



GOV4C

# ANNUAL REPORT 2020

of non-profit joint stock company  
«State Corporation «Government for Citizens»

# About the report

The given Annual Report of the State Corporation “Government for Citizens” NJSC (hereinafter - the State Corporation) for 2020 contains information on the State Corporation's activities results for the financial reference period from January 1 to December 31, 2020. The present report is published annually.

## The report was prepared in accordance with the legislation of the Republic of Kazakhstan, including:

- ~~The Law of the Republic of Kazakhstan "On Joint Stock Companies" dated May 13, 2003 No. 415-II~~
- The Law of the Republic of Kazakhstan "On the Procedure for Considering Applications of Individuals and Corporate Entities" dated January 12, 2007 No. 221
- The Law of the Republic of Kazakhstan "On State Property" dated March 1, 2011 No. 413-IV
- The Law of the Republic of Kazakhstan "On public services" dated April 15, 2013 No. 88-V
- The Law of the Republic of Kazakhstan "On personal data security» dated May 21, 2013 N 94-V
- The Law of the Republic of Kazakhstan "On Corruption Combating» dated November 18, 2015 No. 410-V
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## On the side, the content of the report corresponds with the following documents:

- Plan of the Nation “100 Concrete Steps to Implement Five Institutional Reforms”
- Order of the Minister for Investment and Development of the Republic of Kazakhstan dated January 22, 2016 No. 52 “On approval of the Rules for the activities of the State Corporation “Government for Citizens”
- Government-owned corporation regulations, approved by order of the Chairman of the State Property and Privatization Committee of the Ministry of Finance of the Republic of Kazakhstan dated April 6, 2016 No. 413
- The provisions of the ISO 9001: 2015 standard
- Rules for the preparation of the Annual Report on the Activities of the State Corporation dated June 11, 2021 No. 01-02-04 / 26

**The whole data presented in the Report is collected and summarized based on the results of the annual work of the State Corporation by the types of activities specified in clause 19 in the Charter of the State Corporation. The activities of the State Corporation, with the exception of the services provision on the “one stop-shop” principle, are classified as a state monopoly. The Charter is posted on the State Corporation official Internet resource [www.gov4c.kz](http://www.gov4c.kz).**

Public access to the Report provides informational transparency of the State Corporation and its internal activities. The Report also allows you to assess the efficiency of the State Corporation for the reporting period. The Report reflects the State Corporation contribution to digitalization development in the Republic of Kazakhstan and the implementation of the State Corporation strategic objectives.

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# REFERENCE OF THE MANAGEMENT

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# Welcome address by the Chairman of the Board of Directors



## Dear citizens and colleagues!

This year the State Corporation celebrated a field-day. Five years ago, four organizations that are important for our citizen's life-sustaining activity were united. Public Service Centers hold a special place in my life, I was directly involved in their creation. Even today we render almost 700 types of services for Kazakhstan. During the pandemic, we faced a big "challenge", the colleagues from the State Corporation were found to be on the frontline and coped with many tasks perfectly.

I thank each employee of the public service centers, since an overwhelming task has come up on us. You put your health at risk to ensure uninterrupted service provision for our citizens. Every day, colleagues carry out herculean task to optimize and automate the workflow, introduced proactive format, composite services, launched dozens of pilot projects that made life easier for the population.

We have implemented a complex project that we once didn't believe in, but today you and I have created a next reality. We successfully enter popular platforms and create collaboration projects that seemed impossible a couple of years ago. Although there is room for improvement, and we have a lot that we need to work on. However, there is no escaping the fact that it's a quantum leap. Just remember the huge queues for inquiries that are no longer there or that can be obtained in a minute through eGov. I am sure that despite the difficulties, the State Corporation employees will continue to enhance the service and raise it to a new level.

Dear friends, I congratulate you on the fifth anniversary of the State Corporation!  
In this difficult time, I would like to wish you and your families good health, new career prospects and success in achieving all of your goals!

**B. B. Musin**

**Chairman of the Board of Directors  
«State Corporation "Government for Citizens» NJSC**

# Welcome speech by the Chairman of the Management Board



## Dear clients, partners and colleagues!

This year the State Corporation celebrates its 5th anniversary. We have a lot to be proud of, since our foundation herculean task has been done in the field of public services digitalization

The past 2020 was a special year for us. Due to the coronavirus pandemic, like most other organizations and government agencies we had to seriously restructure our activities. In the new conditions of remote work, it is our sphere that has taken the forefront, providing the population with high-quality service in such a difficult time. During this period, it became especially important to understand the need for digitalization..

On the "Electronic Government" portal it became possible to receive video consultations, and our front offices were engaged in the work of the Integrated Call Center 1414. Before the pandemic, 25-30 thousand calls a day were received, but during the state of emergency the number of calls increased to 600 thousand a day. Mobile groups, training centers had been set up, the efforts have been made to increase the level of digital literacy of the population. As a result, the number of citizens registered in the mobile database reached 9.5 million. This means that almost 50% of the country's population can receive government services through their mobile devices.

We are also responsible for social issues related to the payment of various benefits. Despite the flurry of applications, we coped with this load. Our welfare advisory contact center 1411 received 1.2 million calls in a year.

Despite such a busy year, we have not forgotten about the projects that were supposed to be launched in 2020.

We were the first to implement blockchain technology in public service delivery. Also, we have increased the number of services provided on land cadastre issues. Moreover, Kazakhs got the opportunity to order the delivery of a registration certificate and license plate to their homes, and to pay for services in the public service centers using a QR code.



The process of public services automation is still under way. Even today 90% of all government services can be obtained online.

The five-year period is not a long time, but taking into account our achievements during this time, we can be proud of the work done. We made certain conclusions, took into account mistakes and shortcomings. Now we are working on the new development strategy of the State Corporation, and I am sure that after a while Kazakhs will notice these changes.

Our main priorities have remained the same - to implement the "one stop-shop" principle in the provision of all public services and enhance the level of digital literacy of population.

**A. G. Kozhikhov**

**Chairman of the Management Board  
of "State Corporation "Government for Citizens" NJSC**

# STATE CORPORATIONS PROFILE

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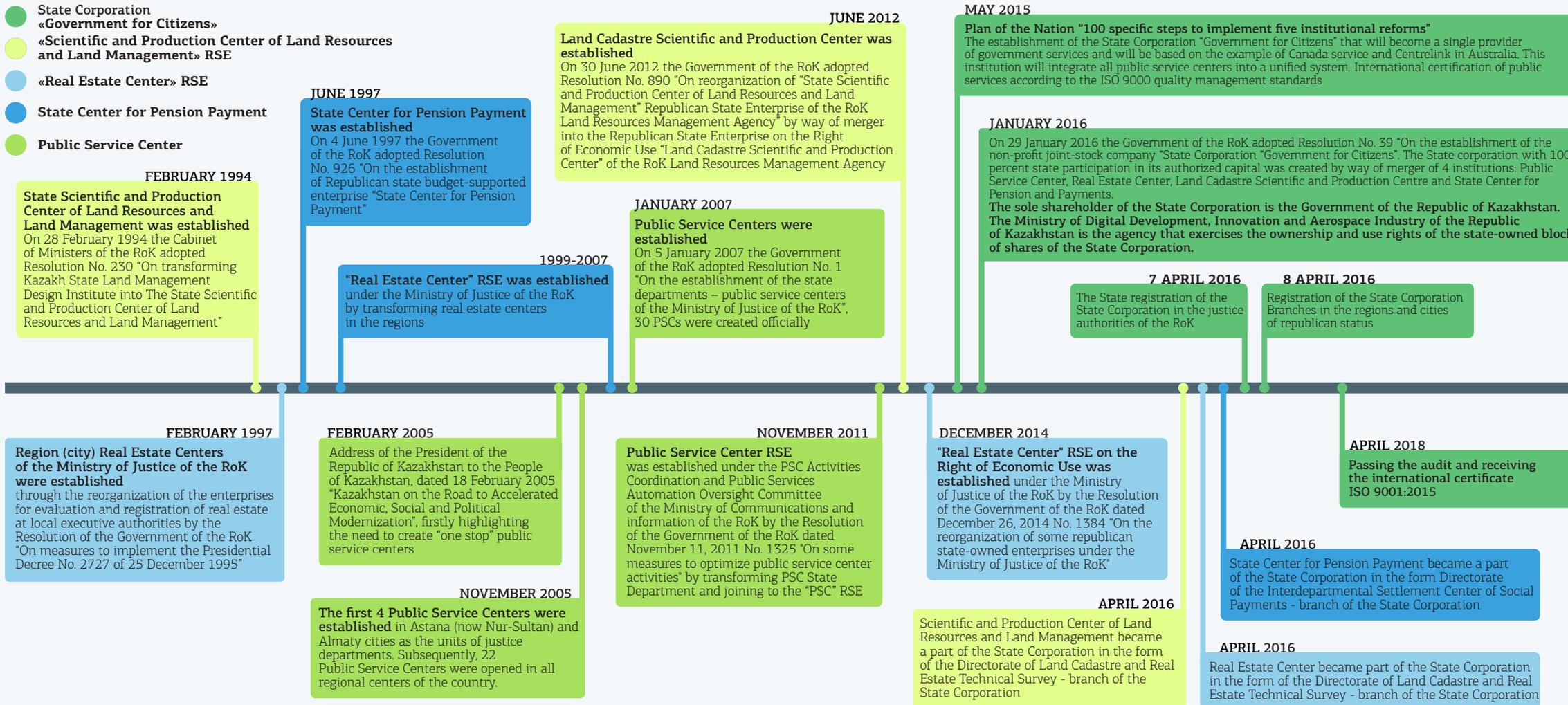
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# History of the State Corporation

- State Corporation «Government for Citizens»
- «Scientific and Production Center of Land Resources and Land Management» RSE
- «Real Estate Center» RSE
- State Center for Pension Payment
- Public Service Center



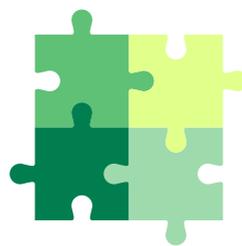
# Mission. Vision. Development Strategy

On 6 April 2018 the Board of Directors approved the State Corporation Development Strategy for 2018-2022



## MISSION

The implementation of a proactive principle of public service delivery, rendering services by a single provider through convenient modern channels using technological solutions and ensuring the high level of service.



## VISION

The State Corporation is a unified platform for obtaining services that cater to the needs of service recipients using proactive, customer-oriented and innovative approaches.



## DEVELOPMENT STRATEGY

- 1. Development of the State Corporation as a single provider of public services**  
Purpose: providing services for citizens and businesses from a single source, enhancing the activities of a single provider.  
Objectives: development of the State Corporation as a unified platform for obtaining services; quality management system implementation.
- 2. Transition to digital service provision for citizens and businesses**  
Purpose: providing services in electronic format for population and businesses, in the context of modern infrastructure and the use of the latest technologies.  
Objectives: public services optimization and automation; introduction of innovative technologies; creation of the "Unified State Real Estate Cadastre" information system
- 3. Development of the human capital of the State Corporation**  
Purpose: introduction of the principles of meritocracy, personnel management efficiency, corporate culture and social stability development.  
Objective: improving HR functions efficiency

# Corporate values and culture

In order to implement the strategic directions, an ambitious program for corporate culture development is under way:

78,4%

the level of personnel involvement at the end of 2020  
the positive zone (International Standard 60-70%)

7,9%

the share of staff turnover  
all employees of the State Corporation, from frontline employee to management, take part in the program; training, focus groups, a series of interviews are conducted

21%

of employees underwent advanced training

## SENIM Trust

- We are always with you, providing high-quality government services throughout life to the citizens of our country
- We are a close-knit team, we think differently, but we are moving towards the same goal
- We sincerely strive to help everyone who needs our help

## ASHYQTYQ Openness

- We increase the involvement of citizens and businesses in digitalization
- We are open to everyone, we solve problems without hiding or hushing them
- We develop innovation and leadership through digital technology

## NÁTIJE Result

- Our clients get quality results
- We reward employees for achieving results and development
- We are constantly improving our skills

## ABYROI Dignity

- We are honored to serve our people conscientiously, responsibly and honestly
- We speak the truth, keep our word and take responsibility for our actions
- We declare zero tolerance for corruption, violation of rights and laws

In order to implement the SANA Code, the Quality Policy, "The Happy Client" concept has been launched. Within the concept we render honors, including in the form of symbolic gifts, congratulations with applause to clients at significant events, such as receiving the first identity card or passport, registering real estate or land plot for the first time

On 28 December 2020, the regular HR Town Hall meeting of the State Corporation, covering more than 2000 people, was held online

12

HR-digests of branches

12 issues

of "The Best Employee" magazine, covering 634 employees

The system of organizational management includes

- internal audit
- information security
- risk management
- internal control
- as well as a set of measures to combat corruption and terrorism

513 trainings

on the Code of Business Conduct

The Local trade union operates to provide social support for the staff. It consists of 15 primary trade union organizations and unites 9 247 members, which amounts to 66% of the State Corporation employees

# Strategy results, events and achievements of the year

During the period of 2020, in the context of COVID-19 pandemic, the formats of rendering services to the population were redefined and a large-scale work was carried out to simplify the processes of obtaining services.

