



Vol. I

ANNUAL REPORT 2013

JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013

with Independent Auditors' Report

KZ

RU

EN

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

-
- | | |
|--|---|
| 1. General information | 22. Provisions |
| 2. Basis of preparation | 23. Employee benefit liability |
| 3. Summary of significant accounting policies | 24. Amounts due to customer |
| 4. Critical accounting estimates and judgements | 25. Other current liabilities |
| 5. Acquisitions | 26. Revenue |
| 6. Discontinued operations, assets classified as held for sale and loss of control over subsidiary | 27. Government grants |
| 7. Property, plant and equipment | 28. Cost of sales |
| 8. Intangible assets | 29. General and administrative expenses |
| 9. Investments in joint ventures and associates | 30. Transportation and selling expenses |
| 10. Loans to customers | 31. Impairment loss |
| 11. Amounts due from credit institutions | 32. Finance cost |
| 12. Other financial assets | 33. Finance income |
| 13. Other non-current assets | 34. Share in profit of joint ventures and associates, net |
| 14. Inventories | 35. Income tax expenses |
| 15. Trade accounts receivable and other current assets | 36. Consolidation |
| 16. Cash and cash equivalents | 37. Significant non-cash transactions |
| 17. Equity | 38. Related party disclosures |
| 18. Borrowings | 39. Financial instruments and financial risk management objectives and policies |
| 19. Loans from the Government of the Republic of Kazakhstan | 40. Commitments and contingencies |
| 20. Other non-current liabilities | 41. Segment reporting |
| 21. Finance lease liabilities | 42. Subsequent events |

CONTENTS



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of JSC National Welfare Fund "Samruk-Kazyna"

We audited the attached consolidated financial statements of JSC National Welfare Fund "Samruk-Kazyna" and its subsidiaries, including the Consolidated Balance Sheet as of December 31, 2011, Consolidated Statement on Total Income, Consolidated Statement on Changes in Equity and Consolidated Statement of Cash Flows for the year, ended on the specified date, as well as the summary of significant aspects of the accounting policy and other explanatory information.

Top Management's responsibility regarding Consolidated Financial Statements

The Top Management is responsible for preparation and fair presentation of these consolidated financial statements in accordance with the International Financial Reporting Standards, as well as for the internal control procedures, required upon the management decision, to enable the preparation of Consolidated Financial Statements, which don't have any significant misrepresentation, whether due to unfair practices or error.

Auditors' responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements, based on the completed audit. We ensured our audit in accordance with the International Auditing Standards. These standards require from us to follow the ethical norms, to plan and to perform the audit in order to obtain reasonable assurance in absence of any significant misrepresentation in the Consolidated Financial Statements.

Audit Partner

General Director Ernst & Young LLP

*State Audit License for audit activities on the territory
of the Republic of Kazakhstan: series МФЮ-2 No. 0000003
issued by the Ministry of Finance of the Republic of Kazakhstan
on 15 July 2005*

Auditor

Auditor Qualification Certificate No. МФ-0000059 dated 6 January 2012

30 April 2013 года

The audit involves performing procedures to obtain the audit evidences regarding the amounts and information, presented in the Consolidated Financial Statements. The selected procedures depend on the auditor's judgment, including assessment of the risks of significant misrepresentation of the Consolidated Financial Statements, whether due to unfair practices or error. When assessing this risk, an auditor shall consider the aspects of internal control, related to the preparation and fair presentation of the consolidated financial statements in order to define the audit procedures, appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the company's internal control systems. The audit also includes evaluating the appropriateness of the adopted accounting policy and the accounting estimate justification, made by the top management, as well as evaluating the overall presentation of the consolidated financial statements.

We consider that the audit evidence, obtained by us, shall be sufficient and duly for expressing our opinion.

Opinion

In our opinion, the Consolidated Financial Statements are presented fairly, in all material respects; the financial position of the JSC National Welfare Fund "Samruk-Kazyna" and its subsidiaries as of December 31, 2011, as well as its financial performance and the cash flows for the year, completed at the mentioned date, in accordance with the National Standards of Financial Reporting.

Elshad Aliyev

Evgeny Zhemaletdinov

Alexandr Nazarkulov



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT
CONSOLIDATED FINANCIAL STATEMENTS
Consolidated balance sheet
Consolidated statement of comprehensive income
Consolidated statement of changes in equity
Consolidated statement of cash flows
NOTES to the consolidated financial statements

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

As at December 31:

<i>In millions of tenge</i>	Note	2013	2012 (restated)*
ASSETS			
Non-current assets			
Property, plant and equipment	7	7,018,234	6,093,002
Intangible assets	8	284,325	358,276
Investments in joint ventures and associates	9	1,717,249	1,351,044
Loans to customers	10	647,083	1,386,384
Amounts due from credit institutions	11	282,676	269,627
Deferred tax assets	35	42,084	77,964
Other non-current financial assets	12	133,829	464,934
Other non-current assets	13	461,896	421,092
		10,587,376	10,422,323
Current assets			
Inventories	14	346,300	409,508
VAT receivable		248,792	193,950
Income tax prepaid		77,721	78,372
Trade accounts receivable	15	361,069	342,352
Loans to customers	10	249,800	665,326
Amounts due from credit institutions	11	1,291,888	1,076,442
Other current financial assets	12	92,686	267,809
Other current assets	15	211,020	298,175
Cash and cash equivalents	16	740,994	1,468,426
		3,620,270	4,800,360
Assets classified as held for sale	6	1,086,843	51,521
TOTAL ASSETS		15,294,489	15,274,204

The accounting policies and explanatory notes on pages 14 through 110 form an integral part of these consolidated financial statements.



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT
CONSOLIDATED FINANCIAL STATEMENTS
Consolidated balance sheet
Consolidated statement of comprehensive income
Consolidated statement of changes in equity
Consolidated statement of cash flows
NOTES to the consolidated financial statements

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET (continued)

As at December 31:

<i>In millions of tenge</i>	Note	2013	2012 (restated)*
EQUITY AND LIABILITIES			
Equity attributable to equity holder of the Parent			
Share capital	17	4,484,676	4,409,314
Revaluation reserve for available-for-sale investments		25,302	24,846
Currency translation reserve	17	272,655	219,712
Other capital reserves	17	(2,711)	16,200
Retained earnings		1,947,379	1,944,252
		6,727,301	6,614,324
Non-controlling interest			
	17	779,291	801,135
Total equity		7,506,592	7,415,459
Non-current liabilities			
Borrowings	18	3,366,527	3,526,943
Loans from the Government of the Republic of Kazakhstan	19	197,216	210,810
Finance lease liabilities	21	74,982	35,313
Provisions	22	137,246	136,312
Deferred tax liability	35	377,919	336,950
Employee benefit liabilities	23	55,717	45,940
Amounts due to customers	24	11,152	106,663
Derivatives		-	7,450
Other non-current liabilities	20	272,798	296,660
		4,493,557	4,703,041
Current liabilities			
Borrowings	18	607,839	680,962
Loans from the Government of the Republic of Kazakhstan	19	71,342	559,831
Finance lease liabilities	21	13,698	8,425
Provisions	22	140,711	124,202
Employee benefit liability	23	4,578	4,039
Income taxes payable		58,010	48,841
Trade and other payables		429,407	496,946
Amounts due to customers	24	230,763	636,058
Derivatives		527	888
Other current liabilities	25	517,515	575,195
		2,074,390	3,135,387
Liabilities associated with assets classified as held for sale	6	1,219,950	20,317
Total liabilities		7,787,897	7,858,745
TOTAL EQUITY AND LIABILITIES		15,294,489	15,274,204

*Certain amounts shown here do not correspond to 2012 financial statements and reflect adjustments made which are detailed in Note 2.

Finance director – Member of the Management Board

Chief accountant

Nurlan Rakhmetov

Almaz Abdrakhmanova



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT
CONSOLIDATED FINANCIAL STATEMENTS
Consolidated balance sheet
Consolidated statement of comprehensive income
Consolidated statement of changes in equity
Consolidated statement of cash flows
NOTES to the consolidated financial statements

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the years December 31:

<i>In millions of tenge</i>	Note	2013	2012 (restated)*
Revenue	26	5,048,176	4,697,225
Government grants	27	28,996	27,857
		5,077,172	4,725,082
Cost of sales	28	(3,647,010)	(3,390,245)
Gross profit		1,430,162	1,334,837
General and administrative expenses	29	(378,782)	(343,669)
Transportation and selling expenses	30	(347,457)	(377,334)
Income from disposal of subsidiaries		23,916	4,823
Impairment loss	31	(232,664)	(219,448)
Other operating income, net		31,489	37,133
		526,664	436,342
Operating profit			
	32	(230,746)	(208,751)
Finance costs	33	83,902	55,771
Finance income	34	546,342	540,513
Share in profit of joint ventures and associates, net		(36,189)	(22,251)
Net foreign exchange loss		889,973	801,624
Profit before income tax			
	35	(277,244)	(243,789)
Income tax expenses			
Net profit for the year from continuing operations		612,729	557,835
Discontinued operations	6	(172,972)	580,063
(Loss) / profit from discontinued operations, net of tax			
		439,757	1,137,898
Net profit for the year			

The accounting policies and explanatory notes on pages 14 through 110 form an integral part of these consolidated financial statements.



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT
CONSOLIDATED FINANCIAL STATEMENTS
Consolidated balance sheet
Consolidated statement of comprehensive income
Consolidated statement of changes in equity
Consolidated statement of cash flows
NOTES to the consolidated financial statements

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)

For the years December 31:

<i>In millions of tenge</i>	Note	2013	2012 (restated)*
Other comprehensive income, net of tax:			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		54,538	35,301
Unrealized loss from revaluation of available-for-sale investments		(2,593)	(17,534)
Net realized gain on available-for-sale investments		626	146,706
Loss on transactions with hedge instruments		(254)	(158)
Other comprehensive income to be reclassified to profit or loss in subsequent periods		52,317	164,315
Items not to be reclassified to profit or loss in subsequent periods			
Actuarial losses on defined benefit plans, net of tax		(6,716)	–
Net other comprehensive loss not to be reclassified to profit or loss in subsequent periods:		(6,716)	–
Other comprehensive income for the year, net of tax		45,601	164,315
Total comprehensive income for the year, net of tax		485,358	1,302,213
Net profit for the year attributable to:		407,246	1,067,577
Equity holder of the Parent		32,511	70,321
Non-controlling interest		439,757	1,137,898
Total comprehensive income for the year, net of tax, attributable to:		452,012	1,233,075
Equity holder of the Parent		33,346	69,138
Non-controlling interest		485,358	1,302,213

*Certain amounts shown here do not correspond to 2012 financial statements and reflect adjustments made which are detailed in Notes 2 and 6..

Finance director – Member of the Management Board
Chief accountant

Nurlan Rakhmetov
Almaz Abdrakhmanova

The accounting policies and explanatory notes on pages 14 through 110 form an integral part of these consolidated financial statements.



JOINT-STOCK COMPANY SOVEREIGN WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013 with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT
 CONSOLIDATED FINANCIAL STATEMENTS
 Consolidated balance sheet
 Consolidated statement of comprehensive income
 Consolidated statement of changes in equity
 Consolidated statement of cash flows
 NOTES to the consolidated financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the years ended December 31

In millions of tenge	Note	Attributable to equity holder of the Parent							Non-controlling interest	Total
		Share capital	Revaluation reserve for available-for-sale investments	Currency translation reserve	Other capital reserves	Retained earnings	Total			
Balance as at December 31, 2011 (as previously reported)		4,050,383	(106,997)	186,145	17,656	823,433	4,970,620	758,983	5,729,603	
<i>Restatements (Note 2)</i>		–	–	–	165	21,761	21,926	–	21,926	
Balance as at December 31, 2011 (restated)*		4,050,383	(106,997)	186,145	17,821	845,194	4,992,546	758,983	5,751,529	
Total comprehensive income for the year		–	131,662	33,994	(158)	1,067,577	1,233,075	69,138	1,302,213	
Issue of share capital	17.1	358,931	–	–	–	(4,149)	354,782	–	354,782	
Discount on loans from the Government	17.2	–	–	–	–	89,617	89,617	–	89,617	
Income from changes in terms of loans from the Government	17.2	–	–	–	–	304,650	304,650	–	304,650	
Dividends paid	17.3	–	–	–	–	(168,190)	(168,190)	(150,297)	(318,487)	
Other transactions with the Shareholder		–	–	–	–	1,620	1,620	–	1,620	
Recognition of share based payments		–	–	–	215	(604)	(389)	1,441	1,052	
Change in ownership interests of subsidiaries – acquisition by non-controlling interest		–	–	–	–	(2,002)	(2,002)	30,543	28,541	
Change in ownership interests of subsidiaries – acquisition of non-controlling interest	17.6	–	181	(427)	(1,678)	(129,899)	(131,823)	135,572	3,749	
Buy back of subsidiary's shares of a subsidiary from the market performed by subsidiary		–	–	–	–	4,328	4,328	(44,245)	(39,917)	
Other distributions to the Shareholder	17.5	–	–	–	–	(63,890)	(63,890)	–	(63,890)	
Balance as at December 31, 2012 (restated)*		4,409,314	24,846	219,712	16,200	1,944,252	6,614,324	801,135	7,415,459	

The accounting policies and explanatory notes on pages 14 through 110 form an integral part of these consolidated financial statements.



JOINT-STOCK COMPANY SOVEREIGN WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013 with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT
 CONSOLIDATED FINANCIAL STATEMENTS
 Consolidated balance sheet
 Consolidated statement of comprehensive income
 Consolidated statement of changes in equity
 Consolidated statement of cash flows
 NOTES to the consolidated financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

For the years ended December 31

In millions of tenge	Note	Attributable to equity holder of the Parent						Non-controlling interest	Total
		Share capital	Revaluation reserve for available-for-sale investments	Currency translation reserve	Other capital reserves	Retained earnings	Total		
Balance as at December 31, 2012 (as previously reported)		4,409,314	24,846	219,712	15,828	1,920,696	6,590,396	801,135	7,391,531
<i>Restatements (Note 2)</i>		–	–	–	372	23,556	23,928	–	23,928
Balance as at December 31, 2012 (restated)*		4,409,314	24,846	219,712	16,200	1,944,252	6,614,324	801,135	7,415,459
Total comprehensive income for the year		–	(1,448)	53,031	(293)	400,722	452,012	33,346	485,358
Issue of share capital	17.1	75,362	–	–	–	(26,234)	49,128	–	49,128
Discount on loans from the Government	17.2	–	–	–	–	249,828	249,828	–	249,828
Dividends paid	17.3	–	–	–	–	(9,077)	(9,077)	(60,721)	(69,798)
Other transactions with the Shareholder	17.4	–	1,879	(92)	(17,617)	(464,847)	(480,677)	–	(480,677)
Acquisition of subsidiaries		–	–	–	–	–	–	6,588	6,588
Other distributions to the Shareholder	17.5	–	–	–	–	(147,534)	(147,534)	–	(147,534)
Other equity movements		–	25	4	(1,001)	269	(703)	(1,057)	(1,760)
Balance as at December 31, 2013		4,484,676	25,302	272,655	(2,711)	1,947,379	6,727,301	779,291	7,506,592

*Certain amounts shown here do not correspond to 2012 financial statements and reflect adjustments made which are detailed in Note 2.

Finance director – Member of the Management Board
 Chief accountant

Nurlan Rakhmetov
 Almaz Abdrakhmanova

The accounting policies and explanatory notes on pages 14 through 110 form an integral part of these consolidated financial statements.



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

For the years ended December 31

<i>In millions of tenge</i>	Note	2013	2012 (restated)*
Cash flows from operating activities			
Profit before income tax from continuing operations		889,973	801,624
(Loss) / profit before income tax from discontinued operations		(177,801)	589,737
Adjustments for:			
Depreciation, depletion and amortization	28, 29, 30	356,069	321,457
Share in profit of joint ventures and associates, net	9, 34	(546,342)	(540,513)
Loss / (gain) from disposal of discontinued operations	6	2,276	(201,996)
Finance costs	32	230,746	208,751
Finance income	33	(83,902)	(55,771)
Impairment loss	31	232,664	219,448
Long-term employee benefits	23	14,983	12,958
Provision charges		6,758	(4,532)
Derivatives		26	(11,247)
Loss on disposal of property, plant and equipment and other long term assets, net		3,393	3,035
Gain on disposal of subsidiaries		(23,916)	(4,823)
Allowance for doubtful debts on trade accounts receivable and other current assets	29	7,232	10,293
Unrealized foreign exchange loss		33,746	18,497
Other transactions		(241)	912
<i>Significant items of disposal group classified as held for sale, shown as discontinued operations:</i>			
Restructuring gain of BTA Bank		–	(1,068,482)
Expenses recognized by BTA Bank on recovery obligations		–	628,572
Impairment of disposal group	6	158,729	–
Gain on purchase of own debt securities issued by BTA Bank		–	(10,458)
Other adjustments related to discontinued operations		873	4,642
Cash flows from operating activities before working capital changes		1,105,266	922,104
Changes in other non-current assets			
Changes in loans to customers		(44,850)	(342,811)
Changes in amounts due from credit institutions		(13,130)	(48,106)
Changes in other financial assets		23,691	27,031
Changes in inventories		(34,545)	(36,195)
Changes in VAT receivable		(70,227)	(68,021)
Changes in trade accounts receivable		(41,685)	(69,481)
Changes in other current assets		29,155	(26,212)
Changes in borrowings and loans from the Government of the Republic of Kazakhstan		(2,774)	431,872
Changes in derivatives		491	(8,559)
Changes in trade and other accounts payable		(30,081)	(37,900)
Changes in amounts due to customers		(75,285)	2,964
Changes in other liabilities		(15,237)	634
Cash generated from operating activities		804,648	699,910
Income taxes paid		(222,698)	(196,694)
Interest paid		(180,255)	(146,160)
Interest received		59,745	17,993
Net cash flows from operating activities		461,440	375,049

The accounting policies and explanatory notes on pages 14 through 110 form an integral part of these consolidated financial statements.



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

Cash flows from investing activities:			
Placement of bank deposits, net		(397,103)	(229,771)
Acquisition of joint ventures and associates		(294,398)	(28,558)
Acquisition of subsidiaries, net of cash acquired		(23,833)	(6)
Cash of disposed subsidiaries		(167,363)	(1,884)
Cash of subsidiaries reclassified to disposal group		(79,658)	(560)
Purchase of property, plant and equipment		(1,169,053)	(952,675)
Purchase of intangible assets		(24,362)	(63,727)
Proceeds from sale of other financial assets, net		40,103	43,849
Proceeds from sale of property, plant and equipment		13,029	10,363
Advances paid for non-current assets		(10,130)	(107,107)
Dividends received from joint ventures and associates	9	438,759	590,940
Repayment of financial liability	6	(19,973)	–
Proceeds from sale of associates	6	–	225,739
Proceeds from sale of subsidiaries	6	4,528	13,042
Stock options exercised		(20)	(603)
Net cash flows used in investing activities		(1,689,474)	(500,958)
Cash flows from financing activities:			
Proceeds from borrowings		1,283,082	919,369
Repayment of borrowings		(752,206)	(627,614)
Repayment of finance lease liabilities		(10,678)	(11,386)
Buy back of subsidiaries' shares		(264)	(39,919)
Transactions with the Shareholder		(12,599)	(32,677)
Dividends paid to non-controlling interest of subsidiaries		(45,273)	(149,704)
Contributions to the share capital by non-controlling interest		–	28,541
Dividends paid to the Shareholder		(9,077)	(159,113)
Contributions to the share capital	17.1	39,320	12,000
Net cash flows from / (used) in financing activities		492,305	(60,503)
Net decrease in cash and cash equivalents		(735,729)	(186,412)
Effects of exchange rate changes on cash and cash equivalents		8,297	8,223
Cash and cash equivalents, at the beginning of the year		1,468,426	1,646,615
Cash and cash equivalents, at the end of the year	16	740,994	1,468,426

*Certain amounts shown here do not correspond to 2012 financial statements and reflect adjustments made which are detailed in Notes 2 and 6.

Finance director – Member of the Management Board

Nurlan Rakhmetov

Chief accountant

Almaz Abdrakhmanova

The accounting policies and explanatory notes on pages 14 through 110 form an integral part of these consolidated financial statements.



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

1. GENERAL INFORMATION

CORPORATE INFORMATION

JSC “Sovereign Wealth Fund “Samruk-Kazyna” (the “Fund” or “Samruk-Kazyna”) was established on November 3, 2008 in accordance with the Decree of the President of the Republic of Kazakhstan dated October 13, 2008 and the Resolution of the Government of the Republic of Kazakhstan dated October 17, 2008. The formation was enacted by the merger of “Sustainable Development Fund “Kazyna” JSC (“Kazyna”) and “Kazakhstan Holding Company for State Assets Management “Samruk” JSC (“Samruk”) and the additional transfer to the Fund of interest in certain entities owned by the Government of the Republic of Kazakhstan (the “State” or the “Government”). The Government, represented by the State property and privatization committee of the Ministry of finance of the Republic of Kazakhstan is the sole shareholder of the Fund (the “Shareholder” or the “Parent”).

The Government’s overall objective of the reorganization is to increase management efficiency and to optimise organisational structures in these entities for them to successfully achieve their strategic objectives as set in the respective Government programs.

The Fund is a holding company combining state-owned enterprises listed in Note 36 (the “Group”). Prior to February 1, 2012, the Fund’s activities were governed by the Law of the Republic of Kazakhstan “On National Welfare Fund” No. 134-4 dated February 13, 2009 and were aimed to assist in provision of stable development of the state economy, modernization and diversification of economy, and improvement of the Group companies’ efficiency. According to the Law of the Republic of Kazakhstan enacted on February 1, 2012 “On Sovereign Wealth Fund” No. 550-IV, the Fund’s activity is focused on improving sovereign wealth of the Republic of Kazakhstan by increasing the long-term value of the Group companies and by effective management of the Group assets.

For management purposes, the Group is organized into organizational business units based on their products and services, and has seven reportable operating segments (Note 41):

- Oil and gas segment includes operations related to exploration and production of oil and gas, transportation of oil and gas and refining and trading of crude oil and refined products.
- Transportation segment includes operations related to railway and air transportation of cargo and passengers.
- Telecommunication segment includes operation of fixed line communication, including local, long-distance intercity and international telecommunication services (including CIS and

non-CIS countries); and also renting out of lines, data transfer services and wireless communication services.

- Energy segment includes operations related to production and distribution of electricity, the function of oversight over the input of electricity into the energy system and consumption of imported electricity, the function of centralized operation and dispatch of facilities in the Unified Energy System of Kazakhstan.
- Mining and industrial segment is engaged in exploration, mining, processing and sales of mineral resources, military industry enterprises and civil engineering, projects for the development of chemical industry and geological exploration.
- Financial and innovation institutions segment includes operations related to development and stimulation of investment and innovation activities in all segments of the economy of the Republic of Kazakhstan. Further, this segment includes commercial banks acquired by the Fund during 2009.
- Corporate center and projects segment covers Fund’s investing and financing activities, including provision of loans to related and third parties.

The address of the Fund’s registered office is Astana, Kunayev str. 8, the Republic of Kazakhstan.

These consolidated financial statements were authorised for issue by the Finance director – Member of the Management Board and Chief accountant of the Fund on April 25, 2014.

PLAN OF STABILIZATION OF ECONOMIC AND FINANCIAL SYSTEMS

In order to maintain stability of economic and financial system of the country during the world economic crisis, the Government by its Resolution No. 1085 dated November 25, 2008 approved a Joint Action Plan of the Government, the National Bank of the Republic of Kazakhstan (the “National Bank”), the Agency on Regulation and Supervision of Financial Market and Financial Organizations of the Republic of Kazakhstan related to stabilization of the economy and financial system for 2009–2010 (the “Stabilization Plan”). The Stabilization Plan provides for certain measures aimed at the following:

- Stabilization of financial sector;
- Resolving real estate market issues;
- Small and medium business support;
- Development of agricultural sector;



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

- Implementation of innovative, industrial and infrastructural projects.

The Fund is the principal operator for the Government in implementation of the Stabilization Plan.

Under financial sector stabilization measures of the Stabilization Plan the Fund in 2009 acquired a controlling interest in BTA Bank JSC and Alliance Bank JSC and acquired a significant stake in Halyk Bank of Kazakhstan JSC and Kazkommertsbank JSC. These measures were aimed to provide additional liquidity to the banks and ensure their solvency. In 2012 and 2011 the Fund sold common shares and part of preferred shares of Halyk Bank of Kazakhstan JSC.

In 2010, under BTA Bank's JSC ("BTA Bank") debt restructuring plan approved in March 2010, the Fund acquired newly issued shares of Temirbank JSC ("Temirbank"), a subsidiary of BTA Bank.

In 2010, Alliance Bank, BTA Bank and Temirbank completed the process of restructuring their debts. The ability of Alliance Bank and Temirbank to continue as going concern entities largely depends on successful realization of new business models in accordance with restructuring conditions.

The ability of BTA Bank to continue as a going concern entity largely depends on successful realization of a new business model in accordance with the conditions of the second restructuring of its debts completed in December 2012.



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT
CONSOLIDATED FINANCIAL STATEMENTS
Consolidated balance sheet
Consolidated statement of comprehensive income
Consolidated statement of changes in equity
Consolidated statement of cash flows
NOTES to the consolidated financial statements

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared on a historical cost basis, except as described in the accounting policies and the notes to these consolidated financial statements.

These consolidated financial statements are presented in Kazakhstan tenge ("tenge" and "KZT") and all monetary amounts are rounded to the nearest million tenge except where otherwise indicated.

STATEMENT OF COMPLIANCE

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by International Accounting Standard Board ("IASB").

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in *Note 4*.

RESTATEMENT OF PREVIOUSLY PRESENTED DATA DUE TO TRANSFER OF AN ENTITY UNDER COMMON CONTROL

In accordance with the Resolution of the Government of the Republic of Kazakhstan No. 1539 dated December 4, 2012, on July 26, 2013 state-owned shares of "National Company "Aktau International Commercial Seaport" JSC were transferred to the Fund. Since the transfer of shares of "National Company "Aktau International Commercial Seaport" JSC represents business combination of entities under common control, these consolidated financial statements were prepared using accounting method of a predecessor company. Accordingly, these consolidated financial statements were presented as if the shares of "National Company "Aktau International Commercial Seaport" JSC were transferred at the beginning of the earliest presented period. As a result, relevant comparative information was restated.

