INSURANCE COMPANY SINOASIA B&R JSC

Financial statements

for the year ended 31 December 2022
with independent auditor's report

INSURANCE COMPANY SINOASIA B&R JSC

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INSURANCE COMPANY SINOASIA B&R JSC

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR THE PREPARATION AND APPROVAL OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

The management of Insurance Company Sinoasia B&R JSC (hereinafter, the Company) is responsible for the preparation of the financial statements that present fairly the financial position of the Company as at 31 December 2022, and its financial performance, cash flows and changes in equity for the year ended 31 December 2022, in accordance with International Financial Reporting Standards ("IFRS").

In preparing the financial statements, Company's management is responsible for:

- ensuring proper selection and application of 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 IFRSs are insufficient to enable users to understand the impact of particular transactions, other events or conditions on the Company's financial position and financial performance;
- making an assessment of the Company's ability to continue as a going concern.

The Company's management is also responsible for:

- designing, implementing and maintaining an effective and reliable system of internal controls;
- maintaining proper accounting records that disclose and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company, and which enable them to ensure that the financial statements comply with IFRS;
- maintaining statutory accounting records in compliance with legislation of the Republic of Kazakhstan and IFRS;
- taking all reasonably available steps to safeguard the assets of the Company; and
- detecting and preventing fraud and other irregularities.

The financial statements of the Company for the year ended 31 December 2022 were approved for issue by the Company's Management on 28 April 2023.

On behalf of the Company's Management:

Buranbayeva Lyazat

Chairman of the Board

Ibrayev Ruslan

Chief accountant

28 April 2023

Almaty, Republic of Kazakhstan

Russell Bedford
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INDEPENDENT AUDITOR'S REPORT

To the Participants and the Board of Directors of Insurance Company Sinoasia B&R JSC

Opinion

We have audited the accompanying financial statements of Insurance Company Sinoasia B&R JSC (hereinafter, the Company) which comprise the statement of financial position as at 31 December 2022, the statement of profit or loss and other comprehensive income, the statement of cash flows, and the statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements present fairly, in all material respects, the Company's financial position as at 31 December 2022, as well as its financial results and cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS).

Basis for Audit Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibility under those standards is further described in the Auditors' responsibility for the audit of the financial statements section of our report below. We are independent of the Company in accordance with International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including international independence standards) and the ethical requirements applicable to our audit of 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.

Key Audit Issues

The key audit issues are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Assessment of Incurred but not Reported	
See Note 17 to the financial statements	
Key Audit Matter	**Audit procedures in relation to the key audit matter**
The valuation of the incurred but not reported (hereinafter, IBNR), which is calculated using statistical methods and requires significant judgments and assumptions due to uncertainty in the assessment of expected payments to claims. In particular, judgment is used in the assessment of payments for claims incurred but not reported by the Company at the reporting date and for future costs of settling these claims. The valuation of the reserve depends on the quality of input data and includes complex and subjective judgments about future events, both internal and external, in relation to the business, for which small changes in the assumptions may lead to a significant impact on the assessment of reserves under insurance contracts.	Our audit procedures in this area included the following: • Assessment of the Company's key controls regarding the claim settlement and IBNR emergence processes. • Assessment of the competence, capabilities and objectivity of the Company's internal actuary. • We engaged our actuary to assist in valuating the IBNR on insurance losses for the medical class by assessing the methodology used by management against market practice based on our knowledge of the market and industry data, if any. • We engaged our actuary to assess the methodology for conducting an insurance liability adequacy test for the validity of projected cash flows, and critically review the assumptions made within the Company, taking into account industry experience data. • We analysed the completeness of the inputs included in the IBNR valuation by checking these initial data with the payout logs. • Consideration of whether the Company's disclosures in respect of the reserves under insurance contracts are sufficient.

Management's responsibility for financial statements

The Company's management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error

When preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, for disclosing, as appropriate, the information relating to business continuity and for reporting on a going concern basis, unless the management intends to liquidate the Company, terminate its operations or where it has no other viable alternative than liquidation or termination of operations.

Those responsible for corporate governance are responsible for the control over the preparation of the Company's financial statements.

Auditors' Responsibility for the Audit of the Financial Statements

Our objective is 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 International Standards on Auditing 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 scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statement, 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;

- gain understanding of the internal controls relevant to the audit in order to develop audit procedures appropriate to the circumstances, rather than to express an opinion on the effectiveness of the Company's internal control system;

- 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, conclude whether a material uncertainty exists due to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that the material uncertainty exists we should draw attention in our audit report to the relevant disclosures in the financial statements or, if such disclosure is improper, modify our opinion. Our conclusions are based on the audit evidence obtained prior to the date of our audit report. However, future events or conditions may result in the Company losing the ability to continue as a going concern;

We communicate with those charged with corporate governance, and bring to their attention, among other things, information about the planned scope and timing of the audit, as well as significant observations on the results of the audit, including material shortcomings in the internal controls that we may identify during the audit process.

Adilzhan Kenzhekulov
Audit partner

Auditor's Qualifying Certificate
No.1-ПН-0001018 from 30.01.2020

Sholpanay Kudaibergenova
General Director
Russell Bedford A+ Partners IAC LLP

State licence for audit activity No. 18013076, issued by the Internal State Audit Committee of the Ministry of Finance of the Republic of Kazakhstan "03" July 2018.

A15E2X0, Republic of Kazakhstan, Almaty
Al-Farabi Ave. 202

28 April 2023

INSURANCE COMPANY SINOASIA B&R JSC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2022

(In thousands of tenge)	**Notes**	**2022**	**2021**
Gross premiums written	6	12,878,290	5,847,003
Written premiums ceded to reinsurers	6	(1,912,579)	(956,316)
Net premiums written		**10,965,711**	**4,890,687**
Change in the provision for unearned premiums, net of reinsurance	6	(3,718,006)	(898,123)
Net earned insurance premiums		**7,247,705**	**3,992,564**
Finance income	7	988,852	496,148
Finance costs	7	(28,815)	(38,262)
Reinsurance commission income	6	83,312	76,466
Other income, net		13,068	5,010
Profit from sale of an intangible asset	24	-	-
Operating Income		**8,304,122**	**4,531,926**
Insurance claims incurred, net of reinsurance	8	(5,950,251)	(3,334,280)
Change in insurance contract provisions, net of reinsurance	8	(125,457)	(43,245)
Net insurance claims incurred	8	**(6,075,708)**	**(3,377,525)**
Acquisition costs	9	(448,870)	(159,758)
Claims handling expenses		-	-
Administrative expenses	10	(369,573)	(327,455)
Profit before tax		**1,409,971**	**667,188**
Income tax expense	11	(259,695)	(118,617)
Profit for the year		**1,150,276**	**548,571**
Other comprehensive income			
Items that are reclassified or may subsequently be reclassified as profit or loss:			
Revaluation reserve for available-for-sale financial assets:			
- Net change in fair value of available-for-sale financial assets		(977,526)	(53,408)
- Net change in fair value of available-for-sale financial assets transferred to profit or loss		(3,163)	(115,717)
Related income tax	11	(5,684)	22,328
Total items that are reclassified or may subsequently be reclassified as profit or loss		(986,373)	(146,797)
Other comprehensive income for the year		**(986,373)**	**(146,797)**
Total comprehensive income for the year		**163,903**	**401,774**

Approved and signed on behalf of the Company's Management:

Buranbayeva Lyazat
Chairman of the Board

«Sinoasia B&R» (Синоазия БиЭнАр)» Сақтандыру Компаниясы

Ibrayev Ruslan
Chief accountant

Russell Bedford A+ Partners

INSURANCE COMPANY SINOASIA B&R JSC

STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

(In thousands of tenge)	**Notes**	**31 December 2022**	**31 December 2021**
ASSETS			
Cash and cash equivalents	12	3,549,654	387,911
Financial assets available for sale	13	5,628,287	3,933,119
Insurance and reinsurance receivables	14	279,972	454,142
Reinsurers' share in insurance contract provisions	17	236,303	238,004
Deferred acquisition costs	16	934,188	754,071
Property, plant and equipment and intangible assets		39,091	37,932
Current tax asset		1,621	45,100
Financial instruments measured at fair value through profit or loss	15	215,764	142,567
Other assets		42,095	13,981
TOTAL ASSETS		**10,926,975**	**6,006,827**
EQUITY AND LIABILITIES			
Liabilities			
Insurance contract provisions	17	6,005,178	2,163,416
Insurance payables	18	531,735	412,199
Deferred tax liabilities	11	18,053	14,022
Dividends payable		23,659	-
Other liabilities		63,343	39,439
TOTAL LIABILITIES		**6,641,968**	**2,629,076**
Equity			
Share capital	19 (a)	2,744,000	1,765,000
Additional paid-in capital		201,011	201,011
Reserve for the revaluation of financial assets available for sale		(962,044)	24,328
Retained earnings		2,302,040	1,387,412
TOTAL EQUITY		**4,285,007**	**3,377,751**
TOTAL LIABILITIES AND EQUITY		**10,926,975**	**6,006,827**

Approved and signed on behalf of the Company's Management:

Buranbayeva Lyazat
Chairman of the Board

«Sinoasia B&R»
(Синоазия БиЭндАр)»
Сақтандыру Компаниясы

Ibrayev Ruslan
Chief accountant

Russell Bedford
A+ Partners

The accompanying explanatory notes are an integral part of these financial statements.

INSURANCE COMPANY SINOASIA B&R JSC

STATEMENT OF CASH FLOWS

For the year ended 31 December 2022

(In thousands of tenge)	Notes	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax		1,409,971	667,188
Adjustments:			
Depreciation and amortisation	10	14,060	11,990
Net foreign exchange gain	7	(315,396)	(86,654)
Interest income on financial assets available for sale	7	(293,203)	(194,224)
Realised gain on financial assets available for sale	7	(4,813)	(132,535)
Unrealised gain on financial instruments measured at fair value through profit or loss	7	(85,334)	(60,300)
Interest earned on receivables under "reverse REPO" agreements	7	(254,996)	(20,542)
Other interest income	7	-	(1,893)
Realised loss on financial assets available for sale	7	1,651	24,446
Interest expenses on financial assets available for sale	7	12,744	10,540
Unrealised loss on financial instruments measured at fair value through profit or loss	7	12,137	2,812
Interest paid on accounts payable under "REPO" agreements	7	-	464
Profit from sale of an intangible asset		-	-
Operating income before changes in operating assets and liabilities		**496,821**	**221,292**
Increase/(decrease) in operating assets			
Insurance and reinsurance receivables		195,005	5,874
Reinsurers' share in insurance contract provisions		1,701	378,932
Deferred acquisition costs		(180,117)	(741,586)
Other assets		(25,043)	10,110
Increase/(decrease) in operating liabilities			
Insurance contract provisions		3,841,762	562,436
Insurance payables		86,032	36,333
Other liabilities		25,215	(57,023)
Cash flow received from operating activities before interest received and income tax		**4,441,376**	**416,368**
Interest received		482,884	190,139
Income tax paid		(213,628)	(118,491)
Net cash flows from operating activities		**4,710,632**	**488,016**

The accompanying explanatory notes are an integral part of these financial statements.

STATEMENT OF CASH FLOWS (continued)

For the year ended 31 December 2022

(In thousands of tenge)	Notes	2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment and intangible assets		(15,219)	(15,113)
Acquisition of financial assets available for sale	13	(2,776,088)	(1,732,557)
Sale and repayment of financial assets available for sale	13	448,604	1,531,702
Sale and repayment of investment securities measured at fair value through other comprehensive income		-	(7,628)
Net cash flows used in investing activities		**(2,342,703)**	**(223,596)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Contribution to share capital		979,000	-
Dividends paid		(211,989)	(176,500)
Net cash flows from financing activities		**767,011**	**(176,500)**
Net increase/ (decrease) in cash and cash equivalents		**3,134,940**	**87,920**
Effect of changes in exchange rates on cash and cash equivalents		26,803	2,796
Cash and cash equivalents at the beginning of the year	12	387,911	297,195
Cash and cash equivalents at the end of year	12	**3,549,654**	**387,911**

Approved and signed on behalf of the Company's Management:

Buranbayeva Lyazat
Chairman of the Board

«Sinoasia B&R» (Синоазия БиЭндАр) Сақтандыру Компаниясы

Ibrayev Ruslan
Chief accountant

The accompanying explanatory notes are an integral part of these financial statements.

Russell Bedford A+ Partners

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2022

(In thousands of tenge)	Notes	Share capital	Additional paid-in capital	Reserve for the revaluation of financial assets available for sale	Retained earnings	Total equity
Balance as of 1 January 2021		**1,765,000**	**201,011**	**171,125**	**1,015,341**	**3,152,477**
Total comprehensive income						
Profit for the year		-	-	-	548,571	548,571
Other comprehensive income						
Items that are reclassified or may subsequently be reclassified as profit or loss:						
Net change in the fair value of financial assets available for sale, net of income tax of 42,781 thousand tenge.		-	-	(31,080)	-	(31,080)
Net change in the fair value of financial assets available for sale transferred to profit or loss		-	-	(115,717)	-	(115,717)
Total items that are reclassified or may subsequently be reclassified as profit or loss		-	-	*(146,797)*	-	*(146,797)*
Total other comprehensive income		-	-	**(146,797)**	-	**(146,797)**
Total comprehensive income for the year		-	-	**(146,797)**	548,571	**401,774**
Transactions with owners accounted for directly in equity						
Dividends paid	19				(176,500)	**(176,500)**
Total operations with the Company's owners					(176,500)	**(176,500)**
Balance as at 31 December 2021		**1,765,000**	**201,011**	**24,328**	**1,387,412**	**3,377,751**

The accompanying explanatory notes are an integral part of these financial statements.