The following projects of the Development Strategy have been implemented:

- Getting an electronic digital signature remotely**  
Now you can get an EDS without visiting a public service center, sitting at home or in the office, by means of remote identification of a person using biometric data
- Registering a pledge of real property using Blockchain technology**  
Now the registration of a pledge of real estate takes place automatically when an application is formed by bank employee
- Delivery of finished documents**  
The service to deliver license plates and vehicle registration certificates at the place of customer's request through the State Corporation courier service
- The opening of digital service centers**  
To train citizens to use the eGov portal in the following cities: Akkol of Akmola region, Almaty and Atyrau
- Exclusion of electronic certificates**  
As a result of optimization, the need to request a lot of certificates was canceled, state bodies can receive data from the information systems
- Proactive registration of death**  
A notification of death is implemented in electronic format on eGov, without the need to obtain a paper certificate; a medical certificate of death is excluded
- Electronic technical passport for real estate objects**  
The electronic technical passport for apartments, a room in a dormitory, individual garages and summer cottages throughout the territory of the RoK has been implemented. It can be seen in the client's personal account on eGov
- Registration of the condominium**  
Execution of transaction without notarized certification and state registration of rights to immovable property has been implemented electronically. It is possible to apply for these services through eGov

**Registration of vehicles**  
in 13 automobile dealership in Almaty, Nur-Sultan, Shymkent, Kostanay, Karaganda, Pavlodar cities. So now citizens can make out documents immediately after buying a car

**Providing 92% of public services electronically**  
One of the priority tasks was to ensure in 2019 up to 80%, in 2020 up to 90% electronic public services provision. Progress was achieved as a result of the work of the Interdepartmental Commission on Public Service Delivery

**Registration of vehicles and individual entrepreneurs through the Kaspi.kz application**  
Thanks to joint efforts, it became possible to register a car and pass the registration procedure for an individual entrepreneur electronically through the Kaspi.kz mobile application)

**Advising citizens via audio and video communication on egov.kz**  
The operators of the 1414 Contact Center and Virtual Assistants were placed in the PSC buildings to advise citizens on online services, assist them to use the eGov portal by the screen demonstration, register in mobile citizens` database and book a queue to the PSC. The interactive Virtual Assistant service is available on the home page of egov.kz

# 2020 PROGRESS REPORT

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# Operating activities

## Front-offices

**674** public services

out of 698 were available through the State Corporation in 2020

**648** public services

out of 723 were available through the State Corporation in 2019

In order to ensure the accessibility of government services, a unified infrastructure of geographically distributed front offices of the State Corporation has been built throughout the Republic, new electronic services to receive public services have been introduced.

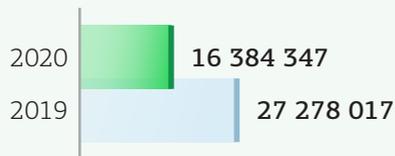
In order to improve the control over the PSC activities and provide feedback from the population, checks using Mystery Shopping method are carried out, the Situation Center provides online video-monitoring (1821 surveillance cameras) of the activities of all PSC departments.

The decrease in the number of public services provided in electronic form compared to 2019 is associated with the introduction of additional channels for obtaining services, such as a telegram bot, a mobile version of the eGov portal, the access to services through one-time passwords, as well as active work on the implementation of the state program "Digital Kazakhstan" and the action plan "Services without certificates".

**339** front-offices

Public Service Centers receive citizens' documents to provide government services

The number of services provided in PSC



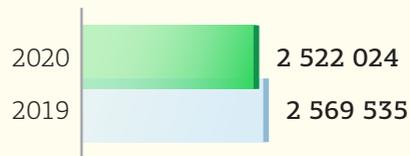
The number of services received on one's own



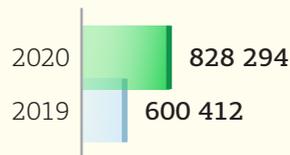
**103** Specialized PSC

Specialized Public Service Centers render services on the issuance or change-over of a driver's license, and state registration, accounting of certain types of vehicles

The number of services (state registration and accounting of certain types of vehicles)



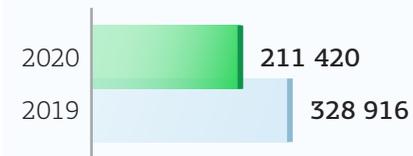
The number of services (driver's licenses)



**69** Mobile PSC

A vehicle equipped with an access to the information system (IIS PSC), and GPS monitoring device for vehicle tracking and satellite antenna, providing public services in remote rural areas according to the schedule

The number of services provided



The number of visits made



# Operating activities

## Back-offices

2,46 million

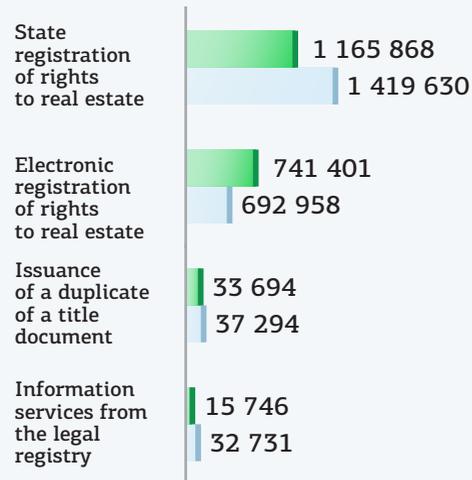
public services were provided in 2020

2,68 million

public services were provided in 2019

### Registration of rights to real estate property

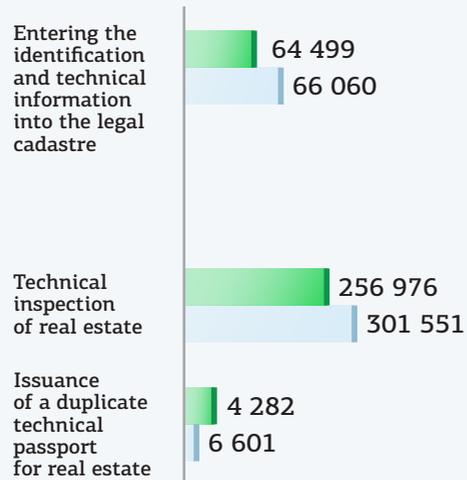
- State registration of rights to real estate
- Issuance of a duplicate of a title document
- Registration of the condominium
- Issuance of documents` copies from the registration file
- Information services



### Technical inspection of real estate objects

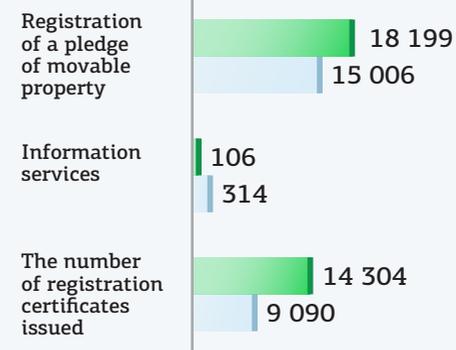
- Entering the identification and technical information of buildings, structures and (or) their components on newly created real estate into the Land Cadastre
- Technical inspection of real estate (certificate with a technical passport)
- Issuance of a duplicate technical passport for real estate

#### Services provided including through eGov



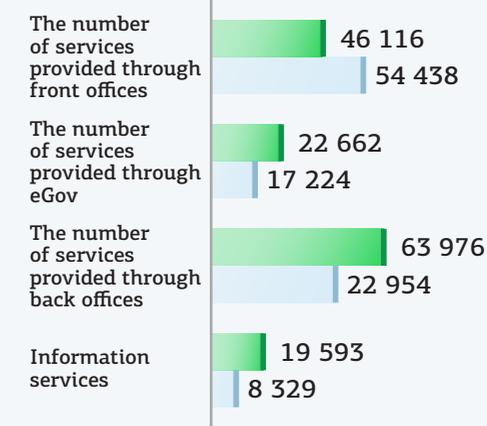
### Registration of a pledge of movable property

- Registration of a pledge of movable property that is not subject to mandatory state registration
- Information services in the field of registration of a pledge of movable property that is not subject to mandatory state registration
- Issuance of certificates of registration of a pledge of movable property not subject to mandatory state registration



### Registration of legal entities

- Registration of legal entities and branches
- Reregistration of legal entities and branches
- Registration of changes and supplements to constitutive documents
- Registration of termination of activities of a legal entity and a branch
- Issuance of a duplicate of a Charter (Regulation)
- Issuance of a certificate of registration (reregistration) of legal entities and branches
- Issuance of a certificate from the "Legal entities" government database



# Operating activities

## Back-offices. Social sphere

**1,79** million

services provided  
in 2020

**1,49** million

services provided  
in 2019

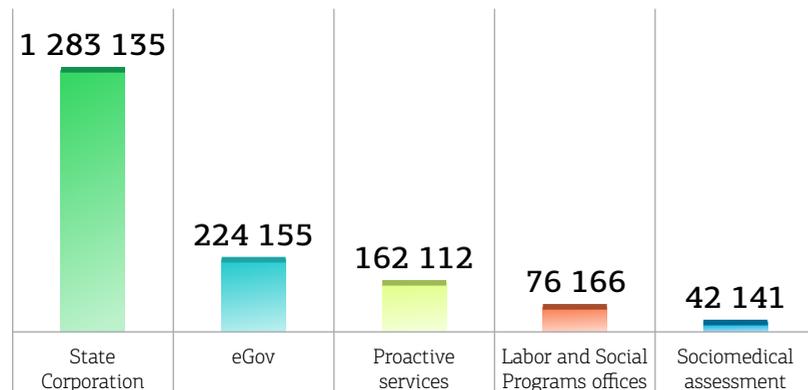
**111** thousand

services provided  
on "one application" principle  
in 2020

**101** thousand

services provided  
on "one application" principle  
in 2019

### Information by sources



### Participation in the implementation of State programs

**42 500** one-time payment due the introduction of the state of emergency in the country over 12 million payments were made for a total amount of more than 476.2 billion tenge

The one-time payment to 9,486 healthcare workers involved in anti-epidemic measures for COVID-19

**6,2** million tenge on recalculation of pension and social payments

- 4.4 million tenge - basic pension payment (5%)
- 1.6 million tenge - benefits (5%)
- 200 thousand tenge - payments from the State Social Insurance Fund

**422,3** thousand mothers with many children received recalculation of pension and social payments

**19,8** thousand certificates were issued to large families

In the social sphere, the State Corporation renders public services in 44 types of payments: 39 from the republican budget and 5 from the State Social Insurance Fund.