Assets and liabilities of "National Company "Aktau International Commercial Seaport" JSC were recorded in these consolidated financial statements at carrying amounts recorded in its financial statements, together with corresponding credit to equity. The effect of changes in the comparatives is as follows:

<i>In millions of tenge</i>	Combination of financial statements of "National Company "Aktau International Commercial Seaport" JSC
Impact on the consolidated balance sheet as at December 31, 2012:	
Change in property, plant and equipment	25,964
Change in intangible assets	48
Change in amounts due from credit institutions	1,876
Change in other non-current assets	821
Change in non-current assets	28,709
Change in inventories	716
Change in income tax prepaid	424
Change in trade accounts receivable	95
Change in amounts due from credit institutions	5,786
Change in other current assets	469
Change in cash and cash equivalents	2,878
Change in current assets	10,368
Change in total assets	39,077
Change in borrowings	(9,397)
Change in deferred tax liability	(3,086)
Change in non-current liabilities	(12,483)
Change in borrowings	(1,887)



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT
CONSOLIDATED FINANCIAL STATEMENTS
Consolidated balance sheet
Consolidated statement of comprehensive income
Consolidated statement of changes in equity
Consolidated statement of cash flows
NOTES to the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Change in trade and other payables	(148)
Change in other current liabilities	(631)
Change in current liabilities	(2,666)
Change in total liabilities	(15,149)
Change in net assets	23,928
Impact on the consolidated statement of comprehensive income for the year ended December 31, 2012:	8,670
Revenue	8,670
Cost of sales	(4,597)
Gross profit	4,073
General and administrative expenses	(966)
Transportation and selling expenses	(151)
Other operating income, net	752
Operating profit	3,708
Finance costs	(835)
Finance income	362
Net foreign exchange loss	(57)
Profit before income tax	3,178
Income tax expenses	(718)
Net profit for the year from continuing operations	2,460
Profit from discontinued operations	–
Net profit for the year	2,460
Other comprehensive income, net of tax	–
Total comprehensive income for the period, net of tax	2,460
Profit for the year attributable to:	
Equity holder of the Parent	2,460
Non-controlling interest	–

FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

Items included in these consolidated financial statements of each of the Group's entities are measured using the currency of primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in tenge, which is the Group's presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the reporting date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit and loss.



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL
STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT
CONSOLIDATED FINANCIAL STATEMENTS
Consolidated balance sheet
Consolidated statement of comprehensive income
Consolidated statement of changes in equity
Consolidated statement of cash flows
NOTES to the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Group entities

Gains, losses and financial position of all of the Group's subsidiaries, joint ventures and associates (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at that reporting date;

	2013	2012
United States Dollar (USD)	154,06	150,79
Euro (EUR)	212,02	199,22
Russian Ruble (RUR)	4,68	4,96
Swiss Franc (CHF)	173,02	165,09

The currency exchange rate of KASE as at April 25, 2014 is 182.01 tenge to 1 US Dollar.

- Income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates; in which case income and expenses are translated at the rate on the dates of the transactions), and
- All resulting exchange differences are recognized as a separate component of other comprehensive income.

Exchange rates

Weighted average currency exchange rates established by the Kazakhstan Stock Exchange ("KASE") are used as official currency exchange rates in the Republic of Kazakhstan.

The following table presents currency exchange rates to tenge as at December 31:



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

Accounting policies applied in the preparation of these consolidated financial statements are consistent with those applied in the preparation of the annual consolidated financial statements for the year ended December 31, 2012, except for the following new and amended IFRS:

IFRS 10 Consolidated Financial Statements and IAS 27 Separate Financial Statements

IFRS 10 establishes a single control model that applies to all entities including special purpose entities. IFRS 10 replaces the parts of previously existing IAS 27 *Consolidated and Separate Financial Statements* that dealt with consolidated financial statements and SIC-12 *Consolidation – Special Purpose Entities*. IFRS 10 changes the definition of control such that an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. To meet the definition of control in IFRS 10, all three criteria must be met, including: (a) an investor has power over an investee; (b) the investor has exposure, or rights, to variable returns from its involvement with the investee; and (c) the investor has the ability to use its power over the investee to affect the amount of the investor's returns. IFRS 10 had no impact on the consolidation of investments held by the Group.

IFRS 11 Joint Arrangements and IAS 28 Investment in Associates and Joint Ventures

IFRS 11 replaces IAS 31 *Interests in Joint Ventures* and SIC-13 *Jointly-controlled Entities – Non-monetary Contributions by Venturers*. IFRS 11 removes the option to account for jointly controlled entities using proportionate consolidation. Instead, jointly controlled entities that meet the definition of a joint venture under IFRS 11 must be accounted for using the equity method.

IFRS 11 is effective for annual periods beginning on or after January 1, 2013. The standard did not have an impact on the consolidated financial statements of the Group.

IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 sets out the requirements for disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. The requirements in IFRS 12 are more comprehensive than the previously existing disclosure requirements for subsidiaries. While the Group has subsidiaries with material non-controlling interests, there are no unconsolidated structured entities.

IFRS 13 Fair Value Measurement

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS. IFRS 13 defines fair value as an exit price. As a result of the guidance in IFRS 13, the Group re-assessed its policies for measuring fair values, in particular, its valuation inputs such as non-performance risk for fair value measurement of liabilities. IFRS 13 also requires additional disclosures.

Application of IFRS 13 has not materially impacted the fair value measurements of the Group. Additional disclosures where required, are provided in the individual notes related to the assets and liabilities whose fair values were determined. Fair value hierarchy is provided in Note 39.

Amendment to IAS 1 Presentation of Items of Other Comprehensive Income

The amendments to IAS 1 introduce a grouping of items presented in other comprehensive income. Items that will be reclassified ('recycled') to profit or loss at a future point in time (e.g., net loss or gain from hedging net investments, of exchange differences on translation of foreign operations, net loss or gain cash flow hedges, net loss or gain on financial assets held for sale) have to be presented separately from items that will not be reclassified (e.g., revaluation of land and buildings). The amendments affect presentation only and have no impact on the Group's consolidated financial position or performance.

Amendment to IAS 1 Clarification of the requirement for comparative information

Amendment to IAS 1 clarifies the difference between voluntary additional comparative information and the minimum required comparative information. An entity must include comparative information in the related notes to the financial statements when it voluntarily provides comparative information beyond the minimum required comparative period. The amendments clarify that the opening balance sheet as at January 1, 2012, presented as a result of retrospective restatement or reclassification of items in financial statements does not have to be accompanied by comparative information in the related notes. As a result, the Group has not included comparative information in respect of the opening balance sheet as at January 1, 2012. The amendments affect presentation only and have no impact on the Group's consolidated financial position or performance.



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

IAS 19 Employee Benefits (Revised 2011)

IAS 19R includes a number of amendments to the accounting for defined benefit plans, including actuarial gains and losses that are now recognized in other comprehensive income and permanently excluded from profit and loss; expected returns on plan assets that are no longer recognized in profit or loss, instead, there is a requirement to recognize interest on the net defined benefit liability (asset) in profit or loss, calculated on the basis of the discount rate used to measure the defined benefit obligation; and, unvested past service costs are now recognized in profit or loss at the earlier of when the amendment occurs or when the related restructuring or termination costs are recognized. Other amendments include new disclosures, such as, quantitative sensitivity disclosures. Other amendments include new disclosures, such as, quantitative sensitivity disclosures. Effect of the adoption of IAS 19R was not significant to the Group consolidated financial position or performance.

Recoverable Amount Disclosures for Non-Financial Assets – Amendments to IAS 36 Impairment of Assets

These amendments remove the unintended consequences of IFRS 13 on the disclosures required under IAS 36. In addition, these amendments require disclosure of the recoverable amounts for the assets or CGUs for which impairment loss has been recognised or reversed during the period. These amendments are effective retrospectively for annual periods beginning on or after January 1, 2014 with earlier application permitted, provided IFRS 13 is also applied. The Group has early adopted these amendments to IAS 36 in the current period since the amended/additional disclosures provide useful information as intended by the IASB. These amendments would continue to be considered for future disclosures.

The Group has not early adopted any other standards, interpretations or amendments that have been issued but are not yet effective.

Standards and interpretations issued but not yet effective up to the date of issuance of the Group's consolidated financial statements are listed below. The Group intends to adopt these standards when they become effective.

STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

IFRS 9 Financial Instruments: Classification and Measurement

IFRS 9, as issued, reflects the first phase of the IASB's work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard was initially effective for annual periods beginning on or after January 1, 2013, but *Amendments to IFRS 9*

Mandatory Effective Date of IFRS 9 and Transition Disclosures, issued in December 2011, moved the mandatory effective date to January 1, 2015. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets.

Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)

These amendments are effective for annual periods beginning on or after January 1, 2014 provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS 10. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. It is not expected that this amendment would be relevant to the Group, since none of the entities in the Group would qualify to be an investment entity under IFRS 10.

IAS 32 Offsetting Financial Assets and Financial Liabilities – Amendments to IAS 32

These amendments clarify the meaning of “currently has a legally enforceable right to set-off”. The amendments also clarify the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. These amendments are not expected to impact the Group's consolidated financial position or performance and become effective for annual periods beginning on or after January 1, 2014.

IFRIC Interpretation 21 Levies (IFRIC 21)

IFRIC 21 clarifies that an entity recognises a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. IFRIC 21 is effective for annual periods beginning on or after January 1, 2014. The Group does not expect that IFRIC 21 will have material financial impact on future consolidated financial statements.

IAS 39 Novation of Derivatives and Continuation of Hedge Accounting – Amendments to IAS 39

These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. These amendments are effective for annual periods beginning on or after January 1, 2014. The Group has not novated its derivatives during the current period. However, these amendments would be considered for future novations.

CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Fund and its controlled subsidiaries (*Note 36*).



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL
STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

Subsidiaries

Subsidiaries are the entities controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee, and;
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, revenue and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Except for acquisition in transactions between entities under common control, subsidiaries are consolidated from the date when control is obtained by the Group and are de-consolidated from the date when control ceases. At the acquisition of the subsidiary, acquisition cost is distributed between assets and liabilities based on their fair value as at the date of acquisition. Financial statements of the subsidiaries are prepared for the same reporting period as those of the Fund, using consistent accounting policies. All intra-group balances and transactions, including unrealized gains resulting from intra-group transactions are eliminated in full. Unrealized losses are eliminated in the same manner as unrealized gains, except that they are eliminated to the extent that there is no evidence of impairment.

Non-controlling interest represents a portion of equity in subsidiaries, which is not owned by the Group, and is recorded separately in equity in the consolidated balance sheet separately from the equity attributable to the Parent. Losses within a subsidiary are attributed to the non-controlling interest even if that results in its deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interest;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss;
- Reclassifies the Parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

Investment in joint ventures and associates

The Group has interests in joint ventures which are jointly controlled entities, whereby the venturers have a contractual arrangement that establishes joint control over the economic activities of the entities. Also, the Group has interests in associates, in which it exercises significant influence over the economic activities of the entities. The Group's investment in its joint ventures and associates are accounted for using the equity method.

Under the equity method, investment in joint venture/associate is carried in the consolidated balance sheet at cost plus post acquisition changes in the Group's share of net assets of the joint venture/associate. Goodwill relating to a joint venture/associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The consolidated statement of comprehensive income reflects the share of the results of operations of the joint venture/associate. Where there has been a change in net assets recognized directly in the equity of the joint venture/associate, the Group recognises its share of any changes and discloses this, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and joint venture/associate are eliminated to the extent of the Group's interest in the joint venture/associate.

The share in profit of joint ventures/associates is shown on the face of the consolidated statement of comprehensive income. This is the profit attributable to equity holders of the joint venture/associate and therefore is profit after tax and non-controlling interest in the subsidiaries of the joint ventures/associates.

Financial statements of the joint venture/associate are prepared for the same reporting period as those of the Parent. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.



JOINT-STOCK COMPANY SOVEREIGN WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its joint ventures/associates. The Group determines at each reporting date whether there is any objective evidence that the investment in the joint venture / associate is impaired. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of investment in the joint venture/associate and its carrying amount and recognises impairment loss in the consolidated statement of comprehensive income.

Upon loss of joint control over the joint venture and significant influence over associate, the Group measures and recognises any retaining investment at its fair value. Any difference between the carrying amount of the joint venture/associate upon loss of joint control / significant influence and the fair value of the retaining investment and proceeds from disposal are recognized in profit or loss.

Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as an aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in general and administrative expenses.

When the Group acquires a business, it assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes an analysis of the need of separation of embedded derivatives in host contracts by the acquiree. If the business combination is achieved in stages, equity interest previously held by the Group in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognized in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Goodwill is initially measured at cost being the excess of an aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed by the Group. If this consideration is lower than

the fair value of net assets of the subsidiary acquired, the difference is recognized in profit or loss.

After initial recognition, the goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date of an entity by the Group, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operations disposed off is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Acquisition of subsidiaries from parties under common control

Acquisition of subsidiaries from parties under common control (entities under the Government's control) are accounted for using the pooling of interest method.

Assets and liabilities of the subsidiary transferred under common control are recorded in these consolidated financial statements at the carrying amounts of the transferring entity (the "Predecessor") at the date of the transfer. Related goodwill, if any, inherent in the Predecessor's original acquisition is also recorded in these consolidated financial statements. Any difference between the total book value of net assets, including the Predecessor's goodwill, and the consideration paid is accounted for in these consolidated financial statements as an adjustment to equity.

These consolidated financial statements are presented as if the subsidiary had been acquired by the Group on the date it was originally acquired by the Predecessor.

Change in ownership interests in subsidiaries

In transactions where part of the interest in existing subsidiary is either sold or acquired, but control is retained, the differences between the carrying values of net assets attributable to interests in subsidiaries acquired or disposed and the consideration given or received for such increases or decreases are charged or credited to retained earnings.

ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS

Assets and disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL
STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Assets and disposal groups are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through the continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

In the consolidated statement of comprehensive income of the reporting period, and of the prior year comparable period, incomes and expenses from discontinued operations are reported separately from normal income and expenses, even when the Group retains a non-controlling interest in the subsidiary after sale. The resulting profit or loss (net of tax) is reported separately in the consolidated statement of comprehensive income.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated.

Expenditures for acquisition of subsurface use rights

Expenditures for acquisition of subsurface use rights (exploration and production) comprise signature bonuses, historical costs, obligatory expenditures for ecological and social programs and are capitalized within intangible assets as subsurface use rights at exploration and evaluation phase.

Expenditures for acquisition of subsurface use rights are accounted for on a field-by-field basis. Each field is tested for impairment on an annual basis. If no future activity is planned, the remaining balance of the acquisition costs is written off. Starting from the commercial production on fields subsurface use rights (remaining costs) shall be transferred to the property, plant and equipment and shall be amortized using unit-of-production method on actual production based on total proved reserves.

Exploration and evaluation expenditures (construction in progress)

Exploration and evaluation expenditures include geological and geophysical costs; costs directly related to exploration drilling; stripping activities; overhead and other expenses on exploration and evaluation, which could be related to a certain field. These costs include employee remuneration, materials and fuel used, rig costs and payments made to contractors. Except for geological and geophysical costs, exploration and evaluation expenditures are capitalized within property, plant and equipment as construction-in-progress, accounted for by subsoil contracts and are not amortized. If mineral or hydrocarbon resources are not found, this could be an indication of impairment. All capitalized costs are subject to

technical, commercial and management review at least once a year to confirm the continued intent to develop or otherwise extract value from the discovery. When this is no longer the case, the costs are written off. If mineral or hydrocarbon resources are determined and development is sanctioned, relevant costs are then transferred to oil and gas or mining assets subclasses.

Development and production expenditures (oil and gas or mining assets)

Development and production expenditures comprise previously capitalized (and reclassified in commencement of production) expenditures for acquisition of subsurface use rights and exploration and evaluation costs; drilling of producing wells regardless of the drilling results; construction of landfills; development of surface technological facilities required for production, collection and preparation of mineral resources at fields; other costs incurred in the process of organization of commercial production at fields; capitalized discounted costs for wells abandonment and site restoration. Development and production expenditures are capitalized within property, plant and equipment (oil and gas and mining assets), and are accounted for on a field-by-field basis.

Depreciation of oil and gas and mining assets (within property, plant and equipment and intangible assets)

Oil and gas and mining assets are depreciated using a unit-of-production method based on actual production from commencement of commercial production at fields. Certain oil and gas property (surface facilities and equipment) with useful lives significantly differing from those of the fields are depreciated on a straight-line basis over their useful lives. The cost of acquisition of subsurface use rights including discounted decommissioning costs are depreciated over total proved reserves. The other field development costs are amortized over proved developed reserves.

**PROPERTY, PLANT AND EQUIPMENT
(OTHER THAN OIL AND GAS AND
MINING ASSETS)**

On initial recognition, property, plant and equipment is measured at cost. Subsequently, property, plant and equipment are stated at cost less accumulated depreciation, depletion and impairment. The cost of self-constructed assets includes the cost of materials, direct labour and an appropriate proportion of production overheads. Property, plant and equipment, other than oil and gas assets, principally comprise the following classes of assets, which are depreciated on a straight-line basis over the expected useful lives:

Pipelines and refinery assets	4–100 years
Buildings and premises	5–100 years
Railway tracks and infrastructure	10–80 years



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Mining assets	40 years
Machinery, equipment and vehicles	2–50 years
Other	3–40 years

When items of property, plant and equipment are subject to major inspection, the cost is recognized in the carrying amount of property, plant and equipment as a replacement of component if the recognition criteria set out in IAS 16 are satisfied.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the reporting period the asset is derecognised.

Residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

INTANGIBLE ASSETS

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated

Licenses	2–20 years
Software	2–10 years
Subsurface use rights	18–45 years
Other	2–20 years

Indefinite-lived intangible assets are not amortized, but tested for impairment annually or whenever there are indications of impairment and, if necessary, written down to the recoverable amount.

IMPAIRMENT OF NON-FINANCIAL ASSETS

The Group assesses assets or groups of assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. If any such indication of impairment exists or when annual impairment testing for an asset group is required, the Group makes an estimate of its recoverable amount.

impairment loss. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is charged against profits in the year in which the expenditure is incurred. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the intangible asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognized in the consolidated statement of comprehensive income in the expense category consistent with the function of the intangible asset.

Intangible assets with the finite useful life principally comprise the following classes of assets which are depreciated on a straight-line basis over the expected useful lives:

An asset group's recoverable amount is higher of its fair value less costs to sell and its value in use. Where the carrying amount of an asset group exceeds its recoverable amount, the asset group is considered impaired and a provision is made to reduce the asset to its recoverable amount. In assessing value in use, the estimated future cash flows are adjusted for the risks specific to the asset group and are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money. An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment provision may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment provision is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment provision was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment provision been recognized for the asset in prior years. Such reversal is recognized in profits and losses.



JOINT-STOCK COMPANY SOVEREIGN WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

The following process is applied in assessing impairment of goodwill:

The Group assesses whether there are any indicators that goodwill is impaired at each reporting date. Goodwill is tested for impairment, annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of the cash-generating units, to which the goodwill relates. Where the recoverable amount of the cash-generating units is less than their carrying amount an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

FINANCIAL ASSETS

The Group's investments are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale investments, as appropriate. When investments are recognized initially, they are measured at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets at the time of initial recognition. All purchases and sales of investments are recognized on the settlement date, which is the date that the investment is delivered to or by the Group.

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognized in profit and losses when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Securities are classified as financial assets at fair value through profit or loss if they are acquired for the purpose of selling in the near term. Derivatives are also classified as financial assets at fair value through profit or loss unless they are designated as effective hedging instruments. Gains and losses on financial assets at fair value through profit or loss are recognised in the consolidated statement of comprehensive income.

Financial assets can be classified as at fair value through profit or loss upon initial recognition if it increases the importance of the information provided, since such classification eliminates or

significantly reduces inconsistency of evaluation or recognition, which otherwise would arise from revaluation of assets or liabilities or from recognition of profits or losses on them on a different basis.

Available-for-sale investments are those non-derivative financial assets that are designated as available-for-sale or are not classified in any of the three preceding categories.

After initial recognition available-for-sale investments are measured at fair value with gains or losses being recognized as a separate component of equity until the investment is derecognized or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in profits and losses. Reversals of impairment losses in respect of equity instruments are not recognized in profits and losses. Impairment losses in respect of debt instruments are reversed through profit or loss if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss was recognized.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the reporting date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument, which is substantially the same; discounted cash flow analysis.

IMPAIRMENT OF FINANCIAL ASSETS

The Group assesses at each reporting date whether a financial asset or group of financial assets is impaired.

Assets carried at amortized cost

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through use of an allowance account. The amount of the loss shall be recognized in profits and losses.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in profits and losses to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.



JOINT-STOCK COMPANY SOVEREIGN WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

In relation to trade accounts receivable, an allowance for doubtful debts is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Group will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are derecognized when they are assessed as uncollectible.

Available-for-sale financial investments

If there is objective evidence that the cost may not be recovered, an available-for-sale equity security is considered to be impaired. Objective evidence that the cost may not be recovered, in addition to qualitative impairment criteria, includes a significant or prolonged decline in the fair value below cost.

If an available-for-sale equity security is impaired, any further declines in the fair value at subsequent reporting dates are recognized as impairments. Therefore, at each reporting period, for an equity security that was determined to be impaired, additional impairments are recognized for the difference between the fair value and the original cost basis, less any previously recognized impairment.

Derivative financial instruments

In the course of its ordinary activity the Group operates with different derivative financial instruments, including futures, forwards, swaps and options at currency and capital markers, crude oil forward and swap contracts to hedge its risks associated with commodity prices fluctuations. Such derivative financial instruments are held primarily for trading purposes, are initially recognized according to recognition policies of financial instruments and are subsequently measured at fair value. Fair value is determined based on registered market quotations and pricing models, that take into account spot price and strike price of the respective instruments and other factors. Derivative financial instruments are accounted for as an asset (unrealised gain), when fair value is positive and as liability (unrealised loss), when fair value is negative. Gains and losses from operations with these instruments are recognized in the consolidated statement of comprehensive income.

INVENTORIES

Inventories are valued at cost or net realisable value, whichever is lower. Costs comprise charges incurred in bringing inventory to its present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to sell. The same cost formula is used for all inventories having a similar nature and use. Inventories of oil and gas and energy operating segments are valued on a first-in first-out ("FIFO") basis. All other inventories are valued on the weighted-average cost basis.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents are defined as cash on hand, demand deposits, short-term and highly liquid investments with original maturity of not more than 3 (three) months readily convertible to known amounts of cash and subject to insignificant risk of change in value.

FINANCIAL LIABILITIES

Loans and borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the consolidated statement of comprehensive income over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 (twelve) months after the reporting date.

Issued financial instruments or their components are classified as borrowings, where the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity instruments. Such instruments include amounts due to the Government, amounts due to credit institutions, which are initially recognized at fair value of amounts obtained less costs directly attributable to the transaction. Subsequently amounts received are recognized at amortized cost.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense when incurred.

Convertible debt instruments

The component of the convertible debt instrument that exhibits characteristics of a liability is recognized as a liability in the consolidated balance sheet, net of transaction costs. The fair value of the liability component is determined using a market rate for an equivalent non convertible bond; and this amount is classified as a financial liability measured at amortized cost until it is extinguished on conversion or redemption.

Options on remaining non-controlling interest arising on business combination

If, as a part of a business combination, the Group becomes a party to a put-option on remaining non-controlling interest in the acquired business, the Group assesses whether being a party to such option



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

gives it access to benefits and risks associated with ownership of such non-controlling interest.

When it is determined that the put-option on the remaining shares gives access to benefits and risks of share ownership, the business combination is accounted for on the basis that the underlying shares subject to the put option have been acquired. Fair value of the liability to the shareholders of non-controlling interest under the put option is recognized as a part of the cost of the business combination. Any difference between that cost, and the share of the net assets that would otherwise have been regarded as being attributable to the non-controlling interest, is reflected within goodwill. Any dividends subsequently declared and paid to such non-controlling interest prior to the exercise of the option are charged directly to profits and losses.

The financial liability is subsequently measured in accordance with the requirements of IAS 39. Changes in the fair value of a financial liability as well as any finance charges are recorded directly in the consolidated statement of comprehensive income.

Options on purchased interest arising on acquisition of investments in associates and available-for-sale investments

If, while acquiring investments, the Fund issues a call option to a third party on acquired interest in the business, the Fund assesses whether being a party to such option gives a third party access to benefits and risks associated with ownership of such interest.

If a call-option does not provide a third party with access to benefit and risk of ownership of an interest, a call option is not accounted for the purposes of determination of Fund's significant influence.

Fair value of the liability for the Fund under the option is recognized as a part of acquired investments. The financial liability is subsequently measured in accordance with the requirements of IAS 39 "Financial instruments: Recognition and Measurement". Changes in the fair value of a financial liability as well as any gain or loss related to the realization of these options are recorded directly in the consolidated statement of comprehensive income.

Trade and other payables

Liabilities for trade and other accounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Group.

DERECOGNITION OF FINANCIAL ASSETS AND LIABILITIES

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized in the consolidated balance sheet when:

- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

A financial liability is derecognized in the consolidated balance sheet when the obligation under the liability is discharged or cancelled or expires.

OFFSETTING OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are offset and the net amount reported in the consolidated balance sheet if, and only if:

- There is a currently enforceable legal right to offset the recognized amounts;
- There is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include:

- Using recent arm's length market transactions;



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

- Reference to the current fair value of another instrument that is substantially the same;
- A discounted cash flow analysis or other valuation models.

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 39.

LEASES

Operating leases

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an expense in the consolidated statement of comprehensive income on a straight-line basis over the lease term.

Finance leases

The Group recognises finance leases as assets and liabilities in the consolidated balance sheet at amounts equal at the commencement of the lease term to the fair value of the leased property or, if lower, at the present value of the minimum lease payments. In calculating the present value of minimum lease payments the discount factor used is the interest rate implicit in the lease, when it is practicable to determine it; otherwise, the Group's incremental borrowing rate is used. Initial direct costs incurred are included as part of the asset.

Lease payments are apportioned between the finance cost and the reduction of the outstanding liability. The finance cost is allocated to reporting periods during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

A finance lease gives rise to depreciation expense for the asset as well as a finance cost for each reporting period. The depreciation policy for leased assets is consistent with that for depreciable assets that are owned.

PROVISIONS

Asset retirement obligation (decommissioning)

Provision for decommissioning is recognized in full, on a discounted cash flow basis, when the Group has an obligation to dismantle and remove a facility or an item of property, plant and equipment and to restore the site on which it is located, and when a reasonable estimate of that provision can be made.

The amount recognized is the present value of the estimated future expenditure determined in accordance with local conditions and requirements. A corresponding item of property, plant and

equipment in the amount equivalent to the provision is also recognized. This asset is subsequently depreciated as part of the capital costs of the production and transportation facilities in accordance with respective depreciation method.

Changes in the measurement of an existing decommissioning provision that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits required to settle the obligation, or change in the discount rate, is accounted for so that:

- (a) changes in the provision are added to, or deducted from, the cost of the related asset in the current period;
- (b) the amount deducted from the cost of the asset shall not exceed its carrying amount. If a decrease in the provision exceeds the carrying amount of the asset, the excess is recognized immediately in the consolidated statement of comprehensive income; and
- (c) if the adjustment results in an addition to the cost of an asset, the Group considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the Group tests the asset for impairment by estimating its recoverable amount, and accounts for any impairment loss, in accordance with IAS 36.