Russell Bedford A+ Partners

STATEMENT OF CHANGES IN EQUITY (continued)

For the year ended 31 December 2022

(In thousands of tenge)	Notes	Share capital	Additional paid-in capital	Reserve for the revaluation of financial assets available for sale	Retained earnings	Total equity
Balance as at 31 December 2021		**1,765,000**	**201,011**	**24,328**	**1,387,412**	**3,377,751**
Total comprehensive income						
Profit for the year		-	-	-	1,150,276	1,150,276
Other comprehensive income						
Items that are reclassified or may subsequently be reclassified as profit or loss:						
Net change in the fair value of financial assets available, net of related income tax		-	-	(983,210)	-	(983,210)
Net change in the fair value of financial assets available for sale transferred to profit or loss		-	-	(3,162)	-	(3,162)
Total items that are reclassified or may subsequently be reclassified as profit or loss		-	-	*(986,372)*	-	*(986,372)*
Total other comprehensive income		**-**	**-**	**(986,372)**	**-**	**(986,372)**
Total comprehensive income for the year		**-**	**-**	**(986,372)**	**1,150,276**	**163,904**
Transactions with owners accounted for directly in equity						
Issue of preferred shares	19	979,000	-	-	-	979,000
Dividends accrued	19	-	-	-	(235,648)	**(235,648)**
Total operations with the Company's owners		**979,000**	**-**	**-**	**(235,648)**	**743,352**
Balance as at 31 December 2022		**2,744,000**	**201,011**	**(962,044)**	**2,302,040**	**4,285,007**

Approved and signed on behalf of the Company's Management:

Buranbayeva Lyazat
Chairman of the Board

«Sinoasia B&R» (Синоазия БиЭндАр)» Сақтандыру Компаниясы

Ibrayev Ruslan
Chief accountant

The accompanying explanatory notes are an integral part of these financial statements.

Russell Bedford A+ Partners

1. GENERAL INFORMATION

Organization structure and nature of business

Insurance Company Sinoasia B&R JSC, previous name: MIC "Archimedes Kazakhstan" JSC, was established in Kazakhstan as a joint-stock company on 10 December 2007.

In August 2017, 83.14% of the joint-stock company's issued shares were repurchased by Mr. Choi Yuk Leung, and it was renamed into Insurance Company Sinoasia B&R JSC (the "Company"), with the ultimate controlling party being an individual, Mr. Choy Yuk Leung.

The Company holds license No. 2.1.64 dated 6 February 2019 to carry out insurance and reinsurance activities, as issued by the National Bank of the Republic of Kazakhstan.

The Company's core business which is regulated by the Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market (hereinafter, the Agency), is medical insurance.

The Company's legal address is as follows: 34/95 Karasai Batyr St., Almaty, Kazakhstan.

Operating environment

Kazakhstan continues economic reforms and development of its legal, tax and regulatory frameworks as required by a market economy. The future stability of Kazakhstan economy is largely dependent upon these reforms and developmentsand the effectiveness of economic, financial and monetary measures undertaken by the government.

Kazakhstan economy continued to be impacted by a volatility in crude oil prices and a continuing devaluation of Kazakhstani Tenge. The combination of the above along with other factors resulted in reduced access to capital, a highercost of capital, increased inflation and uncertainty regarding economic growth. Management believes it is taking appropriate measures to support the sustainability of the Company's business in the current circumstances.

The war in Ukraine

The war in Ukraine, started in 2022, triggers a number of IFRS accounting considerations affecting the financial statements. Many countries have imposed, and continue to impose, new sanctions on specified Russian entities and individuals. The situation together with potential fluctuations in commodity prices, foreign exchange rates, restrictions to imports and exports, availability of local materials and services and access to local resources will directly impact entities that have significant operations or exposures in, or to Russia or Ukraine. The war and its direct and indirect consequences may impact entities other than those with direct interests in the involved countries, for instance, as a result of exposure to fluctuations in commodity prices and foreign exchange rates, as well as the possibility of a protracted economic downturn.

As the war continues and new sanctions are introduced the overall impact remains fluid. The long-term consequences ofthe current economic situation are difficult to predict, and management's current expectations and estimates may differ from actual results.

2. BASIS FOR FINANCIAL STATEMENTS PREPARATION

Statement of Compliance with IFRS

The accompanying financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

The Company used its the temporary exemption from the need to apply IFRS 9 Financial Instruments, which is permitted in accordance with IFRS 4 Insurance Contracts, and has not previously applied any version of IFRS 9, including requirements for the presentation of profits or losses on financial liabilities classified at the entity's discretion as measured at fair value through profit or loss for annual periods beginning before 1 January 2019. Accordingly, the Company plans to have a single date for the initial application of IFRS 9 in its entirety of 1 January 2023.

Cost base

The financial statements are prepared on the basis of historical (original) value, with the exception of financial assets available for sale, accounted for at fair value, as well as financial instruments measured at fair value, the changes of which are recorded in the profit or loss for the period.

Functional currency and presentation currency

The functional currency of the Company is the Kazakhstani tenge, which, being the national currency of the Republic of Kazakhstan, best reflects the economic essence of most operations carried out by the Company and the related circumstances affecting its activities.

The Kazakhstani tenge is also the currency of presentation of these financial statements.

All financial statements are rounded to the nearest thousand tenge.

Use of estimates and professional judgments

The preparation of financial statements in accordance with IFRS requires management to use professional judgments, assumptions and estimates that affect how the provisions of the accounting policy are applied and in what amounts assets, liabilities, income and expenses are recorded. Actual results can differ from these estimates.
Assumptions and the estimates based on them are regularly reviewed for the need of changes. Changes in estimates are recognized in the reporting period when the estimates were revised and in all subsequent periods affected by these changes.

Judgments

Assessment of whether the Company's activities are primarily related to insurance

A temporary exemption from the need to apply IFRS 9 applies to those entities whose activities are primarily related to insurance. The applicability of this exemption is assessed at the level of a particular reporting entity and therefore applies at the level of that entity – i.e., it applies to all financial assets and liabilities held by the reporting entity. The Company used its temporary exemption from the need to apply IFRS 9 as:

The Company had not previously applied any version of IFRS 9; and the Company's activities as a whole are primarily related to insurance as of the annual reporting date immediately preceding 1 April 2016, i.e., as at 31 December 2015.

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Under IFRS 4, an insurer's activities are predominantly related to insurance if and only if:

a. the carrying amount of its obligations arising from contracts falling within the scope of IFRS 4, which includes any deposit components or embedded derivatives separated from insurance contracts, is significant compared to the total carrying amount of its liabilities; and
b. The percentage of the book value of its insurance-related liabilities relative to the total book value of all its liabilities is:
c. Over 90%; or
d. is less than or equal to 90%, but exceeds 80%, and the insurer does not engage in significant activities unrelated to insurance.

Under IFRS 4, insurance-related liabilities include:

a. obligations arising under treaties within the scope of application IFRS 4;
b. obligations under a non-derivative investment contract measured at fair value through profit or loss, along with applying IAS 39; and
c. obligations arising from the fact that the insurer concludes contracts referred to in points (a) and (b), or fulfils the obligations arising from these contracts. Examples of such liabilities include derivatives used to mitigate the risks associated with such contracts, as well as with assets securing such contracts, related tax liabilities, such as deferred tax liabilities in respect of taxable temporary differences in liabilities arising from such contracts, and issued debt instruments that are included in the insurer's regulatory capital, payroll liabilities, and other types of remuneration for employees involved in insurance activities.

As of 31 December 2015, the book value of the Company's liabilities arising under contracts falling within the scope of IFRS 4 is KZT 610,853,000, which is 94% of the book value of all the Company's liabilities. The Company considers this amount to be substantial compared to the total book value of all of its liabilities, as insurance operations constitute the Company's core business. Under IFRS 31, insurance-related liabilities include as follows:

	31 December 2015
Insurance related liabilities within the scope of IFRS 4	
Insurance reserves	574,098
Insurance accounts payable	36,755
Total book value of insurance-related liabilities	**610,853**
Total book value of liabilities	**651,168**
The percentage of the book value of the Company's insurance-related liabilities relative to the total book value of all its liabilities is:	**94%**

The Company does not engage in any significant non-insurance activities that would result in it incurring income or incurring expenses. All requirements relating to insurers apply to the Company; it considers insurance risk as its main business risk. Besides this, the Company has not identified any quantitative or qualitative factors (or both), including publicly available information, that would indicate that regulators or other users of the Company's financial statements apply a different industry classification to the Company.

Based on the valuation performed, the Company concludes that as of 31 December 2015, the Company's activities are predominantly related to insurance and, therefore, it is entitled to take advantage of a temporary exemption from the need to apply IFRS 9.

Exchange rate

The following are the exchange rates for 31 December 2022 and 2021 used by the Company in preparing the financial statements:

	31 December 2022	31 December 2021
US dollar	462.65	431.8
Euro	492.86	487.1

3. SIGNIFICANT ACCOUNTING POLICIES

The provisions of the accounting policy described below are applied by the Company consistently in all reporting periods presented in these financial statements.

Foreign currency

Transactions in foreign currency are converted into the functional currency of the Company at the exchange rates in force on the dates of the transactions. Monetary assets and liabilities denominated in foreign currency as of the reporting date shall be converted into a functional currency at the exchange rate in effect on the reporting date. Gain or loss on cash assets and liabilities denominated in foreign currency is the difference between the depreciated value in the functional currency at the beginning of the period, adjusted for the amount accrued at the effective interest rate and disbursements during the period, and the amortized value in foreign currency, recalculated at the exchange rate at the end of the reporting period. Non-monetary assets and liabilities denominated in foreign currency and measured at fair value are translated into functional currencies at the exchange rate in effect at the fair value date. Non-monetary items, which are measured on the basis of historical value in foreign currency, are recalculated at the exchange rate on the date of the relevant transaction.
Exchange rate differences arising from re-costing are recognized as part of the profit or loss for the period, except for differences that arise from the conversion of equity instruments classified as financial assets available for sale and are recognised as part of other comprehensive income.

Insurance contracts

Classification of contracts

Contracts under which the Company assumes a significant insurance risk of the other party (hereinafter, "policyholder"), agreeing to pay compensation to the policyholder or other beneficiary, in the event that a certain possible future event ("insured event") negatively affects the insurance policyholder or other beneficiary, are classified as insurance contracts.

Insurance risk is a risk other than financial risk. Financial risk is the risk of a possible change in the future of one or more certain interest rates, the value of securities, commodity prices, the exchange rate, the price or rate index, the credit rating and other variables, provided that in the case of non-financial variables, such variables are not characteristic of the parties to the contract. Certain financial risks may also be transferred under insurance contracts.

The insured risk is significant if and only if the insured event may oblige the Company to make significant additional payments. Once a contract is classified as an insurance contract, it remains so until all rights and obligations expire or are fulfilled.

Insurance contracts, according to which the transfer of insurance risk from the policyholder to the Company is insignificant, are classified as financial instruments.

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Recognition and evaluation of insurance contracts

Premiums

Accrued premiums for general insurance include insurance premiums for insurance contracts that come into force in the current year, regardless of whether they are related in whole or in part to subsequent accounting periods. Premiums are represented by a gross sum with a commission of intermediaries and do not include taxes and premium fees. The earned part of the premiums received is recognized as income. Premiums are recognized as earned from the date of commencement of insurance coverage during the insurance period based on the structure of the insured risk. Premiums transferred to reinsurance are recognized as expenses, according to the structure of the reinsurance service. Part of the premiums transferred to reinsurance, which is not recognized, is considered as an advance payment.

Reserve for unearned premiums

The reserve for unearned premiums is the portion of the gross premiums accepted which is expected to be earned in the next or subsequent financial years, and is calculated separately for each insurance contract using the daily proportional method. The reserve is adjusted if necessary to reflect any changes in the degree of risk during the period covered by the insurance contract.

Claims

Claims consist of claims and settlement costs paid during the financial year, together with a change in the reserve for unpaid claims.

Unpaid claims consist of reserves created by the Company within the estimated costs of final settlement of all claims incurred but not paid at the reporting date, whether or not they were filed, as well as the corresponding internal and external costs of settling claims. Unpaid claims are formed by evaluating individual claims and creating reserves for claims that have occurred but have not yet been filed, taking into account the impact of internal and external predictive factors, such as changes in claims procedures, changes in legislation, past experience and trends. Reserves for unpaid claims are not discounted.