On the basis of one application you can receive 3 public services related to reaching retirement age: old-age pension, basic pension payment and pension payments from the Unified Accumulative Pension Fund

**5,78** trillion tenge

the volume of financial flows in 2020

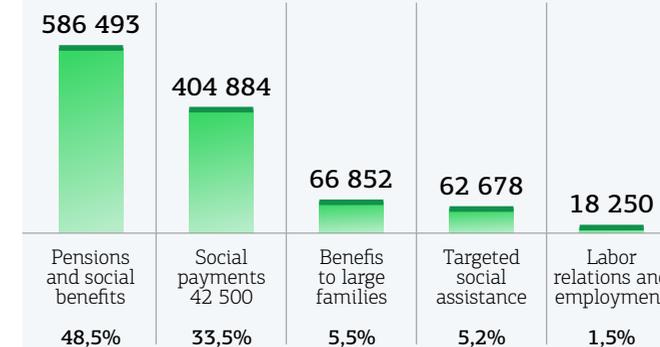
**4,42** trillion tenge

the volume of financial flows in 2019

### Contact Center 1411

**1,14** million appeals of individuals and legal entities

### TOP 5 appeals:



# Operating activities

## Back-offices. Land Cadastre

According to the Public Service Delivery Regulations in Land Relations the terms of the following public services have been shortened:

- Provision of information from the state land cadastre - the term has been reduced to 15 minutes
- Determination of the cadastral (appraised) value of a land plot of settlements has been reduced from 5 working days to 30 minutes (if there are evaluation zones and established boundaries of settlements), for other categories of land - from 10 to 8 working days
- 4 services on preparation and issuance of acts of land plots were combined into one public service and the term has been reduced from 6 to 4 working days
- Providing information on the quality of land plots - the term has been reduced from 10 to 8 working days
- Adjustment of the projected land plot to the graphic data of the state land cadastre automated information system (except for land plots, information on which contains state secrets) - the term has been reduced from 15 calendar days to 7 working days

The State Corporation signed an Agreement No. 2 dated January 31, 2020 with the Land Management Committee of the Ministry of Agriculture of the RoK for the fulfillment of a state task in the amount of (without VAT):

**8,11 billion tenge** in 2020

22,4 million hectares of land

**7,01 billion tenge** in 2019

20,3 million hectares of land

**426 thousand services** were provided in the field of land cadastre in 2020

**94 %** in paper form

**6 %** electronically

Provision of information from the state land cadastre



Determination of the cadastral (appraised) value of a land plot



Preparation and issuance of acts of land ownership right



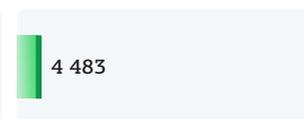
Preparation and issuance of constant land-tenure acts



Preparation and issuance of temporary compensated (long-term, short-term) land use (lease) acts



Preparation and issuance of temporary land-use acts without charge



Adjustment of the projected land plot to the graphic data of the state land cadastre automated information system



Providing information on the quality of land plots



In the field of land cadastre and technologically related works, the State Corporation provides the following services on a commercial basis:

- Calculation of land areas
- Horizontal and high-altitude (topographic) survey of land plots
- Aerial survey work by unmanned aerial vehicles for geographic information systems creation
- Determination of agricultural lands soil bonitet
- Land plot cadastral number assignment
- Determination of the qualitative state of fallow and waste lands in terms of their suitability for growing crops
- Determination of agricultural production losses at the withdrawal of agricultural land for purposes not related to agriculture
- Provision of land plot identification characteristics
- Development of land management projects
- Development of schematic site boundaries of assessment zones in settlements, determining correction factors to the base rates of payment for land plots
- Calculation of the base rates of charge on land plots
- Calculation of the weighted average score of land plot soil bonitet based on the materials of soil surveys
- Creation of electronic land cadastral maps
- Determination / restoration of the site boundaries of land plots (gradation by area, target, on-farm land management, administrative-territorial units)
- Agrochemical soil surveys
- Soil survey and soil mapping

# Information technologies

## The State Corporation has built

- the integrated infocommunication environment
- network construction architecture
- front offices communication channels
- information security compliance monitoring
- control of access to employee databases



## ICT infrastructure:

- Over 12,000 users have access to "Favorite" ERP-System, the corporate portal "Bitrix24" and mail (Zimbra), the cloud service for file exchange (Next Cloud), as well as to Information systems intended for Internal business processes
- Over 320 users have access to "1C: Accounting" IS
- Corporate network covers 48.3%
- More than 18,000 organizational and computer equipment
- Over 700 State Corporation facilities equipped with Information and Communications Technologies

Pursuant to the Law of the RoK "On Informatization", Cybersecurity Concept (Resolution of the Government of the RoK No. 407 of 30 June 2017), Integrated requirements in the field of information and communication technologies and information security (Resolution of the Government of the RoK No. 832 of December 2016), as well as the internal Information Security Policy, a set of legal, organizational and technical measures is being implemented to ensure:

- prevention of illegal and (or) unintentional access and (or) impact on computer systems
- prevention and identification of information security threats, as part of the protection of critical objects of ICT infrastructure, containing personal data
- control of compliance with the standards of handling official information of limited distribution

## The State Corporation holds Public Service Center Integrated Information System, "Real Estate Register" Government Database in trust management.

We also use the system the state land cadastre automated information system, the information system of registration of a pledge of movable property, etc.

**20** modifications of PSC were carried out in 2020

PSC IIS is designed to automate provision of services to the population (individuals and legal entities) through the State Corporation, as well as relevant ministries and departments

- The implementation of the Unified database and service through the "Electronic Government" gateway on keeping and assigning license plates through eGov
- The launch of new service "Issuance of death certificate"
- Delivery of finished documents by couriers of the State Corporation
- The integration of PSC IIS with the information system "Registration point "Documentation and registration of the population" in terms of residency registration and de-registration of the RoK citizens
- The integration of PSC IIS with E-Maket Automated Information System of the Ministry of Labor and Social Protection of Population of the RoK to implement the public service "Assignment of the state allowance to large families" through the "Electronic Government" gateway

**15** modifications of "Real Estate Register" Government Database were carried out in 2020

"Real Estate Register" Government Database is designed for automated collection (input), processing, updating, storage and analysis of information in the field of state registration and accounting of rights to immovable property, providing this information to the state agencies and organizations concerned

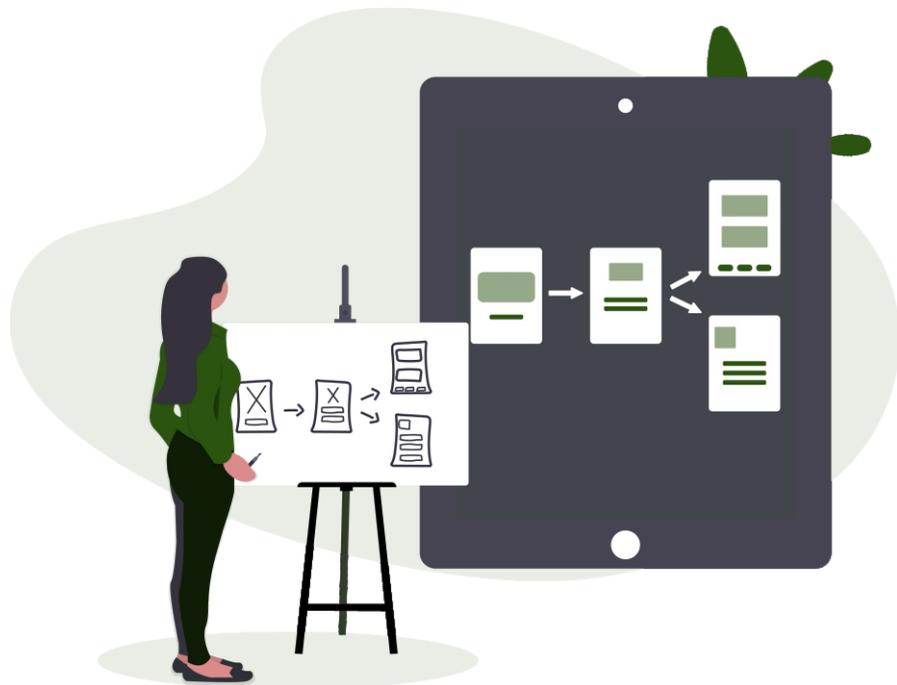
- Acceptance and processing of orders received from e-Gov for the provision of public services "Registration of the condominium", "Correction of real property rights by the application", " Correction of the address and cadastral number"
- Requests from e-Gov and PSC IIS on composite service. «Entering the identification and technical data on the restored real estate into the legal cadastre and state registration of rights"
- The universal service to receive and process electronic orders from eGov for rendering public services on the acquisition, change and termination of rights and encumbrances to immovable property, as well as on formation and termination of legal claims
- The service for sending electronic technical passport into mobile application eGov Mobile, etc.

# Risk Management

**Risk Management is a key component of the corporate governance system to achieve strategic and operational goals of the State Corporation.**

The State Corporation risk management is based on the international standards in the field of risk management, and on the regulations of the State Corporation.

As part of minimizing liquidity risk, the performance of counterparty banks is assessed using the CAMELS method; when placing in notes of the National Bank of the RoK, the assessment of limits is applied.



The State Corporation pays great attention to the development of personnel risk culture, which is an essential component of risk management. It can be characterized as the existing system of corporate values and behaviors, that determine decisions taken in the organization in the field of risk management. The risk culture assessment was carried out in 2020 in the State Corporation Management Board Administration and branches (covering 70% and 60% employees, respectively).

In this regard, training is carried out on the risk management system basic elements for all levels of the State Corporation organizational structure in order to ensure a more conscious approach of employees to the implementation of various projects and tasks, and develop culture.

**During the reporting period, the following key events took place in the risk management system.**

Compared to 2019, the methodological and educational components of the risk management system were strengthened in order to enhance the level of risk culture in the State Corporation.

- The rules for risk management had been developed
- The integrated internal training program for risk coordinators and employees of the State Corporation had been drawn up
- Educational materials, presentations for trainings had been developed in order to improve the quality of reports and risk culture
- Videoconference trainings in the structural divisions of the Management Board Administration and branches
- Risk analysis of the strategic action plan implementation and the agenda of the Management Board meetings
- The ongoing monitoring of the implementation of the recommendations of the Internal Audit Office and the Accounts Committee for Control over Execution of the Republican Budget

The formation of two Risk Maps and Registers for 2020, providing for the risks associated with changes of the State Corporation activities during the period of emergency and quarantine measures

**All measures to minimize risks have been fully implemented.**

# Sustainable development

The State Corporation understands the importance of its influence on the economy, the environment and society, striving to ensure its sustainable development in the long term, to maintain a balance of interests of stakeholders.



## Economic field

Ensuring the interests of the Sole Shareholder, timely and full implementation of budget programs in the areas of activity

Participation in the implementation of state programs

Achieving the tasks set to render and improve public services, increasing the efficiency of processes: 40% execution of the road map for the transition to process-based management of the Management Board Administration. It is expected that the introduction of the process-based management will increase the efficiency of processes by optimizing levels from 12 to 6, reducing payroll expenditures by 10.5% and increasing labor productivity by 9.86%

The creation and development of more advanced technologies

Enhancing labor productivity

## Ecological field

Minimization of the impact on natural systems, cut-back of consumables, for instance, reducing paper workflow due to the transition to electronic services provision, canceling certificates printing, etc.

The creation of the Unified Herbarium Fund, which contains around 3 thousand plant species of 100 plant families, growing in Kazakhstan, and over 10 000 plants.

## Social field

Ensuring labor safety and staff health maintenance: the instruction and road map for labor safety and protection, fire safety action plan

Safe working conditions at workplaces, collective and individual protective equipment (first-aid kits)

Thermal imaging cameras and antiseptics in the front offices, mandatory wearing masks, keeping a distance, surfaces treatment at least 2 times a day. In 2020, 82 346 986 tenge were allocated on safety and labor protection, fire safety activities.

Fair remuneration

Individual personnel development

The creation of new jobs

## Interaction with stakeholders

### Stakeholders

- Sole shareholder
- Board of Directors
- Management Branches
- Local communities
- Workers
- Servicerecipients
- Partners
- Labour union
- Parliament, Government, authorized state bodies
- Financial institutions
- Suppliers (contractors)
- Outsourcing companies
- Mass Media

In 2020, there were no changes in the list of stakeholders of the State Corporation. The stakeholder matrix of the State Corporation reveals a high level of interest / influence across all stakeholders, which means the need and importance of building close cooperation with stakeholders.

# Information and image-building work

The State Corporation pays great attention to the formation of a positive image, strengthening of positive public opinion, establishing relations with the public and wide information support of its activities

## PR-campaigns

27 505 information and image-building materials were published in the republican and regional media, in particular 4 566 TV plots and programs were shown on TV channels (Khabar, Khabar24, Kazakhstan, Channel 31, Channel One Eurasia, etc.), 3 471 materials were published in periodicals, 18 888 materials were posted on websites and portals (Nur.kz, Tengrinews, Informburo, Zakon.kz, Kapital.kz, Baq.kz, etc.) and 580 news were reported on the radio.

There were 14,426 publications during the same period in 2019 (90% increase). 52 briefings and press conferences were held, 3 695 "live call-in", 513 interviews and 4384 comments were given, 1 427 special reports and 257 PR actions were carried out.

The concept of "Hearing Government for Citizens" was launched, aimed at improving feedback from the population, consideration and settlement of concerns and complaints. Each branch of the State Corporation has a helpline. Information with QR-links is available in all public service centers. The directors of regional branches actively answer to the citizens' complaints and questions via social networks.

Within the "Happy Client" concept at certain significant events, such as the first acquisition of an identity card, birth certificates of children, retirement, the purchase of real estate or a car, the clients receive honors, symbolic gifts, congratulations and cheering.

## Official web site

The main goal is to increase the accessibility of necessary information to citizens and the Internet resource development in accordance with modern conditions. In 2020 the interface of the official web site of the State Corporation gov4c.kz was updated.