Allowance for bank letters of credit and guarantees

In the ordinary course of business, the Group issues financial guarantees, consisting of letters of credit, guarantees and acceptances. Financial guarantees are initially recognized in the consolidated financial statements at their fair value, in 'Other liabilities' line, at the premium received. Subsequent to initial recognition, the Group's liability under each guarantee contract is measured at the higher of the amortised premium and the best estimate of expenditure required to settle any financial obligation arising as a result of the guarantee.

Any increase in the liability relating to financial guarantees arrangements is taken to the consolidated statement of comprehensive income. The premium received is recognized in the profits and losses on a straight-line basis over the life of the guarantee.

Other provisions

Provisions are recognized in the consolidated financial statements when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

EMPLOYEE BENEFITS

Defined contribution plan

The Group withholds 10% from the salary of its employees as the employees' contribution to their designated pension funds. Under the legislation, employees are responsible for their retirement benefits and the Group has no present or future obligation to further compensate its employees upon their retirement.

Social tax

The Group pays social tax according to the current statutory requirements of the Republic of Kazakhstan. Social tax is expensed as incurred.

Defined benefit plan

In accordance with the Collective Agreements signed with trade unions and other benefit rules the Group provides certain benefits to its employees upon their retirement ("Defined Benefit Plan").

The Group recognises actuarial gains and losses arising from the reassessment of the employee benefit liability in the period they are identified in profits and losses and recognises benefit costs and obligations based on estimates determined in accordance with IAS 19 "Employee benefits".

The obligation and cost of benefits under the defined benefit plan are determined using the projected unit credit method. This method considers each year of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. The cost of providing benefits is charged to profit and loss, so as to attribute the total benefit cost over the service lives of employees in accordance with the benefit formula of the defined benefit plan. This obligation is measured at the present value of estimated future cash flows using a discount rate that is similar to the interest on government bonds where the currency and terms of these bonds are consistent with the currency and estimated terms of the defined benefit plan obligation.

The defined benefit plan is unfunded.

EQUITY

Share capital

Common shares are classified as equity. External costs directly attributable to the issue of new shares, other than on a business combination, are shown as a deduction from the proceeds in equity. Any excess of the fair value of consideration received over the par value of shares issued is recognized an increase in the retained earnings.

Non-controlling interest

Non-controlling interests are presented in the consolidated balance sheet within equity, separately from the equity attributable to the equity holders of the Parent. Losses of subsidiaries are attributed to the non-controlling interest even if this results in its deficit balance.

Dividends

Dividends are recognized as a liability and deducted from equity at the reporting date only if they are declared before or on the reporting date. Dividends are disclosed in the consolidated financial statements when they are proposed before the reporting date or proposed or declared after the reporting date but before the consolidated financial statements are authorised for issue.

Share based payments

Employees of the Group receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments of a subsidiary in which they are employed ('equity-settled transactions').

The cost of equity-settled transactions with employees is measured by reference to the fair value of the instruments on the date that they are granted. The fair value is determined using an appropriate pricing model.

The cost of equity-settled transactions is recognized, together with a corresponding increase in other equity reserves, over a period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('the vesting date'). The cumulative expense recognized for such transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The consolidated statement of comprehensive income charge or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

No expense is recognized for awards on equity instruments that do not ultimately vest.



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Where the terms of an equity-settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification, which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

REVENUE RECOGNITION

Revenue is recognized when it is probable that the economic benefits will flow to the Group and the amount of revenue can be reliably measured.

Sale of goods

Revenue from the sale of crude oil, refined products, gas, uranium products and other goods is recognized when delivery has taken place and risks and rewards of ownership of the goods have passed to the buyer.

Rendering of services

Revenue from rendering of services is recognized when the services have been performed.

In respect of services related to transportation, revenue is recognized with reference to the stage of completion of the transportation at the reporting date provided that the stage of completion of transportation and the amount of revenue can be measured reliably. Prepayments received from customers relating to transportation services that have not been started yet are recognized upon receipt as "advances received from customers". Advances received from customers approximating the estimated future revenues relating to initiated deliveries are transferred to deferred income under the "Other current liabilities" line in the consolidated balance sheet. Deferred income is credited to revenue, as the service is provided.

Sales of air transportation tickets that result in award credits for customers, under the customer loyalty program, are accounted for as multiple element of revenue transactions at the fair value allocated between the services provided and the award credits granted. The consideration allocated to the award credits is measured by reference to their fair value – the amount for which the award credits could be sold separately. Such consideration is not recognized as revenue at the time of the initial sale transaction – but is deferred and recognized as revenue when the award credits are redeemed and the Group's obligations have been fulfilled.

Establishment of tariffs

A number of subsidiaries of the Group are subjects to regulation by the Agency for regulation of natural monopolies of the Republic of Kazakhstan ("ARNM"). This agency is responsible for approval of the methodology for tariff calculation and tariff rates, under which the subsidiaries derive a significant part of their revenues.

GOVERNMENT GRANTS

Due to the fact that the Government of the Republic of Kazakhstan is a the sole shareholder of the Fund, the Group analyses all transactions with the Government to assess in which transactions the Government acts primarily in its capacity of the Shareholder. If it is determined that in a specific transaction the Government acts in capacity of the Shareholder any gains or losses incurred by the Group as a result of such transaction are reflected directly in equity as either a contribution or withdrawal of equity by the Shareholder.

If it is determined that in a specific transaction the Government does not act in capacity of the Shareholder such transactions are accounted for using provisions of IAS 20 "Accounting for Government Grants and Disclosure of Government Assistance". In such circumstances, government grants are recognized at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the consolidated statement of comprehensive income over the expected useful life of the relevant asset by equal annual instalments. Grants related to income are presented separately in the consolidated statement of comprehensive income within revenues from operating activities.

EXPENSE RECOGNITION

Expenses are recognized as incurred and are reported in the consolidated financial statements in the period to which they relate on the accrual basis.

INCOME TAX

Income tax for the year comprises current and deferred tax. Income tax is recognized in the profits and losses, except to the extent that it relates to items charged or credited to other comprehensive income or equity, in which case it is recognized in other comprehensive income. Current tax expense is the expected tax payable on the taxable income for the year and any adjustment to tax payable in respect of previous years.

Excess profit tax (EPT) is treated as an income tax and forms part of income tax expense. In accordance with the subsurface use contracts, the Group accrues and pays EPT, at specified rates of after tax profit which has been adjusted for specific deductions in



JOINT-STOCK COMPANY SOVEREIGN WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

accordance with the applicable subsurface use contracts, when certain internal rates of return are exceeded.

The internal rate of return is calculated based on the cash flows from each subsurface use contract, adjusted for the national inflation rate. Deferred tax is calculated with respect to both corporate income tax (CIT) and EPT. Deferred EPT is calculated on temporary differences for assets allocated to subsurface use contracts use at the expected rate of EPT to be paid under the contract.

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for:

- the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on the tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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

VALUE ADDED TAX (VAT)

Tax authorities permit the settlement of sales and purchases VAT on a net basis. VAT receivable represents VAT on domestic purchases net of VAT on domestic sales. Export sales are zero rated.

RELATED PARTIES

Related parties include the Group's Shareholder, key management personnel, associates and enterprises in which a substantial interest in the voting power is owned, directly or indirectly, by the Group's shareholders or key management personnel.

CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent liabilities are not recognised in the consolidated financial statements. They are disclosed in the notes to the consolidated financial statements (Note 40) unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are not recognized in the consolidated financial statements. Where an inflow of economic benefits is probable, they are disclosed in the notes.

SUBSEQUENT EVENTS

Post-year-end events that provide evidence of conditions that existed at the reporting date (adjusting events) are reflected in the consolidated financial statements. Post-year-end events that are not adjusting events are disclosed in the notes when material.



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingent assets and liabilities at the reporting date and reported amounts of assets, liabilities, revenues, expenses and contingent assets and liabilities during the reporting period. Actual outcomes could differ from these estimates.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

OIL AND GAS RESERVES

Oil and gas reserves are a material factor in the Group's computation of depreciation, depletion and amortization ("DD&A"). The Group estimates its reserves of oil and gas in accordance with the methodology of the Society of Petroleum Engineers ("SPE"). In estimating its reserves under SPE methodology, the Group uses long-term planning prices, which are also used by management for investment decisions regarding development of fields. Using planning prices for estimating proved reserves removes the impact of the volatility inherent in using year end spot prices. Management believes that long-term planning price assumptions are more consistent with the long-term nature of the upstream business and provide the most appropriate basis for estimating oil and gas reserves.

All reserve estimates involve some degree of uncertainty. The uncertainty depends chiefly on the amount of reliable geological and engineering data available at the time of the estimate and the interpretation of this data.

The relative degree of uncertainty can be conveyed by placing reserves into one of two principal classifications, either proved or unproved. Proved reserves are more certain to be recovered than unproved reserves and may be further sub-classified as developed and undeveloped to denote progressively increasing uncertainty in their recoverability. Estimates are reviewed and revised annually. Revisions occur due to the evaluation or re-evaluation of already available geological, reservoir or production data; availability of new data; or changes to underlying price assumptions. Reserve estimates may also be revised due to improved recovery projects, changes in production capacity or changes in development strategy. Proved developed reserves are used to calculate the unit of production rates for DD&A. The Group has included in proved reserves only those quantities that are expected to be

produced during the initial period of subsurface use contract. This is due to uncertainties surrounding the outcome of such renewal procedures, since the renewal is ultimately at the discretion of the Government. An increase in the Group's periods of subsurface use contract and corresponding increase in reported reserves would generally lead to lower DD&A expense and could materially affect earnings. A reduction in proved developed reserves will increase DD&A expense (assuming constant production), reduce income and could also result in an immediate write-down of the property's book value. Given the relatively small number of producing fields, it is possible that any change in reserve estimates year on year could significantly affect future charges for DD&A.

URANIUM RESERVES

Uranium reserves are a primary component of the Group's projected cash flow estimates that are used to assess the recoverable values of respective non-current assets and to determine depreciation and amortization expense. In estimating the amount of uranium reserves, the Group obtains reports from geological experts who estimate the reserves based on the quantification methodology set out by the Kazakhstan State Commission on Mineral Reserves ("SCR") to interpret geological and exploration data and determine explored reserves (proved reserves) and estimated reserves (probable reserves). The estimation of reserves is based on expert knowledge and estimation. The quantification of reserves involves a degree of uncertainty. The uncertainty is primarily related to completeness of reliable geological and technical information. In addition, the presence of reserves does not imply that all reserves will be extracted on an economically effective basis. Uranium reserves are analyzed and revised on an annual basis. The quantity of reserves can be subject to revision as a result of changes in production capacities and changes in development strategy. It is possible that any annual change in reserve estimates could significantly affect future charges for DD&A.

IMPAIRMENT OF NON-FINANCIAL ASSETS

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in arm's length transactions of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are based on the budget for the next 5 (five) years and do not include restructuring activities that



JOINT-STOCK COMPANY SOVEREIGN WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

The Group assesses each asset or cash generating unit (CGU) every reporting period to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs to sell and value in use. These assessments require the use of estimates and assumptions such as long-term oil, uranium and metal prices (considering current and historical prices, price trends and related factors), discount rates, operating costs, future capital requirements, decommissioning costs, exploration potential, reserves and operating performance (which includes production and sales volumes).

These estimates and assumptions are subject to risk and uncertainty. Therefore, there is a possibility that changes in circumstances will impact these projections, which may impact the recoverable amount of assets and/or CGUs. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. Fair value for oil and gas and mining assets is generally determined as the present value of estimated future cash flows arising from the continued use of the assets, which includes estimates such as the cost of future expansion plans and eventual disposal, using assumptions that an independent market participant may take into account. Cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Exploration and evaluation assets are tested for impairment at the moment of transfer to tangible and intangible production assets or when impairment indicators are present.

In 2013 the Group recognized an impairment of property, plant and equipment in the amount of 67,179 million tenge (2012: 86,143 million tenge) in the consolidated statement of comprehensive income, which is mostly related to the impairment of non-current assets of JSC 'OzenMunaiGaz' (Note 7).

Management of the Group has carried out a formal assessment of the recoverable amount of JSC "OzenMunaiGas" ("OMG"), subsidiary of "National Company "KazMunayGas" JSC ("NC KMG") due to the presence of impairment indicators. The main indicators were the level of production being materially lower than planned in the last two years and the increasing levels of operational and capital expenditure. The result of this assessment indicated that the carrying value of OMG non-current assets exceeded the estimated recoverable amount by 75 billion tenge, resulting in impairment charge during 2012 (Note 7). The estimated recoverable amount

was based on management's estimate of its fair value, which was derived using discounted cash flow approach.

In April 2013 management of the Group updated the formal assessment of the recoverable amount of OMG non-current assets, and an additional impairment charge of 56 billion tenge was made in the condensed consolidated interim financial statements for the three months ended March 31, 2013. The additional impairment charge related primarily to the increase in export customs duty from 40 US Dollar per ton to 60 US Dollar per ton that occurred on April 12, 2013.

For the year ended December 31, 2013 management of the Group has again carried out a formal assessment of the recoverable amount of OMG non-current assets. The result of this assessment indicated that the carrying value of OMG non-current assets was not materially different from the estimated recoverable amount, and therefore management has neither reversed any of the impairment charge previously made nor recognized any further impairment charge for the year ended December 31, 2013. Results of the assessment were most sensitive to assumptions related to production, pricing and the KZT/US Dollar exchange rate.

The assumed production profile was based on the Group's latest business plan that envisages growth of 7% in production within 5 (five) years. If the production profile had been assumed to be 5% higher or lower than the assumed production profile used in the assessment, this would have had the effect of increasing the estimated recoverable amount by more than 65 billion tenge or reducing the estimated recoverable amount by more than 65 billion tenge, respectively. If production had been assumed to have remained fixed at the 2013 level, this would have had the effect of reducing the estimated recoverable amount by more than 65 billion tenge.

Brent crude oil price assumptions were based on market expectations together with the expectations of independent industry analysis and research organizations, adjusted for the average realized historical discount on quoted price. If Brent crude oil prices had been assumed to be 5% higher or lower than the price assumptions used in the assessment, this would have had the effect of increasing the estimated recoverable amount by more than 40 billion tenge or reducing the estimated recoverable amount by more than 45 billion tenge, respectively. If the Brent crude oil price had been assumed to have remained at 108.3 US Dollars per barrel, which was the price at the date of the impairment assessment, this would have increased the estimated recoverable amount by more than 40 billion tenge.

An assumed KZT/US Dollar exchange rate of 185 was used to convert US Dollar denominated sales. This was based on a statement issued by the National Bank of the Republic of Kazakhstan on February 11, 2014 stating that it would establish a corridor for the movement of the exchange rate at 185 tenge per US Dollar plus/minus 3 tenge.



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT
CONSOLIDATED FINANCIAL STATEMENTS
Consolidated balance sheet
Consolidated statement of comprehensive income
Consolidated statement of changes in equity
Consolidated statement of cash flows
NOTES to the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

If the KZT/US Dollar exchange rate had been assumed to be 5% higher or lower than that used in the assessment, this would have had the effect of increasing the estimated recoverable amount by more than 35 billion tenge or reducing the estimated recoverable amount by more than 35 billion tenge, respectively.

The projection of cash flows was limited by the date of the OMG subsurface use contract expiry in 2021. Expenditure cash flows up to 2018 were obtained from the approved budget and business plan of the Group together with management's current assessment of probable changes in operational and capital expenditure following February 2014 devaluation of tenge. Most of the projections beyond that period were inflated using Kazakhstan inflation estimates, except for capital expenditure projections, which represent management's best available estimate as at the date of impairment assessment. For the purposes of the assessment it was assumed that management would not be able to significantly reduce operational or capital expenditure in the final years before the subsurface use contract expiry in order to make cost savings. All the derived cash flows were discounted using after tax weighted average cost of capital ("WACC") of 13.09%.

Management believes that the resulting impairment charge on OMG non-current assets could be reversed in future periods if actual production over the next years exceeds expectations used in this impairment assessment or if there are indicators of sustainable increases in market prices for crude oil.

RECOVERABILITY OF GOODWILL

Romp petrol Group N.V., Downstream Romania, Dyneff

The recoverable amount of Romp petrol Group N.V. and Downstream Romania units was determined based on the value in use using discounted cash flows from financial budgets approved by senior management covering a five-year period. In 2013, the discount rate applied to cash flow projections is 9.7% (2012: 10.1%) and cash flows beyond the five-year period are extrapolated using a 1.5% growth rate (2012: 1.5%) that is the same as the long-term average growth rate for the industry. The capitalization rate used for residual values is 8.2% (2012: 8.6%).

The recoverable amount of Dyneff unit was determined based on the value in use using discounted cash flows from financial budgets approved by senior management covering a five-year period. In 2013, the discount rate applied to cash flow projections is 8% (2012: 6.6%) and cash flows beyond the five-year period are extrapolated using a 1.5% growth rate (2012: 1.5%) that is the same as the long-term average growth rate for the industry. The capitalization rate used for residual values is 6.5% in 2013 (2012: 5.1%).

Key assumptions used in calculating value in use of Refining, Downstream Romania and Dyneff

The key assumptions used in calculating value in use for Refining, Downstream Romania and Dyneff CGUs are as follows:

- Operating profit;
- Discount rates;
- Growth rate used to extrapolate cash flows beyond the budget period.

Operating profit – operating profit margin on the basis of net revenues was applied to the relevant cash generating units.

Discount rates – discount rates reflect the current market assessment of the risks specific to each cash-generating unit. The discount rate was estimated based on calculation of a weighted average cost of capital for cash-generating unit's industry. This rate was further adjusted to reflect the market assessment of any risk specific to the cash generating unit for which future estimates of cash-flows have not been adjusted.

Growth rate estimates – rates are based on published industry research.

Sensitivity to changes in assumptions for Refining, Downstream Romania and Dyneff

With regard to the assessment of the value in use for cash-generating units, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount, other than as disclosed below. As at December 31, 2013, the break-even point for the current model is achieved under the decrease of operating profits by 67% for Refining, 72.3% for Downstream Romania and 66% for Dyneff units.

PNHZ

The recoverable amount of PNHZ was determined based on the value-in-use using discounted cash flows from financial budgets approved by senior management covering a five-year period. The discount rate applied to cash flow projections is 11.34% (2012: 11.8%) and cash flows beyond the five-year period are extrapolated using a 4.3% growth rate (2012: 3.67%). The capitalization rate used for residual values is 7% (2012: 8.1%).

Key assumptions used in calculating value-in-use

The key assumptions used in calculating value in use for PNHZ are as follows:

- Volumes of crude oil and oil products output;
- Planned EBITDA;



JOINT-STOCK COMPANY SOVEREIGN WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

- Capital expenditures for 2013 – 2017;
- Discount rates.

Volumes of crude oil and oil products output – are the forecasts of the Group with respect to the output of oil products during processing 1 ton of crude oil before and after modernization of PNHZ.

Planned EBITDA – is planned EBITDA, defined on the basis of past experience, which is adjusted for the fact that the proceeds from the sale of oil products will increase due to the introduction of modernized production facilities at PNHZ in 2016 and 2017.

Capital expenditures – capital expenditures represent a) expenditures on modernisation and reconstruction of PNHZ and b) expenditures required to maintain the existing condition of the assets.

Discount rates – discount rates reflect the current market assessment of the risks specific to each cash-generating unit. The discount rate was estimated based on calculation of a weighted average cost of capital for cash-generating unit's industry. This rate was further adjusted to reflect the market assessment of any risk specific to the cash generating unit for which future estimates of cash-flows have not been adjusted.

	2013	2012
Discount rate	12.08%	7%
Anticipated growth rate	2%–5.2%	3%
Period, years	15	16

The value in use of cash generating units is determined based on the volume of proved reserves, expected future cash flows based on the size of the estimated volume of filed production approved by management. Production volume was agreed to work program approved by the Government of the Republic of Kazakhstan, as well as to production capacity of the cash generating unit, taking into consideration future acquisition of assets and investments cash flows. Growth rates are based on macroeconomic and industry forecasts obtained from the Global Insight while prices had been agreed to an independent official source – “Ux consulting LLC”. During 2013 the Group recognized an impairment loss of goodwill in the amount of 4,945 million tenge as a result of decrease in market prices of uranium (2012: nil).

ASSETS RETIREMENT OBLIGATIONS

Oil and gas production facilities

Under the terms of certain subsurface use contracts, legislation and regulations the Group has legal obligations to dismantle and remove tangible assets and restore the land at each production site. Specifically, the Group's obligation relates to the ongoing closure of all non-producing wells and final closure activities such as removal

Sensitivity to changes in assumptions

Results of the assessment of the recoverable amount of goodwill allocated to PNHZ are sensitive to changes in key assumptions, including assumptions related to the change in the WACC discount rate, as well as the value of the planned EBITDA in the terminal period. Increase in the discount rate by 1% from 11.3% to 12.3% would result in the excess of the carrying amount of cash-generating unit over its recoverable amount by 9,508 million tenge. Decrease of target EBITDA in terminal period by 3% from 15.1% to 12.1% would result in impairment of goodwill in the amount of 52,673 million tenge, in such circumstances recoverable amount of goodwill would be 35,880 million tenge.

Decrease of exchange rate of KZT/USD by 5% would result in full impairment of goodwill and in impairment of PNHZ non-current assets by 78,510 million tenge, in such circumstances recoverable amount of PNHZ non-current assets would be 13,009 million tenge.

Mining

The Group uses the following rates and periods for calculation of recoverable amounts of goodwill for the mining segment:

of pipes, buildings and recultivation of the contract territories, and also obligations to dismantle and remove tangible assets and restore territory at each production site. Since the subsurface use contract terms cannot be extended at the discretion of the Group, the settlement date of the final closure obligations has been assumed to be the end of each subsurface use contract period. If the asset retirement obligations were to be settled at the end of the economic life of oil and gas field, the recorded obligation would increase significantly due to the inclusion of all abandonment and closure costs. The extent of the Group's obligations to finance the abandonment of wells and for final closure costs depends on the terms of the respective subsurface use contracts and current legislation.

Where neither subsurface use contracts nor legislation include an unambiguous obligation to undertake or finance such final abandonment and closure costs at the end of the subsurface use contract term, no liability has been recognized. There is some uncertainty and significant judgment involved in making such a determination. Management's assessment of the presence or absence of such obligations could change with shifts in policies and practices of the Government or in the local industry practice.



JOINT-STOCK COMPANY SOVEREIGN WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013 with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

The Group calculates asset retirement obligations separately for each contract. The amount of the obligation is the present value of the estimated expenditures expected to be required to settle the obligation adjusted for expected inflation and discounted using average long-term risk-free interest rates for emerging market sovereign debt adjusted for risks specific to the Kazakhstan market.

At each reporting date the Group reviews site restoration provisions, and adjusts them to reflect the current best estimate in accordance with IFRIC 1 "Changes in Existing Decommissioning, Restoration and Similar Liabilities".

Estimating the future closure costs involves significant estimates and judgments by management. Most of these obligations are many years in the future and, in addition to ambiguities in the legal requirements, the Group's estimate can be affected by changes in asset removal technologies, costs and industry practice. Uncertainties related to the final closure costs are mitigated by the effects of discounting the expected cash flows. The Group estimates future well abandonment cost using current year prices and the average long-term inflation rate.

The long-term inflation and discount rates used to determine the obligation in the consolidated balance sheet across the Group entities at December 31, 2013 were in the range from 2% to 5.6% and from 6% to 8%, respectively (2012: from 1.9% to 5.0% and from 4.94% to 7.9%, respectively). Movements in the provision for asset retirement obligations are disclosed in Note 22.

Major oil and gas pipelines

According to the Law of the Republic of Kazakhstan "On major pipelines" which was made effective on July 4, 2012, JSC "KazTransOil" ("KTO"), NC KMG subsidiary, has a legal obligation to decommission its major oil pipelines at the end of their operating life and to restore the land to its original condition. This will occur upon full depletion of oil reserves of the entities which are using the pipeline of the Group.

Asset retirement obligation is calculated based on estimate of the work to decommission and rehabilitate. These estimates are calculated by the Group in accordance with the technical regulations of the Republic of Kazakhstan (pipeline decommission cost is equal to 2,891 thousand tenge per km). Provision was determined at the end of the reporting period using the projected inflation rate for the expected period of fulfillment of obligations (17 years), and the discount rate at the end of the reporting period which is presented below.

In percent	2013	2012
	6.01%	6.01%
Discount rate as at December 31	5.60%	5.60%
Inflation rate as at December 31		

The discount rate is based on the risk-free government bonds of the Republic of Kazakhstan.

As at December 31, 2013 the carrying amount of KTO asset retirement obligation was equal to 16,678 million tenge (December 31, 2012: 15,531 million tenge).

Assessing cost of environmental rehabilitation is subject to potential changes in ecological requirements and interpretations of the law. Furthermore, uncertainties in the estimates of these costs include potential changes in alternative liquidation methods, recovery of damaged land, discount and inflation rates and periods of obligation.

With respect to "Intergas Central Asia" JSC ("ICA"), another subsidiary of NC KMG, Management believes that the Law is not applicable to this entity, since ICA operates the gas pipelines under the Concession Agreement between ICA and the Government. Under the terms of the Concession Agreement the ICA is obliged to operate and maintain mainline gas pipelines network until June 14, 2017 with a possibility of extending the term for a further 10 (ten) years, after which it shall be transferred to the Government. Therefore, no amount related to ICA asset retirement obligations was recognised as at December 31, 2013.

ENVIRONMENTAL REMEDIATION

The Group also makes judgments and estimates in establishing provisions for environmental remediation obligations. Environmental expenditures are capitalized or expensed depending upon their future economic benefit. Expenditures that relate to an existing condition caused by past operations and do not have a future economic benefit are expensed.

Liabilities are determined based on current information about costs and expected plans for remediation and are recorded on an undiscounted basis if the timing of the procedures has not been agreed with the relevant authorities. The Group's environmental remediation provision represents management best estimate based on an independent assessment of the anticipated expenditure necessary for the Group to remain in compliance with the current regulatory regime in Kazakhstan and Europe. The Group has classified this obligation as non-current except for the portion of costs included in the annual budget for 2014. For environmental remediation provisions, actual costs can differ from estimates because of changes in laws and regulations, public expectations, discovery and analysis of site conditions and changes in clean-up technology. Further uncertainties related to environmental remediation obligations are detailed in Note 40. Movements in the provision for environmental remediation obligations are disclosed in Note 22.