Management is of the view that gross claims reserves and related reinsurance compensation are fairly reflected on the basis of currently available information and that the methodology for the formation of reinsurance assets is in full compliance with applicable law. Adjustments to historical claims reserves are reflected in the financial statements in the period in which such adjustments were made and disclosed separately if material. The methods used and the evaluations made are reviewed on a regular basis.

Liabilities and related assets in the liability adequacy test

At each reporting date, liability adequacy tests are conducted to determine whether the provisions for insurance contracts are adequate, less deferred commission expenses and any related intangible assets, such as assets acquired as a result of a business combination or portfolio transfer. The current best estimates of all future contractual cash flows and related expenses, such as claims settlement costs, and investment income from assets that secure the reserves under insurance contracts, are used in these tests.

In case a deficiency is detected, a reserve of unexpired risks is created. The disadvantage is recognized in the profits and losses for the year.

Reinsurance assets

The Company performs reinsurance in the ordinary course of business with a view to restricting its net potential loss by diversifying risks. Assets, liabilities, as well as income and expenses arising in connection with transferred reinsurance contracts are recorded separately from the corresponding assets, liabilities, income and expenses under the relevant insurance contracts, since reinsurance arrangements do not exempt the Company from its direct obligations to policyholders.

Only those rights under contracts that result in the transfer of significant insured risk are accounted for as reinsurance assets. The rights under contracts that do not result in the transfer of significant insured risk are accounted for as financial instruments.

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Reinsurance premiums under transferred reinsurance contracts are recognized as an expense on the basis that such an approach is consistent with the basis for the recognition of insurance premiums under the relevant insurance contracts. With general insurance, reinsurance premiums are charged to expenses during the period in which reinsurance coverage is presented based on the expected structure of reinsured risks. The non-cost portion of the transferred reinsurance premiums is included in reinsurance assets.

The net amounts paid to the reinsurer at the commencement of the contract may be less than the reinsurance assets recognized by the Company in respect of its rights under such contracts.

The amounts recognized as reinsurance assets are estimated on the basis of an assessment of the available reserves in relation to the relevant insurance contracts.

Reinsurance assets include indemnity amounts due from reinsurance companies in respect of paid insurance claims. They are classified as credits and receivables and are included in insurance receivables and other receivables in the statement of financial position.

Reinsurance assets are measured for impairment at each reporting date. An asset is considered to be impaired if there is objective evidence that as a result of an event occurring after the initial recognition of the asset, the Company will not be able to compensate for all amounts receivable and that this event has an impact that can be reliably estimated on the amounts that the Company will receive from the reinsurer.

Deferred expenses for the purchase of insurance contracts

The expenses incurred in the purchase of general insurance contracts are deferred until they can be reimbursed from future income. Deferred acquisition costs include direct costs, namely commissions paid to insurance agents and brokers.

Deferred acquisition expenses are amortized during the period in which future income is expected to be reimbursed as part of the profits from related contracts. The depreciation rate corresponds to the model of the emergence of such income.

Accounts receivable and accounts payable under insurance contracts

The amounts owed to policyholders, agents and reinsurers and the amounts owed by policyholders, agents and reinsurers are financial instruments and are included in insurance receivables and payables and not in the reserve under insurance contracts or reinsurance assets.

Cash and cash equivalents

Cash and cash equivalents include banknotes and coins at the cash register, free bank balances, as well as highly liquid financial assets with an initial maturity of less than 3 months, which are not subject to a significant risk of changes in fair value and are used by the Company to settle short-term liabilities. Cash and cash equivalents are recorded at amortized cost in the statement of financial position.

Accounts and deposits in banks

In the ordinary course of business, the Company places cash advances and deposits in banks for various terms. Amounts of funds in fixed-maturity banks are subsequently valued at amortized cost using the effective interest rate method. Amounts that do not have a fixed maturity are recorded at amortized cost based on expected maturities. The cash in credit institutions are recorded less any allowance for impairment losses, if any.

Finance income and expenses

Finance income and expenses consist of interest income receivable on invested funds, positive and negative exchange rate differences, gains and losses from disposal of investments, and unrealized and realized profits or losses from transactions with financial assets available for sale.

Interest income is recognised as accrued, taking into account the effective return on the asset.

Property, plant and equipment

Own assets

Property, plant and equipment are recorded at cost net of accumulated depreciation and impairment losses.

If the PPE item consists of several components that have a different useful life, such components are reflected as separate items of property, plant and equipment.

Depreciation

Depreciation on fixed assets is accrued on the basis of uniform accrual of depreciation during the estimated useful life and is reflected in the profit or loss. Depreciation is accrued from the date of acquisition of the object, and for fixed assets erected by economic means - from the moment of completion of the construction of the facility and its readiness for operation. For land plots, depreciation is not charged.

The useful life of various fixed assets can be presented as follows:

Fixed assets	Years
Computers	1-7
Machinery and equipment	2.5
Other	2.5-7

Intangible assets

Acquired intangible assets are reflected in the financial statements for actual costs less accumulated depreciation and impairment losses.

The costs of acquiring licenses for special software and its implementation are capitalized in the value of the relevant intangible asset.

Depreciation on intangible assets is accrued on the basis of uniform accrual of depreciation during the estimated useful life and is reflected in the profit or loss. The useful life is seven years.

Financial instruments

Classification of financial assets

Financial instruments measured at fair value whose changes are reflected in the profit or loss for the period are the financial assets or liabilities that:

- are acquired or arise primarily for the purpose of sale or redemption in the near future;
- form a part of a portfolio of identifiable financial instruments managed jointly and for which there is evidence of short-term profit in the recent past;
- are derivatives (except for derivative financial instruments created and actually used as hedging instruments that are effective); or
- at the time of initial recognition, are defined in the category measured at fair value, the changes in which are reflected in the profit or loss for the period.

An entity may define financial assets and liabilities in the category measured at fair value, the changes in which are reflected in the profit or loss for the period, if one of the following conditions is met:

- assets or liabilities are managed, measured and reported internally on the basis of fair value;
- such an approach completely or substantially eliminates the effect of non-compliance in accounting that would otherwise exist; or
- an asset or liability contains an embedded derivative financial instrument that materially alters the cash flows that, in its absence, would have been expected under the contract.

Management defines the category to which a financial instrument should be classified at the time of its initial recognition. If financial assets meet the definition of loans and receivables, they may be reclassified from the category of financial instruments measured at fair value, the changes in which are reflected in the profit or loss for the period, or from the category of financial assets available for sale, if the Company has the intention and ability to hold these assets for the foreseeable future or before their maturity. Other financial instruments may be reclassified from the category of financial instruments measured at fair value, the changes in which are reflected in the composition of profit or loss for the period, only in rare cases. Rare cases are unusual single events, the repetition of which in the near future is unlikely.

Loans and receivables are non-derivative financial assets with fixed or defined payments that are not quoted in an actively functioning market, except for those that the Company:

- intends to sell immediately or in the very near future;
- at the time of initial recognition, categorizes as the measured at fair value, the changes in which are reported in the profit or loss for the period.
- at the time of initial recognition, determines the category of available for sale; or
- may not reimburse all the initial investments made for reasons other than the impairment of the loan.

Investments held until maturity are non-derivative financial assets with fixed or defined payments and a fixed maturity that the Company intends and is able to hold until maturity, except for those that:

- at the time of initial recognition, are defined in the category measured at fair value, the changes in which are reflected in the profit or loss for the period.
- The Company determines the category of available for sale; or
- meet the definition of loans and receivables.

Financial assets available for sale are those financial assets that are defined as available for sale or do not fall within the definition of loans and receivables, investments held until maturity or financial instruments measured at fair value, the changes in which are reflected in the profit or loss for the period.

Recognition of financial instruments in financial statements

Financial assets and liabilities are reflected in the statement of financial position when the Company enters into a contractual relationship, the subject of which are the specified financial instruments. All cases of standard acquisition of financial assets are reflected on the date of settlement.

Measurement of value of financial instruments

A financial asset or liability is initially measured at fair value plus, in the case of a financial asset or liability that is not measured at fair value, the changes in which are reflected in the profit or loss for the period, transaction costs attributable directly to the acquisition or issuance of a financial asset or liability.

Upon initial recognition, financial assets, including derivative financial instruments that are assets, are measured at their fair value without deducting any transaction costs that may have been incurred as a result of the sale or other disposal, except:

- loans and receivables that are measured at amortized cost using the effective interest rate method;
- investments held to maturity that are measured at amortized cost using the effective interest rate method;
- investments in equity instruments that do not have market quotations in an actively functioning market and whose fair value cannot be determined with a sufficient degree of certainty.

All financial liabilities, with the exception of financial liabilities measured at fair value, the changes in which are reflected in the profit or loss for the period, and financial liabilities arising when the transfer of a financial asset reflected at fair value does not meet the criteria for termination of recognition, are measured at amortized cost.

Amortized cost

The amortized value of a financial asset or liability is the value at which the financial asset or liability was measured at the time of initial recognition, less the principal payments of the debt, adjusted for the amount of accumulated depreciation of the difference between the originally recognized value and the redemption value determined using the effective interest rate method, and less the impairment loss. The amount of premiums and discounts, as well as the amount of transaction costs, are included in the book value of the corresponding instrument and are amortized based on the effective interest rate of this instrument.

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Fair Value Measurement Principles

Fair value is the price that would have been received on the sale of an asset or paid on the transfer of a liability under the conditions of an operation carried out in an organized market between market participants on the valuation date in the main market or, in the absence of the latter, in the most profitable market to which the Company has access on that date. The fair value of an obligation reflects the risk of default.

As far as possible, the Company estimates the fair value of an instrument using the quotes of that instrument in the active market. The market is recognized as active if transactions on an asset or liability are made with sufficient frequency and in sufficient volume to determine quotations on a regular basis.

In the absence of current quotations in the active market, the Company uses valuation methods that make maximum use of observable initial data and minimal use of unobservable initial data. The valuation methods chosen include all the factors that market participants would have taken into account in the circumstances.

The best evidence of the fair value of a financial instrument at initial recognition is usually the transaction price, i.e. the fair value of the compensation paid or received. If the Company determines that the fair value at initial recognition differs from the transaction price and the fair value is not confirmed by current quotations in the active market for a similar asset or liability and is not based on measurement methods using only observable input data, the financial instrument is initially measured at fair value adjusted to delay the difference between fair value at initial recognition and the price of the transaction. After initial recognition, the difference is reflected in the profit or loss accordingly over the lifetime of the instrument, but no later than when the estimate is fully supported by the observed baseline data or when the transaction has already been completed.

The Company recognises transfers between levels in the fair value hierarchy at the end of the reporting period during which the changes were made.

Profits and losses arising from subsequent valuation

Gains or losses arising from a change in the fair value of a financial asset or liability are recorded as follows:

- profit or loss on a financial instrument classified in the category measured at fair value, the changes in which are reflected in the profit or loss for the period.

- profit or loss on a financial asset available for sale is recorded as other comprehensive income as part of a capital deficit (excluding impairment losses and gains or losses from the transfer of foreign currency balances on debt financial instruments available for sale) until the moment of termination of recognition of the asset, when the accumulated profits or losses previously reflected in the capital deficit, are transferred to profit or loss.

Interest income on a financial asset available for sale is recorded at the time of occurrence as part of the profit or loss using the effective interest rate method.

For financial assets and liabilities recorded at amortized cost, the profit or loss is reflected in the profit or loss in the event of the cessation of recognition or impairment of the financial asset or liability, as well as in the process of accruing the corresponding depreciation.

Derecognition

The Company derecognizes a financial asset when it loses its contractual rights to cash flows in respect of that financial asset, or when it transfers a financial asset as a result of a transaction in which substantially all the risks and benefits associated with ownership of the financial asset are transferred to the other party, or in which the Company does not transfer, does not retain a substantial portion of all the risks and benefits associated with ownership of the financial asset and does not retain control of the financial asset. Any interest in transferred financial assets for which the requirements for termination of recognition are met, created by the Company or retained by it, is recognized as a separate asset or liability in the statement of financial position. The Company terminates the recognition of the financial obligation at the moment when its obligations under the relevant contract are fulfilled or cancelled or their validity expires.

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The Company enters into transactions under the terms of which it transfers the assets recognized in the statement of financial position, but at the same time retains all or part of the risks and benefits arising from the ownership of the transferred assets. While maintaining all or substantially all of the risks and benefits, the Company does not cease to recognize the transferred assets.

When making transactions in which the Company does not retain and does not transfer almost all the risks and benefits arising from the ownership of a financial asset, in the event of loss of control over such an asset, its recognition is terminated.

If, upon transfer of an asset, the Company retains control over it, it continues to recognise the asset to the extent that it has retained an interest in the asset, defined as the extent to which the Company is exposed to changes in its value.

The Company writes off assets that are recognized as non-recoverable.