The information content of the "News" section continued to be updated daily in Kazakh and Russian languages. In the reporting year 80 materials were posted. In connection with COVID-19 coronavirus pandemic and quarantine regime the educational video footage related to the online obtainment of public services were posted on the official web site of the State Program "Digital Kazakhstan" www.digital.kz. 292 489 people had been trained online on basic digital literacy skills.

## Social networks

On the official accounts of the State Corporation on Facebook, Instagram, Twitter, Telegram and YouTube, in total 735 information and educational materials in Kazakh and Russian languages were published. The total number of subscribers to the above networks is over 135 thousand people.

In 2020 there we received around 8 384 requests and questions from citizens on the official pages of the State Corporation.

The following educational projects were launched: Oqy & Toqy, Vteme, Simply about complicated, Government for Citizens in faces and numbers. The purpose of Internet projects is to provide extensive information on the procedure and terms of public services provision in clear and simple manner.

Video instructions, life hacks and videos on obtaining public services online had become popular. Thus, 38 video instructions and the same number of videos, vines and life hacks were posted. All video content was duplicated on YouTube channel (2 063 subscribers) and Telegram channel of the State Corporation. For example a video instruction on receiving payments for the period of quarantine had become very popular (1 915 saves and 2 016 transfers).

In addition, contests for subscribers are held on social networks on an ongoing basis, in which participants share their experience of obtaining public services online and urge their audience to do the same.

The influencers are involved in awareness-raising activities on social networks. Since the beginning of the year 2 656 posts had been posted by bloggers, members of the public, show business and sport (in average 12 posts per day) and publications in public pages. Also a group "eGov HELP" on Facebook was created, where volunteers from subordinate organizations of the Ministry of Digital Development, Innovation and Aerospace Industry of the RoK and the State Corporation employees were involved as consultants.

# Human resources

The main wealth of the State Corporation is human resources. Personnel development is part of the strategy of the State Corporation.

## THE TASKS FULFILLED IN 2020

### Capacity building

The following documents had been elaborated and approved:

- Concept and PDCA of training and competencies development system
- Corporate standard of the uniform codes of disciplines for training and development of staff competencies
- Action Plan on the implementation of training system, service culture and capacity building of employees of branches, a schedule of seminars and meetings on improving the quality of public service delivery in the branches

Corporate events for the employees' competence development with regard to professional (Hard skills) and personal-business (Soft skills) competencies in the areas of activity are carried out on an ongoing basis.

- Training centers and academies organized 51 online trainings and seminars (30 - Hard skills, 21 - Soft skills), covering 3 257 employees, which means 2 017 more employees compared to 2019 (1 240 employees)
- The Civil Service Agency held 14 Development Day seminars, attended by 384 employees
- Central government bodies organized 6 videoconferences for 2 485 employees
- Together with local executive bodies 4 307 online seminars, attended by 15 265 employees, were held.
- SANA school of internal trainers (825 internal trainers) carried out 53 584 trainings in the front offices and back offices

Civil Service Agency Testing Center assessed professional knowledge of 6 169 candidates for vacant positions, 2 722 (44.2%) of which passed the threshold level. 1 540 (56.6%) candidates passed the assessment of personal and business qualities, 842 persons were hired and 1 202 people were enrolled in the external personnel pool.

### Staff performance and efficiency assessment

KPI of the Chairman and members of the Management Board for 2020 were approved

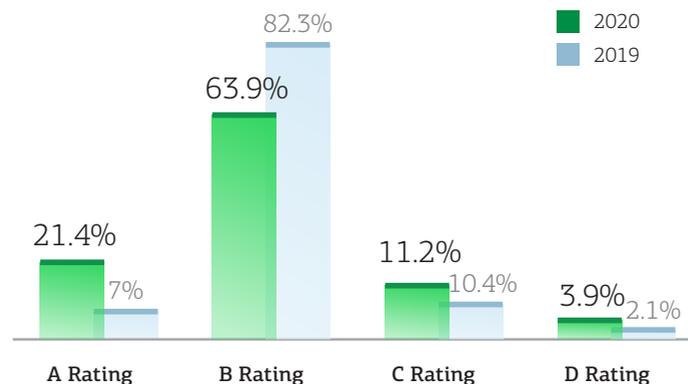
4 corporate KPIs (in 2019 - 5) and 20 functional KPIs (in 2019 - 18), developed by SMART method, were approved

They include the following elements: "Personnel" - 3, "Clients" - 11, "Processes" - 7 and "Finance" - 7.

Based on the KPIs of the Management Board members, the actual and final output of corporate (95%) and functional (110% in average) KPI execution by the executives were calculated

The SMART Register of Goals, Goal sheets and individual development plans were approved for each employee of the State Corporation.

### Staff performance assessment



### The personnel motivation system provides for a financial and non-financial incentives

#### Financial incentives:

- The State Corporation Employees Remuneration Commission held 17 meetings in 2020
- Since October 1, 2020 the official salaries of employees of social security, registration and land cadastre departments of the State Corporation branches had been increased
- The employees involved in the implementation of the emergency roadmap were paid additional payments for March and April 2020
- In the period of 2020 the amount of remuneration to the State Corporation employees ranged from 0.25 to 1 official salary, based on the performance assessment results.
- The bonuses were paid to staff and freelance workers in honor of the celebration of the International Women's Day, Nauryz holiday, the Day of the First President of the Republic of Kazakhstan and Independence Day of the Republic of Kazakhstan, New Year holiday.

#### Non-financial incentives:

- On an ongoing basis, within the framework of intangible motivation, employees are rewarded with a letter of gratitude from the Chairman of the Management Board for their achievements in work
- 650 congratulatory letters and 1 464 appreciation letters were given to the employees: 172 (34.82%) congratulatory letters – in relation to childbirth, 78 (15.79%) – on wedding, 115 (23.28%) – on the anniversary celebration, 32 (6.48%) – on reaching the retirement age, 24 (4.86%) – on graduation from the university
- Within the "Recognition" program of SANA Corporate Culture, congratulations on the employees' birthday are sent in corporate chats and the best employee of the week is being announced.
- The electronic board of honor has been introduced for the best employees of the State Corporation.
- 12 corporate magazines "The Best Employee" covering 634 workers of the State Corporation were published.

# Development prospects

In the field of ensuring the social development of the Republic of Kazakhstan, the sphere of providing public services is one of the most important for the entire system of public administration. At the time of this Annual Report formation, the National Development Plan of the Republic of Kazakhstan until 2025 and the Concept for the Development of Public Administration in the Republic of Kazakhstan until 2030 were adopted, which also defined plans for the State Corporation.

Adhering to the principles of openness, the State Corporation regularly informs the public about the prospects of its development and planned projects for the nearest future. In 2021 the State Corporation will proceed to further improve interaction with stakeholders, primarily with clients, enhancing planning efficiency, quality of personnel, developing professional and personal and business skills of the team, optimizing and automating internal processes, developing and implementing digital products and services.

In the field of registration of real property titles, public services (26 types of registration acts on the emergence, change and termination of real estate titles) will be converted into electronic format. A project with natural monopoly entities to automate contract conclusion on communal services provision to real estate owners will ensure that the new owner receives a full package of documents at once. It is planned to replicate the project of registering encumbrances (pledges) on real estate using blockchain technology with second-tier banks.

In the front offices operation, the State Corporation will enhance client experience, improve service, ensure a comfortable stay in the premises, provide client support in unassisted obtainment of electronic services and arrange home delivery of ready-made documents at the request of the client.

In the field of land cadastre maintenance, the project to create a Unified State Real Estate Cadastre remains the main priority. Its implementation is scheduled by "Digital Kazakhstan" State Program for 2022. Also we will work on identifying "invisible" services in order to include them into the register of public services and regulate procedures of their provision.

Large projects are planned in the field of social and pension security, such as transition to extraterritorial principle of service delivery without reference to the client`s place of registration, proactive provision of a number of services, the launch of a pilot project on targeted social payment through the State Corporation, the automation and transfer on eGov of the return of mandatory pension payments, social security charges and medical contributions, as well as reducing commissions of second-tier banks.



# CORPORATE MANAGEMENT

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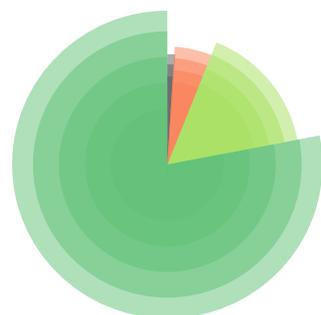
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## Corporate management system

### The work done:

- By order of the Sole Shareholder dated December 25, 2020 No. 476/nk the Corporate Governance Code in a new edition was approved.
- By decision of the Board of Directors dated May 21, 2020 No. 01-01-02/02, the action plan on improving the activities of the Board of Directors and its Committees was approved and implemented
- By decision of the Management Board dated March 3, 2020 No. 01-02-04 / 04, the action plan for the implementation of the Corporate Governance Code principles was approved
- In 2020 the first assessment of the Board of Directors performance, as well as corporate management diagnostics were conducted.
- By resolution of the Board of Directors dated February 25, 2021 No. 01-01-02/02 the Report on compliance / non-compliance with the Corporate Governance Code principles and provisions



Compliance of the State Corporation practice with the Corporate Governance Code provisions in percent:

**78%**  
complied

**5%**  
not  
complied

**16%**  
partially  
complied

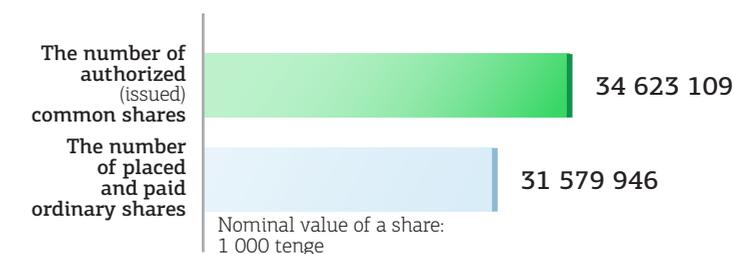
**1%**  
not  
applicable

## Governing bodies of the State Corporation

In accordance with the legislation of the RoK, the management structure of the State Corporation consists of the following governing bodies:

<b>Superior body</b>	The Sole Shareholder
<b>Governing body</b>	The Board of Directors, responsible for the State Corporation strategy development, general management and control over its operation
<b>Executive body</b>	The Management Board (collegial body) that manages current activities of the State Corporation and implements the strategy determined by the Board of Directors and the Sole Shareholder
<b>Body supervising financial and economic activities</b>	Internal Audit Office