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

PROVISION FOR OBLIGATIONS ON CONSTRUCTION OF SOCIAL ASSETS

As at December 31, 2013, other provisions include provisions for obligations for construction of the following projects: History Museum of Kazakhstan (NC KMG), Multifunctional ice palace (NC KTZh) in Astana, Schuchensko – Borovskoi golf club and reconstruction of World Expo-Center in Moscow. The total estimated costs were recognized in equity as distribution to the Shareholder (*Note 17.5*). Increase in the provisions is mainly attributable to additional Government's assignments on construction of History Museum of Kazakhstan (23,551 million tenge), Schuchensko – Borovskoi golf club (13,321 million tenge), as well as to the changes in initial valuation of provisions for construction of other projects. Changes in the initial estimate of construction costs could have a significant impact on the amount of provision. The Group assessed the effect of the time value of money as not material.

USEFUL LIVES OF ITEMS OF PROPERTY, PLANT AND EQUIPMENT

The Group assesses remaining useful lives of items of property, plant and equipment at least at each financial year-end. If expectations differ from previous estimates, the changes are accounted for prospectively as a change in an accounting estimate in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

DEFERRED TAX ASSETS

Deferred tax assets are recognized for all allowances and unused tax losses to the extent that it is probable that taxable temporary differences and business nature of such expenses will be proved. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The amount of recognized deferred tax assets as at December 31, 2013 was equal to 42,084 million tenge (2012: 77,964 million tenge). Further details are contained in *Note 35*.

TAXATION

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of the Group's international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to taxable profits and expense already recorded. The Group establishes provisions, based on reasonable estimates,

for possible consequences of audits by the tax authorities of the respective countries in which it operates.

The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group company's domicile.

In assessing tax risks, management considers to be probable obligations the known areas of non-compliance with tax legislation, which the Group would not appeal or does not believe it could successfully appeal, if additional taxes are charged. Such determinations inherently involve significant judgment and are subject to change as a result of changes in tax laws and regulations, amendments to the taxation terms of the Group's subsurface use contracts, the determination of expected outcomes from pending tax proceedings and current outcome of ongoing compliance audits by tax authorities. The provision for taxes disclosed in *Note 22* relates mainly to the Group's application of Kazakhstan transfer pricing legislation to export sales of crude oil from 2002 to 2006. Further uncertainties related to taxation are disclosed in *Note 40*.

FAIR VALUE OF FINANCIAL INSTRUMENTS

Where the fair value of financial assets and financial liabilities recorded in the consolidated balance sheet cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flows model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the fair value of financial instruments reported in the consolidated financial statements. Further details are contained in *Note 39*.

EMPLOYEE BENEFIT LIABILITY

The Group uses actuarial valuation method for measurement of the present value of defined employee benefit liability and related current service cost (*Note 23*). This involves use of demographic assumptions about the future characteristics of current and former employees who are eligible for benefits (mortality, both during and after employment, rates of employee turnover, etc.) as well as financial assumptions (discount rate, future annual financial assistance, future annual minimum salary, future average railway ticket price). Further details on judgements are contained in *Note 23*.



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

IMPAIRMENT LOSSES ON LOANS TO CUSTOMERS AND CREDIT INSTITUTIONS

The Group reviews its individually significant loans to customers and credit institutions at each reporting date to assess whether an impairment loss should be recorded in the consolidated statement of comprehensive income. In particular, judgement by management is required in estimation of the amount and timing of future cash flows when determining the impairment loss. In estimating these cash flows, the Group makes judgement about the borrower's financial situation and the net realizable value of collateral. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

Loans that have been assessed individually and found not to be impaired and all individually insignificant loans are then assessed collectively, in groups of assets with similar risk characteristics, to determine whether provision should be made due to incurred loss events for which there is objective evidence but whose effects are not yet evident.

The collective assessment takes account of data from loan portfolio (such as credit quality, levels of arrears, credit utilisation, loan to collateral ratios etc), concentrations of risks and economic data (including levels of unemployment, real estate prices indices, country risks and the performance of different individual groups). The impairment loss on loans to customers and credit institutions is disclosed in more details in *Notes 10, 11*.

ALLOWANCES ON DOUBTFUL ACCOUNTS RECEIVABLE

The Group makes allowances for doubtful accounts receivable. Significant judgment is used to estimate doubtful accounts. In estimating doubtful debts historical and anticipated customer performance are considered. Changes in the economy, industry, or specific customer conditions may require adjustments to the allowance for doubtful debts recorded in the consolidated financial statements. At December 31, 2013, allowances for doubtful debts have been created in the amount of 96,396 million tenge (2012: 85,089 million tenge) (*Notes 13 and 15*).



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

5. ACQUISITIONS

Acquisition of Kazzinc LLP

On February 1, 2013 the Fund acquired 29.8221% of the charter capital of "Kazzinc" LLP through acquisition of 100% of ownership interest in the charter capital of "Logic Business" LLP, "Logic Invest Capital" LLP and Investment House "Dana" LLP, each of which owns 9.9407% ownership interest in "Kazzinc" LLP for the total amount of 48,838 million tenge (value of each company is 82,946 million tenge). The consideration for the acquisition was paid using proceeds received from the placement of the Fund's bonds in the amount of 255,000

million tenge purchased by the National Bank (*Note 19*). The maturity of the bonds is 50 years; the coupon interest is 0.01% per annum.

The interest in Kazzinc LLP is accounted for using the equity method in the Group consolidated financial statements. Acquisition of Kazzinc LLP was recorded in the consolidated financial statements using the purchase method.

The fair value of identifiable assets and liabilities as at the acquisition date were:

<i>In millions of tenge</i>	
Non-current assets	206,890
Current assets	44,237
Total assets	251,127
Non-current liabilities	(27,307)
Current liabilities	(23,360)
Total liabilities	(50,667)
Net assets	200,460
Fair value of the consideration	248,838
Goodwill	48,378

The consolidated net profit of the Group during the year ended December 31, 2013 includes a share in profits attributable to 29.8221% interest in Kazzinc LLP from acquisition date till December 31, 2013 in the amount of 6,364 million tenge.

ACQUISITIONS IN 2012

Acquisition of share in Karachaganak Project Consortium

On June 28, 2012 the Government, as represented by the Ministry of oil and gas and the State property and privatization committee of the Ministry of finance of the Republic of Kazakhstan, and the participants of the Karachaganak Project (the "Consortium" or "KPO") signed an agreement, whereby the Government acquired a 10% participating interest in KPO. The fair value of the 10% interest acquired was assessed as 2 billion US dollars (approximating 300 billion tenge), of which 150 billion tenge was paid by the Government in cash and the remaining portion through settlement of tax liabilities.

The Government established a new entity Final Production Sharing Agreement Interest Managing Company LLP ("FPSAIMC") and contributed newly acquired 10% interest in the project into FPSAIMC equity. Then, in accordance with the Government Resolution No. 570 dated May 3, 2012, on June 28, 2012 the Fund received

the Government's 100% interest in FPSAIMC with a fair value of 300,070 million tenge as at the date of transaction. In exchange the Fund issued 300,071 common shares for the total amount of 300,070 million tenge.

On June 29, 2012 the Fund transferred FPSAIMC to NC KMG for consideration of 150,035 million tenge represented by NC KMG shares and cash consideration of 150,035 million tenge, which was financed by a loan in the amount of 1 billion US Dollars. In accordance with the agreement, the interest rate is LIBOR plus 3% times 1.25 per annum, and the principal is payable in equal monthly installments from cash inflows from the project within next 3 (three) years. Under the loan agreement NC KMG has undertaken to provide collateral in the form of 5% interest in the Project to the Consortium. The loan is guaranteed by the Fund.

On June 28, 2012 the Fund paid dividends in the amount of 159,113 million tenge (*Note 17.3*). Proceeds from these dividends were used by the Government to finance acquisition of the above interest in KPO.

In accordance with the Joint Operating Agreement ("JOA") amended on June 28, 2012, the Group acquired all rewards and benefits, costs and expenses related to Karachaganak operations in proportion to its acquired participating interest. Interest in Karachaganak project as of the date of acquisition, was represented as follows:



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT
CONSOLIDATED FINANCIAL STATEMENTS
Consolidated balance sheet
Consolidated statement of comprehensive income
Consolidated statement of changes in equity
Consolidated statement of cash flows
NOTES to the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

<i>In millions of tenge</i>	Fair values as at the acquisition date
Property, plant and equipment	293,506
Intangible assets	1,131
Trade accounts receivable	10,918
Inventories	4,299
	309,854
Provisions	(7,500)
Trade accounts payable	(2,284)
	(9,784)
Net assets	300,070

Acquisition of shares in East Kazakhstan Regional Energy Company JSC

In 2012 the Government contributed to the Fund 100% shares in East Kazakhstan Regional Energy Company JSC ("EK REC"). In exchange the Fund issued its shares in the amount of 7,723 million tenge. EK REC provides services on electric power transmission.

Due to the fact that contribution of the shares was considered as business combination under common control this transaction was accounted for using pooling of interest method in the consolidated financial statements. The difference between carrying amount of net assets and issued share capital in the amount of 4,149 million tenge was recorded as decrease in retained earnings in the consolidated statement of changes in equity (*Note 17.1*).



JOINT-STOCK COMPANY SOVEREIGN WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

6. DISCONTINUED OPERATIONS, ASSETS CLASSIFIED AS HELD FOR SALE AND LOSS OF CONTROL OVER SUBSIDIARY

DISCONTINUED OPERATIONS IN 2013

Transfer to the Shareholder of development institutions, financial organizations, SK-Pharmacy LLP and National Geological Company Kazgeology JSC

In accordance with the minutes of a meeting with participation of the President of the Republic of Kazakhstan dated January 23, 2013 No. 01-7.1 "On results of social and economic development of Republic of Kazakhstan in 2012 and aims on realization of "Kazakhstan-2050" Strategy" the Government was instructed to establish "National development agency" JSC, with 100% ownership by the Government. The Government was also instructed to transfer to the new Agency the Fund's share in development institutions and financial organizations, including the transfer of SK-Pharmacy LLP to the Ministry of healthcare of the Republic of Kazakhstan.

In April 2013, in accordance with the trust management agreements with the right of full control, the Fund transferred its shares in certain subsidiaries to the Shareholder, represented by the following government institutions: Ministry of regional development of the Republic of Kazakhstan – Entrepreneurship Development Fund "Damu" JSC, Ministry of industry and new technologies of the Republic of Kazakhstan – Development Bank of Kazakhstan JSC, Kazyna Capital Management JSC, Export-Credit Insurance Corporation "KazExportGarant" JSC, Investment Fund of Kazakhstan JSC, and Ministry of healthcare of the Republic of Kazakhstan – SK Pharmacy LLP. In May 2013, these trust management agreements with the ministries were cancelled and new trust management agreements with National Holding "Baiterek" JSC were concluded.

In May 2013, in accordance with the trust management agreements with the right of full control, the Fund transferred its shares in the development institutions and financial organisations to "National Managing Holding "Baiterek" JSC. This company was established in accordance with the Resolution of the Government dated May 25, 2013.

In July 2013, for the purposes of execution of the Resolution of the Government of the Republic of Kazakhstan dated May 25, 2013 No.516 "On measures of implementation of the Decree of the President of the Republic of Kazakhstan dated May 22, 2013 No.571 "On certain measures to optimize the management system of development institutes and develop the national economy", the Fund and State property and privatization committee of the Ministry of finance of signed the exchange agreement whereby the title on shares and interest in subsidiaries (Entrepreneurship Development Fund "Damu" JSC, Kazyna Capital Management JSC, Export-Credit Insurance Corporation "KazExportGarant" JSC, Investment Fund of Kazakhstan JSC, Development Bank of Kazakhstan JSC, SK-Pharmacy LLP) were transferred to the state ownership in exchange for the state property in accordance with the list attached to the Government Resolution. In August 2013, under the stated above exchange agreement the Fund completed the transfer to the state ownership shares and interests in subsidiaries (Entrepreneurship Development Fund "Damu" JSC, Kazyna Capital Management JSC, Export-Credit Insurance Corporation "KazExportGarant" JSC, Investment Fund of Kazakhstan JSC and SK-Pharmacy LLP). As at December 31, 2013 the Fund has not received any of the state property under the stated above agreement.

Due to loss of control over these subsidiaries in April 2013 the Fund recognized their disposal as distribution to the Shareholder (*Note 17.4*).

Also, in accordance with this exchange agreement, the title on shares in "National Geological Company "Kazgeology" JSC was transferred to the state ownership in exchange for the state property in accordance with the list attached to the Government Resolution. The Fund recognized disposal of "National Geological Company "Kazgeology" JSC as distribution to the Shareholder (*Note 17.4*).

Development institutions and financial organizations

Results of operations of the development institutions and financial organizations are presented as follows:

<i>In millions of tenge</i>	From January 1, 2013 till the date of disposal	For the year ended December 31, 2012*
Revenue	12,078	48,285
Cost of sales	(14,254)	(36,795)
Gross (loss) / profit	(2,176)	11,490



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT
CONSOLIDATED FINANCIAL STATEMENTS
Consolidated balance sheet
Consolidated statement of comprehensive income
Consolidated statement of changes in equity
Consolidated statement of cash flows
NOTES to the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

General and administrative expenses	(1,813)	(7,788)
Reversal of impairment / (impairment loss), net	893	(6,472)
Other operating income	1,840	6,154
Other operating expenses	(810)	(6,242)
Operating loss	(2,066)	(2,858)
Net foreign exchange gain /(loss)	181	(2,998)
Loss before tax from discontinued operations	(1,885)	(5,856)
Income tax expenses	(352)	(4,572)
Loss from discontinued operations	(2,237)	(10,428)

*As at December 31, 2013 the Group restated its consolidated statements of comprehensive income and cash flows for the year ended December 31, 2012 due to recognition of development institutions and financial organizations as discontinued operations. Accordingly, the comparative consolidated statement of comprehensive income and the comparative consolidated statement of cash flows for the year ended December 31, 2012 have been restated as required by IAS 1.

The major classes of assets and liabilities of the development institutions and financial organizations as at the date of disposal are as follows:

<i>In millions of tenge</i>	Assets and liabilities as at the date of disposal
Assets	
Loans to customers	408,552
Other financial assets	469,612
Amounts due from credit institutions	230,911
Income tax prepaid	7,108
Other non-current assets	14,731
Other current assets	19,766
Cash and cash equivalents	140,079
Total assets	1,290,759
Liabilities	
Borrowings	(784,244)
Loans from the Government of the Republic of Kazakhstan	(27,695)
Derivative financial instruments	(7,575)
Amounts due to customers	(6,384)
Other non-current liabilities	(22,424)
Other current liabilities	(9,493)
Total liabilities	(857,815)
Net assets	432,944

Net cash flows of the development institutions and financial organizations are presented as follows:

<i>In millions of tenge</i>	From January 1, 2013 till the date of disposal	For the year ended December 31, 2012
Operating	(134,777)	49,788
Investing	(2,242)	(6,392)
Financing	63,078	(1,413)
Net cash (outflows) / inflows	(73,941)	41,983



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SK-Pharmacy LLP

SK Pharmacy LLP does not meet the definition of discontinued operations and was classified as disposal group.

The major classes of assets and liabilities of SK-Pharmacy LLP as at the date of disposal are as follows:

<i>In millions of tenge</i>	Assets and liabilities as at the date of disposal
Assets	
Inventories	23,628
Amounts due from credit institutions	3,315
Other assets	5,247
Cash and cash equivalents	25,242
Total assets	57,432
Liabilities	
Trade accounts payable	(39,611)
Other current liabilities	(9,678)
Total liabilities	(49,289)
Net assets	8,143

Net profit from operations of SK-Pharmacy LLP for the period from January 1, 2013 till the date of disposal was equal to 1,080 million tenge (for the year ended December 31, 2012: 2,753 million tenge).

Net cash flows of SK-Pharmacy LLP are presented as follows:

<i>In millions of tenge</i>	From January 1, 2013 till the date of disposal	For the year ended December 31, 2012
Operating	19,670	6,670
Investing	(9)	(1,012)
Net cash inflows	19,661	5,658

"National Geological Company "Kazgeology" JSC

"National Geological Company "Kazgeology" JSC does not meet the definition of discontinued operations and was classified as disposal group.

The major classes of assets and liabilities of "National Geological Company "Kazgeology" JSC as at the date of disposal are as follows:

<i>In millions of tenge</i>	Assets and liabilities as at the date of disposal
Assets	
Other assets	9,037
Total assets	9,037
Liabilities	
Other liabilities	(72)
Total liabilities	(72)
Net assets	8,965

Net profit from operations of "National Geological Company "Kazgeology" JSC for the period from January 1, 2013 till the date

of disposal was equal to 173 million tenge (net loss for the year ended December 31, 2012: 371 million tenge).



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL
STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT
CONSOLIDATED FINANCIAL STATEMENTS
Consolidated balance sheet
Consolidated statement of comprehensive income
Consolidated statement of changes in equity
Consolidated statement of cash flows
NOTES to the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Net cash flows of National Geological Company "Kazgeology" JSC are presented as follows:

<i>In millions of tenge</i>	From January 1, 2013 till the date of disposal	For the year ended December 31, 2012
Operating	(150)	(8,211)
Investing	(18)	(14)
Financing	-	5,427
Net cash outflows	(168)	(2,798)

Temirbank JSC and BTA Bank JSC

In accordance with the minutes of the meeting with participation of the President of the Republic of Kazakhstan dated January 23, 2013 No. 01-7.1 "On results of social and economic development of the Republic of Kazakhstan for 2012 and tasks on implementation of the Strategy Kazakhstan-2050", the Fund was authorized to take appropriate measures to withdraw as a shareholder of BTA Bank JSC, Alliance Bank JSC, Temirbank JSC by selling shares owned by the Fund before December 31, 2013.

Temirbank JSC

In December 2013 the Fund and Mr. Bulat Utemuratov signed an agreement on sale by the Fund of 79.88% common shares of Temirbank JSC ("Temirbank") and 16% of common and preferred shares of Alliance Bank JSC ("Alliance Bank") with the aim of

subsequent merger of Temirbank and Alliance Bank in a single bank. Transaction completion is scheduled by the end of 2014 but at the same time depends on several conditions precedent including adoption of necessary corporate decisions, changes in banking legislation of the Republic of Kazakhstan specifying reorganization procedure of the banks, obtaining necessary approvals from the National Bank and other state bodies.

Management of the Fund assesses completion of the transaction as highly probable and due to the fact that all common shares of Temirbank are available for sale in their present condition and subject only to terms that are usual and customary for sales of investments in banks, the assets and liabilities of Temirbank were classified as assets classified as held for sale as at December 31, 2013.

Results of operations of Temirbank are presented as follows:

<i>In millions of tenge</i>	For the year ended December 31, 2013	For the year ended December 31, 2012*
Revenue	30,936	27,196
Cost of sales	(9,280)	(9,430)
Gross profit	21,656	17,766
General and administrative expenses	(11,455)	(10,378)
(Impairment loss) / reversal of impairment	(7,839)	1,068
Other operating income	3,790	10,887
Other operating expenses	(3,238)	(8,191)
Operating profit	2,914	11,152
Net foreign exchange gain	169	423
Profit before tax from discontinued operations	3,083	11,575
Income tax expenses	(2,077)	(2,343)
Profit from discontinued operations	1,006	9,232

*As at December 31, 2013 the Group restated its consolidated statements of comprehensive income and cash flows for the year ended December 31, 2012 due to recognition of development Institutions and financial organizations as discontinued operations.

Accordingly, the comparative consolidated statement of comprehensive income and the comparative consolidated statement of cash flows for the year ended December 31, 2012 have been restated as required by IAS 1.



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The major classes of assets and liabilities of Temirbank as at December 31:

<i>In millions of tenge</i>	2013
Assets	
Loans to customers	230,691
Other financial assets	29,791
Amounts due from credit institutions	3,468
Other assets	18,108
Cash and cash equivalents	19,237
Total assets	301,295
Liabilities	
Amounts due to customers	(195,561)
Borrowings	(49,959)
Other liabilities	(895)
Total liabilities	(246,415)
Net assets	54,880
Fair value adjustment of net assets (impairment)	(14,564)
Fair value of net assets	40,316

Net cash flows of Temirbank are presented as follows:

<i>In millions of tenge</i>	For the year ended December 31, 2013	For the year ended December 31, 2012
Operating	(9,671)	(1,567)
Investing	(1,053)	(1,399)
Financing	(157)	(5,439)
Net cash outflows	(10,881)	(8,405)

BTA Bank JSC

According to a number of documents signed between the Fund, Kazkommertzbank JSC ("KKB") and Mr Kenes Rakishev in December 2013 and January 2014, KKB and Kenes Rakishev each will acquire 46.5% shares of BTA Bank with the aim of further merger of BTA Bank and KKB into a single bank by the end of 2014. The remaining 4.26% shares of BTA Bank will be transferred to KKB trust management based on which KKB will obtain control over BTA Bank till the merger.

The transaction will not be considered as completed until execution of several conditions precedent including approval of the deal by the relevant corporate authorities of the counterparties and by the government authorities as well as changes in banking legislation of

the Republic of Kazakhstan that will allow KKB to make investments more than 10% of its equity.

In addition, the counterparties agreed to cooperate to return doubtful assets of BTA Bank JSC. Completion of the transaction is expected in the second quarter of 2014.

Taking into account the above and the fact that the Government and the National Bank will assist the counterparties to solve several critical conditions according to a Memorandum of Understanding, assets and liabilities of BTA Bank were classified as assets classified as held for sale as at December 31, 2013.

Results of operations of BTA Bank JSC are presented as follows:

<i>In millions of tenge</i>	For the year ended December 31, 2013	For the year ended December 31, 2012*
Revenue	139,576	146,985



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT
CONSOLIDATED FINANCIAL STATEMENTS
Consolidated balance sheet
Consolidated statement of comprehensive income
Consolidated statement of changes in equity
Consolidated statement of cash flows
NOTES to the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Cost of sales	(81,668)	(136,867)
Gross profit	57,908	10,118
General and administrative expenses	(44,699)	(59,739)
(Impairment loss) / reversal of impairment	(32,315)	2,800
Other operating income	39,950	1,123,831
Other operating expenses	(45,650)	(678,389)
Operating (loss)/profit	(24,806)	398,621
Net foreign exchange gain /(loss)	4,434	(18,982)
(Loss) / profit before tax from discontinued operations	(20,372)	379,639
Income tax benefit / (expense)	7,971	(738)
(Loss) / profit from discontinued operations	(12,401)	378,901

***As at December 31, 2013 the Group restated its consolidated statements of comprehensive income and cash flows for the year ended December 31, 2012 due to recognition of development Institutions and financial organizations as discontinued operations.*

Accordingly, the comparative consolidated statement of comprehensive income and the comparative consolidated statement of cash flows for the year ended December 31, 2012 have been restated as required by IAS 1.

The major classes of assets and liabilities of BTA Bank JSC as at December 31:

<i>In millions of tenge</i>	2013
Assets	
Loans to customers	616,439
Other financial assets	759,313
Amounts due from credit institutions	37,983
Investments in associates	16,061
Inventories	56,390
Other assets	56,639
Cash and cash equivalents	60,657
Total assets	1,603,482
Liabilities	
Amounts due to customers	(551,661)
Borrowings	(231,441)
Loans from the Government of the Republic of Kazakhstan	(475,439)
Other liabilities	(65,233)
Total liabilities	(1,323,774)
Net assets	279,708
Fair value adjustment of net assets (impairment)	(144,165)
Fair value of net assets	135,543



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL
STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT
CONSOLIDATED FINANCIAL STATEMENTS
Consolidated balance sheet
Consolidated statement of comprehensive income
Consolidated statement of changes in equity
Consolidated statement of cash flows
NOTES to the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Net cash flows of BTA Bank JSC are presented as follows:

<i>In millions of tenge</i>	For the year ended December 31, 2013	For the year ended December 31, 2012
Operating	(6,158)	193,907
Investing	(954)	(6,080)
Financing	(25)	(347)
Net cash (outflows) / inflows	(7,137)	187,480

Locomotive Kurastyru Zauyty JSC

During 2012 the management of the Group committed to a plan to sell a 50% interest in its subsidiary, Locomotive Kurastyru Zauyty JSC. In May 2013 the transaction was completed through the sale of 26% of the Group's interest and simultaneous issue of 24% of shares of Locomotive Kurastyru Zauyty JSC. As a result of

the sale, the Group lost its full control over Locomotive Kurastyru Zauyty JSC. The Group recognized its remaining 50% interest in Locomotive Kurastyru Zauyty JSC as investment in joint venture.

Results of operations of Locomotive Kurastyru Zauyty JSC are presented as follows:

<i>In millions of tenge</i>	From January 1, 2013 till the date of disposal	For the year ended December 31, 2012
Revenue	34	2,978
Cost of sales	(10)	(2,414)
Gross profit	24	564
General and administrative expenses	(272)	(632)
Other operating income, net	-	61
Operating loss	(248)	(7)
Net foreign exchange loss	(54)	(234)
Finance income	2	6
Finance costs	(163)	(514)
Loss before tax from discontinued operations	(463)	(749)
Income tax expenses	(76)	(360)
Loss after tax from discontinued operations	(539)	(1,109)

The major classes of assets and liabilities of Locomotive Kurastyru Zauyty JSC as at the date of disposal are as follows:

<i>In millions of tenge</i>	Assets and liabilities as at the date of disposal
Assets	
Property, plant and equipment	14,941
Intangible assets	538
Other non-current assets	596
Inventories	22,628
Other current assets	2,139
Cash and cash equivalents	440
Total assets	41,282



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT
CONSOLIDATED FINANCIAL STATEMENTS
Consolidated balance sheet
Consolidated statement of comprehensive income
Consolidated statement of changes in equity
Consolidated statement of cash flows
NOTES to the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Liabilities	
Borrowings	(10,605)
Trade accounts payable	(12,441)
Other non-current liabilities	(920)
Other current liabilities	(1,441)
Total liabilities	(25,407)
Net assets	15,875

Net cash flows of Locomotive Kurastyru Zauyty JSC are presented as follows:

<i>In millions of tenge</i>	From January 1, 2013 till the date of disposal	For the year ended December 31, 2012
Operating	2,634	1,045
Investing	(475)	(1,266)
Financing	(1,739)	(2,098)
Net cash inflows / (outflows)	420	(2,319)

Loss on disposal of assets related to discontinued operations is presented as follows:

<i>In millions of tenge</i>	For the year ended December 31, 2013
Consideration received	4,528
Disposed net assets	(15,875)
Fair value of the remaining interest	9,071
Loss on disposal of assets related to discontinued operations	(2,276)

LOSS OF CONTROL OVER SUBSIDIARY

Doszhan Temir Zholy JSC

Due to the fact that Investment Fund of Kazakhstan JSC owns 48.94% interest in Doszhan Temir Zholy JSC, disposal of Investment Fund of Kazakhstan JSC resulted in a loss of control by the Group over Doszhan Temir Zholy JSC. The Group disposed Doszhan

Temir Zholy JSC and recognized its disposal as distribution to the Shareholder in the consolidated statement of changes in equity. As at the date of loss of control over Doszhan Temir Zholy JSC the Group recognized the remaining 46.02% interest in Doszhan Temir Zholy JSC as investments in associates at its fair value equal to nil.