Offsetting financial assets and financial liabilities

The Company's financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Impairment

Financial assets measured at amortized cost

Financial assets recorded at amortized value consist mainly of accounts receivable under insurance and reinsurance contracts, bank accounts and deposits, and other receivables (hereinafter referred to as "loans and receivables"). The Company regularly evaluates loans and receivables in order to determine possible impairment. Loans or receivables depreciate and impairment losses occur solely if there is objective evidence of impairment resulting from one or more events that occurred after the initial recognition of the loan or receivable and provided that the event (or events) in question had an impact on the anticipated future cash flows on the loan that can be measured with a reasonable degree of confidence.

Objective evidence of impairment of financial assets may include default or late payments made by the borrower, the borrower's breach of obligations under the contract or the terms of the contract, the restructuring of the loan or advance on terms that in no other case the Company would have considered, signs of possible bankruptcy of the borrower or issuer, the disappearance of the active market for the security, a decrease in the value of the collateral or other observable data, relating to a group of assets, such as a deterioration in the solvency of borrowers belonging to the group, or a change in the economic environment that correlates with default by borrowers belonging to this group.

The Company first assesses whether there is objective evidence of impairment separately for loans and receivables that are material individually and separately or collectively for loans and receivables that are not material separately. In the event that the Company determines that there is no objective evidence of impairment on a loan or receivable, measured separately, whether material or not, the loan shall be included in the group of loans and receivables with similar characteristics of credit risk and assessed for impairment within the group of assets on a collective basis. Loans and receivables measured separately for impairment, for which an impairment loss arises or continues to exist, are not included in the collective impairment measurement.

Where there is objective evidence of an impairment loss on loan or receivable, the amount of the loss is measured as the difference between the carrying amount of the loan or receivable and the current value of the estimated future cash flows, including the recoverable value of the guarantees and collateral, discounted using the original effective interest rate on the loan or receivable. Contractual cash flows and historical experience of losses, adjusted on the basis of relevant available information reflecting current economic conditions, provide the basis for determining estimated cash flows.

In some cases, the available information required to determine the amount of impairment loss on the loans or receivables may be limited or no longer appropriate to current conditions and circumstances. This may be the case if the borrower is experiencing financial difficulties, and the amount of information available in relation to similar borrowers is limited. In such cases, the Company uses its experience and judgment to determine the amount of impairment loss.

All impairment losses on loans and receivables are reflected in profit or loss and are recoverable only if the subsequent increase in the recoverable value can be objectively related to the event that occurred after the recognition of impairment losses.

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Where the collection of the loan debt is not possible, the loan is written off from the appropriate allowance for the impairment of loans. Such loans (and any related allowances for loan impairment) are written off after management determines that the collection of loan debt is not possible and all necessary procedures for the collection of loan debts have been completed.

Financial assets available for sale

Impairment losses on financial assets available for sale are recognized by converting accumulated loss recognized as other comprehensive income to profit or loss as a reclassification adjustment. Accrued loss, reclassified from other comprehensive income to profit or loss, is the difference between the cost of acquisition less any principal and depreciation payments and current fair value less impairment loss previously recognized as part of the profit or loss. Changes in the impairment provision relating to the time value of money are recorded as a component of interest income.

A significant or prolonged decrease in the fair value of an investment in a shared security available for sale to a value below the actual cost of the security serves as objective evidence of impairment.

In the event that, in a subsequent period, the fair value of an impaired debt security available for sale increases and the increase can be objectively related to an event that occurred after the recognition of an impairment loss as part of a profit or loss, the impairment loss shall be restored and the restored amount shall be recognised as part of the profit or loss. However, any subsequent recovery of fair value of an impaired equity security available for sale is recognised as part of other comprehensive income.

Non-financial assets

Other non-financial assets other than deferred tax assets are measured as at each reporting date for signs of impairment. The recoverable value of non-financial assets is the greater amount of the fair value less the costs of sale and the value in use. When calculating the value in use, expected future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market estimate of the impact of changes in the value of money over time and the risks specific to that asset. For an asset that does not generate cash inflows that are largely independent of the cash flows generated by other assets, the recoverable value is determined by the group of cash-generating assets to which such asset belongs. Impairment loss is recognised when the carrying amount of an asset or group of cash-generating assets exceeds its recoverable value.

All impairment losses of non-financial assets are recorded in the profit or loss and are recoverable only if the estimates used in determining the recoverable value have changed. Any impairment loss on an asset is recoverable to the extent that the carrying amount of the asset does not exceed the carrying amount (net of depreciation and amortization) that would have occurred had the impairment loss not been reflected.

Repo and reverse repo transactions

Securities sold under sale agreements with a repurchase obligation (hereinafter, repo transactions") are recorded as operations to attract financing secured by collateral securities, while securities continue to be accounted for in the statement of financial position, while the liabilities to counterparties are included in the accounts payable for repo transactions. The difference between the sale price and the repurchase price is an interest expense and is reflected in the profit or loss for the period of the repo transaction using the effective interest rate method.

The securities acquired under purchase agreements with a resale obligation (hereinafter, reverse repo transactions), short-term reverse repo transactions with a period of less than three months are recorded under the heading *Cash and cash equivalents*, and long-term transactions are included in the receivables for reverse repo transactions. The difference between the purchase price and the sellback price is an interest expense and is reflected in the profit or loss for the period of the repo transaction using the effective interest rate method.

Provisions

The provision is recorded in the financial position statement in the event that the Company assumes a legal or reasonable obligation as a result of an event that has occurred and there is a possibility that a diversion of funds will be required to fulfil this obligation. If the amount of such an obligation is significant, the provisions are determined by discounting the estimated future cash flows using the pre-tax discount rate, which reflects the current market valuation of the time value of the money and, where applicable, the risks inherent in that liability.

Share capital

Ordinary shares

Common shares are classified as equity. The costs directly related to the issuance of common shares and stock options are recognized as a decrease in equity net of any tax effects.

Dividends

The Company's ability to declare and pay dividends is determined in accordance with the requirements of the legislation of the Republic of Kazakhstan.

Dividends on common shares are reported in the financial statements as the use of retained earnings as they are declared.

Taxation

Income tax includes income tax of the current period and deferred tax. Income tax is recorded in full as a profit or loss, except for amounts relating to transactions reflected in other comprehensive income or to transactions with owners reflected directly in the capital accounts, which are respectively reflected in other comprehensive income or directly in equity.

Current income tax is calculated on the basis of the estimated amount of taxable profit for the year, taking into account the income tax rates in force as at the reporting date, as well as the amount of liabilities arising from the clarification of income tax amounts for previous reporting years.

Deferred tax is recorded using the carrying amount method for all temporary differences arising between the carrying amount of assets and liabilities determined for the purpose of their presentation in the financial statements and their tax base. Deferred tax is not recognized in respect of assets and liabilities arising from the initial recognition as a result of a transaction that does not affect either accounting or taxable profits. The amount of deferred tax is determined on the basis of the tax rates that will be applied in the future, at the time of restoration of temporary differences, based on existing or, in fact, enacted laws as of the reporting date.

A deferred tax asset is recognized only to the extent that there is a high probability of receiving taxable profits, in respect of which the corresponding temporary differences can be realised and unused tax losses and credits have been implemented.
The amount of deferred tax assets is reduced to the extent that the realization of the relevant tax benefits is no longer likely.

Recognition of income and expenses

Interest income and expenses are recorded as part of profit or loss using the effective interest rate method.

Other income and expenses are carried in the profit or loss at the date of provision of the relevant service.

Lease

At the time of conclusion of the contract, the Company assesses whether the contract as a whole or its individual components are a lease agreement. The contract is a lease as a whole or contains of lease components if such an agreement transfers the right to control the use of an identified asset during a certain period in exchange for compensation.

The Company as a tenant

At the commencement or modification of a contract containing a lease component, the Company has decided not to allocate non-lease components and to account for the lease components and related non-lease components as a single lease component.

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The Company recognises the asset in the form of a right of use and a lease obligation on the date of commencement of the lease. An asset in the form of a right of use shall initially be measured at the original cost of the original lease liability, adjusted for the amount of lease payments made on or before the date of commencement of the lease, increased by the initial direct costs incurred and the estimated costs incurred in the dismantling and relocation of the underlying asset, the restoration of the underlying asset or the site on which it is located, less the incentive payments received on the rent.

Upon subsequent accounting, the asset in the form of a right of use is amortized by a linear method, starting from the date of commencement of the lease and until the end of the lease term, except in cases where, according to the lease agreement, ownership of the underlying asset is transferred to the Company before the end of the lease term. In such cases, the asset in the form of a right of use is amortized over the useful life of the underlying asset, which is determined using the fixed asset approach. Besides this, the value of the asset in the form of a right of use is periodically reduced by the amount of impairment losses, if any, and is also adjusted when certain revaluations of the lease liability are made.

The lease liability is initially measured at the present value of lease payments not paid at the start date of the lease, discounted using the interest rate laid down in the lease agreement or, if such a rate cannot be easily determined, using the Company's additional borrowing rate. As a rule, the Company uses its rate for raising additional borrowed funds as a discount rate.

The Company determines its borrowing rate based on the interest rates from various external sources and makes certain adjustments to take into account the terms of the lease and the type of asset being leased.

Lease payments included in the estimation of a lease liability include as follows:

- fixed payments, including effectively fixed charges;
- Variable lease payments that depend on the index or rate, initially estimated using the index or rate on the start date of the lease;
- amounts expected to be paid by the lessee under the residual value guarantee;
- the strike price for buying, if there is sufficient assurance that the Company will exercise the option, lease payments during the additional lease period arising from the existence of a lease extension option, if there is sufficient assurance that the Company will not terminate the lease early.

Lease liability is measured at amortised cost using the effective interest rate. Lease liabilities are revalued in the event that future lease payments change due to a change in the index or rate, if the Company's estimate of the amount payable under the liquidation value guarantee changes, if the Company changes the assessment of whether it will exercise a purchase option, an option to extend or terminate the lease, or if a lease payment that is essentially fixed is revised.

When a lease liability is revised in this way, an adjustment is made with respect to the carrying amount of the asset in the form of a right of use or relates to a profit or loss if the carrying amount of the asset in the form of a right of use has previously been reduced to zero.

The Company represents assets in the form of a right of use that do not meet the definition of investment real estate as part of the article *Property, plant and equipment and intangible assets*, and lease liabilities as part of the article *Other liabilities* in the statement of financial position.

The Company decided not to recognize assets in the form of a right of use and a lease obligation in relation to low-value asset leases and short-term lease agreements. The Company recognizes lease payments made under such contracts as a linear expense during the lease term.

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New standards, interpretations and amendments to existing standards and interpretations

Some standards and amendments are applied for the first time in 2022. The nature and the impact of each new standardor amendment are described below:

***Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS* 37**

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Company cannot avoid becauseit has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services include both incremental costs (e.g., the costs of direct labor and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment usedto fulfil the contract as well as costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

This amendment had no impact on the financial statements of the Company, as there are no onerous contracts in the Company.

Reference to the Conceptual Framework – Amendments to IFRS 3

The amendments replace a reference to a previous version of the IASB's *Conceptual Framework* with a reference to thecurrent version issued in March 2018 without significantly changing its requirements.
The amendments add an exception to the recognition principle of IFRS 3 *Business Combinations* to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* or IFRIC 21 *Levies*, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

These amendments had no impact on the financial statements of the Company as there were no contingent assets, liabilities and contingent liabilities within the scope of these amendments arisen during the period.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, andthe costs of producing those items, in profit or loss.

These amendments had no impact on the Company's financial statements.

IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter

The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

These amendments had no impact on the financial statements of the Company as it is not a first-time adopter.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39 *Financial Instruments: Recognition and Measurement*.

These amendments had no impact on the financial statements of the Company. The Company intends to apply practical simplifications in future periods, if necessary.

IAS 41 Agriculture – Taxation in fair value measurements

The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

These amendments had no impact on the financial statements of the Company as this standard is not applicable.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS28

In December 2015, the IASB decided to defer the effective date of the amendments until such time as it has finalised any amendments that result from its research project on the equity method. Early application of the amendments is still permitted.

The amendments address the conflict between IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments inAssociates and Joint Ventures* in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture.

The amendments clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves abusiness as defined in IFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture.

These amendments had no impact on the Company's financial statements.

Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Amendments to IAS 1 Clarification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 and 76 of IAS 1 to specify the requirements forclassifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement;
- That a right to defer must exist at the end of the reporting period;
- That classification is unaffected by the likelihood that an entity will exercise its deferral right;
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. These amendments are not expected to have a material impact on the Company's financial statements.

Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the Board issued amendments to IAS 8, in which it introduces a new definition of «accounting estimates». The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

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The amendments are effective for annual periods beginning on or after 1 January 2023 and apply to changes in accountingpolicies and changes in accounting estimates that occur on or after the start of the effective date. Earlier application is permitted, subject to disclosure of this fact.

These amendments are not expected to have a material impact on the Company's financial statements.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the Board issued amendments to IAS 1 and IFRS Practice Statement 2 *Making Materiality Judgements*(the PS), in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by Replacingthe requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments are effective for annual periods beginning on or after 1 January 2023 with earlier application possibilities. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information and it is not necessary to specify an effective date for these amendments.

The Company is currently evaluating the impact these amendments may have on disclosures of accounting policies.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, it should also recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations.

These amendments had no impact on the financial statements of the Company.