## The State Corporation ownership structure

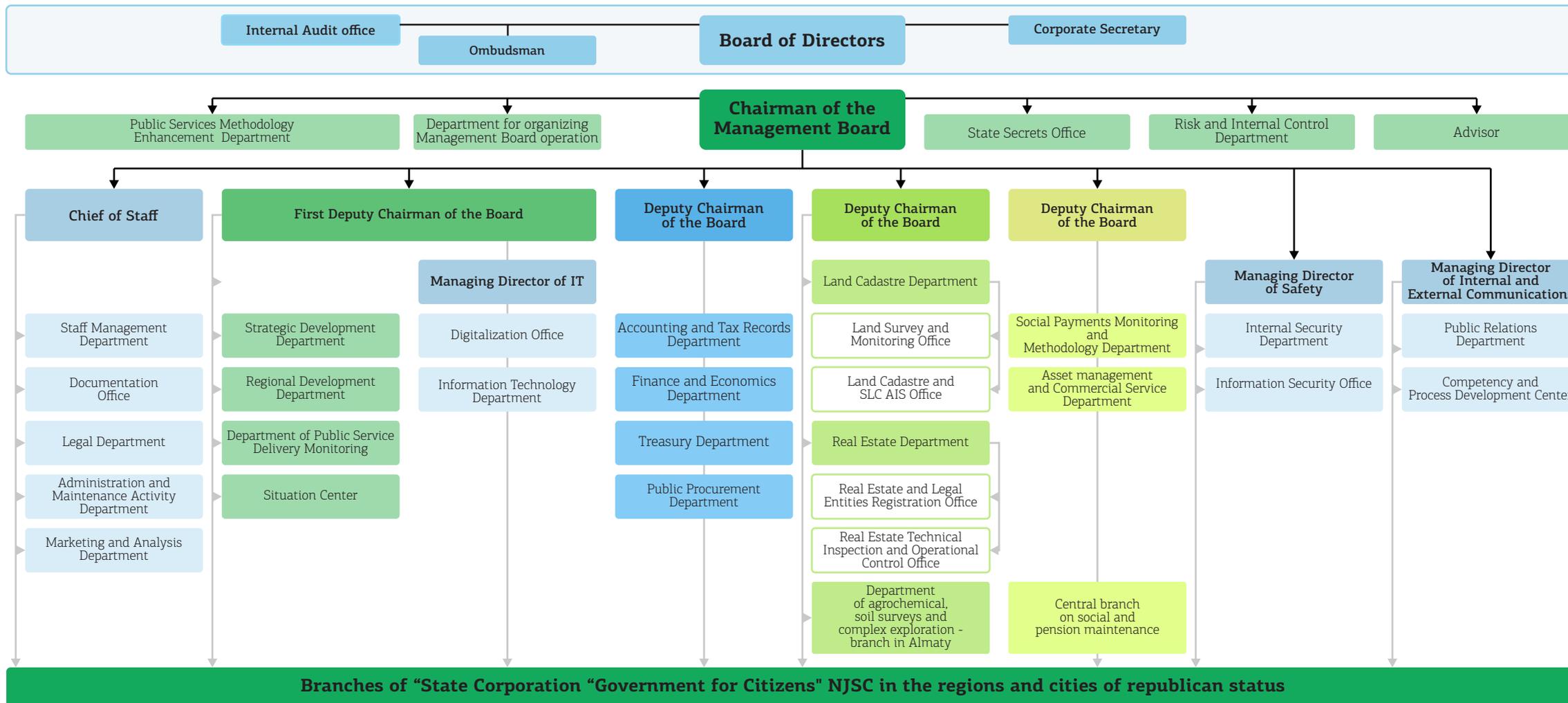


### Ownership provisions:

- The sole shareholder is the Government of the RoK represented by the State Property and Privatization Committee of the Ministry of Finance of the RoK
- All shares of the State Corporation are ordinary. The Sole Shareholder rights comply with the requirements of Article 14 of the Law of the RoK "On Joint-Stock Companies". The Sole Shareholder has priority ownership right of the State Corporation property.
- Members of the Board of Directors and Management Board, as well as key executives, do not own shares of the State Corporation
- The State Corporation is a non-profit organization that does not pursue income generation as the main goal of its activities and does not distribute net revenue earned in favor of the Sole Shareholder.
- The net income of the State Corporation remains at the State Corporation disposal and is directed to its development.

# Organizational structure

The approval of the organizational structure of the State Corporation falls within the exclusive competence of the Board of Directors. The organizational structure was approved by the Board of Directors' decision dated May 4, 2019 No. 29



# Primary corporate events of 2020

Among the most significant corporate events in 2020 related to corporate management, according to the Corporate Governance Code, the following Sole Shareholder`s decisions can be highlighted:



Under the laws of Kazakhstan, the State Corporation sent 17 types of materials related to corporate events and other events affecting the Sole Shareholder`s interests to the financial reporting depository in 2020.

There were no major transactions or transactions which must be approved by the Board of Directors pursuant to the Charter of the State Corporation were not made during the reporting period.

**All indicated issues were put forward for consideration by the Sole Shareholder.**

## Sole Shareholder

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The Sole Shareholder of the State Corporation is the Government of the RoK represented by the State Property and Privatization Committee of the Ministry of Finance of the RoK (hereinafter - SPPC).

The Ministry of Digital Development, Innovation and Aerospace Industry of the RoK is the agency that exercises the ownership and use rights of the state-owned block of shares of the State Corporation.

Pursuant to Article 7 of the State Corporation Charter, the Ministry of Digital Development, Innovation and Aerospace Industry of the RoK considers and makes decisions independently on the issues, attributed to exclusive competence of the Sole Shareholder, except for the issues, which are to be resolved upon agreement of SPPC.

The Sole Shareholder during the reporting period had the opportunity to receive complete and reliable information, including on the financial position of the State Corporation, performance results, management, and material facts affecting its financial and economic activities.

The Sole Shareholder's decisions, adopted within its competence, are mandatory for the Board of Directors.

## Board of Directors

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The Board of Directors executes general management of the State Corporation activities, except for addressing issues referred by the Law and the Charter of the State Corporation to the exclusive competence of the Sole Shareholder and Management Board.

The Board of Directors operates in accordance with the legislation of the RoK, the Charter of the State Corporation, the Board of Directors Regulations and other internal documents.

In accordance with subparagraph 5 of paragraph 1 of Article 36 of the Law and subparagraph 5 of paragraph 41 of the Charter, determination of the number of members, term of office of the Board of Directors, appointment of its members and early termination of their powers, as well as determination of remuneration payment and reimbursement of expenses to members of the Board of Directors for their work fall under the exclusive responsibility of the Sole Shareholder.

**The Board of Directors consists of 10 persons.**

**As of 1 January 2020 the Board of Directors consisted of 10 members:**

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**Chairman of the Board of Directors**

**Askar Kuanyshevich Zhumagaliyev**  
Minister of Digital Development, Innovation and Aerospace Industry of the RoK

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**Members of the Board of Directors**

**Nariman Nurlanovich Mukushev**  
Vice Minister of Labour and Social Protection of Population of the RoK

**Rustem Zhomartovich Kurmanov**  
Vice Minister of Agriculture of the RoK

**Azamat Khalimedenovich Amirgaliyev**  
Executive Secretary of the Ministry of Justice of the RoK

**Bakytbek Khakimovich Tashenev**  
Chairman of the State Property and Privatization Committee of the Ministry of Finance of the RoK

**Assemgul Serikovna Baltasheva**  
Chairman of the State Corporation Management Board

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**Board of Directors members – independent directors**

**Bektas Gafurovich Mukhamedzhanov**  
Independent director

**Ivar Tallo**  
Independent director

**Murat Mergaliyevich Ishmukhamedov**  
Independent director

**Nurlan Serikovich Yesembayev**  
Independent director

## Composition of the Board of Directors as of 31 December 2020



**Bagdat Batyrbekovich  
Mussin**

Chairman of the Board of Directors,  
representative of the Sole Shareholder

DATE OF BIRTH:  
03.03.1983

PLACE OF EMPLOYMENT :  
**Minister of Digital Development,  
Innovation and Aerospace I  
ndustry of the RoK**

EDUCATION:  
2004 — Suleyman Demirel University  
majoring in "Software and hardware  
of computer science"

2006 — Kazakh Institute of Law and  
International Relations with a degree  
in "Jurisprudence"

NATIONALITY:  
Republic of Kazakhstan



**Ruslan Yergaliyevoch  
Manatayev**

Member of the Board of Directors,  
representative of the Sole Shareholder

DATE OF BIRTH:  
04.04.1984

PLACE OF EMPLOYMENT :  
**Vice Minister of Agriculture  
of the RoK**

EDUCATION:  
2005 — Kazakh Economics University  
named after T. Ryskulov, majoring  
in "International Monetary and Financial  
Relations"

2017 — Kazakh Academy of Transport  
and Communications named after  
M. Tynyshpayev, majoring  
in "Automation and Control"

NATIONALITY:  
Republic of Kazakhstan



**Yerbol Duisebayevich  
Ospanov**

Member of the Board of Directors,  
representative of the Sole Shareholder

DATE OF BIRTH:  
16.01.1977

PLACE OF EMPLOYMENT :  
**Vice Minister of Labour and  
Social Protection of Population  
of the RoK**

EDUCATION:  
1998 — Al-Farabi Kazakh National  
University, majoring in "Applied  
Mathematics"

2002 — Kazakh National Agriculture  
University, majoring in "Finance and  
Credit"

NATIONALITY:  
Republic of Kazakhstan



**Azamat Khalimedenovich  
Amirgaliyev**

Member of the Board of Directors,  
representative of the Sole Shareholder

DATE OF BIRTH:  
24.10.1976

PLACE OF EMPLOYMENT :  
**Vice Minister of Justice  
of the RoK**

EDUCATION:  
1998 — Kazakh Institute of Law and  
International Relations, majoring in  
"International Law", Master of Business  
Administration (Britain school of business)

NATIONALITY:  
Republic of Kazakhstan



**Bakytbek Khakimovich  
Tashenev**

Member of the Board of Directors,  
representative of the authorized body  
on state-owned property

DATE OF BIRTH:  
19.10.1977

PLACE OF EMPLOYMENT :  
**Chairman of the State Property  
and Privatization Committee  
of the Ministry of Finance  
of the RoK**

EDUCATION:  
1999 — Kazakh State Architecture and  
Construction Academy, majoring  
in "Engineer-economist"

2002 — Kazakh Humanitarian Legal  
University, majoring in "Law"

NATIONALITY:  
Republic of Kazakhstan

## Composition of the Board of Directors as of 31 December 2020



**Bektas Gafurovich  
Mukhamedzhanov**

Member of the Board of Directors, Independent Director, Chairman of the Internal Audit Committee of the Board of Directors

DATE OF BIRTH:  
07.11.1957

PLACE OF EMPLOYMENT:  
**Independent Director  
of the Board of Directors  
of the State Corporation**

EDUCATION:  
1979 — Kazakh State University named after S.M. Kirov, majoring in "Biology"  
  
1985 — candidate of biological sciences, the subject of research: "Physicochemical properties of fusible and immobilized wormwood peroxidase"

NATIONALITY:  
Republic of Kazakhstan



**Ivar Tallo**

Member of the Board of Directors, Independent Director, Chairman of the Strategic Planning Committee of the Board of Directors

DATE OF BIRTH:  
05.05.1964

PLACE OF EMPLOYMENT:  
**Chief of e-justice component  
of the European project  
"Pravo-Justice" in Ukraine**

EDUCATION:  
1987 — Leningrad State University, majoring in "Philosophy, Political Science, Foreign Languages"  
1990 — Leningrad State University, majoring in "Mathematical formal logic and philosophy"  
1996 — McGill University PhD program in Political Science, postgraduate, majoring in "Logic", Master of Philosophy, PhD doctor

NATIONALITY:  
Republic of Estonia



**Nurlan Serikovich  
Yesembayev**

Member of the Board of Directors, Independent Director, Chairman of the Internal Audit Committee of the Board of Directors

DATE OF BIRTH:  
24.09.1975

PLACE OF EMPLOYMENT:  
**Managing Director  
of "NRN Capital Advisors"**

EDUCATION:  
1996 — Kazakh Institute of Consumer Cooperation in Karaganda, majoring in "Economics"

NATIONALITY:  
Republic of Kazakhstan



**Murat Mergaliyevich  
Ishmukhamedov**

Member of the Board of Directors, Independent Director, Chairman of the Internal Audit Committee of the Board of Directors

DATE OF BIRTH:  
31.01.1971

PLACE OF EMPLOYMENT:  
**Adviser of IFC  
(International Financial  
Corporation,  
the World Bank Group)**

EDUCATION:  
1993 — Kazakh State Administration Academy, majoring in "State Budget"

NATIONALITY:  
Republic of Kazakhstan



**Assemgul Serikovna  
Baltasheva**

Chairman of the Management Board, member of the Board of Directors

DATE OF BIRTH:  
08.07.1977

PLACE OF EMPLOYMENT:  
**Chairman of the Management Board  
of the State Corporation**

EDUCATION:  
1996 — Pavlodar State University named after S. Toraighyrov, majoring in "Accounting, monitoring of business activities"

2001 — Karaganda State Technical University, majoring in "Economics and Management"

2019 — Karaganda State University named after E.A. Buketov majoring in "State and Local Management"

NATIONALITY:  
Republic of Kazakhstan

## Criteria for selecting independent directors

In line with best practices of corporate governance, the Board of Directors of the State Corporation includes independent members. The number of the independent members of the Board of Directors exceeds the minimum threshold and amounts to 40%.