The major classes of assets and liabilities of Doszhan Temir Zholy JSC as at the date of disposal are as follows:

<i>In millions of tenge</i>	Assets and liabilities as at the date of disposal
Assets	
Intangible assets	23,968
Property, plant and equipment	3,621
Other assets	815
Cash and cash equivalents	6,096
Total assets	34,500
Liabilities	



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL
STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Borrowings	(30,401)
Other current liabilities	(584)
Total liabilities	(30,985)
Net assets	3,515

Net loss from operations of Doszhan Temir Zholy JSC from January 1, 2013 to the date of disposal was equal to 1,189 million tenge (net loss for the year ended December 31, 2012: 1,792 million tenge).

Net cash flows of Doszhan Temir Zholy JSC are presented as follows:

<i>In millions of tenge</i>	From January 1, 2013 till the date of disposal	For the year ended December 31, 2012
Operating	(639)	(7,815)
Investing	(14)	(772)
Financing	–	(3,649)
Net cash outflows	(653)	(12,236)

Semizbay-U LLP

In 2008, the Group entered into an Agreement (“Agreement”) to dispose 49% of its interest in “Semizbay-U” LLP (“Semizbay-U”) to Beijing Sino-Kaz Uranium Resources Investment Company Limited (“Sino-Kaz Company”).

The Agreement entitled Sino-Kaz Company to a minimum distribution of annual net income of Semizbay-U in the period 2010 until 2033. The payments of these distributions were guaranteed by NAC KAP. This liability was measured at fair value at inception and was subsequently measured at amortized cost.

The disposal of the Group’s interest in Semizbay-U required regulatory approval in the Republic of Kazakhstan and this approval was a condition precedent in the Agreement.

As at December 31, 2012, regulatory approval had not been achieved. In 2012, the Group signed an amicable agreement with Sino-Kaz Company regarding the conditions of purchase and sale of the 49% interest in Semizbay-U. The relevant terms of this agreement were:

- The Group would obtain all necessary Kazakhstan regulatory approvals for the sale transaction. This occurred on May 30, 2013.

- The parties agreed to reassess the fair value of the 49% interest in Semizbay-U. As a result, the Group repaid to Sino-Kaz Company 132 million US dollars (equivalent to 19.9 billion tenge) on June 7, 2013, which represented the difference between the original contractual obligation and the fair value of the 49% interest sold;
- The parties agreed to cancel the guaranteed minimum dividends payable to Semizbay-U for the period 2012 to 2033. The amortized cost of the financial liability as at May 30, 2013 was 308 million US dollars (equivalent to 46.7 billion tenge).

Concurrently with achieving regulatory approval for the sale of the 49% interest, the governing documents of Semizbay-U were changed. As a result of these changes, the Group no longer had the unilateral ability to direct the relevant activities of Semizbay-U; rather, the power over these decisions is shared with Sino-Kaz Company. The Group accounted for the cancellation of the minimum guaranteed dividend payable as an extinguishment of financial liability. As a result, the Group deconsolidated its investment in Semizbay-U and recognized its retained interest at fair value on the date control was lost.

As a result of these transactions, the Group recognized a gain of 23,930 million tenge in the consolidated statement of comprehensive income. The effect of the disposal of Semizbay-U was recognized in the consolidated financial statements as follows:

<i>In millions of tenge</i>	As the date of loss of control
Property, plant and equipment	20,002
Inventories	7,450
Trade accounts receivable	2,819
Other assets	5,301



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Total assets	35,572
Borrowings	11,680
Trade accounts payable	2,647
Other non-current liabilities	7,044
Other current liabilities	164
Total liabilities	21,535
Semizbai-U's net assets as at the date of disposal	14,037
Less: Fair value of 51% non-controlling interest retained	(11,264)
Less: Amortized cost of the minimum guaranteed dividend payable, prior to payment	(46,676)
Cash payment made to Sino-Kaz Company	19,973
Gain on extinguishment of liability and disposal of subsidiary	23,930

DISCONTINUED OPERATIONS IN 2012

GSM Kazakhstan

As at December 31, 2011, the Group had a 49% interest in GSM Kazakhstan LLP Kazakhtelecom JSC ("GSM Kazakhstan"), which is engaged in the provision of mobile telecommunication services in the GSM standard in Kazakhstan.

On December 21, 2011, Kazakhtelecom JSC concluded an agreement to sell its 49% interest in GSM Kazakhstan to Sonera Holdings B.V., a subsidiary of Swedish mobile operator Telia Sonera AB.

On February 1, 2012, the Group completed the sale of 49% interest in GSM Kazakhstan for the consideration of 1,519 million of US dollars (equivalent to 225,739 million tenge). As a result, the gain from disposal was equal to 200,033 million tenge. The cash flows generated by the sale of investment in associate during 2012 have been considered in the consolidated statement of cash flows as part of investing activities.

Movements in the investment in an associate were as follows:

<i>In millions of tenge</i>	2012	2011
As at January 1	58,389	53,785
Share in profit of an associate	1,963	33,024
Dividends declared	(34,723)	(28,420)
Discontinued operations	(25,629)	-
As at December 31	-	58,389

The movements in dividends receivable were as follows:

<i>In millions of tenge</i>	2012	2011
As at January 1	-	-
Dividends declared	34,723	28,420
Cash received	(34,723)	(28,420)
As at December 31	-	-

Profit from discontinued operations comprised of the following during the year ended December 31:

<i>In millions of tenge</i>	2012	2011
Share in profit of an associate	1,963	33,024
Profit before income tax for the period from discontinued operations	1,963	33,024
Gain on disposal	200,033	-
Profit after income tax for the period from discontinued operations	201,996	33,024



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT
CONSOLIDATED FINANCIAL STATEMENTS
Consolidated balance sheet
Consolidated statement of comprehensive income
Consolidated statement of changes in equity
Consolidated statement of cash flows
NOTES to the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Gain on disposal of the investment comprised the following:

<i>In millions of tenge</i>	2012
Consideration received from Sonera Holdings B.V.	225,739
Net assets associated with disposal group as of the date of disposal	(25,629)
Forex gain	(77)
Gain on disposal	200,033

SUMMARY INFORMATION

Assets classified as held for sale as at December 31, comprises of the following:

<i>In millions of tenge</i>	2013	2012
"BTA Bank" JSC	789,973	-
"Temirbank" JSC	280,666	-
"Locomotive Kurastyru Zayuty" JSC	-	37,721
	1,086,843	51,521

Liabilities associated with assets classified as held for sale as at December 31 comprises of the following:

<i>In millions of tenge</i>	2013	2012
"BTA Bank" JSC	1,069,482	-
"Temirbank" JSC	143,375	-
"Locomotive Kurastyru Zayuty" JSC	-	16,674
Other	7,093	3,643
	1,219,950	20,317

Results from discontinued operations for the year ended December 31 comprises of the following:

<i>In millions of tenge</i>	2013	2012
"BTA Bank" JSC, net loss	(12,401)	378,901
"BTA Bank" JSC, impairment loss	(144,165)	-
"Temirbank" JSC, net profit	1,006	9,232
"Temirbank" JSC, impairment loss	(14,564)	-
"Locomotive Kurastyru Zayuty" JSC	(2,815)	(1,109)
"Kazakhtelecom" JSC	-	201,996
Development and financial institutions	(2,237)	(10,428)
Other	2,204	1,471
	(172,972)	580,063



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

7. PROPERTY, PLANT AND EQUIPMENT

<i>In millions of tenge</i>	Oil and gas assets	Exploration and evaluation assets	Pipelines and refinery assets	Buildings and premises	Railway tracks and infrastructure	Machinery, equipment and vehicles	Mining assets	Other	Construction in progress	Total
Net book value at January 1, 2012 (restated)	1,524,394	135,602	653,572	488,304	496,132	1,251,310	35,085	59,729	410,823	5,054,951
Foreign currency translation	40,839	-	4,892	1,649	-	740	-	56	(737)	47,439
Additions	121,826	1,464	59,891	10,089	219	350,270	10,674	9,379	595,615	1,159,427
Acquisition of interest in KPO (Note 5)	293,400	-	-	-	-	55	-	51	-	293,506
Disposals	(12,084)	-	(2,311)	(7,813)	(2,059)	(16,474)	(22)	(4,734)	(14,901)	(60,398)
Discontinued operations	-	-	-	(14,244)	-	(5,551)	-	(256)	(832)	(20,883)
Depreciation charge	(48,809)	-	(49,325)	(27,635)	(19,706)	(144,936)	(9,943)	(15,670)	-	(316,024)
Depreciation and impairment on disposals	6,155	-	1,543	3,572	1,915	13,783	22	3,741	-	30,731
Impairment provision, net of reversal	(68,525)	(434)	187	(4,489)	(62)	(4,972)	-	(675)	(7,173)	(86,143)
Loss of control over subsidiaries	-	(7,098)	-	-	-	(7)	-	-	-	(7,105)
Transfer to assets classified as held for sale	(81)	-	(288)	(2,079)	(533)	(861)	-	(281)	(5,357)	(9,480)
Transfers from/(to) inventories, net	-	-	-	(257)	(5,252)	21,450	-	664	(2,311)	14,294
Transfer to intangible assets, net	(770)	-	-	-	-	(65)	-	(61)	(6,417)	(7,313)
Other transfers and reclassifications	79,510	(3,128)	85,643	93,736	104,519	157,232	1,146	6,010	(524,668)	-
Net book value at December 31, 2012 (restated)	1,935,855	126,406	753,804	540,833	575,173	1,621,974	36,962	57,953	444,042	6,093,002



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

<i>In millions of tenge</i>	Oil and gas assets	Exploration and evaluation assets	Pipelines and refinery assets	Buildings and premises	Railway tracks and infrastructure	Machinery, equipment and vehicles	Mining assets	Other	Construction in progress	Total
Net book value at January 1, 2013 (restated)	1,935,855	126,406	753,804	540,833	575,173	1,621,974	36,962	57,953	444,042	6,093,002
Foreign currency translation	25,494	1,580	5,586	(812)	(45)	654	-	222	(561)	32,118
Additions	114,972	33,887	14,996	34,914	1,785	262,112	14,430	11,567	818,752	1,307,415
Acquisition through business combinations	-	-	-	12,490	-	4,997	-	2,037	128	19,652
Disposals	(13,096)	(3,932)	(1,977)	(17,298)	(118)	(30,334)	(6,587)	(5,402)	(6,885)	(85,629)
Discontinued operations	-	-	-	(2,279)	-	(515)	-	(649)	(3,178)	(6,621)
Depreciation charge	(57,601)	-	(50,885)	(32,208)	(20,634)	(164,554)	(9,839)	(14,047)	-	(349,768)
Depreciation and impairment on disposals	8,515	3,200	1,309	10,994	65	26,878	6,587	4,720	1,167	63,435
Impairment provision, net of reversal	(49,288)	-	942	(3,239)	(414)	(4,365)	-	(487)	(10,328)	(67,179)
Loss of control over subsidiaries	-	-	-	(7,256)	-	(4,163)	(7,845)	(99)	(641)	(20,004)
Transfer to assets classified as held for sale	(22)	-	(28)	(10,638)	-	(1,354)	-	(2,295)	(2,449)	(16,786)
Transfers from/(to) inventories, net	-	-	-	(211)	(5,176)	10,295	-	1,276	2,740	8,924
Transfer from/(to) intangible assets, net	(81)	44,053	-	-	-	232	-	1	(4,530)	39,675
Other transfers and reclassifications	102,960	(42)	44,255	76,209	48,901	206,257	11	7,408	(485,959)	-
Net book value at December 31, 2013	2,067,708	205,152	768,002	601,499	599,537	1,928,114	33,719	62,205	752,298	7,018,234
Historical cost	2,497,106	211,019	1,052,770	783,606	705,249	2,848,013	68,694	125,876	770,062	9,062,395
Accumulated depreciation and impairment	(429,398)	(5,867)	(284,768)	(182,107)	(105,712)	(919,899)	(34,975)	(63,671)	(17,764)	(2,044,161)
Net book value at December 31, 2013	2,067,708	205,152	768,002	601,499	599,537	1,928,114	33,719	62,205	752,298	7,018,234
Historical cost	2,262,918	135,923	988,248	704,931	664,533	2,413,242	68,685	130,609	461,947	7,831,035
Accumulated depreciation and impairment	(327,063)	(9,517)	(234,444)	(164,098)	(89,360)	(791,268)	(31,723)	(72,656)	(17,905)	(1,738,033)
Net book value at December 31, 2012 (restated)	1,935,855	126,406	753,804	540,833	575,173	1,621,974	36,962	57,953	444,042	6,093,002



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Movements in exploration and evaluation assets are presented as follows:

<i>In millions of tenge</i>	Oil and gas assets	Mining assets	Total
Net book value at January 1, 2012	133,479	2,123	135,602
Additions	328	1,136	1,464
Impairment provision, net of reversal	–	(434)	(434)
Loss of control over subsidiaries	(7,098)	–	(7,098)
Other transfers and reclassifications	(2,770)	(358)	(3,128)
Net book value at December 31, 2012	123,939	2,467	126,406
Foreign currency translation	1,580	–	1,580
Additions	31,546	2,341	33,887
Disposals	(3,932)	–	(3,932)
Depreciation and impairment on disposals	3,200	–	3,200
Transfers from intangible assets	44,053	–	44,053
Other transfers and reclassifications	(42)	–	(42)
Net book value at December 31, 2013	200,344	4,808	205,152
Historical cost	206,211	4,808	211,019
Accumulated impairment	(5,867)	–	(5,867)
Net book value at December 31, 2013	200,344	4,808	205,152
Historical cost	133,009	2,914	135,923
Accumulated impairment	(9,070)	(447)	(9,517)
Net book value at December 31, 2012	123,939	2,467	126,406

As at December 31, 2013 property, plant and equipment with net book value of 1,395,600 million tenge were pledged as collateral for some of the Group's borrowings (2012: 1,087,516 million tenge).

As at December 31, 2013 the carrying amount of property, plant and equipment acquired under finance lease agreements was equal to 118,348 million tenge (2012: 65,638 million tenge).

As at December 31, 2013 the cost of fully amortised property, plant and equipment of the Group was equal to 494,378 million tenge (2012: 483,458 million tenge).

In 2013, the Group capitalized borrowing costs at an average capitalization rate of 9.1% in the amount of 19,038 million tenge (2012: rate of 6% in the amount 4,162 million tenge).

Impairment of property, plant and equipment

In 2013, the Group recorded net impairment loss in the amount of 67,179 million tenge, which is mainly attributable to impairment of property, plant and equipment of KMG EP in the amount of 60,044 million tenge (*Note 4*), Kazatomprom – in the amount of 3,434 million tenge and KTZh in the amount of 1,523 million tenge.

In 2012, the Group recorded net impairment loss in the amount of 86,143 million tenge, which is mainly attributable to impairment of property, plant and equipment of KMG EP in the amount of 76,344 million tenge (*Note 4*), KazMunayGas – refining and marketing JSC in the amount of 1,258 million tenge and Naukograd LLP in the amount of 2,326 million tenge.



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT
CONSOLIDATED FINANCIAL STATEMENTS
Consolidated balance sheet
Consolidated statement of comprehensive income
Consolidated statement of changes in equity
Consolidated statement of cash flows
NOTES to the consolidated financial statements

8. INTANGIBLE ASSETS

<i>In millions of tenge</i>	Licenses	Software	Goodwill	Marketing related intangible assets	Subsurface use rights	Other	Total
Net book value at December 31, 2011 (restated)	33,153	33,205	147,298	27,006	35,734	30,593	306,989
Foreign currency translation	150	59	(35)	430	(136)	137	605
Change in estimate	-	41	-	-	-	1	42
Additions	5,805	10,418	-	-	45,290	3,396	64,909
Acquisitions through business combinations	-	6	101	-	-	1,169	1,276
Disposals	(257)	(920)	(586)	-	(337)	(596)	(2,696)
Discontinued operations	(33)	(203)	-	-	-	(3,904)	(4,140)
Loss of control over subsidiaries	-	-	-	-	(1,093)	-	(1,093)
Amortization charge	(4,097)	(9,565)	-	(1)	(92)	(2,614)	(16,369)
Accumulated amortization on disposals	250	806	-	-	1	239	1,296
Impairment provision	-	(13)	-	-	-	-	(13)
Transfers from inventories, net	10	145	-	-	-	2	157
Transfers to property, plant and equipment	(7)	(1,339)	-	-	-	-	(1,346)
Transfers from property, plant and equipment	288	4,642	-	-	-	3,729	8,659
Other transfers	2,868	2,700	-	-	19	(5,587)	-
Net book value at December 31, 2012 (restated)	38,130	39,982	146,778	27,435	79,386	26,565	358,276
Foreign currency translation	32	17	54	522	81	360	1,066
Change in estimate	-	-	-	-	(18)	-	(18)
Additions	3,569	7,925	-	-	6,921	5,976	24,391
Acquisitions through business combinations	968	90	2,851	-	-	2,205	6,114
Disposals	(162)	(1,246)	(465)	-	(708)	(905)	(3,486)
Discontinued operations	(23,544)	(198)	-	-	-	(3)	(23,745)
Loss of control over subsidiaries	-	(25)	-	-	(554)	-	(579)
Amortization charge	(3,038)	(10,561)	-	-	(113)	(3,264)	(16,976)
Transfer to assets classified as held for sale	(991)	(702)	(998)	-	-	(7,016)	(9,707)
Accumulated amortization on disposals	155	1,015	-	-	114	603	1,887
Impairment provision	-	(26)	(4,945)	-	(5,841)	(2,407)	(13,219)
Transfers from/(to) inventories, net	5	(89)	-	-	-	80	(4)
Transfers to property, plant and equipment	(19)	(1,518)	-	-	(44,053)	-	(45,590)



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT
CONSOLIDATED FINANCIAL STATEMENTS
Consolidated balance sheet
Consolidated statement of comprehensive income
Consolidated statement of changes in equity
Consolidated statement of cash flows
NOTES to the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Transfers from property, plant and equipment	637	4,921	-	-	-	357	5,915
Other transfers	460	57	-	-	-	(517)	-
Net book value at December 31, 2013	16,202	39,642	143,275	27,957	35,215	22,034	284,325
Historical cost	36,377	90,796	178,941	28,589	53,932	36,984	425,619
Accumulated amortization and impairment	(20,175)	(51,154)	(35,666)	(632)	(18,717)	(14,950)	(141,294)
Net book value at December 31, 2013	16,202	39,642	143,275	27,957	35,215	22,034	284,325
Historical cost	63,100	84,459	177,500	28,018	91,814	41,898	486,789
Accumulated amortization and impairment	(24,970)	(44,477)	(30,722)	(583)	(12,428)	(15,333)	(128,513)
Net book value at December 31, 2012 (restated)	38,130	39,982	146,778	27,435	79,386	26,565	358,276

As at December 31, 2013, the subsurface use rights comprise the net book value of oil and gas and mining exploration and evaluation assets in the amount of 30,594 million tenge and 4,621 million tenge, respectively (2012: 69,811 million tenge and 9,575 million tenge, respectively).

IMPAIRMENT TESTING OF GOODWILL

Carrying amount of goodwill as at December 31 is allocated to each of the group of cash-generating units as follows:

Cash-generating unit groups	2013	2012
Refinery	121,708	121,654
Other	13,372	13,372
Total oil and gas	135,080	135,026
Total mining (Uranium production)	5,166	10,110
Total telecommunication (IP-TV)	2,706	-
Total other	323	1,642
Total goodwill	143,275	146,778

Refinery group includes Rompetrol Group N.V., Downstream Romania, Dyneff and Refinery Company RT LLP, acquired in 2009 (Note 4).

Impairment loss on goodwill recognized in the 2013 consolidated statement of comprehensive income was attributable to impairment in the mining segment (uranium production) in the amount of 4,945 million tenge (2012: nil) (Note 4).



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT
CONSOLIDATED FINANCIAL STATEMENTS
Consolidated balance sheet
Consolidated statement of comprehensive income
Consolidated statement of changes in equity
Consolidated statement of cash flows
NOTES to the consolidated financial statements

9. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

Investments in joint ventures and associates comprised the following as at December 31:

<i>In millions of tenge</i>	Main activity	Place of business	2013		2012	
			Carrying amount	Percentage ownership	Carrying amount	Percentage ownership
Joint ventures:						
Tengizchevroil LLP	Oil and gas exploration and production	Kazakhstan	311,881	20.00%	264,699	20.00%
Mangistau Investments B.V.	Oil and gas exploration and production	Netherlands	185,003	50.00%	176,949	50.00%
Ekibastuzskaya GRES-1 LLP ("GRES-1")	Electricity production	Kazakhstan	153,122	50.00%	136,845	50.00%
Kazakhoil-Aktobe LLP	Oil and gas exploration and production	Kazakhstan	83,800	50.00%	72,086	50.00%
Beineu-Shymkent Pipeline LLP	Construction and operation of the Beineu-Shymkent gas pipeline	Kazakhstan	70,269	50.00%	71,960	50.00%
JV KazGerMunay LLP	Oil and gas exploration and production	Kazakhstan	69,047	50.00%	55,316	50.00%
KazRosGas LLP	Processing and sale of natural gas and refined gas	Kazakhstan	46,082	50.00%	63,424	50.00%
Ekibastuzskaya GRES-2 JSC ("GRES-2")	Electricity production	Kazakhstan	38,662	50.00%	29,646	50.00%
Forum Muider B. V.	Electricity production	Kazakhstan	28,344	50.00%	29,838	50.00%
Kazakhstan Petrochemical Industries Inc. LLP	Construction of first integrated chemical complex	Kazakhstan	28,057	51.00%	17,444	51.00%
Other			196,861		121,208	
Total joint ventures			1,211,128		1,039,415	
Associates:						
Kazzinc LLP (Note 5)	Mining and processing of metal ores, production of refined metals	Kazakhstan	199,877	29.82%	-	-
Sekerbank T.A.S.	Banking	Turkey	88,498	33.69%	86,116	33.88%
PetroKazakhstan Inc. ("PKI")	Exploration, production and processing of oil and gas	Kazakhstan	86,391	33.00%	80,909	33.00%
JV KATCO LLP	Exploration, production and processing of uranium	Kazakhstan	42,757	49.00%	38,262	49.00%
Other			88,598		106,342	
Total associates			506,121		311,629	
			1,717,249		1,351,044	



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT
CONSOLIDATED FINANCIAL STATEMENTS
Consolidated balance sheet
Consolidated statement of comprehensive income
Consolidated statement of changes in equity
Consolidated statement of cash flows
NOTES to the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The following tables illustrate summarized financial information of significant joint ventures, based on financial statements of these entities for 2013:

<i>In millions of tenge</i>	Tengizchevroil LLP	Mangistau Investments B.V.	Ekibastuzskaya GRES-1 LLP ("GRES-1")	Kazakhoil- Aktobe LLP	Beineu- Shymkent Pipeline LLP	JV KazGerMunay LLP
Joint ventures:						
Non-current assets	2,046,774	402,934	323,752	150,324	297,419	175,436
Current assets, including	541,783	80,288	17,488	43,072	11,625	84,923
<i>Cash and cash equivalents</i>	69,983	11,034	4,288	2,479	10,422	27,801
Non-current liabilities, including	582,356	50,569	22,556	7,609	139,882	45,421
<i>Non-current financial liabilities</i>	-	-	9,987	392	138,737	-
Current liabilities, including	446,796	62,647	12,440	18,187	28,624	76,844
<i>Current financial liabilities</i>	97,841	-	600	1,529	-	-
Equity	1,559,405	370,006	306,244	167,600	140,538	138,094
Share of ownership	20,00%	50,00%	50,00%	50,00%	50,00%	50,00%
Accumulated unrecognized share of losses	-	-	-	-	-	-
Carrying amount of investment as at December 31, 2013	311,881	185,003	153,122	83,800	70,269	69,047
Revenue	3,839,623	643,603	82,338	127,263	-	372,392
Depreciation, depletion and amortization	(161,496)	(21,179)	(2,577)	(18,939)	(38)	(10,146)
Finance income	1,287	154	13	524	-	589
Finance costs	(26,776)	(4,763)	(1,200)	(841)	(333)	(604)
Income tax expenses	(633,970)	(36,029)	(8,227)	(3,218)	-	(75,103)
Profit / (loss) for the year from continuing operations	1,479,538	113,038	32,554	23,429	(3,381)	86,432
Profit after income tax for the year from discontinued operations	-	-	-	-	-	-
Other comprehensive income	27,499	250	-	-	-	2,172
Total comprehensive income / (loss)	1,507,037	113,288	32,554	23,429	(3,381)	88,604
Unrecognized share of losses	-	-	-	-	-	-
Dividends received	254,226	48,590	-	-	-	30,570



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

<i>In millions of tenge</i>	KazRosGas LLP	Ekibastuzskaya GRES-2 JSC ("GRES-2")	Forum Muider B. V.	Kazakhstan Petrochemical Industries Inc.
Non-current assets	3,853	132,584	42,152	37,398
Current assets, including	96,391	11,063	39,702	33,301
<i>Cash and cash equivalents</i>	68,529	1,424	537	22,903
Non-current liabilities, including	190	9,421	13,185	14,495
<i>Non-current financial liabilities</i>	-	3,704	7,873	-
Current liabilities, including	7,890	56,902	11,981	1,189
<i>Current financial liabilities</i>	-	54,277	4,827	-
Equity	92,164	77,324	56,688	55,015
Share of ownership	50.00%	50.00%	50.00%	51.00%
Accumulated unrecognized share of losses	-	-	-	-
Carrying amount of investment as at December 31, 2013	46,082	38,662	28,344	28,057
Revenue	140,829	43,379	96,331	-
Depreciation, depletion and amortization	(369)	(2,175)	(9,483)	(17)
Finance income	2,895	2	1,698	-
Finance costs	-	(395)	(1,781)	(45)
Income tax expenses	(14,919)	(4,882)	(3,522)	-
Profit / (loss) for the year from continuing operations	44,670	18,031	9,670	(273)
Profit after income tax for the year from discontinued operations	-	-	-	-
Other comprehensive income	2,427	-	-	-
Total comprehensive income / (loss)	47,097	18,031	9,670	(273)
Unrecognized share of losses	-	-	-	-
Dividends received	40,891	-	6,328	-

The following tables illustrate summarized financial information of significant joint ventures, based on financial statements of these entities for 2012:

<i>In millions of tenge</i>	Tengizchevroil LLP	Mangistau Investments B,V,	Ekibastuzskaya GRES-1 LLP ("GRES-1")	Kazakhoil-Aktobe LLP	Beineu-Shymkent Pipeline LLP	JV KazGerMunay LLP
Joint ventures:						
Non-current assets	1,901,162	385,919	280,831	163,973	204,172	184,117
Current assets, including	487,082	144,994	20,299	21,707	5,982	62,180
<i>Cash and cash equivalents</i>	45,882	57,386	11,406	1,862	5,949	40,021
Non-current liabilities, including	688,777	133,098	20,568	7,689	-	59,793
<i>Non-current financial liabilities</i>	95,268	83,996	9,976	731	-	-
Current liabilities, including	375,972	43,917	6,872	33,819	66,234	75,872
<i>Current financial liabilities</i>	96,151	-	600	5,134	19,500	-
Equity	1,323,495	353,898	273,690	144,172	143,920	110,632
Share of ownership	20.00%	50.00%	50.00%	50.00%	50.00%	50.00%
Accumulated unrecognized share of losses	-	-	-	-	-	-
Carrying amount of investment as at December 31, 2012	264,699	176,949	136,845	72,086	71,960	55,316



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Revenue	3,442,771	636,259	86,453	134,919	-	344,477
Depreciation, depletion and amortization	(129,583)	(25,109)	(8,016)	(17,188)	(38)	(11,640)
Finance income	962	306	263	213	25	178
Finance costs	(32,428)	(9,680)	(210)	(1,389)	-	(507)
Income tax expenses	(573,919)	(54,520)	(10,161)	(10,559)	(65)	(75,765)
Profit / (loss) for the year from continuing operations	1,339,145	129,271	39,595	22,640	(523)	76,716
Profit after income tax for the year from discontinued operations	-	-	-	-	-	-
Other comprehensive income	19,974	-	-	-	-	600
Total comprehensive income / (loss)	1,359,119	129,271	39,595	22,640	(523)	77,316
Unrecognized share of losses	-	-	-	-	-	-
Dividends received	243,858	-	3,990	-	-	67,170

<i>In millions of tenge</i>	KazRosGas LLP	Ekibastuzskaya GRES-2 JSC ("GRES-2")	Forum Muider B, V,	Kazakhstan Petrochemical Industries Inc,
Non-current assets	3,949	106,108	70,424	33,045
Current assets, including	135,513	7,852	13,425	19,012
<i>Cash and cash equivalents</i>	70,011	1,781	226	5,403
Non-current liabilities, including	71	52,233	11,977	13,611
<i>Non-current financial liabilities</i>	-	46,926	7,019	-
Current liabilities, including	12,543	2,435	12,196	4,243
<i>Current financial liabilities</i>	-	1,243	4,187	-
Equity	126,848	59,292	59,676	34,203
Share of ownership	50.00%	50.00%	50.00%	51.00%
Accumulated unrecognized share of losses	-	-	-	-
Carrying amount of investment as at December 31, 2012	63,424	29,646	29,838	17,444
Revenue	220,998	36,194	82,027	-
Depreciation, depletion and amortization	(363)	(2,175)	(6,089)	(10)
Finance income	2,621	6	1	-
Finance costs	-	(2,196)	(625)	-
Income tax expenses	(21,929)	(3,263)	(2,764)	-
Profit / (loss) for the year from continuing operations	81,782	11,759	8,504	(780)
Profit after income tax for the year from discontinued operations	-	-	-	-
Other comprehensive income	2,182	-	-	-
Total comprehensive income / (loss)	83,964	11,759	8,504	(780)
Unrecognized share of losses	-	-	-	-
Dividends received	142,996	-	6,095	-



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The following tables illustrate summarized financial information of significant associates, based on financial statements of these entities for 2013:

<i>In millions of tenge</i>	Kazzinc LLP	Sekerbank T,A,S,	PetroKazakhstan Inc, ("PKI")	JV KATCO LLP
Associates:				
Non-current assets	713,496	864,412	418,059	70,990
Current assets	166,036	684,917	48,107	34,582
Non-current liabilities	110,555	287,726	117,548	8,168
Current liabilities	61,553	966,432	86,826	10,284
Equity	707,424	295,171	261,792	87,120
Share of ownership	29.82%	33.69%	33.00%	49.00%
Accumulated unrecognized share of losses	-	-	-	-
Goodwill	49,292	-	-	68
Impairment	(60,369)	(10,945)	-	-
Carrying amount of investment as at December 31, 2013	199,877	88,498	86,391	42,757
Revenue	356,465	103,828	295,928	71,469
Profit for the year from continuing operations	21,341	18,694	71,959	21,100
Profit for the year from discontinued operations after income tax	-	-	-	-
Other comprehensive income	6,553	151	4,581	409
Total comprehensive income	27,894	18,845	76,540	21,509
Unrecognized share of losses	-	-	-	-
Dividends received	-	-	35,334	6,044

The following tables illustrate summarized financial information of significant associates, based on financial statements of these entities for 2012:

<i>In millions of tenge</i>	Kazzinc LLP	Sekerbank T,A,S,	PetroKazakhstan Inc, ("PKI")	JV KATCO LLP
Associates:				
Non-current assets	-	728,622	411,210	65,701
Current assets	-	660,719	10,692	40,144
Non-current liabilities	-	242,805	105,261	5,808
Current liabilities	-	871,761	71,462	22,091
Equity	-	274,775	245,179	77,946
Share of ownership	-	33.88%	33.00%	49.00%
Accumulated unrecognized share of losses	-	-	-	-
Goodwill	-	-	-	-
Impairment	-	(6,978)	-	68
Carrying amount of investment as at December 31, 2012	-	86,116	80,909	38,262
Revenue	-	101,120	320,681	47,859



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL
STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT
CONSOLIDATED FINANCIAL STATEMENTS
Consolidated balance sheet
Consolidated statement of comprehensive income
Consolidated statement of changes in equity
Consolidated statement of cash flows
NOTES to the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Profit for the year from continuing operations	-	19,359	104,740	19,302
Profit for the year from discontinued operations after income tax	-	-	-	-
Other comprehensive income	-	10,093	5,793	(409)
Total comprehensive income	-	29,452	110,533	18,893
Unrecognized share of losses	-	-	-	-
Dividends received	-	-	49,800	-

All of the above joint ventures and associates, except for Sekerbank T.A.S., are strategic for the Group's business.

There is no active market for all of these material joint ventures and associates; therefore the Group does not disclose information about the fair value of these investments.

The following tables illustrate aggregate financial information of individually insignificant joint ventures (the Group's proportional interest):

<i>In millions of tenge</i>	2013	2012
Carrying amount of investments as at December 31	196,861	121,208
Profit for the year from continuing operations	36,909	26,672
Profit after income tax for the year from discontinued operations	-	-
<i>Other comprehensive income</i>	941	14
Total comprehensive income	37,850	26,686

The following tables illustrate aggregate financial information of individually insignificant associates (the Group's proportional interest):

<i>In millions of tenge</i>	2013	2012
Carrying amount of investments as at December 31	88,598	106,342
Profit for the year from continuing operations	788	9,279
Profit after income tax for the year from discontinued operations	-	-
Other comprehensive income	890	566
Total comprehensive income	1,678	9,845

The following table summarizes the movements in equity investments in joint ventures and associates in 2013 and 2012:

<i>In millions of tenge</i>	2013	2012
Balance as at January 1	1,351,044	1,294,982
Share in profit of joint ventures and associates, net	542,434	538,835
Dividends received	(438,759)	(556,217)
Change in dividends receivable	14,116	10
Acquisitions	315,931	46,171



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT
CONSOLIDATED FINANCIAL STATEMENTS
Consolidated balance sheet
Consolidated statement of comprehensive income
Consolidated statement of changes in equity
Consolidated statement of cash flows
NOTES to the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Disposals	(2,274)	(30)
Transfers to assets classified as held for sale (Note 6)	(16,061)	(256)
Other comprehensive income	15,548	11,097
Transfer from financial assets	855	(11)
(Impairment) / reversal of impairment	(70,712)	16,463
Other changes in equity of joint ventures and associates	5,127	-
Balance as at December 31	1,717,249	1,351,044

During 2013, the Group recognized an impairment loss of the investment in its associate, Kazzinc LLP, in the amount of 60,369 million tenge. The recoverable amount of this investment was determined based on the value in use by discounting the future net cash flows.

As at December 31, 2013, the Group's share in unrecognized losses of joint ventures and associates was equal to 24,823 million tenge (2012: 33,509 million tenge).



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

10. LOANS TO CUSTOMERS

As at December 31, loans to customers were comprised of the following:

<i>In millions of tenge</i>	2013	2012
Loans to large entities	719,762	2,049,953
Loans to individuals	331,358	718,670
Loans to small and medium business	40,165	292,957
Net investments in finance lease	9,041	56,888
Other loans	4,117	5,235
Total loans	1,104,443	3,123,703
Less: impairment allowance	(207,560)	(1,071,993)
Loans to customers, net	896,883	2,051,710
Less: current portion	(249,800)	(665,326)
Non-current portion	647,083	1,386,384

Movements in the loan impairment allowance were as follows for the years ended December 31:

<i>In millions of tenge</i>	2013	2012
Allowance at January 1	1,071,993	1,262,590
Charged, net	118,864	15,895
Reinstated / (written-off), net	231,220	(231,746)
<i>Transfers to assets classified as held for sale (Note 6)</i>	(1,114,411)	-
Foreign currency translation	35,200	25,254
Discontinued operations	(135,306)	-
Allowance at December 31	207,560	1,071,993

The following table provides information on the credit quality of the loan portfolio at December 31:

<i>In millions of tenge</i>	2012	2011
Loans for which no impairment has been identified:		
Standard loans	822,028	1,467,523
Less: impairment allowance	(25,141)	(51,004)
Standard loans, net of impairment allowance	796,887	1,416,519
Impaired loans:		
Individually impaired	199,832	1,441,378
Less: impairment allowance	(162,793)	(987,461)
Individually impaired loans, net of impairment allowance	37,039	453,917
Overdue loans:		
• less than 90 days	35,384	34,010



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT
CONSOLIDATED FINANCIAL STATEMENTS
Consolidated balance sheet
Consolidated statement of comprehensive income
Consolidated statement of changes in equity
Consolidated statement of cash flows
NOTES to the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

• over 90 days, but less than 1 year	26,242	56,208
• over 1 year	20,958	124,584
Less: impairment allowance	(19,627)	(33,528)
Overdue loans, net of impairment allowance	62,957	181,274
Total impaired loans	99,996	635,191
Total loans to customers, net	896,883	2,051,710

As at December 31 the components of net investments in finance lease are as follows:

<i>In millions of tenge</i>	2013	2012
Within one year	1,653	37,551
Later than one year, but not later than five years	6,611	23,662
After five years	11,291	14,164
Minimum lease payments	19,555	75,377
Less: unearned finance income	(10,514)	(18,489)
Less: impairment allowance	-	(16,104)
Net investment in finance leases	9,041	40,784

Kazakhmys Finance Plc

In 2013 the Group provided tranches to Kazakhmys Finance Plc in the amount of 200 million US Dollars (equivalent to 30,812 million tenge at exchange rate as at December 31, 2013) with maturity periods of 12 years (2012: 1,200 million US Dollars

equivalent to 180,888 million tenge at exchange rate as at December 31, 2012). The annual interest rate on the loan equals the six-months LIBOR plus a 4.80% margin. The loan was provided for the development of Zhomart copper field. The loan was financed from proceeds under credit facility of State China Development Bank (*Note 18*).



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

11. AMOUNTS DUE FROM CREDIT INSTITUTIONS

Amounts due from credit institutions comprised the following at
December 31:

<i>In millions of tenge</i>	2013	2012 (restated)
Bank deposits	1,356,231	1,099,040
Loans to credit institutions	218,333	311,162
Less: impairment allowance	-	(64,133)
Amounts due from credit institutions, net	1,574,564	1,346,069

Less: current portion	(1,291,888)	(1,076,442)
Non-current portion	282,676	269,627

<i>In millions of tenge</i>	2013	2012 (restated)
10 largest local banks	997,137	913,505
Other local credit institutions	189,063	93,362
International credit institutions	388,364	339,202
	1,574,564	1,346,069

<i>In millions of tenge</i>	2013	2012 (restated)
Ratings from AAA (Aaa) to AA-(Aa3)	-	35,684
Rating from A+(A1) to A-(A3)	258,099	137,860
Rating from BBB+(Baa1) to BBB(Baa2)	125,132	125,928
Rating from BBB-(Baa3) to BB-(Ba3)	210,795	300,932
Rating from B+(B1) to B-(B3)	973,206	592,773
Rating from CCC+(Caa1) to D(D)	2,384	-
Rating is not defined	4,948	152,892
	1,574,564	1,346,069

<i>In millions of tenge</i>	2013	2012 (restated)
Amounts due from credit institutions, denominated in tenge	884,287	790,109
Amounts due from credit institutions, denominated in US Dollars	689,287	549,874
Amounts due from credit institutions, denominated in other currencies	990	6,086
	1,574,564	1,346,069

As at December 31, 2013 the weighted average interest rate on
amounts due from credit institutions was 4.68% (2012: 4.86%).

Movements in impairment allowance for amounts due from credit
institutions were as follows:

<i>In millions of tenge</i>	2013	2012 (restated)
Allowance at January 1	64,133	62,789



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT
CONSOLIDATED FINANCIAL STATEMENTS
Consolidated balance sheet
Consolidated statement of comprehensive income
Consolidated statement of changes in equity
Consolidated statement of cash flows
NOTES to the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Recovered, net	(13,388)	(1,947)
Foreign currency translation	(1,248)	3,096
Reinstatement	4,284	195
Discontinued operations	(1,662)	-
Transfer to assets classified as held for sale	(52,119)	-
Allowance at December 31	-	64,133

As at December 31, 2013 amounts due from credit institutions include cash in the amount of 38,217 million tenge pledged as collateral for certain Group's borrowings (2012: 4,982 million tenge) (*Note 18*).



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT
CONSOLIDATED FINANCIAL STATEMENTS
Consolidated balance sheet
Consolidated statement of comprehensive income
Consolidated statement of changes in equity
Consolidated statement of cash flows
NOTES to the consolidated financial statements

12. OTHER FINANCIAL ASSETS

Other financial assets comprised the following at December 31:

<i>In millions of tenge</i>	2013	2012
Note receivable from shareholder of joint venture	17,192	18,222
Note receivable from associate	22,412	20,722
Available for sale financial assets, including	132,058	484,542
Equity securities	92,054	219,582
Bonds of Kazakhstan financial agencies	16,177	135,413
Treasury bills of the Ministry of finance of the Republic of Kazakhstan	22,911	68,316
Corporate bonds	925	32,177
Bonds of international financial organizations	-	13,001
Other debt securities	-	24,056
Less: impairment allowance	(9)	(8,003)
<i>including financial assets subject to repurchase agreements</i>	9,932	9,976
Held to maturity financial assets, including	312	51,302
Bonds of Kazakhstan financial agencies	-	42,596
Treasury bills of the Ministry of finance of the Republic of Kazakhstan	-	8,182
Corporate bonds	312	524
Financial assets at fair value through profit and loss, including	8,114	37,256
Treasury bills of the Ministry of finance of the Republic of Kazakhstan	4,497	19,111
Bonds of Kazakhstan financial agencies	1,852	3,266
Unquoted investments in venture capital entities	-	12,917
Unquoted equity investments	-	1,799
Corporate bonds	1	126
Other equity securities	1,764	37
Trading securities, including	-	70,421
Bonds of Kazakhstan financial agencies	-	20,997
Treasury bills of the Ministry of finance of the Republic of Kazakhstan	-	13,444
Corporate bonds	-	9,422
Other equity securities	-	25,668
Other debt securities	-	890
Derivative financial instruments, including	46,427	50,278
Options	46,427	47,638
Currency swaps	-	2,113
Other	-	527
Total financial assets	226,515	732,743
Less: current portion	(92,686)	(267,809)
Non-current portion	133,829	464,934



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL
STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT
CONSOLIDATED FINANCIAL STATEMENTS
Consolidated balance sheet
Consolidated statement of comprehensive income
Consolidated statement of changes in equity
Consolidated statement of cash flows
NOTES to the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2013 the interest rates for available-for-sale financial assets, held to maturity financial assets and trading securities were in the range from 4.3% to 9.2%, from 0.93% to 15%

and from 3.6% up to 11%, respectively (2012: from 2.3% to 17.4%, from 0.93% to 15% and from 3.6% to 11%, respectively).

Other financial assets by currency, except for derivatives:

<i>In millions of tenge</i>	2013	2012
Financial assets denominated in tenge	139,562	442,444
Financial assets denominated in US Dollars	40,526	231,523
Financial assets denominated in other currency	-	8,498
	180,088	682,465

The changes in impairment allowance of other financial assets are as follows:

<i>In millions of tenge</i>	2013	2012
Allowance at January 1	8,003	8,157
(Recovered) / charged, net	(2,465)	666
Written-off	(2,172)	(680)
Discontinued operations	(3,357)	-
Foreign currency translation	-	(140)
Allowance at December 31	9	8,003

Equity securities (available for sale financial assets) – shares of “Toshiba Nuclear Energy Holdings (US) Inc.” and “Toshiba Nuclear Energy Holdings UK Ltd”

In 2007, NAC KAP acquired 400 Class A ordinary shares of Toshiba Nuclear Energy Holdings US, Inc. (“TNEH-US”) for 400,000 thousand US Dollars from Toshiba Nuclear Energy Investments US Inc. In addition, NAC KAP purchased 140 Class A common shares of Toshiba Nuclear Energy Holdings UK Ltd (“TNEH-UK”) for 140,000 thousand US Dollars from Toshiba Nuclear Energy Investments UK Ltd. Through the acquisition of 400 Class A common shares of TNEH-US and 140 Class A common shares of TNEH-UK NAC KAP acquired a 10% interest in these entities. TNEH-US and TNEH-UK, own 100% interest in Westinghouse Group (“Westinghouse”).

In connection and simultaneously with the acquisition of interest in TNEH-US and TNEH-UK, NAC KAP entered into a put option agreement (the “Put Option”). The Put Option provides NAC KAP with an option to sell its shares to Toshiba Corporation for 100% of the original purchase price of 540,000 thousand US Dollars for the first 67% of shares and 90% of the original purchase price for the remaining 33% of shares resulting in a total estimated exercise price of 522,180 thousand US Dollars, if certification is not received from Westinghouse of fuel assembly production by Ulba Metallurgical Plant JSC (a subsidiary of NAC KAP). In addition to the Put Option agreement at the end of 2012 NAC KAP and Toshiba Corporation

signed an agreement under which NAC KAP can use the Put Option until February 28, 2018. The Put Option was not exercised by NAC KAP at December 31, 2013.

In connection and simultaneously with the acquisition of interest in TNEH-US and TNEH-UK, NAC KAP entered into a call option agreement (the “Call Option”). The Call Option provides Toshiba Corporation with the right to demand from NAC KAP the sale of its TNEH-US and TNEH-UK shares if the Committee on Foreign Investment of the United States decides that NAC KAP is no longer a strategic partner. In such case, the fair value of NAC KAP’s shares will be determined by an independent international appraiser. The Call Option was not exercised by Toshiba Corporation at December 31, 2013.

The Group has classified this investment as available for sale as this best reflects the intention of the Group and ability to hold the investment for the long term. Investments in TNEH-US and TNEH-UK are carried at cost because these investments are equity in a private company for which fair value cannot be reliably measured. As at December 31, 2013 carrying value of investments was equal to 66,005 million tenge (2012: 66,005 million of tenge).



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Equity securities (available for sale financial assets) – shares of Kazakhmys Plc

As at June 6, 2013 the Fund transferred all common shares of Kazakhmys Plc (58,876,793 shares) to the state ownership, by their transfer to the State property and privatization committee of the Ministry of finance of the Republic of Kazakhstan. Fair value of these financial assets amounted to 44,069 million tenge as at the date of transfer (Note 17.5).

As at December 31, 2012 there was objective evidence that the historical cost of the equity securities of Kazakhmys Plc available for sale may not be recovered, due to the significant and prolonged decrease of their fair value below the initial cost. In this regard, the Group reclassified unrealized loss on equity securities Kazakhmys Plc from the other comprehensive income to impairment losses in the amount of 86,103 million tenge. The impairment losses were recognized in the amount of the difference between the fair value and the historical cost of the equity securities of Kazakhmys Plc.

Equity securities (available for sale financial assets) – shares of Kazkommertsbank JSC

As at December 31, 2013 the fair value of shares of Kazkommertsbank was equal to 23,237 million tenge (2012: 24,828 million tenge).

As at December 31, 2012 there was objective evidence that the historical cost of the available for sale equity securities of Kazkommertsbank may not be recovered, due to the significant and prolonged decrease of their fair value below the initial cost. In this regard, the Group reclassified unrealized loss on equity securities of Kazkommertsbank from the other comprehensive income to impairment losses in the amount of 60,745 million tenge. The

impairment losses were recognized in the amount of the difference between the fair value and the historical cost of the equity securities of Kazkommertsbank.

Sale of equity securities (available for sale financial assets) – shares of Halyk Bank of Kazakhstan JSC

On May 28, 2012, Holding Group “ALMEX” JSC and Halyk Bank of Kazakhstan JSC signed an agreement to assign rights for an option on preferred shares of Halyk Bank of Kazakhstan JSC.

In accordance with this agreement on June 29, 2012 and July 5, 2012 Halyk Bank of Kazakhstan JSC partially exercised its rights and acquired 150,000,000 and 40,000,000 of its preferred shares with a price of 179.94 tenge and 180.21 tenge per share. Total realized value of treasury shares was equal to 34,199 million tenge.

After sale of Halyk Bank of Kazakhstan JSC preferred shares with a fair value of 27,057 million tenge and 7,215 million tenge, respectively, at the date of disposal, the Fund ceased recognition of the relevant option obligation on the purchase of these preferred shares. Fair value of this option obligation on the disposal date was equal to 2,770 million tenge and 739 million tenge, respectively.

Unrealized gain in the amount of 1,394 million tenge on the revaluation of available-for-sale investments on preferred shares of Halyk Bank of Kazakhstan JSC was reclassified from revaluation reserve for available for sale investments to loss for the period. The resulting net gain on disposal of financial assets was recorded in the consolidated statement of comprehensive income for the year ended December 31, 2012 in the amount of 4,830 million tenge.

As at December 31, 2013 the fair value of shares of Halyk Bank was equal to 1,025 million tenge (2012: 1,028 million tenge).



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT
CONSOLIDATED FINANCIAL STATEMENTS
Consolidated balance sheet
Consolidated statement of comprehensive income
Consolidated statement of changes in equity
Consolidated statement of cash flows
NOTES to the consolidated financial statements

13. OTHER NON-CURRENT ASSETS

Other non-current assets comprised the following at December 31:

<i>In millions of tenge</i>	2013	2012 (restated)
Advances paid for non-current assets	302,517	292,387
Long-term VAT receivable	62,997	47,616
Prepaid expenses	23,548	24,536
Assets for sale to the Government	14,148	14,239
Long-term inventories	8,886	13,201
Restricted cash	12,544	9,056
Other	64,906	40,730
Less: impairment allowance	(27,650)	(20,673)
	461,896	421,092

Movements in impairment allowance for VAT receivable are as follows:

<i>In millions of tenge</i>	2013	2012
At January 1	20,673	15,874
Foreign currency translation	8	310
Charged, net	9,138	3,663
Reinstatement	1,111	95
Transfers to assets classified as held for sale	(3,280)	731
Allowance at December 31	27,650	20,673

As at December 31, 2013, advances paid for non-current assets are mainly represented by advances paid for construction and purchase of property, plant and equipment.



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT
CONSOLIDATED FINANCIAL STATEMENTS
Consolidated balance sheet
Consolidated statement of comprehensive income
Consolidated statement of changes in equity
Consolidated statement of cash flows
NOTES to the consolidated financial statements

14. INVENTORIES

Inventories comprised the following at December 31:

<i>In millions of tenge</i>	2013	2012 (restated)
Oil refined products for sale	66,162	64,654
Crude oil	49,514	50,717
Work in process	37,832	41,085
Production materials and supplies	34,627	29,568
Uranium products	27,575	29,860
Goods for resale	18,859	34,448
Fuel	15,992	15,677
Oil and gas industry materials and supplies	15,884	17,896
Railway materials and supplies	14,457	14,523
Owned bid security	9,351	61,736
Gas processed products	8,213	12,865
Aircraft spare parts	5,364	3,507
Telecommunication equipment spare parts	2,636	2,837
Uranium industry materials and supplies	2,049	1,488
Electric transmission equipment spare parts	1,693	3,238
Other materials and supplies	56,522	46,037
Less: write-down to net realizable value	(20,430)	(20,628)
	346,300	409,508



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

15. TRADE ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS

Trade accounts receivable comprised the following at December 31:

<i>In millions of tenge</i>	2013	2012 (restated)
Trade accounts receivable	397,699	370,676
Less: allowance for doubtful debts	(36,630)	(28,324)
	361,069	342,352

Other current assets comprised the following at December 31:

<i>In millions of tenge</i>	2013	2012 (restated)
Asset to the benefit of the Shareholder	70,627	76,720
Advances paid and deferred expenses	54,901	102,443
Other accounts receivable	39,328	48,427
Other prepaid taxes	22,348	23,690
Dividends receivable	21,319	34,635
Restricted cash	11,991	15,955
Amounts due from employees	5,107	5,038
Other	17,515	27,359
Less: impairment allowance	(32,116)	(36,092)
	211,020	298,175

At December 31, 2013 the Group's receivables amounting to 91,914 million tenge were pledged under loan agreements (2012: 91,460 million tenge).

Changes in the allowance for doubtful debt on trade accounts receivable and impairment allowance for other current assets were as follows:

<i>In millions of tenge</i>	2013	2012 (restated)
Reserve at January 1	64,416	59,049
Change in estimate	(212)	(1,771)
Charged, net	8,362	9,727
Foreign currency translation	1,455	692
Reinstatement / (write-off), net	14,917	(2,512)
<i>Transfers to assets classified as held for sale</i>	(18,822)	(763)
Acquisition through business combinations	46	-
Loss of control over subsidiary	(1,416)	(6)
Allowance at December 31	68,746	64,416



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT
CONSOLIDATED FINANCIAL STATEMENTS
Consolidated balance sheet
Consolidated statement of comprehensive income
Consolidated statement of changes in equity
Consolidated statement of cash flows
NOTES to the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At December 31, 2013 the Group's receivables in the amount of 7,683 million tenge were interest bearing (2012: nil).

As at December 31 the ageing analysis of trade receivables is as follows:

In millions of tenge	Total	Neither past due nor impaired	Past due but not impaired				
			<30 days	30–60 days	60–90 days	90–120 days	>120 days
2013	361,069	308,406	22,816	15,282	3,915	1,974	8,676
2012	342,352	297,108	19,528	15,999	3,109	1,586	5,022



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

16. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprised the following at December 31:

<i>In millions of tenge</i>	2013	2012 (restated)
Bank deposits – tenge	230,131	240,948
Bank deposits – US Dollars	171,099	123,752
Bank deposits – other currency	15,610	9,393
Current accounts with banks – tenge	196,814	610,699
Current accounts with banks – US Dollars	92,564	383,384
Current accounts with banks – other currency	17,364	24,326
Cash on hand	13,900	61,478
Reverse repurchase agreements with other banks with contractual maturity of three months or less	3,153	14,051
Cash in transit	359	395
	740,994	1,468,426

Short-term deposits are placed for varying periods of between 1 (one) day and 3 (three) months, depending on immediate cash needs of the Group. As at December 31, 2013 the weighted average interest rates for bank term deposits and current accounts were 3.73% and 1.18%, respectively (2012: 1.91% and 0.52%).