Lease Liability in a Sale and Leaseback – Amendments to IFRS 16

Amendments to IFRS 16 are effective for annual periods beginning on or after 1 January 2024. In September 2022, the Board issued Amendments to IFRS 16.

The amendment to IFRS 16 specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relatesto the right of use it retains.

After the commencement date in a sale and leaseback transaction, the seller-lessee applies paragraphs 29 to 35 of IFRS 16 to the right-of-use asset arising from the leaseback and paragraphs 36 to 46 of IFRS 16 to the lease liability arising from the leaseback. In applying paragraphs 36 to 46, the seller-lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the rightof use retained by the seller-lessee. Applying these requirements does not prevent the seller-lessee from recognising, in profit or loss, any gain or loss relating to the partial or full termination of a lease, as required by paragraph 46(a) of IFRS 16.

The amendment does not prescribe specific measurement requirements for lease liabilities arising from a leaseback. Theinitial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining 'lease payments' that are different from the general definition of lease payments in Appendix A of IFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with IAS 8.

These amendments had no impact on the financial statements of the Company.

IFRS 17 Insurance Contracts

Impact of transition to IFRS 17 and IFRS 9

On May 18, 2017, the IASB issued IFRS 17 Insurance Contracts, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure.

Once effective, IFRS 17 will replace IFRS 4, which currently allows for a wide range of practices. IFRS 17 requires the current valuation model to be used, whereby estimates are revalued every reporting period. The estimate is based on the constituent elements of discounted, probability-weighted cash flows, risk adjustment and contract service margin, which is unearned profit on the contract.

In June 2020, the IASB issued amendments to IFRS 17. These amendments included changing the effective date to 2023.

In December 2021, the IASB amended IFRS 17 to add a transition option for a "classification overlay" to address possible accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented on initial application of IFRS 17. The Company will adopt IFRS 17 from 1 January 2023. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

Adjustment of principles for recognition of insurance income and expenses for insurance services

Under IFRS 17 insurance revenue will be recognized on the service coverage period

Several amendments to the measurement of liabilities under an insurance contract

The main changes are as follows:

Revisiting measurement models for insurance contracts

Measurement methods include the general model, the variable fee approach, and the premium allocation approach based on the nature of the insurance contracts. The variable fee approach applies to long-term insurance contracts with direct participation features; the general model is applicable to other long-term insurance contracts; and the premium allocation approach is applicable to short-term insurance contracts.

Revise measurement of contractual service margin ("CSM")

The impact of changes in cash flows from sales associated with future servicing will be added to or subtracted from the remaining CSM, while in accordance with the Company's current accounting policy, the residual margin will be fixed at inception and amortized over the coverage period. For the insurance contracts subject to the variable fee approach, the insurer's share of the change in the fair value of underlying items and changes in other financial risks should be treated as changes in future services, for which CSM needs to be adjusted. Under IFRS 17, CSM will be more volatile.

Under IFRS 17, if full retrospective application is not feasible for a group of insurance contracts at the date of transition, the Company must apply either a modified retrospective approach or a fair value approach to measure CSM. The Company uses a premium allocation approach that does not recognize CSM.

Revising the classifications of financial assets and optimizing the accounting match between assets and liabilities

Under IFRS 17, at the date of initial application, a reporting entity may review its business models for managing financial assets and reclassify financial assets held for insurance contract activities.

Premium allocation approach

The Company may simplify the valuation of a group of insurance contracts using the premium allocation approach, as the Company expects that the application of this simplification will result in a measurement of the liability for the remaining insurance coverage for this group that will not differ materially from the results of applying the standard approach.

When applying the premium allocation approach, the Company measures the liability for the remaining insurance coverage as follows:

At initial recognition, the carrying amount of the liability is:

- premiums received at the time of initial recognition;
- minus the acquisition cash flows at that date.

Optimizing the presentation of financial statements

IFRS 17 requires insurance companies to present in the statement of financial position the aggregate of the rights and obligations arising from a group of insurance contracts or reinsurance contracts as a single insurance contract or a reinsurance contract asset or liability. Premium receivables no longer need to be presented separately. Moreover, IFRS 17 requires insurance companies to break down the amounts recognized in profit or loss into insurance results and investing results according to the determinants of profit. This will make the sources of income for insurance companies more understandable and transparent.

With the exception of IFRS 17, there are no amendments to IFRS or IFRIC (International Financial Reporting Interpretations Committee) interpretations that are not yet effective and that are expected to have a material impact on the Company.

4. DISCLOSURE REQUIREMENTS AIMED AT COMPARING A COMPANY THAT HAS BENEFITED FROM AN INTERIM EXEMPTION FROM THE APPLICATION OF IFRS 9 WITH ENTITIES APPLYING IFRS 9

Fair value analysis

The following table provides information on fair value* as at the reporting date and changes in fair value during the reporting period for financial assets:

(In thousands of tenge)	2022	2021
Financial assets that meet the SPPI criterion under IFRS 9 (excluding any financial assets that meet the definition of IFRS 9 to be traded or managed and measured on the basis of fair value)		
(a) cash and cash equivalents	3,549,654	387,911
(b) financial assets available for sale	5,628,287	3,933,119
(c) insurance and reinsurance receivables	279,972	454,142

* An insurer may accept the carrying amount of a financial asset measured using IAS 39 by a reasonable approximation of its fair value if, in accordance with paragraph 21(a) of IFRS 7, the insurer is not required to disclose the fair value of the financial asset (e.g., current trade receivables).

5. INSURANCE RISK MANAGEMENT

The Company concludes contracts for the transfer of insurance risk. This section provides general information about these risks and the way the Company manages risks.

Risk Management Objectives and Insurance Risk Mitigation Policies

Insurance risk management is critical to the Company's operations. The main insurance activity carried out by the Company involves the acceptance of the risk of loss as a result of the costs of providing medical care to persons who are directly at risk. Insurance of such risks may be carried out either directly by an individual or by the employer of such an individual, and may include family members. At that, the Company is exposed to the risk of uncertainty associated with the date of occurrence and the severity of claims under the contract. The Company is also exposed to the market risk in relation to insurance and investment activities. The Company manages its insurance risk by means of limiting insured amounts, introducing transaction approval procedures, pricing guidelines, centralized reinsurance management, and monitoring emerging issues.

The key risk is that the frequency and severity of insurance claims may be higher than expected. Insurance events are inherently random, and the actual number and scale of an event in one year may differ from those calculated using established statistical methods.

Insurance Strategy

The Company's insurance strategy is set out in a business plan that defines the activities to be insured, the territory in which the activity is subject to insurance and the industries in which the Company is prepared to insure. This strategy is the basis for detailed insurance rules that define detailed insurance procedures for each type of product. These rules are subject to approval by the Company's Board of Directors and must be provided to the regulatory authority (the Agency) in cases provided for by the legislation of Kazakhstan. The rules consist of a basic concept of insurance and procedures, a description of the inherent risks, terms and conditions, rights and obligations, documentation requirements, the agreement/certificate of insurance model, the actuary's justification for the applicable rate (minimum and maximum) and the factors affecting the applicable tariff.

The calculation of tariffs and prices of insurance products reflects the current market conditions and includes the most likely assumptions required to adjust future results aimed at significantly reducing financial risks.

Each corporate client insurance contract requires separate approval by the underwriter or the Risk Management Committee, depending on the amount of risk assumed, in accordance with the Company's internal policy. Management monitors compliance with insurance rules on an ongoing basis. The Company's Board of Directors reviews and approves transactions that require resolution.

Terms and Conditions of Insurance Contracts and Nature of Covered Risks

The following are the terms of insurance contracts that have a significant impact on the amount, timing and uncertainty of future cash flows arising from insurance contracts. In addition, the following is an assessment of the Company's core products and the ways in which the Company manages the risks associated with those products.

General insurance contracts – health insurance

Product Features

The Company provides voluntary medical insurance services. Pursuant to insurance contracts, insured individuals receive medical care, which is paid by the insurer, or receive reimbursement of medical expenses. Generally, insurance claims are presented frequently, involve small amounts, and their cause can be easily determined. Thus, the insurance claim can be settled within a short period of time. Accordingly, voluntary health insurance is considered as a business with a short settlement period.

Risk management

The main risks associated with this product are the risks of insurance activities, competition, and payment of insurance indemnities.

The risk under any insurance contract varies depending on many factors, such as the location, age, sex and health status of the insured, as well as the availability of medical services. Calculations of insurance premiums under such insurance contracts, comparable in terms of risk level, are considered subjective and, therefore, risky.

Insurance risk is mainly managed through pricing, product design, the establishment of exceptions relating to certain types of diseases that require permanent and expensive treatment (chronic diseases), or treatment that can be prescribed by the state.

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Concentration of insurance risks

The Company is at risk of a sharp increase in the volume of insurance payments both in terms of the number of insured events and the severity of the amount of payments for the main class of health insurance. This risk is regulated by limiting the maximum amount of liability both under the insurance contract and for each insured, and taking into account the capitation settlement of losses, the Company limits the growth of unprofitability. In addition, the Company entered into a reinsurance contract for the entire insurance portfolio for the *Travel Abroad* product in case of particularly large losses. Thus, the risks associated with the growth of losses in the main class of insurance are minimized. Pursuant to the terms of the insurance certificates, the Company's health insurance class does not cover claims related to Covid-19.

As of 31 December 2022, the Company had 46,401 and 10 reinsurance contracts in force (31 December 2021: 11,359 and 5 respectively).

The growth in both the number of contracts and the volume of insurance amounts is associated with the growth of the portfolio of collateral insurance products (medicine, auto insurance) with the partner bank, CenterCredit Bank, as well as with implementing a project for traveling abroad from Arab Assurers Insurance Company, where each new contract implies a separate certificate of insurance for each insured.

The main type of services provided by the Company is health insurance. The total insurance amount under existing contracts for all classes of insurance as of 31 December 2022 amounted to 397,110,348 thousand tenge (31 December 2021: 208,339,673 thousand tenge).

The Company does not have any situations where a material legal dispute or legislative risk could result in a major separate risk or have a significant impact on contracts. Health insurance does not expose the Company to significant risks in countries other than the Republic of Kazakhstan.
Uncertainty about the amount and timing of claims for all insurance contracts is usually resolved within a few months.

6. EARNED INSURANCE PREMIUMS, NET

(In thousands of tenge)	2022	2021
Accrued insurance premiums, gross	12,878,290	5,847,003
Change in reserve for unearned premiums, gross	(3,799,652)	(647,703)
Earned insurance premiums, gross	**9,078,638**	**5,199,300**
Less: Insurance premiums transferred to reinsurers	(1,912,579)	(956,316)
Change in gross reserve for unearned reinsurers' premiums	81,646	(250,420)
Insurance premiums transferred to reinsurers	**(1,830,933)**	**(1,206,736)**
Earned insurance premiums, net	**7,247,705**	**3,992,564**

Commission income under reinsurance contracts:

(In thousands of tenge)	2022	2021
Commission income under reinsurance contracts	83,312	76,466
	83,312	**76,466**

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7. FINANCE INCOME AND EXPENSES

(In thousands of tenge)	2022	2021
Finance income		
Interest income on financial assets available for sale	293,203	194,224
Realised profit on financial assets available for sale	6,201	132,535
Net income/(loss) from foreign exchange transactions	315,395	86,654
Unrealized profit from transactions with financial instruments measured at fair value through profit or loss	85,334	60,300
Interest earned on receivables under reverse repo contracts	254,996	20,542
Other interest income	33,723	1,893
Total finance income	**988,852**	**496,148**
Finance expenses		
Realised loss on financial assets available for sale	(3,934)	(24,446)
Interest expenses on financial assets available for sale	(12,744)	(10,540)
Unrealized loss from transactions with financial instruments measured at fair value through profit or loss	(12,137)	(2,812)
Interest paid on accounts payable under repo contracts	-	(464)
Total finance expenses	**(28,815)**	**(38,262)**
Total finance income less finance expenses	**960,037**	**457,886**

8. INSURANCE CLAIMS ACCRUED, NET

(In thousands of tenge)	2022	2021
Insurance claims paid minus reinsurance	**(5,950,251)**	**(3,334,280)**
Changes in reserves for incurred but not reported claims, net of reinsurer's share	(37,394)	(40,974)
Changes in reserves for reported but not settled claims, net of reinsurer's share	(88,063)	(2,271)
Change in reserves for insurance contracts, net	**(125,457)**	**(43,245)**
Insurance claims accrued, net	**(6,075,708)**	**(3,377,525)**

The share of the reinsurer in the claims incurred for 2022 is 341,330 thousand tenge (2021: 291,014 thousand tenge).