The criteria for the selection of candidates for independent directors are specified in subparagraph 20 of Article 1 of the Law of the RoK “On joint-stock companies”, according to which an independent director is defined as a member of the Board of Directors who:

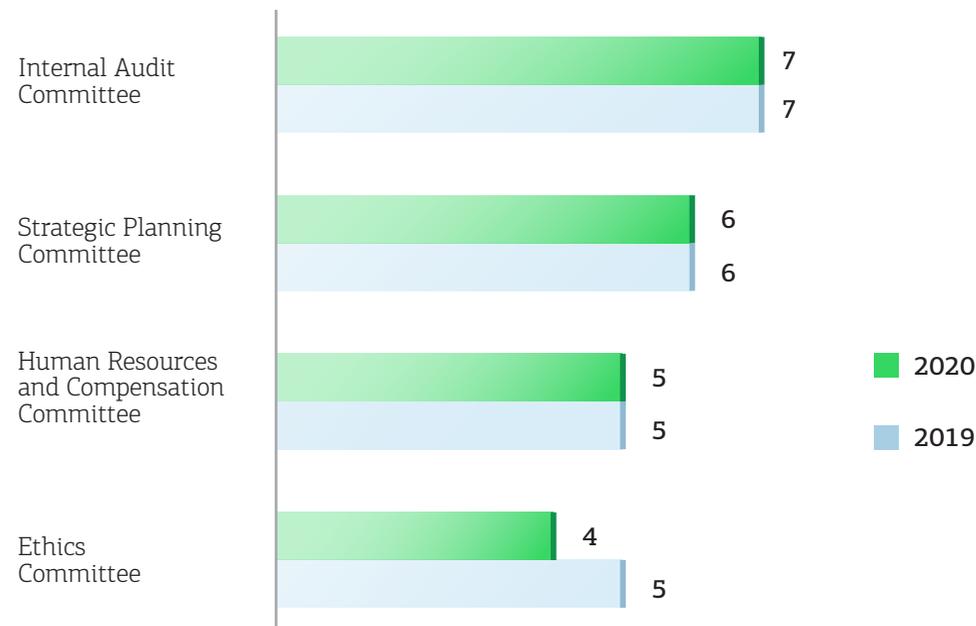
- is not an affiliate of the State Corporation at the time of election and has not been an affiliate within 3 years preceding his election to the Board of Directors (except for the case of his duty as an independent director of the State Corporation); is not affiliated with the affiliated persons of the State Corporation; is not bound currently and has not been bound for 3 years preceding his election to the Board of Directors by subordination with the officials of the State Corporation or its affiliated organizations
- is not a civil servant
- is not currently and has not been an auditor of the State Corporation for 3 years preceding his election to the Board of Directors; do not participate currently and has not been participating in the audit of the State Corporation as auditor working in audit organization for 3 years preceding his election to the Board of Directors
- has not been an employee of the State Corporation or its subsidiary and related organization within the last 5 years
- did not receive or does not receive additional remuneration from the State Corporation, except for remuneration of a member of the Board of Directors
- does not hold a similar position in other organizations or bodies, does not have significant relationships with other members of the Board of Directors through affiliation with other organizations or bodies
- does not represent shareholders or government authorities
- has not been a member of the Board of Directors of the State Corporation for more than 9 years in a row

In the reporting year, the Board of Directors included 4 independent directors elected by the decision of the Sole Shareholder dated April 24, 2019 No. 63

The relations between the members of the Board of Directors-independent directors and the State Corporation are governed by agreements concluded on behalf of the State Corporation by the Chairman of the Board of Directors dated November 25, 2019

## Committees of the Board of Directors

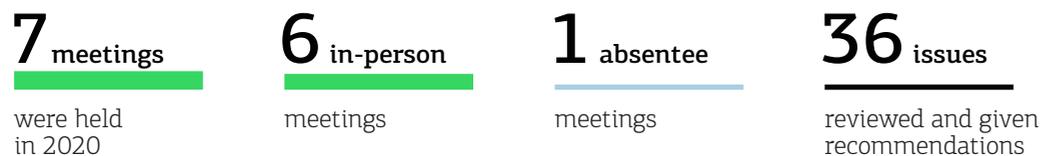
4 Committees of the Board of Directors were created by Resolution of the Board of Directors of 29 April 2016 :



The activities of these Committees were carried out in accordance with the Regulations on the Committees.

The Committees are consultative and advisory bodies of the Board of Directors of the State Corporation, and all their decisions are recommendations on the issues submitted to the Board of Directors for consideration. The work of the Committees helps to provide better reasoned objective recommendations and enhance the efficiency of decisions taken by the Board of Directors. All members of the Committees have sufficient knowledge and extensive experience, including practical.

## Internal Audit Committee

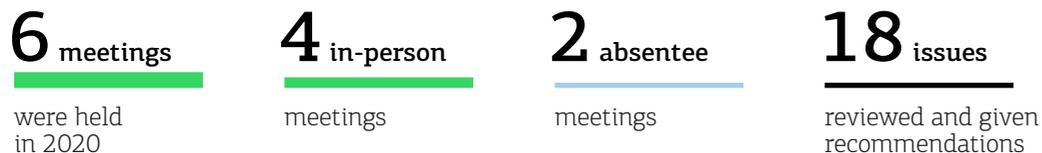


**Based on the results of reviewing 36 issues, the Internal Audit Committee made 88 decisions, including 8 instructions and recommendations, all of which were executed.**

During the reporting period, the Internal Audit Committee regularly supervised the work of the State Corporation Internal Audit Service, monitored the efficiency of risk management and internal control system, corporate governance, took measures to analyze the existing information security system and information technologies development plans, and reviewed, together with the external auditor, the results of the annual audit, including the State Corporation management data n on the audit results.

The Committee in its work was strictly guided by the Charter of the State Corporation, Corporate Governance Code and Regulations on the Internal Audit Committee. At the same time, the Board of Directors of the State Corporation fully followed the recommendations developed by the Committee, none of which was rejected by the Board of Directors.

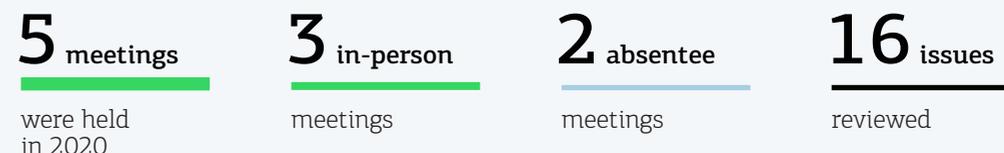
## Strategic Planning Committee



**Based on the results of reviewing 18 issues, the Strategic Planning Committee made 24 decisions, including 3 orders and recommendations, all of which were implemented.**

The Committee issued recommendations on strategic and budgetary planning, the placement of authorized shares, net income distribution, reports on strategy and development plans implementation, the annual report on the State Corporation activities for the reporting period.

## Human Resources and Compensation Committee



**As a result of reviewing 16 issues the HR and Remuneration Committee made 34 decisions.**

Under the Committee`s guidance the first assessment of the Board of Directors operation was carried out, which resulted in identification of areas requiring further attention. Also directors` professional development prospects were considered, and special attention was paid to approving key performance indicators of the Management Board members and Corporate Secretary.

The Committee provided maximum assistance to the Board of Directors work and fully fulfilled its goals and objectives, as well as executed its Action Plan for 2020 within which 11 issues were to be considered.

## Ethics Committee



**Based on the results of reviewing 36 issues, the Ethics Committee made 9w decisions, including 1 instruction, which were executed.**

In 2020 the Ethics Committee fully fulfilled the goals and objectives, functions and responsibilities in accordance with the Regulation on the Ethics Committee, as well as the Action Plan of the Ethics Committee for 2020 which which envisaged to consider 4 issues to consider 4 issues.

## The outcomes of the Board of Directors activities

The Board of Directors of the State Corporation functioned in accordance with the annual Action Plan, approved by the decision of the Board of Directors No. 01-01-02/06 of 25 December 2019 (hereinafter – Plan). This practice proved to be positive and allowed the directors to plan their work schedule, taking into account the upcoming meetings, which ultimately influenced the organization of meetings and well-founded decision-making by the Board of Directors. The Plan envisaged 34 issues for consideration. Furthermore, additional 18 issues were considered over and above the plan. The overall execution of the Plan is 100%. Furthermore, additional 18 issues were considered above the plan.



Additional information on the decisions of the Board of Directors and the Sole Shareholder in 2020 is available on the website of the State Corporation <https://gov4c.kz/>

In total the Board of Directors reviewed 52 issues and made decision in the following areas:



139 decisions were made on 52 issues, including:

- 23 – instructions and recommendations
- 18 – executed
- 5 – are under way

During the reporting period, the Board of Directors reviewed and approved the following documents:

- Annual financial statements for 2019 confirmed by an independent auditing organization
- Changes and additions to the Charter
- Corporate Governance Code
- The new edition of the Regulation on the Internal Audit Office
- Corporate governance diagnostics methodology
- Rules for competency development of the Board of Directors members and the involvement of external experts
- Employee Code of Conduct
- Policy for ensuring the succession of the Board of Directors members
- The program (plan) for competency development of the Board of Directors members for 2021
- Job descriptions of the Internal Audit Office employees (manager, chief auditor, auditor)
- Changes and additions to the Accounting Policy
- Changes and additions to the Regulations on the Committees (on internal audit, on strategic planning, on personnel and remuneration, on ethics)

## Participation of the Board of Directors members in its meetings

The Board of Directors of the State Corporation functioned in accordance with the annual Action Plan (from 1 January to 31 December 2020).

This practice proved to be positive and allowed the directors to plan their work schedule, taking into account the upcoming meetings, which ultimately influenced the organization of meetings and well-founded decision-making by the Board of Directors.

The plan was approved by the decision of the Board of Directors dated December 25, 2019 No. 01-01-02 / 06 and provided for 34 issues to be considered. Furthermore, additional 18 issues were considered above the plan.

Overall activities of the Board of Directors on executing Action Plan for 2020 was effective, the Action Plan was executed by 100%. The Board of Directors regularly held meetings, pursuant to the annual Action Plan and when needed.

In 2020 the Board of Directors held 6 meetings, 53 issues were considered, including 1 issue (On consideration of new Development Strategy of the State Corporation for 2021-2025 and a long-term action plan for its implementation), 1 issue withdrawn from the agenda

Participants	Physical participation	The number of meetings	%	Absence reasons
A.K. Zhumagaliyev termination of powers since 3.08.2020	3	6	50%	A.K. Zhumagaliyev terminated his authority before maturity
B.B. Mussin since 3.08.2020	3	6	50%	B.B. Mussin was elected to the Board of Directors
R.Zh. Kurmanov termination of powers since 23.11.2020	4	6	67%	R.Zh. Kurmanov terminated his authority before maturity
R.Y. Manatayev since 23.11.2020	2	6	33%	R.Y. Manatayev was elected to the Board of Directors
N.N. Mukushev termination of powers since 3.08.2021	3	6	50%	N.N. Mukushev terminated his authority before maturity
Y.D. Ospanov since 27.08.2020	3	6	50%	Оспанов Е.Д. was elected to the Board of Directors
A.Kh. Amirgaliyev	6	6	100%	
B.Kh. Tashenev	5	6	83%	B.Kh. Tashenev was absent by reason of illness
A.S. Baltasheva.	6	6	100%	
B.G. Mukhamedzhanov	6	6	100%	
N.S. Yesembayev	6	6	100%	
Ivar Tallo	6	6	100%	
M.M. Ishmukhamedov	6	6	100%	

## Performance assessment of the Board of Directors and its Committees

The performance assessment of the Board of Directors and its Committees (hereinafter – Assessment) is carried out in accordance with the Corporate Governance Code and the Regulations on assessing the activities of the Board of Directors of the State Corporation and its Committees. An annual assessment is foreseen. At the same time, at least once every three years, the assessment is carried out with the involvement of independent consultants.

In 2020 the assessment was carried out on self-assessment method by questioning all members of the Board of Directors according to the following criteria: powers and competencies, implementation of key functions of the Board of Directors, structure and composition of the Board of Directors, operating procedures and information support of its activities, duties and responsibilities. **Based on the results of summarizing personal data, the assessment of the Board of Directors and the effectiveness of its working activities were 4.76, and the assessment of the activities of the Committees was 4.90. The assessment showed that most aspects of the activities of the Board of Directors and its Committees based on the results of work in 2020 comply with the recommendations of the best corporate development practices.**

The results of the assessment determined the directions for the further development and improvement of the activities of the Board of Directors and its Committees, which were analyzed and included in the Action Plan to improve the corporate governance system of the State Corporation for 2021-2022.

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### These are the following priority areas:

- determination of the State Corporation main development directions
- ensuring effective management of the State Corporation by the Board of Directors and the Management Board (in terms of introducing a system of succession of the State Corporation executives, clearly delineating the powers of management bodies, identifying key risks, improving the risk management system, strengthening control over the activities of the Internal Audit Office)
- expanding the specialization of the Board of Directors members, as well as enhancing independent directors motivation system through benchmarking

## Compensation Policy for the Board of Directors members

The issues of determining the amount and terms of payment of remuneration to members of the Board of Directors of the State Corporation are within the exclusive competence of the Sole Shareholder and are determined by the Rules for Remuneration Payment and Compensation of Expenses to the Board of Directors Members. The rules do not apply to members of the Board of Directors who are government officials and employees of the State Corporation. Only independent directors receive remuneration.