Total amount of the Group's cash balances on bank accounts include funds received from the State budget and the National Fund for Government programs. As at December 31, 2013 these cash balances were accumulated on the accounts with the National

Bank and were equal to 85 billion tenge (2012: 395 billion tenge), including:

- 54 billion tenge – resources of the National Fund received under the Stabilization Plan (2012: 247 billion tenge);
- 2 billion tenge – funds from the State budget received to provide financing of projects implemented by the Fund (2012: 6 billion tenge);
- 29 billion tenge – the Fund's cash balance required for its operating and investing activities (2012: 142 billion tenge).



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

17. EQUITY

17.1. Share capital

During 2013 and 2012 the Fund issued shares as follows:

Payment for shares	Number of shares authorized and issued	Par value, in tenge	Share capital, in millions of tenge
As at December 31, 2011	3,480,637,455		4,050,383
Contributions in cash	120,000	100,000	12,000
Contributions of property	350,282	100,000; 93,549; 90,092; 80,000; 72,800; 23,156	35,028
Contributions of state-owned shares	418,402	1,000,000; 282,174; 100,000; 46,000; 40,600	311,903
As at December 31, 2012	3,481,526,139		4,409,314
Contributions in cash	39,320	901,000; 1,000,000	39,320
Contributions of property	27,073	1,000; 1,000,000	26,234
Contributions of state-owned shares	9,809	1,000; 422,451; 615,921; 1,000,000	9,808
As at December 31, 2013	3,481,602,341		4,484,676

As at December 31, 2013 3,481,602,341 shares were fully paid (2012: 3,481,526,139 shares).

2013

During 2013 in accordance with the Law of the Republic of Kazakhstan on the Republican budget for 2013-2015 dated November 23, 2012 the Shareholder made a cash contribution of 39,320 million tenge to the Fund's share capital. This amount was intended to finance projects of the Fund's subsidiaries.

In accordance with the Resolution of the Government of the Republic of Kazakhstan No. 939 dated September 14, 2010, the Shareholder contributed in 2013 high, medium and low pressure gas pipelines and accompanying constructions, located in West-Kazakhstan, Zhambyl and Aktobe oblasts for the total amount of 9,808 million tenge.

In accordance with the Resolution of the Government of the Republic of Kazakhstan No. 1538 dated December 4, 2012, on July 26, 2013 state-owned shares of "National Company "Aktau International Commercial Seaport" JSC were transferred to the Fund. Since the transfer of shares of "National Company "Aktau International Commercial Seaport" JSC represents business combination of entities under common control, these consolidated financial statements were prepared using accounting method of predecessor company. Accordingly, these consolidated financial statements were presented as if the shares of "National Company "Aktau International Commercial Seaport" JSC were transferred at the beginning of the earliest presented period and, as a result,

relevant comparative information was restated. The carrying amount of contributed net assets in these consolidated financial statements was recorded as adjustment of retained earnings, which subsequently, during issue of the Fund's shares, were transferred to the share capital in the amount of 26,234 million tenge.

2012

On April 19, 2012 state-owned shares of Arkagas JSC in the amount of 4,110 million tenge were transferred to the Fund.

On June 28, 2012 state-owned 100% shares of FPSAIMC were transferred to the Fund as contribution to the share capital at fair value as at the acquisition date in the amount of 300,070 million tenge (Note 5).

On December 20, 2012 the Government of the Republic of Kazakhstan contributed to the Fund 100% share in EK REC with the fair value as of the date of transfer in the amount of 7,723 million tenge. Assets and liabilities of EK REC were accounted for at their carrying amounts in its financial statements. Difference between carrying amounts of net assets received and amount of issued share capital in the amount of 4,149 million tenge was recorded as decrease of retained earnings in the consolidated statement of changes in equity (Note 5).



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17.2 Discount on loans from the Government and on bonds purchased by the National Bank of the Republic of Kazakhstan

2013

In January 2013 the Fund placed coupon bonds at below market interest rates, which were purchased by the National Bank of the Republic of Kazakhstan (*Note 19*). Discount at initial recognition of these liabilities in the amount of 249,828 million tenge was recognized as one-off gain in the consolidated statement of changes in equity.

2012

During 2012, the Fund placed coupon bonds at below market interest rates purchased by the National Bank of the Republic of Kazakhstan and received loans from the Government, bearing below market interest rates. Discount on bonds at initial recognition in the amount of 89,617 million tenge was recognized as a one-off gain in the consolidated statement of changes in equity.

In 2012 amendments to the terms of the bonds placed by the Fund and purchased by the National Bank of the Republic of Kazakhstan were registered. In accordance with these changes, the term of the bonds payable was prolonged to 2062 and the interest rates were reduced to 0.01%. The amendments resulted in a substantial modification of the terms of the existing financial liability, and respectively, the extinguishment of the original financial liability and the recognition of a new financial liability in accordance with IAS 39. The difference of 304,650 million tenge, between the fair value of the new liability and the carrying value of the original liability, was recognized in the consolidated statement of changes in equity.

17.3 Dividends

Dividends attributable to equity holder of the Parent

On October 16, 2013 the Fund paid dividends to the Shareholder in the amount of 9,077 million tenge based on financial results for 2012 according to the Government Resolution No 1060 as at October 5, 2013 (2012: 159,113 million tenge).

Dividends attributable to non-controlling interest

In 2013 the Group declared dividends in the amount of 40,591 million tenge, 14,919 million tenge and 2,885 million tenge to the holders of non-controlling interest in KazMunayGas Exploration Production JSC, Kazakhtelecom JSC and KazTransOil JSC, respectively (2012: 114,312 million tenge and 34,322 million tenge to the holders of non-controlling interest in Kazakhtelecom JSC and KazMunayGas Exploration Production JSC, respectively).

In 2013 dividends paid to other non-controlling interest totaled 2,326 million tenge (2012: 1,663 million tenge).

17.4 Other transactions with the Shareholder

In accordance with the trust management agreements with the right of full control over the development institutions and financial organizations (Entrepreneurship Development Fund "Damu" JSC, Kazyna Capital Management JSC, Export-Credit Insurance Corporation "KazExportGarant" JSC, Investment Fund of Kazakhstan JSC, Development Bank of Kazakhstan JSC), SK-Pharmacy LLP and Doszhan Temir Zholy JSC concluded in April 2013 the Fund lost control over these entities (*Note 6*). The Fund recognized disposal of these subsidiaries and recorded the transaction as distribution to the Shareholder in the amount of 471,711 million tenge in the consolidated statement of changes in equity.

In July 2013, for the purposes of execution of the Resolution of the Government of the Republic of Kazakhstan dated May 25, 2013 No 516 "On measures of implementation of the Decree of the President of the Republic of Kazakhstan dated May 22, 2013 No 571 "On certain measures to optimize the management system of development institutes and develop the national economy", the Fund and the State property and privatization committee of the Ministry of finance of the Republic of Kazakhstan signed the exchange agreement whereby the title on shares and interest in the above entities were transferred to the state ownership in exchange for the state property in accordance with the list attached to the Government Resolution.

Also, in accordance with the above exchange agreement, the title on shares in "National Geological Company "Kazgeology" JSC was transferred to the state ownership in exchange for the state property in accordance with the list attached to the Government Resolution. The Fund recognized disposal of National Geological Company "Kazgeology" JSC and recorded the transaction as distribution to the Shareholder in the amount of 8,966 million tenge in the consolidated statement of changes in equity.

17.5 Other distributions to the Shareholder

Transfer of shares of Kazakhmys Plc

On June 6, 2013 the Fund transferred common shares of Kazakhmys Plc (58,876,793 shares) to the state ownership, by their transfer to the State property and privatization committee of the Ministry of finance of the Republic of Kazakhstan. The Fund derecognized its investments in Kazakhmys Plc that were previously classified as available for sale financial assets in the amount of 44,069 million tenge and reclassified accumulated revaluation reserve for available for sale financial assets in the amount of 67,856 million tenge. The transaction was recognized as other distribution to the Shareholder



JOINT-STOCK COMPANY SOVEREIGN WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013 with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT
 CONSOLIDATED FINANCIAL STATEMENTS
 Consolidated balance sheet
 Consolidated statement of comprehensive income
 Consolidated statement of changes in equity
 Consolidated statement of cash flows
 NOTES to the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

in the amount of 111,925 million tenge in the consolidated statement of changes in equity.

Construction and transfer of fixed assets

In 2012, the Group recognized a distribution to the Shareholder in the amount of 13,537 million tenge related to the Group's obligations on the transfer of the North-Caspian environmental oil spill response base to the Ministry of emergency of the Republic of Kazakhstan.

On June 27, 2013 the Interdepartmental Commission for the development of oil, gas and energy industries decided to retain the North-Caspian environmental oil spill response base with the Group. Based on this decision, in 2013 the Group reversed distribution to the Shareholder in the amount of 13,537 million tenge recognized in 2012.

In 2013, the Group increased a provision for reconstruction of the trade and exhibition center in Moscow city by 3,433 million tenge (2012: 2,451 million tenge) and provision for costs to be incurred on construction of the History Museum of Kazakhstan by 23,551 million tenge (2012: 5,179 million tenge) and recognized respective distribution to the Shareholder.

In 2012 the Group increased provision for construction of other social asset in Astana by 28,330 million tenge.

In accordance with the development plan for Schuchensko - Borovskoi resort area approved by the Government, the Group is obliged to build a golf club in this resort area. The cost of construction and the recoverable amount of this project were estimated in the amount of 19,573 million tenge and 6,252 million tenge, respectively. The difference of 13,321 million tenge between the estimated cost of construction and the recoverable amount was

recognized as distribution to the Shareholder in the consolidated statement of changes in equity for the year ended December 31, 2013.

Sponsorship under the Shareholder's request

During the year ended December 31, 2013 in accordance with the Resolution of the Government, the Group provided sponsorship in the total amount of 8,841 million tenge for financing social, cultural and sporting activities that were recognized as other distributions to the Shareholder (2012: 14,393 million tenge).

17.6 Change in ownership interests of subsidiaries – acquisition of non-controlling interest

BTA Bank

As part of debt restructuring plan of BTA Bank approved in December 2012 the Fund acquired newly issued common shares of BTA Bank and increased its shareholding from 81.48% to 97.28%. As a result of this transaction the Fund recognized a decrease in retained earnings of 123,902 million tenge and an increase of the non-controlling interest of 126,033 million tenge in the 2012 consolidated financial statements.

Other changes in ownership of subsidiaries

During 2012 other changes in ownership interests of subsidiaries mainly resulted from acquisition of non-controlling interest and increased non-controlling interest by 9,539 million tenge.

17.7 Non-controlling interest

The following tables illustrate information of subsidiaries in which the Group has significant non-controlling interests:

	Country of incorporation and operation	Non-controlling interest			
		2013		2012	
		Share	Carrying amount	Share	Carrying amount
KazMunayGas Exploration Production JSC	Kazakhstan	36,78%	504,355	36,79%	492,114
Kazakhtelecom JSC	Kazakhstan	49,00%	135,445	49,00%	140,991
KazTransOil JSC	Kazakhstan	10,00%	34,452	10,00%	29,178
Romp petrol Rafinare S.A.	Romania	45,37%	24,470	45,37%	35,097
Air Astana JSC	Kazakhstan	49,00%	23,123	49,00%	20,855
Romp petrol Downstream S.R.L.	Romania	45,37%	20,437	45,37%	21,546
			742,282		739,781



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The following tables illustrate summarized financial information of subsidiaries, in which the Group has significant non-controlling interests as at December 31, 2013 and for the year then ended:

<i>In millions of tenge</i>	KazMunayGas Exploration Production JSC	Kazakhtelecom JSC	KazTransOil JSC	Rompetro Rafinare S,A,	Air Astana JSC	Rompetro Downstream S,R,L,
Summarised balance sheet						
Non-current assets	666,034	331,753	319,084	182,211	93,247	55,642
Current assets	928,791	84,383	123,617	106,061	43,628	55,337
Non-current liabilities	(39,376)	(69,959)	(48,560)	(35,250)	(62,689)	(7,486)
Current liabilities	(184,356)	(80,674)	(49,619)	(199,098)	(26,948)	(58,449)
Total equity	1,371,093	265,503	344,522	53,924	47,238	45,044
Attributable to:						
Equity holder of the Parent	866,738	130,058	310,070	29,454	24,115	24,607
Non-controlling interest	504,355	135,445	34,452	24,470	23,123	20,437
Summarised statement of comprehensive income						
Profit / (loss) for the year from continuing operations	139,147	19,561	83,490	(24,669)	7,814	(2,342)
Total comprehensive income / (loss) for the year, net of tax	143,647	19,473	83,075	(24,669)	7,814	(2,342)
Attributable to:						
Equity holder of the Parent	89,984	9,968	74,916	(13,474)	3,985	(1,279)
Non-controlling interest	53,663	9,505	8,159	(11,195)	3,829	(1,063)
Dividends paid to non-controlling interest						
	(40,221)	(1,031)	(2,885)	–	(1,562)	–
Summarised cash flow information						
Operating activity	98,432	62,468	95,859	16,900	8,214	8,369
Investing activity	(22,887)	(34,416)	(60,320)	(17,212)	(4,503)	(547)
Financing activity	(111,058)	(39,187)	(28,848)	(8,914)	(8,062)	(4,485)
Net (decrease) / increase in cash and cash equivalents	(35,513)	(11,135)	6,691	(9,226)	(4,351)	3,337



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The following tables illustrate summarized financial information of subsidiaries, in which the Group has significant non-controlling interests as at December 31, 2012 and for the year then ended:

<i>In millions of tenge</i>	KazMunayGas Exploration Production JSC	Kazakhtelecom JSC	KazTransOil JSC	Rompetrol Rafinare S,A,	Air Astana JSC	Rompetrol Downstream S,R,L,
Summarised balance sheet						
Non-current assets	631,044	289,265	289,723	192,228	52,027	66,388
Current assets	933,056	129,994	85,868	124,277	36,391	48,835
Non-current liabilities	(41,775)	(96,631)	(45,785)	(37,863)	(22,330)	(7,062)
Current liabilities	(184,556)	(45,881)	(38,024)	(201,288)	(23,477)	(60,673)
Total equity	1,337,769	276,747	291,782	77,354	42,611	47,488
Attributable to:						
Equity holder of the Parent	845,655	135,756	262,604	42,257	21,756	25,942
Non-controlling interest	492,114	140,991	29,178	35,097	20,855	21,546
Summarised statement of comprehensive income						
Profit / (loss) for the year from continuing operations	160,823	20,147	42,867	(21,517)	9,107	(7,026)
Total comprehensive income / (loss) for the year, net of tax	164,478	222,155	43,360	(21,517)	9,107	(7,026)
Attributable to:						
Equity holder of the Parent	100,818	109,259	43,360	(11,753)	4,645	(3,838)
Non-controlling interest	63,660	112,896	–	(9,764)	4,462	(3,188)
Dividends paid to non-controlling interest	(33,971)	(111,218)	–	–	(1,320)	–
Summarised cash flow information						
Operating activity	154,879	(171,461)	62,907	21,536	7,240	(14,517)
Investing activity	(52,131)	153,243	(33,096)	(25,558)	(5,216)	(476)
Financing activity	(154,555)	(16,343)	(32,709)	21,730	928	13,880
Net (decrease) / increase in cash and cash equivalents	(51,807)	(34,561)	(2,898)	17,708	2,952	(1,113)

17.8 Currency translation reserves

The currency translation reserve is used to record exchange differences arising from the translation of financial statements of the subsidiaries, whose functional currency is not tenge and whose financial statements are included in the consolidated financial statements.

17.9 Other capital reserves

Other capital reserves include the effect of cash flow hedge accounting to record any fair value gains or losses on the designated derivative financial instruments in a hedging reserve within equity. These gains or losses are subsequently recycled to the profit and loss as transactions are settled.



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL
STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT
CONSOLIDATED FINANCIAL STATEMENTS
Consolidated balance sheet
Consolidated statement of comprehensive income
Consolidated statement of changes in equity
Consolidated statement of cash flows
NOTES to the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Other capital reserves also include remuneration of employees for the services rendered in the form of share-based payments with equity instruments of a subsidiary in which they are employed. The cost of equity-settled remunerations is recognized, together with a corresponding increase in other capital reserves, over the period in which performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award.

17.10 Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to common equity holders of

the Parent by the weighted average number of common shares outstanding during the year,

Diluted earnings per share amounts are calculated by dividing net profit attributable to common equity holders of the Parent (after adjusting for interest on convertible preferred shares) by the weighted average number of common shares outstanding during the year plus the weighted average number of common shares that would be issued on conversion of all dilutive potential common shares into common shares,

The following table reflects the income and share data used in the basic and diluted earnings per share computations:

<i>In millions of tenge</i>	2013	2012 (restated)
Net profit from continuing operations attributable to common equity holders of the Parent	573,201	598,654
Net profit from discontinued operations attributable to common equity holders of the Parent	(165,955)	468,923
Net profit attributable to common equity holders of the Parent for basic earnings calculation	407,246	1,067,577
Weighted average number of common shares for basic and diluted earnings per share	3,481,546,896	3,481,122,721

17.11 Book value of shares

In accordance with the decision of the Exchange Board of the Kazakhstan Stock Exchange JSC ("KASE") dated October 4, 2010

financial statements shall disclose book value per share as of the reporting date, calculated in accordance with the KASE rules.

<i>In millions of tenge</i>	2013	2012 (restated)
Total assets	15,294,489	15,274,204
Intangible assets	(284,325)	(358,276)
Total liabilities	(7,787,897)	(7,858,745)
Net assets for common shares	7,222,267	7,057,183
Number of common shares as at December 31	3,481,602,341	3,481,526,139
Book value per common share, tenge	2,074	2,027



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

18. BORROWINGS

Borrowings, including interest payable, comprised the following at December 31:

<i>In millions of tenge</i>	2013	2012 (restated)
Fixed interest rate borrowings	2,551,882	3,046,943
Weighted average interest rate	6,98%	7,14%
Variable interest rate borrowings	1,422,484	1,160,962
Weighted average interest rate	4,38%	4,53%
	3,974,366	4,207,905
Less: amounts due for settlement within 12 months	(607,839)	(680,962)
Amounts due for settlement after 12 months	3,366,527	3,526,943

<i>In millions of tenge</i>	2013	2012 (restated)
US Dollar-denominated borrowings	3,327,141	3,663,735
Tenge-denominated borrowings	539,555	439,586
Other currency-denominated borrowings	107,670	104,584
	3,974,366	4,207,905

Under the terms and conditions of certain loan agreements, respective subsidiaries of the Group are obliged to comply with certain covenants. At December 31, 2013 and 2012, Group management believes that the Group's subsidiaries complied with all such covenants.

Credit facility of State China Development Bank

Under credit line with State China Development Bank in 2013 the Group received loans in the amount of 200 million US Dollars (equivalent to 30,144 million tenge at the exchange rate as at the date of receipt). The purpose of the loans is provision of loans to Kazakhmys Finance Plc for the development of Zhomart copper deposit.

Bonds issue

On April 30, 2013 NC KMG, a subsidiary of the Group, issued additional bonds on LSE in the total amount of 3 billion US Dollars (equivalent of 453,720 million tenge at exchange rate at the issue date) within the current program of global middle-term notes issuance up to 10,5 billion US Dollars on the following terms:

- 2 billion US Dollars with the interest rate of 5.75% maturing in 2043 and an offering price of 99.293% from the nominal value;
- 1 billion US Dollars with the interest rate of 4.4% maturing in 2023 and an offering price of 99.6% from the nominal value.

The coupon on bonds issued in 2013 will be paid on semiannual basis starting from October 30, 2013.

As at December 31, 2013 the carrying amount of these bonds, including interest payable, was equal to 461,486 million tenge.

Other borrowings

In 2010 and 2012, Atyrau Oil Refinery LLP ("ANPZ"), the subsidiary of KazMunayGas – Refining and Marketing JSC, entered into the credit line agreements for the total amount of 1,315 million US Dollars with DBK. The credit line is used to finance the construction of the aromatic hydrocarbon complex. During 2013 ANPZ received 227,544 thousand US Dollars (equivalent of 34,597 million tenge) (2012: 217,957 thousand US Dollars, equivalent of 32,670 million tenge).

In 2013 KazMunayGas – Refining and Marketing JSC, a subsidiary of NC KMG, entered into revolving credit line agreement with Natixis, Paris in the amount of 100 million of US Dollars. Purpose of the credit line is to finance crude oil purchases by Pavlodar Oil Chemical Plant JSC. During 2013 the Group received 30,690 million tenge. On November 26, 2012 Locomotive JSC, a subsidiary of NC KTZh, signed a 10 year loan agreement for 424,857 thousand US dollars with Export-Import Bank of United States of America for the acquisition of 196 Evolution series locomotives. The interest rate on the loan is the Commercial Interest Reference Rate (in US dollars).



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2013 part of the principal amount in the amount of 40,830 thousand US dollars was repaid.

On May 31, 2012 Locomotive JSC, a subsidiary of NC KTZh, concluded a General framework agreement with SB HSBC Kazakhstan JSC, jointly with HSBC Bank Plc and HSBC Bank France with a support from export-credit agency COFACE for financing of

the delivery of 200 cargo and 95 passenger electric locomotives in the total amount of 880,877 thousand Euro for 10 years. As part of signed supplementary agreement, in 2013 funds in the total amount of 97,104 thousand Euro (19,623 million tenge) (amount takes into account COFACE premium) were obtained and used, where such funds were directly transferred to Alstom Transport SA.



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

19. LOANS FROM THE GOVERNMENT OF THE REPUBLIC OF KAZAKHSTAN

Loans from the Government of the Republic of Kazakhstan
comprised the following at December 31:

<i>In millions of tenge</i>	2013	2012 (restated)
Loans from the National Bank of the Republic of Kazakhstan	130,878	612,951
Bonds, purchased by the National Bank of the Republic of Kazakhstan using the funds of the National Fund	71,302	63,056
Loans from the Government of the Republic of Kazakhstan	66,378	94,634
	268,558	770,641
Less: amounts due for settlement within 12 months	(71,342)	(559,831)
Amounts due for settlement after 12 months	197,216	210,810

2013

In January 2013 the Fund placed 255,000,000 coupon bonds with nominal value of 1,000 tenge per bond for the total amount of 255,000 million tenge. The maturity of bonds are 50 years, coupon interest at the amount of 0.01%. All bonds were purchased by the National Bank of the Republic of Kazakhstan using the funds of the National Fund of the Republic of Kazakhstan based on the trust management agreement. When initially recognized, these loans were measured at fair value using appropriate market interest rates effective for the Fund as of the date of bonds issue and subsequently are carried at amortized cost. The difference between nominal cost of loans and their fair value at the amount of 249,828 million tenge was recognized in the consolidated statement of changes in equity.

2012

In 2012 amendments to the terms of the bonds placed with the Fund and acquired by the National Bank of the Republic of Kazakhstan were registered. In accordance with these changes, the term of the bonds payable were prolonged to 2062 and the interest rates were reduced to 0.01%. The amendments resulted in a substantial modification of the terms of the existing financial liability, and respectively, the extinguishment of the original financial liability and the recognition of a new financial liability in accordance with IAS 39. The difference of 304,650 million tenge, between the fair value of the new liability and the carrying amount of the original liability, was recognized in the consolidated statement of changes in equity (Note 17.2).

In 2012 the Fund placed 73,000,000 and 70,196,000 coupon bonds with nominal value of 1,000 tenge per bond for the total amount of 73,000 million tenge and 70,196 million tenge, respectively. The

maturity of bonds are 50 years and 12 years, coupon interest at the amount of 0.01% and 4% shall be paid semi-annually. These bonds were purchased by the National Bank of the Republic of Kazakhstan, of which bonds for the amount of 73,000 million tenge were purchased using the funds of the National Fund of the Republic of Kazakhstan based on the trust management agreement. When initially recognized, these loans were measured at fair value using appropriate market interest rates effective for the Fund as of the date of bonds issue and subsequently are carried at amortized cost. The difference between nominal cost of loans and their fair value at the amount of 82,646 million tenge was recognized in the consolidated statement of changes in equity.

In accordance with the Law of the Republic of Kazakhstan "On Republican budget for 2012–2014" dated November 24, 2011, on August 13, 2012 and November 22, 2012 the Fund received loans from the Ministry of finance of the Republic of Kazakhstan. The total amount of loans was equal to 15,285 million tenge with nominal interest rates ranging between 0.15% and 0.5%. Loans were provided for the period ranging from 10 to 25 years.

When initially recognized, these loans were measured at fair value equal to 8,314 million tenge using appropriate market interest rate and subsequently are carried at amortized cost. The difference between nominal cost of loans and their fair value in the amount of 6,971 million tenge was recognized in the consolidated statement of changes in equity (Note 17.2).

As of December 31, 2013 the effective interest rates for the loans are from 5.5% to 6.62% per annum (2012: from 0.33% to 7.21%).



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT
CONSOLIDATED FINANCIAL STATEMENTS
Consolidated balance sheet
Consolidated statement of comprehensive income
Consolidated statement of changes in equity
Consolidated statement of cash flows
NOTES to the consolidated financial statements

20. OTHER NON-CURRENT LIABILITIES

As at December 31, 2013 other non-current liabilities included the following:

Payables for acquisition of interest in the North-Caspian project

On October 31, 2008 all participants of the North-Caspian project (the "NCP" or the "Project") signed an agreement according to which all project participants except for KMG Kashagan B.V. agreed to partially sell their interest in the project on proportional basis in order

to increase the interest of KMG Kashagan B.V. in NCP from 8.33% to 16.81% retrospectively from January 1, 2008. The acquisition cost consisted of fixed amount of 1.78 billion US Dollars (263 billion tenge) plus annual interest at LIBOR + 3%, which annually is capitalised with the principal amount. This liability is pledged by the additional 8.48% interest acquired. As at December 31, 2013 the amortized cost of this payable was equal to 322,330 million tenge (2012: 339,550 million tenge), from which 107,444 million tenge was included in other current liabilities (2012: 113,183 million tenge).

21. FINANCE LEASE LIABILITIES

The Group has finance leases for various items of property, plant and equipment, mainly aircraft, telecommunication and railway equipment.