9. EXPENSES FOR THE PURCHASE OF INSURANCE CONTRACTS

(In thousands of tenge)	2022	2021
Agent commission	448,870	159,758
	448,870	**159,758**

10. ADMINISTRATIVE EXPENSES

(In thousands of tenge)	2022	2021
Salary costs and related services	212,158	172,053
Lease	42,023	34,741
Audit, consulting and information services	39,028	46,026
Bank commissions and brokerage commissions	19,970	10,224
Stationery & Maintenance	14,375	22,826
Depreciation and amortization	14,060	11,990
Communication services	10,007	8,618
Representation expenses	6,773	129
Business trip expenses	3,754	88
Other	7,425	20,760
	369,573	**327,455**

11. INCOME TAX EXPENSE

(In thousands of tenge)	2022	2021
Current income tax expense	(261,348)	(120,336)
Savings on deferred tax		
Occurrence and restoration of temporary differences	1,653	1,719
Total income tax expense	**(259,695)**	**(118,617)**

The rate applied by the Company to calculate current and deferred tax is 20% (2021: 20%).

Calculation of the effective income tax rate:

(In thousands of tenge)	2022	2021
Profit before income tax	**1,409,971**	**667,188**
Income tax calculated based on the current income tax rate	(281,994)	(133,438)
Non-deductible costs	(502)	-
Tax-free income on securities	22,801	14,821
	(259,695)	**(118,617)**

Temporary differences arising between the value of assets and liabilities reflected in the financial statements and the amounts used for the purposes of calculating the taxable base give rise to deferred tax liabilities as at 31 December 2022 and deferred tax assets as at 31 December 2021 in these financial statements.

The period of use of temporary differences that reduce the size of the taxable base for income tax is not limited by the current tax law of the Republic of Kazakhstan.

Changes in the value of temporary differences during the year ended 31 December 2022 and 2022 is presented as follows.

(In thousands of tenge)	Balance as of 1 January 2022	Recognised in profit or loss for the period	Recognised in equity	Balance as of 31 December 2022
Property, plant and equipment	249	805	-	1,054
Other liabilities	5,337	848	-	6,185
Financial instruments measured at fair value whose changes are reflected in the profit or loss for the period	(10,652)	-	(14,640)	(25,292)
Financial assets available for sale	(8,956)	-	8,956	-
	(14,022)	**1,653**	**(5,684)**	**(18,053)**

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Changes in the value of temporary differences during the year ended 31 December 2021 and 2021 is presented as follows:

(In thousands of tenge)	Balance as of 1 January 2021	Recognised in profit or loss for the period	Recognised in equity	Balance as of 31 December 2021
Property, plant and equipment	(391)	640	-	249
Other liabilities	4,258	1,079	-	5,337
Financial instruments measured at fair value whose changes are reflected in the profit or loss for the period	845	-	(11,497)	(10,652)
Financial assets available for sale	(42,781)	-	33,825	(8,956)
	(38,069)	**1,719**	**22,328**	**(14,022)**

12. CASH AND CASH EQUIVALENTS

(In thousands of tenge)	31 December 2022	31 December 2021
Cash on hand	832	4,522
Cash on the broker's accounts with 'B' rating	59,489	113,710
Cash at current banks accounts		
Kazakhstani banks		
With a credit rating from "BBB+" to "BB-"	6,571	1,333
With a credit rating from "B-" to "B+"	44,237	182,537
Unrated (Citibank Kazakhstan JSC)	194,542	85,809
Cash in short-term deposit accounts		
With a credit rating from "B-" to "B+"	415,031	-
Reverse REPO operations		
With a credit rating from "BBB"	2,828,952	-
Total cash and cash equivalents	**3,549,654**	**387,911**

According to official data, Citibank Kazakhstan JSC has a rating of its parent organization (S&P-A+). Due to the fact that we did not determine the rating of a subsidiary bank in Kazakhstan, it was accounted for as unrated. The credit ratings are presented in accordance with the standards of the rating agency "Standard & Poor's" or with similar standards of other international rating agencies.

Cash and cash equivalents are neither impaired nor overdue.

As of 31 December 2022, and 2021, the Company has no balances on current accounts and short-term deposits in banks, which account for more than 10% of its own capital.

13. FINANCIAL ASSETS AVAILABLE FOR SALE

(In thousands of tenge)	31 December 2022	31 December 2021
Owned by the Company		
Debt financial instruments:		
Eurobonds of foreign banks and companies	4,943,706	3,777,404
Treasury obligations of the Ministry of Finance of the Republic of Kazakhstan	440,040	127,082
Bonds of Kazakhstani banks	146,377	-
Bonds of Development Bank of Kazakhstan	98,164	28,633
Amount of debt financial instruments before impairment	**5,628,287**	**3,933,119**
Total amount of debt financial instruments less impairment	**5,628,287**	**3,933,119**

The following table contains information on the credit quality of debt financial instruments (gross amount) classified as financial assets available for sale:

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(In thousands of tenge)	31 December 2022	31 December 2021
- with a credit rating from "AA-" to "AA+"	878,758	726,148
- with a credit rating from "A-" to "A+"	2,115,907	1,383,159
- with a credit rating from "BBB-" to "BBB+"	2,450,434	1,666,900
- with a credit rating from "BB-" to "BB+"	139,437	156,912
- unrated	43,751	-
	5,628,287	**3,933,119**

The credit ratings are presented in accordance with the standards of the rating agency "Standard & Poor's" or with similar standards of other international rating agencies. Financial assets available for sale are not overdue.

As of 31 December 2022, and 2021, the Company did not own financial instruments that account for more than 10% of its equity.

As of 31 December 2022, the annual effective interest rates generated by financial assets available for sale ranged from 3.2% to 10.00% per year (31 December 2021: from 3.2% to 10.00% per year).

The movement for the acquisition and sale of financial assets available for sale can be represented as follows:

(In thousands of tenge)	2022	2021
Balance as of 1 January	**3,933,119**	3,705,250
Acquisition	2,776,088	1,732,557
Sale	(448,604)	(1,531,702)
Impact of changes in exchange rates	292,639	86,904
Interest income	280,459	183,683
Revaluation	(977,526)	(53,408)
Interest received	(228,801)	(190,192)
Interest paid	913	27
Balance as of 31 December	**5,628,287**	**3,933,119**

14. INSURANCE AND REINSURANCE RECEIVABLES

(In thousands of tenge)	31 December 2022	31 December 2021
Receivables from policyholders	70,661	64,680
Amounts due from reinsurers	209,311	389,462
Insurance and reinsurance receivables	**279,972**	**454,142**

Total maximum exposure to credit risk

As of 31 December 2022, and 2021, the Company did not have reinsurers or policyholders whose debt amount exceeded 15% of its own capital.

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Below is information on the credit quality of insurance and reinsurance receivables:

(In thousands of tenge)	31 December 2022	31 December 2021
Receivables from policyholders and reinsurers		
Receivables from policyholders		
- not overdue	70,661	64,680
- overdue for a period of 0-30 days	-	-
Total receivables from policyholders	**70,661**	**64,680**
Reinsurers' accounts receivable		
- not overdue	209,311	389,462
Total receivables of reinsurers	**209,311**	**389,462**
Receivables from policyholders and reinsurers	**279,972**	**454,142**

15. FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE WHOSE CHANGES ARE REFLECTED IN THE PROFIT OR LOSS FOR THE PERIOD

(In thousands of tenge)	31 December 2022	31 December 2021
Equity securities		
Shares of Kazakhstani companies	196,134	122,937
Shares of the Insurance Payment Guarantee Fund	19,630	19,630
	215,764	**142,567**

The shares of Insurance Payment Guarantee Fund JSC, classified as investments and measured at fair value and reflected in actual costs, consist of unquoted equity securities with a book value of 19,630 thousand tenge. There is no market for these investments, and recently there have been no transactions that would determine the fair value of these investments with a sufficient degree of reliability.

16. DEFERRED EXPENSES FOR THE PURCHASE OF INSURANCE CONTRACTS

(In thousands of tenge)	31 December 2022	31 December 2021
Agent Commission	933,513	753,368
Commission of the cedent	675	703
	934,188	**754,071**

Analysis of changes in deferred costs for the purchase of insurance contracts

(In thousands of tenge)	2022	2021
As of 1 January	754,071	12,485
Acquisition costs incurred during the year	628,987	901,344
Depreciation recognized as part of profit or loss	(448,870)	(159,758)
As of 31 December	**934,188**	**754,071**

17. RESERVES UNDER INSURANCE CONTRACTS

(In thousands of tenge)	31 December 2022	31 December 2021
Reserve for unearned premiums	5,657,830	1,858,178
Reserve for claims incurred but not reported	222,592	266,830
Reserve for reported but not settled claims	124,756	38,408
Total reserve under insurance contracts	**6,005,178**	**2,163,416**
Share of reinsurers in reserves of unearned premium	(125,484)	(43,838)
Share of reinsurers in reserves for claims incurred but not reported	(85,722)	(167,354)
Share of reinsurers in reserves for claims reported but not settled	(25,097)	(26,812)
Total share of reinsurers in reserves under insurance contracts	**(236,303)**	**(238,004)**
Net amount of reserves under insurance contracts	**5,768,875**	**1,925,412**

Analysis of changes in the reserve of unearned premiums

(In thousands of tenge)	2022	2021
Balance as of 1 January	1,858,178	1,210,475
Premiums accrued	12,878,290	5,847,003
Premiums earned	(9,078,638)	(5,199,300)
Balance as of 31 December	**5,657,830**	1,858,178
Share of reinsurers in reserves of unearned premium	(125,484)	(43,838)
Net amount of reserve of unearned premiums as of 31 December	**5,532,346**	**1,814,340**

Analysis of changes in the reserve for claims incurred but not reported

(In thousands of tenge)	2022	2021
Balance as of 1 January	266,830	203,998
New reserves formed during the year	222,592	266,830
Change in previous year claims reserve	(266,830)	(203,998)
Balance as at 31 December	**222,592**	**266,830**

Analysis of changes in the reserve for claims reported but not settled

(In thousands of tenge)	2022	2021
As of 1 January	38,408	186,507
Accrued on claims of the current year	6,217,072	3,453,846
Accrued on claims of the previous year	100,469	1,749
Current year's claims paid	(6,134,100)	(3,589,750)
Previous year's claims paid	(97,093)	(13,944)
As of 31 December	**124,756**	**38,408**

Key reserve assumptions

Reserve estimates are regularly reviewed and updated accordingly as new data become available. Reserves are formed on the basis of available current information. However, final liabilities may change as a result of further events. The complexity of calculating the reserve arises from the volume of claims, the determination of the date of occurrence of the claim and the date of its actual settlement.

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The assessment of the reserve for incurred but not reported losses is usually more uncertain than the assessment of the reserve for unsettled losses, which have already been claimed, for which more information is available. The Company can often identify the incurred but not reported losses only sometime after the occurrence of the insured event that caused the loss. Due to the fact that the period of detection of losses in the Company's insurance product portfolio is of a short-term nature, the settlement of a significant amount of losses occurs within two months after the occurrence of the insured event that caused the loss.

The actual method or combination of methods used may differ for different types of insurance depending on the observed history of loss development.

Health insurance claim reserves are estimated using a number of statistical methods, such as the Chain Ladder and Bornhütter-Ferguson method. These methods are used to extrapolate the results of the development of settled and occurred losses, the average amount of losses and the final amount of losses in each year of loss occurrence based on the observed development of losses of past reporting periods and the expected loss ratios.
If this method uses historical information about the development of losses, then the method assumes that the model of the development of losses that took place in the past will be repeated again in the future. There are reasons why this assumption may be incorrect. These reasons include economic, legal, political and social trends, changes in the combination of business directions, random fluctuations, including the impact of large losses.

The assumptions that have the greatest impact on the measurement of reserves under insurance contracts are the expected loss ratios calculated from medical expense claim statistics for the previous four years. The expected loss ratio is the ratio of expected claims to earned premiums. In determining the total liability, the forecast of future cash flows includes estimated parameter values that may affect the amount of the claim.

For other classes of insurance, except those described above, the IBNR reserve is calculated as a percentage of the gross amount due to the lack of necessary statistical data, in accordance with the Rules of the local regulatory body.

Management believes that due to the short-term nature of the insurance provided by the Company, the Company's portfolio performance is sensitive mainly to changes in expected loss ratios. The Company regularly adjusts its insurance rates based on recent changes to these variables in such a way as to take into account any emerging trends.

18. INSURANCE ACCOUNTS PAYABLE

(In thousands of tenge)	31 December 2022	31 December 2021
Insurance and reinsurance accounts payable	429,492	300,862
Advances received from policyholders	102,243	111,337
	531,735	**412,199**

19. EQUITY

(a) Share capital

(In thousands of tenge)	31 December 2022	31 December 2021
Ordinary shares		
Shares allowed to be issued (number of shares)	180,000	180,000
Shares allowed to be issued, and paid (number of shares)	176,500	176,500
Nominal value, tenge	10,000	10,000
Issued and fully paid shares	**1,765,000**	**1,765,000**
Preferred shares		
Number of authorized shares	55,000	-
Number of outstanding shares	55,000	-
Nominal value, tenge	17,800	-
Issued and fully paid shares	**979,000**	**-**
Total share capital	**2,744,000**	**1,765,000**

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On July 25, 2022, the Board of Directors of the Company, based on Minutes No. 5-2022, decided to place 55,000 preferred shares at a placement price of 17,800 tenge per preferred share.