In accordance with the applicable corporate governance practice, the State Corporation uses the following as the main forms of remuneration:

The main remuneration for participation in one meeting of the Board of Directors in the amount of 830,000 tenge, it is paid for the participation of an independent director at in-person and in absentia meetings of the Board of Directors;  
Additional remuneration for participation in one meeting of the Committee of the Board of Directors as the Chairman of the Committee in the amount of 58,000 tenge.

The total amount of the main remuneration to independent directors for participation in the Board of Directors meetings should not exceed 5,000,000 tenge and the total amount of additional remuneration for participation in a meeting of the Committee of the Board of Directors as the Chairman of the Committee should not exceed 350,000 tenge, stipulated in the Development Plan of the State Corporation for the corresponding year. In addition, the State Corporation reimburses the expenses associated with participation in in-person and absentee meetings of the Committees and the Board of Directors, including travel expenses, rental costs and daily subsistence allowances.

### The independent directors are paid remuneration if they fulfill the following conditions:

Conscientious fulfillment of the duties of a member of the Board of Directors stipulated by the legislation of the RoK, Charter and other internal documents of the State Corporation, as well as the agreement concluded with the director; Compliance with the legislation of the RoK, Charter and other internal documents of the State Corporation, as well as resolutions of the Sole Shareholder in making decisions; Participation in meetings of the Board of Directors and its Committees, full and timely expression of their opinions on the agenda items in accordance with the established procedure.

**In 2020 the total amount of the main and additional remuneration paid to independent directors, taking into account all taxes and payments, amounted to KZT 21 140 000.00, and compensation for expenses - KZT 1 111 828,33.**

# The State Corporation Management Board

In accordance with subparagraph 5-2) of paragraph 41 of the Charter of the State Corporation, the appointment, determination of the term of office and early termination of powers of the members of the Management Board, Deputy Chairmen of the Management Board and Chief of Staff of the State Corporation is the exclusive competence of the Sole Shareholder of the State Corporation.

## Authority and responsibility level:

Providing guidance for the Management Board Administration, organization, coordination and control of structural divisions of the State Corporation Management Board Administration.

The competence of the Management Board is determined by the Law of the RoK “On Joint-Stock Companies”, Charter and internal documents of the State Corporation. The Management Board ensures the following:

- Carrying out activities in accordance with the legislation of the RoK, Charter and internal documents of the State Corporation, resolutions of the Sole Shareholder, the Board of Directors
- Proper risk management and internal control
- Allocation of resources for the implementation of resolutions of the Sole Shareholder, the Board of Directors
- Labor safety of the State Corporation employees
- Creating an atmosphere of engagement and loyalty of the State Corporation employees, corporate culture development

The management of current activities is carried out by the executive body - the Management Board, which includes the Chairman of the Management Board, deputies and other persons determined by the Sole Shareholder of the State Corporation.

The Chairman and members of the Management Board should have high professional and personal characteristics, as well as an impeccable business reputation and adhere to high ethical standards. The Chairman of the Management Board also needs to have high organizational skills, work in active interaction with the Sole Shareholder and constructively build a dialogue with the Sole Shareholder, Board of Directors, employees and other interested parties.

The Management Board reports to the Board of Directors and manages the daily activities of the State Corporation. It is responsible for the implementation of the development strategy and / or development plan and decisions taken by the Board of Directors and the Sole Shareholder.

The Sole Shareholder appoints the chairman and members of the Management Board, determines their terms of office. The Sole Shareholder can terminate the powers of the Chairman and members of the Management Board at any time.

The Management Board under the guidance of the Board of Directors elaborates the development strategy and / or development plan for the State Corporation.

The Board of Directors exercises control over the activities of the Management Board. The control can be exercised through regular reports of the Management Board to the Board of Directors and reporting meeting of the Management Board on the development plan implementation.

The Management Board should hold in-person meetings and discuss the implementation of the development strategy and / or development plan, resolutions of the Sole Shareholder, Board of Directors and operating activities. The Management Board meetings are held at least once a month. The Chairman of the Management Board may initiate an extraordinary meeting of the Management Board.

The Chairman and members of the Management Board may hold positions in other organizations only upon the approval of the Board of Directors. The Chairman of the Management Board does not have the right to hold the position of the head of the Management Board or a person solely performing functions of the executive body of another legal entity.

The Chairman and members of the Management Board are assessed by the Board of Directors of the State Corporation, the main criterion for evaluation is the achievement of key performance indicators.



**Assemgul Serikovna  
Baltasheva**

Chairman of the Management Board

DATE OF BIRTH:  
08.07.1977

EDUCATION:  
1996 — Pavlodar State University named after S. Toraighyrov, majoring in “Accounting, monitoring of business activities”

2001 — Karaganda State Technical University, majoring in “Economics and Management”

2019 — Karaganda State University named after E.A. Buketov majoring in “State and Local Management”

AUTHORITY AND RESPONSIBILITY LEVEL:  
Coordination and general management of the State Corporation activities.

## A short curriculum vitae of the Management Board members



**Suyenish Tuleukhanovich Abdildin**

First Deputy Chairman of the Management Board

DATE OF BIRTH:  
23.06.1990

EDUCATION:  
2011 — Kazakh-British Technical University, majoring in “Computer Science and Software”

2014 — The University of Birmingham in the UK, Master of Computer Science

AUTHORITY AND RESPONSIBILITY LEVEL:  
Representing interests and ensuring execution of the State Corporation functions on front office development policy formation, monitoring of public service delivery, regional development, situation center operation, as well as information technology and digitalization



**Nursultan Bauyetdenovich Abakhanov**

Deputy Chairman of the Management Board

DATE OF BIRTH:  
26.03.1983

EDUCATION:  
2004 — Kazakh National University named after Al-Farabi, majoring in “World Economics”

2009 — The International Business Academy, majoring in “Corporate Management”

2010 — Almaty Institute of Economics and Law majoring in “Jurisprudence”

AUTHORITY AND RESPONSIBILITY LEVEL:  
Ensuring the organization of financial and economic activities of the State Corporation and accounting



**Madi Amangeldiyevich Sadanov**

Deputy Chairman of the Management Board

DATE OF BIRTH:  
28.05.1979

EDUCATION:  
2004 — Kazakh National Agrarian University, majoring in “Economics and Finance”

2008 — Kazakh Humanitarian Law University, majoring in “Jurisprudence”, Bachelor of Law

AUTHORITY AND RESPONSIBILITY LEVEL:  
Representing interests and ensuring execution of the State Corporation functions on operation development policy formation of back offices of land cadastre, real estate, state registration (re-registration) of legal entities that are commercial organizations, state registration of termination of their activities, record registration (re-registration) and de-registration of their branches and representative offices



**Birzhan Ualiyevich Zhunusov**

Deputy Chairman of the Management Board

DATE OF BIRTH:  
15.07.1972

EDUCATION:  
1995 — Zhezkazgan Pedagogical Institute, majoring in “Kazakh Language and Literature”

2005 — Karaganda Financial Institute, majoring in “Accounting and Audit”

AUTHORITY AND RESPONSIBILITY LEVEL:  
Representing interests and ensuring execution of the State Corporation functions related to the cumulative pension system, solidarity system, compulsory social insurance and compulsory social health insurance, provision of information and consulting services in the social and labor field



**Olzhas Bolatovich Shokparov**

Chief of Staff

DATE OF BIRTH:  
16.08.1989

EDUCATION:  
2010 — Kazakh National Technical University named after K.I. Satpayev, majoring in “Computer Science and Software”

2013 — Kazakh University of Economics, Finance and International Trade, majoring in “State and Local Management”, Master of Economics and Business.

AUTHORITY AND RESPONSIBILITY LEVEL:  
Providing guidance for the Management Board Administration: organization, coordination and control of structural divisions of the State Corporation Management Board Administration within its competence

## The outcomes of the Management Board activities



During the reporting period, 29 meetings of the State Corporation Management Board were held, of which 25 - in-person, 4 - in absentia, 128 issues were considered (on structure, remuneration, reporting information, etc.), 38 documents were approved and updated, 29 documents were posted in the electronic workflow system, the rest of them are at the stage of placement, a total of 165 documents have been posted. The updating of the State Corporation internal documents was completed, including the alignment with the requirements of the quality management system (ISO).

## Compensation Policy for the Management Board members

The information on remuneration, conditions and procedure of remuneration of the State Corporation Management Board members are determined by the Regulation on the Management Board, Remuneration Regulations of the State Corporation executives, employees of the Internal Audit Office and Corporate Secretary, Performance Assessment and Remuneration Payment Rules of the State Corporation executive employees, developed in accordance with the Corporate Governance Code.

The Board of Directors, as agreed by the Sole Shareholder, determines the official salaries, terms of remuneration of the Chairman and members of the Management Board. The main condition for the payment of remuneration is a consolidated total income over a fiscal year

Remuneration is paid based on the results of work during the year depending on the execution of motivational KPI. The total annual amount of bonuses should not exceed 6 official salaries for each member of the Management Board within payroll funds. The motivational key performance indicators are approved by the Board of Directors. They are developed by cascading the Sole Shareholder's expectations and strategic goals of the State Corporation into specific indicators. The assessment results have an impact on the amount of remuneration, merit, re-election (appointment) or early termination of powers.

## Internal audit



In 2020 8 audit tasks were accomplished in accordance with the Annual Audit Plan. Based on the audits results, the analysis and monitoring of the implementation of the recommendations are carried out on an ongoing basis. The purpose is to check the implementation of measures aimed at reducing or preventing the identified risks and strengthening internal control. During the reporting period, 92 recommendations were issued. All recommendations were implemented completely.

The body ensuring the organization and implementation of internal audit in the State Corporation is the Internal Audit Office, which is directly subordinate to the Board of Directors and reports to it on its activities.

Supervision of the activities of the Service is carried out by the Internal Audit Committee in accordance with internal regulations.

In carrying out its activities, the Office is guided by the legislation of the RoK, Charter, decisions of the State Corporation bodies, the Regulations on the Internal Audit Office, the annual audit plan approved by the Board of Directors, other internal documents of the State Corporation and the basic principles of the International Professional Standards for Internal Auditing.

The main goal of the Internal Audit Service is to provide the Board of Directors with independent and objective audit guarantees and advice aimed at improving the risk management, internal control and corporate governance of the State Corporation.

# FINANCIAL STATEMENTS

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# Financial and operating results

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When conducting accounting, the State Corporation is guided by the Law of the RoK "On Accounting and Financial Reporting", Accounting Regulations No. 241 of 31 May 2015, Accounting Policy, Regulations on Accounting Services of the State Corporation, International Financial Reporting Standards (hereinafter - IFRS).

The financial statements of the State Corporation have been prepared in accordance with the IFRS and on the basis of historical cost accounting rules, except for financial instruments accounted at their estimated or fair value at the date of recognition. The statements include all assets, liabilities, capital, income and expenses that are elements of financial statements (statement of financial position, statement of comprehensive income, cash flow report, statement of changes in owner`s equity)

## The information about the shares as of 31 December 2020:

- **The number of authorized shares: 34 623 109**  
(thirty four million six hundred twenty-three thousand one hundred and nine) **common shares**
- **The number and class of shares, placed to founders: 31 579 946**  
(thirty-one million five hundred seventy-nine thousand nine hundred forty-six) **common shares**

# Information on the external auditor over 2016-2020

The audit of financial statements is an independent verification procedure to express an opinion as to whether the financial statements are prepared in all material aspects in accordance with the established financial reporting framework.

According to paragraph 1 of Article 78 of the Law of the Republic of Kazakhstan "On Joint Stock Companies", the audit of the financial statements of the State Corporation is mandatory.

To check and confirm the accuracy of the annual financial reporting and assessment of the risk management system and internal control The State Corporation engages a professional audit organization (external auditor) on the basis of competitive selection in accordance with the Public Procurement Rules approved by order of the Ministry of Finance of the RoK dated December 11, 2015 No. 648.

