loss	71,377,411	71,458,050	Level 3	Discounted Cash flows Discounted cash flows. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.
Derivative financial assets	-	19,073,193	Level 2	Discounted cash flows. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.
Derivative financial liabilities	-	675,371	Level 2	Discounted cash flows. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

As at 31 December 2020 and 2019, an independent appraiser has determined financial assets at fair value through profit or loss. The independent appraiser was hired by NBRK under the trust management agreement for the assets of the pension Plan.

# Joint Stock Company Unified Accumulative Pension Fund

## Pension Plan Assets

### Notes to the Financial Statements (continued) for the Year Ended 31 December 2020 (in thousands of Kazakhstani Tenge)

According to the FRS, the assets under investment management of foreign organisations are reflected in the total amount; consequently, the Plan does not have the details in the context of each financial instrument.

During the years ended 31 December 2020 and 2019, there was no reclassification of financial instruments between Level 1 and 2.

#### **Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required).**

Except as detailed in the following table, the Plan considers that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

	31 December 2020		31 December 2019	
	Carrying value	Fair value	Carrying value	Fair value
Bank deposits	866,796,986	796,025,206	721,328,727	633,700,288
Financial assets at amortised cost	8,127,306,475	7,965,107,064	7,613,312,795	6,256,893,361

#### **Reconciliation of Level 3 fair value measurements**

	Financial assets at fair value through profit or loss – unlisted shares	
	2020	2019
Opening balance	71,458,050	77,689,016
Total net (losses)/income recognised in profit or loss	(80,639)	946,520
Repayments	-	(7,177,486)
Closing balance	71,377,411	71,458,050

The change in fair value included in net profit for the year relates to unlisted common and preferred stock, GDR, coupon bonds and notes.

# Joint Stock Company Unified Accumulative Pension Fund

## Pension Plan Assets

Notes to the Financial Statements (continued)  
for the Year Ended 31 December 2020  
(in thousands of Kazakhstani Tenge)

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### 23. Events after the reporting period

#### Benefits paid for housing improvements and health treatment

In accordance with the Law of the Republic of Kazakhstan dated 2 January 2021 No. 399-VI "On Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on the Restoration of Economic Growth", starting from 1 February 2021, the Plan makes lump sum payments of pension savings for housing improvement and health treatment. For the period ended 15 March 2021, the lump sum payments for improving housing conditions amounted to KZT 741,660,817 thousand, for health treatment amounted to KZT 1,236,168 thousand, including the returns made by authorized operators. The authorized operators are JSC ZSSB Otbasy Bank, JSC Halyk Bank and JSC Bank CenterCredit.

From 23 February 2021, part of the pension savings, upon the depositor's application, can be transferred into trust management to the investment portfolio manager with whom the Plan has entered into trust management agreements: JSC Halyk Global Markets (No. 17/6/18-02-21/P of 18 February 2021), JSC Jýsan Invest (No. 17/7/18-02-21/P from 18 February 2021), JSC BCC Invest (No. 17/11/19-02-21/P from 19 February 2021), JSC Centras Securities (No. 17/20/05-03-21/П from 05 March 2021).

#### Change in the commission rate

In accordance with the Law of the Republic of Kazakhstan dated 2 January 2021 No. 399-VI "On Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on the Restoration of Economic Growth", Article 53 of the Law of the Republic of Kazakhstan "On Pension Provision in the Republic of Kazakhstan" dated 21 June 2013 year, the commission fee of the NBRK and the Fund was established. In accordance with these changes, starting from 1 January 2021, the Plan pays a commission in the amount of 0.01% of the amount of pension assets (2020 - 0.011%). The Board of the NBRK issued the Resolution "On establishing the amount of commission remuneration of the National Bank of the Republic of Kazakhstan for 2021" No. 1 dated 18 January 2021. In accordance with this Resolution, starting from 1 January 2021, the Plan pays to NBRK a commission on the amount of investment income in the amount of 2.0% (2020 - 2.0%).