As of December 31, 2022, authorized share capital included 235,000 shares (180,000 ordinary shares and 55,000 preferred shares). The issued and paid-up share capital included 176,500 ordinary and 55,000 preferred shares.

During 2022, there were no placements of ordinary shares, ordinary shares were sold by owners at a placement price of 24,987 to 25,276 tenge per share according to the Kazakhstan Stock Exchange KASE (during 31 December 2021: at an offering price of 24,987 to 25,276 tenge per share).

The holders of ordinary shares are entitled to receive dividends as they are announced, and also have the right of one vote per share at the annual and general meetings of shareholders of the Company.

The holders of preferred shares are entitled to a guaranteed remuneration not lower than dividends on ordinary shares and to exchange preference shares for ordinary shares.

(b) Capital management

The Company is subject to the regulatory requirements of the Republic of Kazakhstan in respect of the minimum share capital and the requirements for the solvency margin, which are defined in the regulatory acts of the National Bank of Kazakhstan.

Pursuant to Resolution No. 304 of the National Bank of Kazakhstan dated 26 December 2016, the minimum amount of the guarantee fund for insurance organizations licensed in the 'general insurance' industry and a reinsurance license is 2,041,900 thousand tenge. The minimum amount of the guarantee fund for insurance (reinsurance) organizations is reduced by 30 (thirty) percent if the share of the amount of insurance premiums in the classes "sickness insurance" and "compulsory tourist insurance" is more than 80 (eighty) percent in the total amount of insurance premiums under existing insurance (reinsurance) contracts as of the reporting date. As of 31 December 2020, the volume of premiums in the classes "sickness insurance" and "compulsory tourist insurance" is more than 80% of the total volume of the Company's premiums.

The Company is also required to maintain a solvency margin ratio of at least 1. As at 31 December 2022 and 2021, the Company was in compliance with this requirement. As of 31 December 2022 and 2021, the solvency margin ratio was as follows:

(In thousands of tenge)	**2022**	**2021**
Actual solvency	3,069,560	2,461,347
Minimum required solvency margin	1,502,710	1,429,330
Solvency margin ratio	**2.04**	**1.72**

(c) Dividends

Pursuant to the laws of Kazakhstan, the amount of the Company's reserves available for distribution is limited to the balance of retained earnings reflected in the Company's financial statements prepared in accordance with IFRS, or the profit for the year, if there is an accumulated loss carried over to future periods. No allocation is made if it results in negative capital or insolvency of the Company. Dividends on common shares are recorded as the distribution of retained earnings for the period for which they were declared.

In accordance with the decision of the Annual General Meeting of Shareholders of the Company (Minutes No. 02-2022 dated May 31, 2022), dividends for 2021 were distributed in the amount of 1,000 tenge per ordinary share (2021: 1,000 tenge per share). The total amount of dividends was 176,500,000 tenge.

In accordance with the Charter, on October 31, 2022, the Company paid dividends in the amount of 645.25 tenge per preferred share in the amount of 35,488,750 tenge for the 3rd quarter of 2022.

20. FINANCIAL INSTRUMENTS RISK MANAGEMENT

Risk management is the basis of the Company's activities and is an essential element of the Company's operational activities. Market risk, credit risk, and liquidity risk are the main risks faced by the Company in the course of carrying out its activities.

Risk Management Policies and Procedures

The Company's risk management policy is aimed at identifying, analysing and managing the risks to which the Company is exposed, at establishing appropriate risk limits and appropriate controls, as well as at constantly assessing the level of risks and their compliance with the established limits. Risk management policies and procedures are reviewed on a regular basis to reflect changes in market conditions, products, services offered and emerging best practices.

Market risk

Market risk is the risk of changes in fair value or future cash flows on a financial instrument due to changes in market prices. Market risk consists of currency risk, interest rate risk, and other price risks. Market risk arises from open positions in respect of interest-bearing, foreign exchange and equity financial instruments affected by general and specific changes in the market and changes in the level of volatility of market prices.

The market risk management is aimed to manage and control that exposure to market risk does not go beyond acceptable parameters, while ensuring the optimization of the return received for the risk taken.

The Company manages market risk by setting limits on an open position in relation to the size of the portfolio for individual financial instruments, the timing of changes in interest rates, the currency position, loss limits and conducting regular monitoring of their compliance, the results of which are reviewed and approved by management.

Interest rate risk

Interest rate risk is the risk of changes in fair value or future cash flows on a financial instrument due to changes in interest rate prices. The Company is subject to fluctuations in prevailing market interest rates on its financial position and cash flows. Such fluctuations can increase the level of interest margin, but they can also reduce it or, in the event of an unexpected change in interest rates, lead to losses.

An analysis of the sensitivity of gain or loss and equity due to changes in interest rates (based on a simplified scenario of a parallel shift of yield curves by 100 basis points upwards or decreases in interest rates and revised positions on interest-bearing assets and liabilities in effect as of 31 December 2022 and 2021) can be presented as follows:

	2022		2021	
(In thousands of tenge)	**Profit or loss**	**Equity**	**Profit or loss**	**Equity**
Parallel shift of 100 basis points towards higher rates	7	7	7	7
Parallel shift of 100 basis points towards lower rates	(7)	(7)	(7)	(7)

Currency risk

The Company has assets and liabilities denominated in several foreign currencies.
Currency risk is the risk of changes in fair value or future cash flows on a financial instrument due to changes in current exchange rates.

The structure of financial and insurance assets and liabilities in the context of currencies as of 31 December, 2022 can be represented as follows:

	2022				
(In thousands of tenge)	**Tenge**	**US dollar**	**Euro**	**Other currencies**	**Total**
Financial assets					
Cash and cash equivalents	3,315,417	226,138	8,093	6	3,549,654
Financial assets available for sale	464,454	4,984,540	179,293	-	5,628,287
Insurance and reinsurance receivables	215,835	61,935	2,202	-	279,972
Share of reinsurers in reserves under insurance contracts	9,861	226,441	1	-	236,303
Financial instruments measured at fair value whose changes are reflected in the profit or loss for the period	215,764	-	-	-	215,764
Financial liabilities					
Reserves under insurance contracts	5,752,981	252,195	2	-	6,005,178
Insurance payables, except for advances received	268,419	160,547	-	526	429,492
Other financial liabilities	63,343	-	-	-	63,343
Net exposure to currency risk as at 31 December 2022	**(1,889,167)**	**5,112,066**	**189,588**	**(520)**	**3,411,967**

The structure of financial and insurance assets and liabilities in the context of currencies as of 31 December 2021 can be represented as follows:

	2021				
(In thousands of tenge)	**Tenge**	**US dollar**	**Euro**	**Other currencies**	**Total**
Financial assets					
Cash and cash equivalents	213,241	171,011	3,653	6	387,911
Financial assets available for sale	127,080	3,702,142	103,897	-	3,933,119
Insurance and reinsurance receivables	356,598	97,544	-	-	454,142
Share of reinsurers in reserves under insurance contracts	16,858	171,103	50,043	-	238,004
Financial instruments measured at fair value whose changes are reflected in the profit or loss for the period	142,567	-	-	-	142,567
Financial liabilities					
Reserves under insurance contracts	1,879,798	228,721	54,897	-	2,163,416
Insurance payables, except for advances received	267,028	33,279	250	305	300,862
Other financial liabilities	39,439	-	-	-	39,439
Net exposure to currency risk as at 31 December 2021	**(1,329,921)**	**3,879,800**	**102,446**	**(299)**	**2,652,026**

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A change in the tenge exchange rate as shown in the following table against the following currencies as of 31 December 2022 and 2021 would cause the following increase (decrease) in capital and profit or loss. This analytical information is presented minus the amount of tax and is based on fluctuations in exchange rates of currencies, which the Company considered reasonably possible at the end of the reporting period. The analysis was based on the assumption that all other variables, in particular interest rates, remain unchanged:

	2022		2021	
(In thousands of tenge)	**Profit or loss**	**Equity**	**Profit or loss**	**Equity**
20% growth of the US dollar against tenge	817,931	817,931	616,186	616,186
10% decrease of the US dollar against tenge	(408,965)	(408,965)	(308,093)	(308,093)
20% growth of the euro against tenge	30,334	30,334	16,392	16,392
10% growth of the euro against tenge	(15,167)	(15,167)	(8,196)	(8,196)
20% growth of other currencies against tenge	(83)	(83)	(48)	(48)
10% decrease of other currencies against tenge	42	42	24	24

Liquidity risk

As at 31 December 2022 and 2021, the Company's financial assets exceeded its financial liabilities and the Company was not exposed to significant liquidity risk.
The Company maintains balance at its current account with banks and a portfolio of highly liquid securities in order to be able to respond quickly and safely to unforeseen liquidity requirements.

Credit risk

Investments in debt financial instruments, insurance and reinsurance receivables, as well as cash and cash equivalents are affected by credit risk. This risk is defined as a potential decrease in market value as a result of adverse changes in the borrower's ability to repay the debt. The Company's goal is to achieve a competitive level of profitability by investing in a diversified portfolio of term deposits and securities. The Company manages this risk by establishing minimum rating requirements for the components of the investment account. Investments in non-listed shares are based on a preliminary and rigorous analysis of the issuer's financial position.

In accordance with the Company's investment policy, investments are allowed only in liquid securities and only those counterparties whose credit rating is higher than or equal to the "BB-" category assigned by the S&P agency (for foreign companies). No minimum rating requirements are established for securities of local issuers for which the listing category is established by the Kazakhstan Stock Exchange.

The Company also has other receivables exposed to credit risk. The most significant of them is accounts receivable for insurance premiums. To reduce the risk of non-compliance by counterparties, the Company has established business and financial standards for policyholders, taking into account current market information.

Monitoring of the Company's exposure to credit risk is carried out on an ongoing basis.

The maximum level of credit risk in respect of financial assets as of the reporting date can be presented as follows:

(In thousands of tenge)	2022	2021
ASSETS		
Cash and cash equivalents	3,549,654	387,911
Financial assets available for sale	5,628,287	3,933,119
Financial instruments measured at fair value whose changes are reflected in the profit or loss for the period	215,764	142,567
Share of reinsurers in reserves under insurance contracts	236,303	238,004
Insurance and reinsurance receivables	279,972	454,142
Total maximum level of balance credit risk	**9,909,980**	**5,155,743**

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21. FAIR VALUE OF FINANCIAL INSTRUMENTS

(a) Accounting classifications and fair value

The following table shows the carrying and fair value of financial assets and liabilities as at 31 December 2022:

(In thousands of tenge)	Accounts receivable	Financial assets available for sale	Other, accounted for at amortised cost	Measured at fair value as part of profit or loss	Total carrying value	Fair value
Cash and cash equivalents	3,549,654	-	-	-	3,549,654	3,549,654
Financial assets available for sale	-	5,628,287	-	-	5,628,287	5,628,287
Financial instruments measured at fair value whose changes are reflected in the profit or loss for the period	-	-	-	215,764	215,764	215,764
Insurance and reinsurance receivables	279,972	-	-	-	279,972	279,972
Share of reinsurers in reserves under insurance contracts	-	-	236,303	-	236,303	236,303
	3,829,626	**5,628,287**	**236,303**	**215,764**	**9,909,980**	**9,909,980**
Reserves under insurance contracts	-	-	6,005,178	-	6,005,178	6,005,178
Insurance payables, except for advances received	-	-	429,492	-	429,492	429,492
Other financial liabilities	-	-	63,343	-	63,343	63,343
	-	**-**	**6,498,013**	**-**	**6,498,013**	**6,498,013**

The following table shows the carrying and fair value of financial assets and liabilities as at 31 December 2021:

(In thousands of tenge)	Accounts receivable	Financial assets available for sale	Other, accounted for at amortised cost	Measured at fair value as part of profit or loss	Total carrying value	Fair value
Cash and cash equivalents	387,911	-	-	-	387,911	387,911
Financial assets available for sale	-	3,933,119	-	-	3,933,119	3,933,119
Financial instruments measured at fair value whose changes are reflected in the profit or loss for the period	-	-	-	142,567	142,567	142,567
Insurance and reinsurance receivables	454,142	-	-	-	454,142	454,142
Share of reinsurers in reserves under insurance contracts	-	-	238,004	-	238,004	238,004
	842,053	**3,933,119**	**238,004**	**142,567**	**5,155,743**	**5,155,743**
Reserves under insurance contracts	-	-	2,163,416	-	2,163,416	2,163,416
Insurance payables, except for advances received	-	-	300,862	-	300,862	300,862
Other financial liabilities	-	-	39,439	-	39,439	39,439
	-	**-**	**2,503,717**	**-**	**2,503,717**	**2,503,717**

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Fair value measurement is aimed at determining the price that would have been received when an asset was sold or paid when a liability was transferred under the conditions of a transaction operation carried out in an organized market between market participants on the valuation date. However, given the uncertainty and use of subjective judgments, fair value should not be interpreted as realizable as part of an immediate sale of assets or a transfer of liabilities.

The fair value of financial assets and liabilities quoted in active markets is based on market quotations or dealer price quotations. For all other financial instruments, the Company determines fair value using measurement methods.