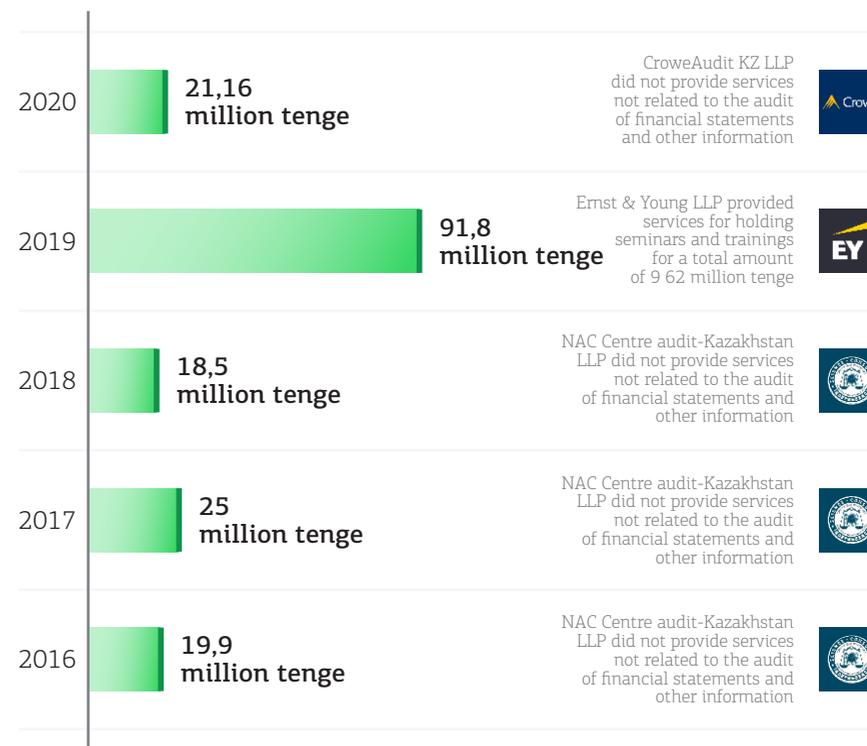
The amount of payment for audit organization services of auditing the State Corporation annual financial statements was determined by the decision of the Board of Directors of the State Corporation dated January 26, 2021 No. 01-01-02/01 in the amount of 25 000 000 (twenty five million) tenge, including VAT.

In accordance with the procurement contract on financial statements audit, the review of the consolidated financial statements for the period from 1 January to 31 December of the financial year and the audit of the annual financial statements in accordance with IFRS were conducted by Crowe Audit KZ LLP.

The annual financial statements of the State Corporation for 2020 were preliminary approved by the resolution of the Board of Directors No. 01-01-02/04 of 20 May 2021, and approved by the Sole Shareholder on June 10, 2021 (order of the Minister of Digital Development, Innovation and Aerospace Industry of the RoK No. 204).

In accordance with the audit report of Crowe Audit KZ LLP, the financial statements of the State Corporation present fairly, in all material respects, the consolidated financial position of the State Corporation as of 31 December 2020, as well as its financial performance and its cash flows for the year then ended in accordance within accordance with IFRS.

The amount of remuneration, including VAT, for services of the audit of financial statements



Former employees of audit organizations that audited financial statements of the State Corporation were not hired by the State Corporation.

# Financial statements

## Statement of financial position, in thousand tenge

### ASSETS

Noncurrent assets	Note	2020	2019
Fixed assets	4	23,399,447	24,735,064
Intangible assets	5	1,018,629	913,893
Right-of-use assets		11,090	42,548
Investments in bonds	6	1,754,997	1,609,777
Deferred tax assets	24	89,842	93,877
Other noncurrent assets		2,363	2,908
<b>Total noncurrent assets</b>		<b>26,276,008</b>	<b>27,397,067</b>
<hr/>			
Current assets	Note	2020	2019
Reserves	7	1,421,414	981,788
Trade and other receivables	8	718,904	793,536
Revenue tax prepayment		372,107	487,628
Other current assets	9	225,822	419,688
Bank deposits	10	1,345,820	4,580,848
Cash and cash equivalents	11	14,947,721	8,441,057
<b>Total current assets</b>		<b>19,031,788</b>	<b>15,704,545</b>
<b>Total assets</b>		<b>45,307,796</b>	<b>43,102,612</b>

### EQUITY AND LIABILITIES

Equity	Note	2020	2019
Authorized capital	12	31,579,946	31,579,946
Undivided income		915,212	228,222
<b>Total equity</b>		<b>32,495,158</b>	<b>31,808,168</b>
<hr/>			
Long-term liabilities	Note	2020	2019
Authorized capital		11,386	40,631
<b>Total equity</b>		<b>11,386</b>	<b>40,631</b>
<hr/>			
Current liabilities	Note	2020	2019
Employee benefit liabilities	13	4,670,164	2,823,073
Trade and other payables	14	2,210,660	2,045,645
Obligations under contracts with customers	15	3,962,400	3,897,644
VAT payable		862,373	1,943,518
Other current liabilities	16	1,095,635	543,933
<b>Total current liabilities</b>		<b>12,801,252</b>	<b>11,253,813</b>
<b>Total equity and liabilities</b>		<b>45,307,796</b>	<b>43,102,612</b>

## Statement of comprehensive income, in thousand tenge

### COMPREHENSIVE INCOME

	Note	2020	2019
Revenue	17	78,715,169	69,206,610
Rental income		237,782	483,729
Cost of services rendered	18	(68,824,797)	(61,789,325)
<b>Gross profit</b>		<b>10,128,154</b>	<b>7,901,014</b>
General and administrative expenses	19	(9,556,038)	(7,635,913)
Other operating income	20	214,229	153,968
Other operating expenses	21	(67,632)	(128,373)
<b>Operating profit</b>		<b>718,713</b>	<b>290,696</b>
Accrual of expected credit losses, net	22	(73,208)	(30,865)
Financial income	23	767,387	500,013
Financial expenses		(3,401)	(3,538)
<b>Profit / (loss) before tax</b>		<b>1,409,491</b>	<b>756,305</b>
Income tax expense	24	(722,501)	(195,733)
<b>Net profit / (loss) for the reporting year</b>		<b>686,990</b>	<b>560,572</b>
Other comprehensive income		-	-
<b>Total comprehensive (loss)/income for the year, net of tax</b>		<b>686,990</b>	<b>560,572</b>

## Cash flow report, in thousand tenge

Cash flow from operating activities	Note	2020	2019
Profit / (loss) before tax		1,409,491	756,305
<b>Adjustments:</b>			
Depreciation and amortization	4,5	2,946,557	3,454,372
Financial income	23	(767,387)	(500,013)
Financial expenses		3,401	3,538
Loss from asset sale	21	42,560	50,953
Accrual of expected credit losses	22	73,208	30,866
Accrual of provisions for vacations and bonuses to employees	13	5,675,484	1,415,067
Income from donated assets	20	(1,327)	(54,018)
Other reserves and accrued liabilities		18,511	20,923
<b>Operating profit before working capital adjustments</b>		<b>9,400,498</b>	<b>5,177,993</b>
<b>Working capital change:</b>			
Change in inventory		(439,611)	(222,705)
Change in trade receivables and other current assets		249,109	112,129
Change in employee benefit obligations		(3,828,373)	(2,296,788)
Change in trade and other payables and other current liabilities		447,897	52,439
Change in obligations under contracts with customers		64,756	986,333
Change in VAT payable		(1,081,145)	1,002,424
<b>Net cash flows from operating activities</b>		<b>4,812,931</b>	<b>4,811,825</b>
Income tax paid		(528,237)	(1,007,046)
Remuneration received		498,321	312,894
Rental fee paid		(3,401)	
<b>Net cash flows from operating activities</b>		<b>4,779,614</b>	<b>4,117,673</b>

Cash flows from investing activities	Note.	2020	2019
(Placement) / withdrawal of bank deposits, net		(3,253,701)	(4,552,472)
Purchase of fixed assets and intangible assets		(1,520,020)	(1,861,664)
Proceeds from the sale of fixed assets and intangible assets		9,372	17,467
Change in other non-current financial assets		545	22,544
<b>Net cash flows (used in) / received from investing activities</b>		<b>1,743,598</b>	<b>(6,374,125)</b>
<b>Cash flows from financing activities</b>			
Repayment of obligations for the principal debt of the lease		(16,296)	(13,567)
<b>Net cash flows gained from operating activities</b>		<b>(16,296)</b>	<b>(13,567)</b>
<b>Net change in cash and cash equivalents</b>		<b>6,506,916</b>	<b>(2,270,020)</b>
Change in expected credit loss provision	22	(252)	(26,449)
Cash and cash equivalents at the beginning of the year	11	8,441,257	10,684,628
<b>Cash and cash equivalents at the end of the year</b>	<b>11</b>	<b>14,947,721</b>	<b>8,441,057</b>

## Statement of changes in equity, in thousand tenge

	Authorized capital	Retained profit	Total equity
<b>As of 31 December 2019</b>	<b>31.579.946</b>	<b>2.767.971</b>	<b>34.347.917</b>
Intangible assets	-	560.572	560.572
Other comprehensive income	-	-	-
<b>Total comprehensive income for the year</b>	-	<b>560.572</b>	<b>560.572</b>
Distribution to the Shareholder	-	(3.100.321)	(3.100.321)
<b>As of 31 December 2019</b>	<b>31.579.946</b>	<b>228.222</b>	<b>31.808.168</b>
Net profit for the year	-	686,990	686,990
Other comprehensive income	-	-	-
<b>Total comprehensive income for the year</b>	-	<b>686,990</b>	<b>686,990</b>
<b>At December 31, 2020</b>	<b>31,579,946</b>	<b>915,212</b>	<b>32,495,158</b>

# Independent auditor's report

## To the shareholder and management of the State Corporation

### Opinion

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We have audited the accompanying financial statements of the State Corporation, which comprise the report of financial position as of 31 December 2020, report of comprehensive income, statement of changes in equity, cash flow report for the year then ended, as well as a summary descriptions of significant accounting policy provisions and other explanatory notes.

In our opinion, the accompanying financial statements faithfully reflect, in all material respects the financial position of the Corporation as at 31 December 2020, as well as its financial results of operations and cash flows for the year then ended in accordance with IFRS.

### Basis for our opinion

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We conducted our audit in accordance with International Standards on Auditing. Our responsibilities pursuant to those standards are further described in the “Auditor's Responsibilities for the Audit of the Financial Statements” section of our report.

We are independent in relation to the Corporation in accordance with the Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants. (IESBA Code) and ethical requirements applicable to our audit of financial statements in Kazakhstan and we have fulfilled other ethical responsibilities in accordance with those requirements and the Code of Ethics for Professional Accountants.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Other issues

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The financial statements of the Corporation for the year ended December 31, 2019 were audited by another auditor, who expressed an unmodified opinion on those statements on April 30, 2020.

## Management's Responsibility for the Financial Statements

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The Corporation's management is responsible for the preparation of these financial statements in accordance with International Financial Reporting Standards and for a system of internal control that management considers necessary to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, for disclosing information related to business continuity, as appropriate, and for reporting on a going concern basis, unless management intends to liquidate the Corporation, cease its activity or when it does not have any other real alternative other than liquidation or termination of activity.

Those charged with corporate governance are responsible for overseeing the preparation of the Corporation's financial statements.

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

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Our goal is to gain reasonable confidence that the financial statements are free from material misstatement whether due to fraud or error, and in the issuance of auditor's report containing our opinion. Reasonable assurance is a high degree of assurance, but is not a guarantee that an audit conducted in accordance with ISA always detects material misstatements, if any. Misstatements may arise from fraud or error and are considered material if it may reasonably be assumed that individually or in the aggregate they can influence the economic decisions of users, taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we take professional judgment and maintain professional skepticism throughout the audit. Moreover, we do the following:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatement as a result of fraud is higher than the risk of not detecting material misstatement as a result of an error, as fraud can include conspiracy, forgery, willful omission, misrepresentation of information, or actions that circumvent the internal control
- Obtain an understanding of the internal control system relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control system
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- We conclude that management's use of the going concern assumption is appropriate and based on the audit evidence obtained we conclude, whether there is material uncertainty related to events or conditions that could cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists we should draw attention in our auditor's report to the related disclosures in the financial reports or if such disclosure is inappropriate modify our opinion. Our conclusions are based on audit evidence obtained prior to the date of our auditor's report. However future events or conditions may cause the Corporation to lose its ability to continue as a going concern
- Assess the overall representation of the financial statements, their structure and content, including disclosures and whether the financial statements present the underlying transactions and events in a manner that ensures their fair presentation.

We communicate with those charged with corporate governance bringing to their attention, among other things, information about the planned scope and terms of the audit, as well as material comments on the audit results, including significant deficiencies in the internal control system that we identify during the audit.

We also provide those charged with corporate governance a statement that we have complied with all relevant ethical requirements with regard to independence and that we have informed those individuals on all relationships and other matters that could reasonably be considered as having an impact on the auditor's independence, and when necessary- on the appropriate precautions.



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# ANNUAL REPORT 2020

of non-profit joint stock company  
«State Corporation «Government for Citizens»