The purpose of measurement methods is to achieve a way of measuring fair value that reflects the price at which an operation would be carried out in an organized market to sell an asset or transfer a liability between market participants at the valuation date.

Valuation methods include models for estimating net present value and discounting cash flows and comparing with similar instruments for which market quotations are known. Judgments and data used for valuation include risk-free and base interest rates, credit spreads and other adjustments used to estimate discount rates, stock and bond quotations, and exchange rates. Measurement methods are aimed at determining the fair value reflecting the value of a financial instrument as of the reporting date, which would be determined by independent market participants.

The Company uses widely accepted measurement models to determine the fair value of standard and simpler financial instruments.

Observed quotes and baseline data for models are usually available on the market for marketable debt and equity securities.

Fair value measurement is aimed at the most accurate determination of the value at which a financial instrument can be exchanged between knowledgeable, willing parties in an arm's length transaction. However, given the uncertainty and use of subjective judgments, fair value should not be interpreted as realizable as part of an immediate sale of assets or a transfer of liabilities.

The fair value of unlisted equity securities measured at fair value with a book value of 19,630 thousand tenge cannot be determined.

(b) Fair Value Measurement Hierarchy

The Company estimates fair value using the following hierarchy of fair value estimates, taking into account the materiality of the inputs used in the formation of these estimates:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Inputs other than the quoted prices in determined in level 1 that are directly or indirectly observable for that asset or liability. This category includes instruments measured using: market quotes in active markets for similar instruments, market quotes for similar instruments in markets not considered active, or other valuation methods, all inputs used directly or indirectly based on observed market data.

Level 3: Unobservable inputs This category includes instruments that are evaluated using information not based on observable market data, although such unobservable inputs have a significant impact on the valuation of the instrument. This category includes quote-based instruments for similar instruments that require the use of material unobservable adjustments or judgments to reflect the difference between the instruments.

As at 31 December 2022 and 2021, the Company's financial instruments measured at fair value in the statement of financial position are financial assets available for sale that belong to Level 1 of the fair value hierarchy, as well as financial instruments measured at fair value, the changes in which are reflected in the profit or loss for the period, which also belong to Level 1 of the fair value hierarchy, with the exception of shares in the insurance guarantee fund, which belong to Level 3 of the fair value hierarchy.

The following table provides an analysis of financial instruments not measured at fair value as at 31 December 2022 by reference to the levels of the fair value hierarchy to which fair value measurement is assigned:

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(In thousands of tenge)	Level 2	Level 3	Total fair value	Total book value
ASSETS				
Cash and cash equivalents	3,549,654	-	3,549,654	3,549,654
Insurance accounts receivable	-	279,972	279,972	279,972
Share of reinsurers in reserves under insurance contracts	-	236,303	236,303	236,303
LIABILITIES				
Reserves under insurance contracts	-	6,005,178	6,005,178	6,005,178
Insurance payables, except for advances received	-	429,492	429,492	429,492
Other financial liabilities	-	63,343	63,343	63,343

The following table provides an analysis of financial instruments not measured at fair value as at 31 December 2021 by reference to the levels of the fair value hierarchy to which fair value measurement is assigned:

(In thousands of tenge)	Level 2	Level 3	Total fair value	Total book value
ASSETS				
Cash and cash equivalents	387,911	-	387,911	387,911
Insurance accounts receivable	-	454,142	454,142	454,142
Share of reinsurers in reserves under insurance contracts	-	238,004	238,004	238,004
LIABILITIES				
Reserves under insurance contracts	-	2,163,416	2,163,416	2,163,416
Insurance payables, except for advances received	-	300,862	300,862	300,862
Other financial liabilities	-	39,439	39,439	39,439

22. LEASE

The Company leases office space on the basis of operating lease agreements. Such agreements normally are concluded for an initial period of one year, starting from January 1 of each year, with the possibility of their renewal at the expiration of the term.

In 2022 42,023 thousand tenge (2021: 34,741 thousand tenge) were recognized as an operating lease expense as part of profit or loss.

23. CONTINGENT LIABILITIES

Legal proceedings

In the course of its normal activities in the market, the Company faces various types of legal claims. The Company's management believes that the final amount of the Company's liabilities arising from litigation (if any) will not have a significant negative impact on the financial conditions of the Company's performance in the future.

Contingent tax liabilities in Kazakhstan

The tax system of the Republic of Kazakhstan, being relatively new, is characterized by frequent changes in legislative norms, official explanations and court decisions, often vaguely stated and contradictory, which allows for their ambiguous interpretation by various tax authorities, including opinions on the procedure for accounting for income, expenses and other items of financial reporting in accordance with IFRS. Checks and investigations into the correctness of tax calculation are carried out by several regulatory bodies that are entitled to impose large fines and charge penalties. The correctness of the calculation of taxes in the reporting period can be checked during the next five calendar years; however, in certain circumstances, this period may be extended. Recent events in Kazakhstan indicate that the tax authorities are taking a tougher stance in interpreting and applying tax legislation.

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These circumstances may lead to the fact that tax risks in Kazakhstan will be much higher than in other countries. The Company's management, based on its understanding of the applicable Kazakhstan tax legislation, regulatory requirements and court decisions, believes that tax liabilities are fully reflected. However, taking into account the fact that the interpretation of tax legislation by different regulatory authorities may differ from the opinion of management, in the case of the application of coercive measures by regulatory authorities, their impact on the financial situation may be significant.

24. RELATED PARTIES TRANSACTIONS

Control relationships

As of 31 December 2022, Mr. Choy Yuk Leung is the ultimate controlling party for the Company.

(In thousands of tenge)	31 December 2022	31 December 2021
Mr. Choy Yuk Leung	65.10%	65.10%
"BSB-Invest" LLP	6.01%	9.69%
Abilmazhinova D.K.	7.93%	7.93%
Alpysbaev M.T.	-	6.23%
Omirserikov G.M.	9.91%	-
Bank Centercredit JSC	9.52%	9.52%
Prime Agro Trade LLP	1.53%	1.53%
Total	**100.00%**	**100.00%**

Operations with management and members of the Board of Directors

Compensation received by senior management staff in the reporting year amounted to the following amounts, reflected in the payroll and payroll tax fund *(see Note 10):*

(In thousands of tenge)	2022	2021
Wages and bonuses	53,117	58,020

Other liabilities outstanding as at 31 December 2022 and 2021 amounted to the following amounts:

(In thousands of tenge)	2022	2021
Other liabilities	-	7,828

Transactions with other related parties

The settlement balances as of 31 December 2022 and 2021 and the corresponding amounts of profit or loss from transactions with other related parties for the years ended 31 December 2022 and 2021, which is Archimedes Kazakhstan LLP, can be presented as follows:

(In thousands of tenge)	Other related parties 2022	Other related parties 2021
Statement of profit or loss and other comprehensive income		
Other income/(expenses), net	-	768
Administrative expenses	-	8,900

Archimedes Kazakhstan LLP provides medical services to most of the Company's clients under a service contract concluded on 23 May 2008. During the year ended 31 December 2022, the Company received services in the amount equal to 6,490,002 thousand tenge (in 2021: 3,736,565 thousand tenge) from Archimedes Kazakhstan LLP.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2022

25. ANALYSIS OF MATURITIES OF ASSETS AND LIABILITIES

The following is information on the contractual maturity of assets and liabilities as of 31 December 2022:

2022 *(In thousands of tenge)*	Less than 1 month	From 1 to 3 months	Over 3 months to a year	From 1 to 5 years	More than 5 years	No maturity	Total
Assets							
Cash and cash equivalents	3,544,654	-	5,000	-	-	-	3,549,654
Financial assets available for sale	-	-	128,982	1,406,855	4,092,450	-	5,628,287
Insurance and reinsurance receivables	172,447	72,777	34,748	-	-	-	279,972
Share of reinsurers in reserves under insurance contracts	1,353	22,491	212,066	393	-	-	236,303
Deferred expenses for the purchase of insurance contracts	-	-	934,188	-	-	-	934,188
Fixed assets and intangible assets	-	-	-	-	-	39,091	39,091
Financial instruments measured at fair value whose changes are reflected in the profit or loss for the period	-	-	215,764	-	-	-	215,764
Current tax asset	-	-	1,621	-	-	-	1,621
Other assets	18,998	855	22,242	-	-	-	42,095
TOTAL ASSETS	**3,737,452**	**96,123**	**1,554,611**	**1,407,248**	**4,092,450**	**39,091**	**10,926,975**
Liabilities							
Reserve under insurance contracts	7,955	215,619	3,941,163	487,139	1,353,302	-	6,005,178
Insurance accounts payable	8,186	412,461	111,088	-	-	-	531,735
Deferred tax liabilities	-	-	18,053	-	-	-	18,053
Other liabilities	23,659	-	-	-	-		23,659
TOTAL LIABILITIES	43,027	-	20,316	-	-	-	63,343
Net position as of 31 December 2022	**82,827**	**628,080**	**4,090,620**	**487,139**	**1,353,302**	**-**	**6,641,968**
	3,654,625	**(531,957)**	**(2,536,009)**	**920,109**	**2,739,148**	**39,091**	**4,285,007**

The accompanying explanatory notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2022

The following is information on the contractual maturity of assets and liabilities as of 31 December 2021:

2021 *(In thousands of tenge)*	Less than 1 month	From 1 to 3 months	Over 3 months to a year	From 1 to 5 years	More than 5 years	No maturity	Total
Assets							
Cash and cash equivalents	387,911	-	-	-	-	-	387,911
Financial assets available for sale	-	-	83,673	489,788	3,359,658	-	3,933,119
Insurance and reinsurance receivables	305,027	108,972	40,143		-	-	454,142
Share of reinsurers in reserves under insurance contracts		3,575	234,401	28	-	-	238,004
Deferred expenses for the purchase of insurance contracts	-	-	754,071	-	-	-	754,071
Fixed assets and intangible assets	-	-	-	-	-	37,932	37,932
Financial instruments measured at fair value whose changes are reflected in the profit or loss for the period	-	-	142,567	-	-	-	142,567
Current tax asset	-	-	45,100	-	-	-	45,100
Other assets	13,981	-	-	-	-	-	13,981
TOTAL ASSETS	**706,919**	**112,547**	**1,299,955**	**489,816**	**3,359,658**	**37,932**	**6,006,827**
Liabilities							
Reserve under insurance contracts	7,476	274,627	965,462	302,843	613,008	-	2,163,416
Insurance accounts payable	412,199	-	-	-	-	-	412,199
Deferred tax liabilities	-	-	14,022	-	-	-	14,022
Other liabilities	39,439	-	-	-	-	-	39,439
TOTAL LIABILITIES	**459,114**	**274,627**	**979,484**	**302,843**	**613,008**	**-**	**2,629,076**
Net position as of 31 December 2021	**247,805**	**(162,080)**	**320,471**	**186,973**	**2,746,650**	**37,932**	**3,377,751**

The amounts shown in the table show the carrying amount of assets and liabilities as at the reporting date and do not include future interest amounts. The Company has a highly liquid portfolio of securities that can be sold, or financing can be obtained against their collateral. The Company has no interest liabilities.

26. EVENTS AFTER THE REPORTING DATE

In accordance with the Charter, on January 30, 2023, the Company paid dividends in the amount of 645.25 tenge per preferred share in the amount of 35,488,750 tenge for the 4th quarter of 2022.

On February 20, 2023, on the basis of the Resolution of the Agency of the Republic of Kazakhstan for the regulation and development of the financial market, Bank CenterCredit JSC (the "Bank") received permission to acquire a subsidiary - JSC Insurance Company Sinoasia B&R. On February 28, 2023, the Bank notified the Company of its intention to purchase up to 100% of the Company's ordinary shares in the amount of up to 159,700, ordinary voting shares at a price of 20,030 - 26,600 tenge per share

On March 17, 2023, the rating agency S&P Global Rating revised the outlook on the rating of JSC Insurance Company Sinoasia B&R from "Negative" to "Stable" and confirmed the long-term issuer credit rating and insurance company financial strength rating at "BB", as well as a Kazakhstan national scale rating of "kzA+".

In March 2023, a drop in Credit Suisse Bank's capitalization caused the bank to lose its market source of capital. At the same time, the Swiss bank UBS agreed to buy Credit Suisse in a deal brokered by the government. The deal is valued at 3 billion francs as part of a deal with the Swiss government, which includes extensive government guarantees. Credit Suisse shareholders will receive 3 billion francs, but bond investors are zeroed out by 16 billion francs. The deal will result in a "full write-off" of the bank's additional Tier 1 bonds, Swiss financial regulator FINMA said in its statement. The write-off of bonds was the largest loss for the European AT1 market for the $275 billion.

At the date of issuance of the financial statements, the Company has investments in bonds of Credit Suisse Group AG with a par value of 1,000 US dollars in the amount of 400 bonds. As at 31 December 2022, the fair value of the bond was 119,069 thousand tenge, which is 1% of the Company's balance sheet currency. At the date of issuance of the financial statements, the Company has not made any decisions regarding the Credit Suisse Group AG bond.

The Company's management believes that these events will not have a significant impact on the Company's operations and financial results.