In 2013 and 2012 Air Astana JSC, subsidiary of the Group, acquired 6 (six) and 4 (four) aircraft, respectively, under fixed interest finance lease agreements. The lease term for each aircraft is 12 (twelve) years. Air Astana JSC has the option to purchase each aircraft for a nominal amount at the end of the lease. Loans provided by financial institutions to the lessor in respect of 6 (six) new Airbus are guaranteed by European Export Credit Agencies, and 2 (two) Boeings-767 supplied in September and October 2013 are guaranteed by US Export Import

Bank. Air Astana JSC obligations under finance leases are secured by the lessors' title to the leased assets with carrying amount of 78,322 million tenge (2012: 27,397 million tenge).

As at December 31, 2013 calculation of interest amounts was based on effective interest rates ranging from 3.09% to 19.7% (2012: from 3.02% to 17.28%).

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments comprised the following at December 31:

<i>In millions of tenge</i>	2013	
	Minimum lease payments	Present value of minimum lease payments
Within one year	17,881	13,698
Two to five years inclusive	45,798	37,027
After five years	43,889	37,955
Less: amounts representing finance costs	(18,888)	-
Present value of minimum lease payments	88,680	88,680
Less: amounts due for settlement within 12 months		(13,698)
Amounts due for settlement after 12 months		74,982
<i>In millions of tenge</i>	2012	
	Minimum lease payments	Present value of minimum lease payments
Within one year	11,848	8,426
Two to five years inclusive	26,789	20,000
After five years	17,235	15,313
Less: amounts representing finance costs	(12,133)	-
Present value of minimum lease payments	43,739	43,739
Less: amounts due for settlement within 12 months		(8,426)
Amounts due for settlement after 12 months		35,313



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT
CONSOLIDATED FINANCIAL STATEMENTS
Consolidated balance sheet
Consolidated statement of comprehensive income
Consolidated statement of changes in equity
Consolidated statement of cash flows
NOTES to the consolidated financial statements

22. PROVISIONS

Provisions comprised the following at December 31:

<i>In millions of tenge</i>	Asset retirement obligations	Provision for environmental obligation	Provision for taxes	Provision for letters of credit and bank guarantees	Other	Total
Provision at December 31, 2011	36,042	28,438	22,936	6,136	128,620	222,172
Foreign currency translation	784	257	3	35	(441)	638
Change in estimate	6,171	(1,330)	-	677	(161)	5,357
Unwinding of discount	2,590	79	-	-	57	2,726
Provision for the year	17,161	8,145	2,975	115	56,187	84,583
Additions through business combinations	7,500	-	-	-	-	7,500
Use of provision	(665)	(483)	(69)	-	(35,978)	(37,195)
Reversal of unused amounts	-	(298)	(17,096)	(3,852)	(4,021)	(25,267)
Provision at December 31, 2012	69,583	34,808	8,749	3,111	144,263	260,514
Foreign currency translation	485	307	-	16	119	927
Change in estimate	(4,868)	847	-	46	(7,030)	(11,005)
Unwinding of discount	3,517	1,338	-	10	49	4,914
Provision for the year	4,640	10	10,055	-	49,602	64,307
Discontinued operations	(804)	-	-	(973)	(465)	(2,242)
Use of provision	(1,032)	(1,023)	(6,048)	(8)	(24,996)	(33,107)
Reversal of unused amounts	(88)	(243)	(553)	(2,147)	(3,320)	(6,351)
Provision at December 31, 2013	71,433	36,044	12,203	55	158,222	277,957



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT
CONSOLIDATED FINANCIAL STATEMENTS
Consolidated balance sheet
Consolidated statement of comprehensive income
Consolidated statement of changes in equity
Consolidated statement of cash flows
NOTES to the consolidated financial statements

Current portion and long-term portion are segregated as follows:

<i>In millions of tenge</i>	Asset retirement obligations	Provision for environmental obligation	Provision for taxes	Provision for letters of credit and bank guarantees	Other	Total
Current portion	1,216	3,489	8,749	804	109,944	124,202
Long-term portion	68,367	31,319	-	2,307	34,319	136,312
Provision at December 31, 2012	69,583	34,808	8,749	3,111	144,263	260,514
Current portion	1,161	3,792	12,203	31	123,524	140,711
Long-term portion	70,272	32,252	-	24	34,698	137,246
Provision at December 31, 2013	71,433	36,044	12,203	55	158,222	277,957

PROVISIONS ON CONSTRUCTION OF SOCIAL ASSETS UNDER OTHER PROVISIONS

As at December 31, 2013, other provisions include provisions of subsidiaries for construction of social assets under the Government's assignments. NC KMG made provisions for construction of the History Museum in the amount of 55,361 million tenge (2012: 31,810 million tenge), for reconstruction of the Expo-Center in the amount of 9,844 million tenge (2012: 6,411 million tenge), and provision for construction of golf club in

the amount of 13,321 million tenge (2012: nil). In 2012 NC KTZh entered into an irrevocable commitment with the Government to construct a multifunctional ice palace in Astana. The value of the commitment was estimated in accordance with the construction contract in the amount of 25,006 million tenge. Construction is expected to be completed in June 2015. Also, NC KTZh includes a provision for the amount of 28,125 million tenge in respect of the obligation to fit out teleradio complex that was entered into in 2011.

Construction of the Student's Palace in Astana in the amount of 22,801 million tenge was completed in June 2013.



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

23. EMPLOYEE BENEFIT LIABILITY

STATE CONTRIBUTION SCHEME

The Group pays social tax according to the current statutory requirements in the Republic of Kazakhstan. Social tax and payroll are expensed as incurred.

The Group also withholds and contributes up to 10% limit on contributions, from salaries of its employees as the employee contribution to their cumulative pension funds. These amounts are expensed in the period they are incurred.

DEFINED BENEFIT PLAN

Employee benefit liabilities under this plan are payable in accordance with collective agreements concluded between certain subsidiaries of the Group (NC KMG, National Company Kazakhstan Temir Zholy JSC, Kazakhtelecom JSC, Samruk-Energy JSC, National Atomic Company Kazatomprom JSC, National Company Kazakhstan Engineering JSC and Kazpost JSC) and employees of those subsidiaries represented by their trade unions.

Total liability under the Group's defined benefit plan comprised the following as at December 31:

<i>In millions of tenge</i>	2013	2012
Present value of defined benefit obligation	60,295	49,979
Liability falling due within one year	(4,578)	(4,039)
Liability falling due after one year	55,717	45,940

A reconciliation of the present value of the defined benefit plan obligation with specified payments for the years ended December 31 is as follows:

<i>In millions of tenge</i>	2013	2012
Total liability at the beginning of the year	49,979	41,539
Current service cost	5,908	3,390
Past service cost	(2,455)	1,324
Interest cost	3,888	3,316
Benefits paid during the year	(4,667)	(4,504)
Unrecorded past service cost	6,736	645
Actuarial loss recognized during the year	906	4,283
Discontinued operations	0	(14)
Total liability at the end of the year	60,295	49,979

Past service cost recognized for the years ended December 31, 2013 and 2012 primarily resulted from changes in the pension legislation regarding increase of women's retirement age at predetermined scale and also changes in the collective agreements.

Current service cost, interest cost, past service cost, unrecorded past service cost and actuarial loss in the total amount of 14,983 million

tenge were recorded in the consolidated statement of comprehensive income within personnel costs in 2013 (2012: 12,958 million tenge).

Estimates of the Group's liabilities were made on the basis of published statistical data regarding mortality and actual Group's data on number, age, gender and years of employee service. Other principal assumptions at the reporting date, calculated as weighed average for all plans, were as follows:

	2013	2012
Discount rate	6.61%	7.24%
Expected rate of increase of future annual financial assistance	5.81%	5.52%
Expected rate of increase of future annual minimum salary	5.31%	6.73%
Expected rate of increase of future annual railway ticket price	7.7%	6.43%

The defined benefit plans are unfunded.



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT
CONSOLIDATED FINANCIAL STATEMENTS
Consolidated balance sheet
Consolidated statement of comprehensive income
Consolidated statement of changes in equity
Consolidated statement of cash flows
NOTES to the consolidated financial statements

24. AMOUNTS DUE TO CUSTOMERS

<i>In millions of tenge</i>	2013	2012
Time deposits, including:	185,254	533,946
Legal entities	37,413	82,337
Individuals	147,841	442,539
Government organizations	-	9,070
Current accounts, including:	53,848	196,271
Legal entities	24,407	105,442
Individuals	29,441	78,290
Government organizations	-	12,539
Guarantees and other deposits with restrictive covenants, including:	2,813	12,504
Legal entities	1,259	6,699
Individuals	1,554	5,466
Government organizations	-	339
Amounts due to customers	241,915	742,721
Less: current portion	(230,763)	(636,058)
Non-current portion	11,152	106,663



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT
CONSOLIDATED FINANCIAL STATEMENTS
Consolidated balance sheet
Consolidated statement of comprehensive income
Consolidated statement of changes in equity
Consolidated statement of cash flows
NOTES to the consolidated financial statements

25. OTHER CURRENT LIABILITIES

Other current liabilities comprised the following as at December 31:

<i>In millions of tenge</i>	2013	2012 (restated)
Other taxes payable	128,470	135,782
Advances received and deferred income	123,260	111,849
Payable for the acquisition of additional interest in the North Caspian Project (Note 20)	107,444	113,183
Due to employees	81,734	75,806
Dividends payable	18,057	3,761
Other estimated liabilities	5,508	63,592
Other	53,042	71,222
	517,515	575,195

Other estimated liabilities

Change in other estimated liabilities were mainly due to decrease of NAC KAP liabilities to Beijing Sino-Kaz Uranium Resources

Investment Company Limited in the amount of 46,676 million tenge. Detailed information is disclosed in Note 6. As at December 31, 2013 and 2012 other current liabilities were not interest bearing.



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

26. REVENUE

Revenue comprised the following for the years ended December 31:

<i>In millions of tenge</i>	2013	2012 (restated)
Sales of oil refined products	2,096,932	1,968,721
Railway cargo transportation	738,985	684,320
Sales of crude oil	735,441	597,598
Oil and gas transportation	261,803	220,677
Sales of uranium products	211,321	253,635
Sales of gas products	204,303	188,601
Telecommunication services	182,555	167,340
Electricity complex	144,877	125,372
Air transportation	143,813	128,046
Interest revenue	106,168	83,241
Railway passenger transportation	74,421	64,337
Electricity transmission services	70,687	63,730
Postal services	25,627	22,380
Sale of medicine	24,548	73,102
Other revenue	322,683	297,953
Less: indirect taxes and commercial discounts	(295,988)	(241,828)
	5,048,176	4,697,225

Other revenue

Other revenue comprises primarily revenue from commissions, revenue from sale of inventories and rendering of other support services to third parties provided together with main services.

27. GOVERNMENT GRANTS

According to the Resolution of the Government of the Republic of Kazakhstan No. 1188 dated November 11, 2004 "On the approval of subsidies for carrier losses related to provision of passenger transportation", beginning from January 1, 2005, NC KTZh started to receive government grants as a compensation for carriers' losses on socially important destinations. There are no unfulfilled conditions or contingences attached to these grants. The amount of subsidy for the year ended December 31, 2013 was equal to 23,881 million tenge (2012: 22,148 million tenge).

According to the Resolution of the Government of the Republic of Kazakhstan No. 1039 dated October 7, 2004 "On the approval of subsidies for telecommunication operators losses connected with the provision of universal telecommunication services in rural areas", beginning from 4th quarter of 2004, Kazakhtelecom JSC started to receive government grants as compensation for operators' losses on socially important services. There are no unfulfilled conditions or contingencies attached to these grants.

The amount of subsidy for the year ended December 31, 2013 was equal to 5,029 million tenge (2012: 5,309 million tenge).

According to the Resolution of the Government of the Republic of Kazakhstan No. 915 dated August 17, 2002, the Government provides subsidies to companies rendering air passenger services on unprofitable routes from Astana to other cities in Kazakhstan. The subsidy is based on the excess of flight costs over revenue earned. The amount of subsidy for the year ended December 31, 2013 was equal to 46 million tenge (2012: 353 million tenge).

Other government grants and subsidies for the year ended December 31, 2013, were equal to 40 million tenge (2012: 47 million tenge).



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT
CONSOLIDATED FINANCIAL STATEMENTS
Consolidated balance sheet
Consolidated statement of comprehensive income
Consolidated statement of changes in equity
Consolidated statement of cash flows
NOTES to the consolidated financial statements

28. COST OF SALES

Cost of sales comprised the following for the years ended December 31:

<i>In millions of tenge</i>	2013	2012 (restated)
Materials and supplies	2,144,838	2,045,029
Personnel costs	574,378	525,843
Depreciation, depletion and amortization	317,025	284,795
Production services received	124,830	117,222
Mineral extraction tax	97,698	85,381
Repair and maintenance	84,073	75,520
Interest expense	80,000	74,785
Rent	37,742	34,822
Other	186,426	146,848
	3,647,010	3,390,245

29. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses comprised the following for
the years ended December 31:

<i>In millions of tenge</i>	2013	2012 (restated)
Personnel costs	152,338	144,102
Taxes other than income tax	46,638	42,846
Sponsorship and charitable donations	35,239	25,926
Depreciation and amortization	26,404	23,304
Consulting services	21,415	20,412
Fines and penalties	9,026	9,035
Allowance for doubtful debts	7,232	10,293
Business trips	6,499	6,237
Rent	6,472	6,351
Other	67,519	55,163
	378,782	343,669



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

30. TRANSPORTATION AND SELLING EXPENSES

Transportation and selling expenses comprised the following for
the years ended December 31:

<i>In millions of tenge</i>	2013	2012 (restated)
Rent tax	165,307	161,461
Transportation	59,358	113,655
Custom duties	59,499	43,690
Personnel costs	20,849	17,000
Depreciation and amortization	12,689	12,895
Commission fees to agents and advertising	8,887	10,625
Other	20,868	18,008
	347,457	377,334

31. IMPAIRMENT LOSS

Impairment loss comprised the following for the years ended
December 31:

<i>In millions of tenge</i>	2013	2012 (restated)
Impairment/(reversal of impairment) of loans to customers	77,230	(1,737)
Impairment of property, plant and equipment and intangible assets	74,395	86,018
Impairment/(reversal of impairment) of investments in joint ventures and associates	61,427	(16,565)
Impairment of available for sale financial assets (<i>Note 12</i>)	-	146,848
Impairment of goodwill (<i>Note 8</i>)	4,945	-
Other	14,667	4,884
	232,664	219,448



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT
CONSOLIDATED FINANCIAL STATEMENTS
Consolidated balance sheet
Consolidated statement of comprehensive income
Consolidated statement of changes in equity
Consolidated statement of cash flows
NOTES to the consolidated financial statements

32. FINANCE COSTS

Finance costs comprised the following for the years ended
December 31:

<i>In millions of tenge</i>	2013	2012 (restated)
Interest on loans and debt securities issued	200,473	167,533
Unwinding of discount on provisions and other payables	5,752	8,407
Net loss on derivatives	149	7,588
Interest on finance lease liabilities	4,215	2,906
Other	20,157	22,317
	230,746	208,751

33. FINANCE INCOME

Finance income comprised the following for the years ended December 31:

<i>In millions of tenge</i>	2013	2012 (restated)
Interest income on amounts due from credit institutions and cash and cash equivalents	61,690	37,397
Income from loans and financial assets	4,699	5,642
Dividend income	10,094	7,357
Other	7,419	5,375
	83,902	55,771



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

34. SHARE IN PROFIT OF JOINT VENTURES AND ASSOCIATES, NET

Share in profit of joint ventures and associates comprised the following for the years ended December 31:

<i>In millions of tenge</i>	2013	2012 (restated)
Tengizchevroil LLP	295,908	267,829
Mangistau Investments B.V.	56,519	64,636
JV KazGerMunay LLP	43,216	38,358
PetroKazakhstan Inc.	23,747	34,564
KazRosGas LLP	22,335	40,891
Ekibastuzskaya GRES-1 LLP ("EGRES-1")	16,277	19,798
Kazakhstan-China Pipeline LLP	12,049	8,576
Kazakhoil-Aktobe LLP	11,715	11,320
JV KATCO LLP	10,339	9,458
Ekibastuzskaya GRES-2 JSC ("EGRES-2")	9,016	5,880
Karatau LLP	6,939	10,050
Kazzinc LLP	6,364	–
Sekerbank T.A.S	6,298	6,559
Other	25,620	22,594
	546,342	540,513

35. INCOME TAX EXPENSES

Income tax expense comprised the following for the years ended December 31:

<i>In millions of tenge</i>	2013	2012 (restated)
Current income tax expenses:		
Corporate income tax	145,016	149,027
Withholding tax on dividends and interest income	62,579	50,970
Excess profit tax	8,475	31,139
Deferred income tax expense/ (benefit):		
Corporate income tax	48,971	12,225
Withholding tax on dividends and interest income	7,077	4,214
Excess profit tax	5,126	(3,786)
Income tax expenses	277,244	243,789



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL
STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT
CONSOLIDATED FINANCIAL STATEMENTS
Consolidated balance sheet
Consolidated statement of comprehensive income
Consolidated statement of changes in equity
Consolidated statement of cash flows
NOTES to the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2013 and 2012 income tax loss carry forward is allowed for 10 (ten) years from the origin date of the loss in the Republic of Kazakhstan.

A reconciliation of income tax expense applicable to profit before income tax at the statutory income tax rate (20% in 2013 and 2012) to income tax expenses was as follows for the years ended December 31:

<i>In millions of tenge</i>	2013	2012 (restated)
Accounting profit before income tax from continuing operations	889,973	801,624
Accounting (loss)/profit before income tax from discontinued operations	(177,801)	589,737
Income tax expense on accounting profit	142,434	278,272
Restructuring gain and expenses recognized by BTA Bank on recovery obligations	-	(74,278)
Non-taxable gain on disposal of discontinued operations	-	(40,007)
Impairment of disposal group	31,746	-
Tax effect of other items, which are not deductible or assessable for taxation purposes	57,585	90,147
Excess profit tax	13,601	27,353
Effect of different corporate income tax rates	15,929	13,500
Share in nontaxable profit of joint ventures and associates	(63,844)	(67,137)
Change in unrecognized deferred tax assets	74,964	23,935
Total corporate income tax expense	272,415	251,785
Less: Income tax benefit/ (expense) attributable to discontinued operations	4,829	(7,996)
Income tax expense from continuing operations	277,244	243,789

Deferred tax balances, calculated by applying the statutory tax rates effective at the respective reporting dates to the temporary differences between tax basis of assets and liabilities and the

amounts reported in the consolidated financial statements, are comprised of the following at December 31:

<i>In millions of tenge</i>	2013				2012 (restated)			
	Corporate income tax	Excess profit tax	Withholding tax	Total	Corporate income tax	Excess profit tax	Withholding tax	Total
Deferred tax assets								
Property, plant and equipment	7,985	(1,902)	-	6,083	16,780	2,420	-	19,200
Tax loss carryforward	240,080	-	-	240,080	517,870	-	-	517,870
Employee related accruals	10,028	96	-	10,124	7,851	365	-	8,216
Impairment of financial assets	17,943	-	-	17,943	122,057	-	-	122,057
Provision for environmental obligation	3,989	-	-	3,989	2,497	-	-	2,497
Other accruals	12,063	1,406	-	13,469	1,868	3,885	-	5,753
Other	26,861	-	-	26,861	31,836	-	-	31,836
Less: unrecognized deferred tax assets	(201,619)	-	-	(201,619)	(569,666)	-	-	(569,666)
Less: deferred tax assets offset with deferred tax liabilities	(74,530)	(316)	-	(74,846)	(58,579)	(1,220)	-	(59,799)
Deferred tax assets	42,800	(716)	-	42,084	72,514	5,450	-	77,964



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL
STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Deferred tax liabilities								
Property, plant and equipment	401,774	1,090	-	402,864	334,979	3,034	-	338,013
Undistributed earnings of joint ventures and associates	-	-	46,801	46,801	-	-	39,724	39,724
Other	3,100	-	-	3,100	19,012	-	-	19,012
Less: deferred tax assets offset with deferred tax liabilities	(74,530)	(316)	-	(74,846)	(58,579)	(1,220)	-	(59,799)
Deferred tax liabilities	330,344	774	46,801	377,919	295,412	1,814	39,724	336,950
Net deferred tax liabilities	(287,544)	(1,490)	(46,801)	(335,835)	(222,898)	3,636	(39,724)	(258,986)

The movements in the net deferred tax liabilities were as follows for the years ended December 31:

In millions of tenge	2013				2012 (restated)			
	Corporate income tax	Excess profit tax	Withholding tax	Total	Corporate income tax	Excess profit tax	Withholding tax	Total
Balance at January 1	222,898	(3,636)	39,724	258,986	209,625	150	35,510	245,285
Foreign currency translation	2,029	-	-	2,029	(1,193)	-	-	(1,193)
Charged to other comprehensive income	(1,750)	-	-	(1,750)	3,106	-	-	3,106
Acquisitions of subsidiaries	(128)	-	-	(128)	9	-	-	9
Discontinued operations (Note 6)	22,160	-	-	22,160	(874)	-	-	(874)
Charged to profit and loss	42,335	5,126	7,077	54,538	12,225	(3,786)	4,214	12,653
Balance at December 31	287,544	1,490	46,801	335,835	222,898	(3,636)	39,724	258,986

As at December 31, 2013 unrecognized deferred tax assets in the amount of 201,619 million tenge are mainly related to tax loss carry-forward of certain subsidiaries of the Fund (2012: 569,666 million tenge) that are available for offset against future taxable profits during 10 (ten) consecutive years. Decrease in unrecognized deferred tax assets in the amount of 443,011 million tenge is related to disposal of certain subsidiaries of the Group and their transfer to assets classified as held for sale (Note 6). Deferred tax assets have

not been recognised in respect of these losses as they may not be used to offset taxable profits from other operating segments of the Group and they have arisen in activity that have been loss-making for some time. The Group evaluated and concluded that currently it is not probable that deferred tax assets on existing tax losses will be recovered. Should the Group be able to recognise all unrecognized deferred tax assets, net profit for 2013 would increase by 201,619 million tenge.



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT
CONSOLIDATED FINANCIAL STATEMENTS
Consolidated balance sheet
Consolidated statement of comprehensive income
Consolidated statement of changes in equity
Consolidated statement of cash flows
NOTES to the consolidated financial statements

36. CONSOLIDATION

Subsidiaries included in the consolidated financial statements are presented as follows:

	Ownership percentage	
	2013	2012
National Company "KazMunayGas" JSC ("NC KMG") and subsidiaries	100.00%	100.00%
National Company "Kazakhstan Temir Zholy" JSC ("NC KTZh") and subsidiaries	100.00%	100.00%
National Atomic Company "Kazatomprom" JSC ("NAC KAP") and subsidiaries	100.00%	100.00%
Kazakhtelecom JSC ("KTC") and subsidiaries	51.00%	51.00%
Samruk-Energy JSC ("Samruk-Energy") and subsidiaries	100.00%	100.00%
Kazakhstan Electricity Grid Operating Company JSC ("KEGOC") and subsidiaries	100.00%	100.00%
Air Astana JSC ("Air Astana")	51.00%	51.00%
BTA Bank JSC ("BTA Bank") and subsidiaries*	97.26%	97.28%
Alliance Bank JSC ("Alliance Bank") and subsidiaries	67.00%	67.00%
Kazpost JSC and subsidiaries	100.00%	100.00%
National Company "Kazakhstan Engineering" JSC ("Kazakhstan Engineering") and subsidiaries	100.00%	100.00%
Real Estate Fund "Samruk-Kazyna" JSC	100.00%	100.00%
International Airport Aktobe JSC	100.00%	100.00%
Samruk-Kazyna Contract LLP	100.00%	100.00%
National Mining Company "Tau-Ken Samruk" and subsidiaries	100.00%	100.00%
Kazakh Research Power Engineering Institute named after Chokin JSC	50%+1	50%+1
United Chemical Company LLP and subsidiaries	100.00%	100.00%
Samruk-Kazyna Invest LLP	100.00%	100.00%
KOREM JSC	100.00%	100.00%
International Airport Atyrau JSC	100.00%	100.00%
Airport Pavlodar JSC	100.00%	100.00%
Karagandagiproshaht and K LLP	90.00%	90.00%
Temirbank JSC*	79.88%	79.90%
KGF SLP	100.00%	100.00%
KGF IM	100.00%	100.00%
KGF Management	100.00%	100.00%
SK Finance LLP	100.00%	100.00%
National Geological Company Kazgeology JSC	-	100.00%
SK Pharmacy LLP	-	100.00%
Export-Credit Insurance Corporation "KazExportGarant" JSC (former "State Corporation for Insurance of Export Credit and Investments" JSC)	-	100.00%
Doszhan Temir Zholy JSC	-	94.96%
Investment Fund of Kazakhstan JSC	-	100.00%
Development Bank of Kazakhstan JSC ("DBK") and subsidiaries	-	100.00%
Entrepreneurship Development Fund "Damu" JSC ("Damu Fund")	-	100.00%
Kazyna Capital Management JSC and subsidiaries	-	100.00%
East Kazakhstan Regional Energy Company JSC**	-	100.00%

*As at December 31, 2013 the Group recognized development institutions and financial organizations as discontinued operations (Note 6).

** Starting from March 14, 2013 "East Kazakhstan Regional Energy Company" JSC is a subsidiary of "Samruk-Energy" JSC.



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

37. SIGNIFICANT NON-CASH TRANSACTIONS

In 2013 the Group received from the Shareholder contributions to its share capital in the form of high, medium and low pressure gas pipelines and accompanying constructions, located in West-Kazakhstan, Zhambyl and Aktobe oblasts for the total amount of 9,808 million tenge and state-owned shares of "National Company "Aktau International Commercial Seaport " JSC in the amount of 26,234 million tenge (*Note 17.1*).

During 2012 the Group received from the Shareholder certain shares including interest in Karachaganak Project Consortium, and other property as the contribution to the share capital or in exchange, according to exchange agreements (*Notes 5, 17.1*).

As at December 31, 2013, payables for purchases of property, plant and equipment increased by 25,610 million tenge (2012: 95,343 million tenge).

In 2013, the Group received property, plant and equipment in the amount of 52,724 million tenge under finance lease agreements (2012: 35,290 million tenge).

In January 2013 the Fund placed coupon bonds at below market interest rates, which were purchased by the National Bank of the Republic of Kazakhstan. Discount at initial recognition of these liabilities in the amount of 249,828 million tenge was recognized as one-off gain in the consolidated statement of changes in equity (*Note 17.2*).

In 2013, the Group increased the provision with respect to costs to be incurred on construction of social objects in Astana, for the reconstruction of the World Expo-Center in Moscow under the Government's assignments and Schuchensko - Borovskoi resort area approved by the Government and recognized them as distribution to the Shareholder. The Group also reversed distribution to the Shareholder related to the Group's obligations on

the transfer of the North-Caspian ecological oil spill response base to the Ministry of emergencies of the Republic of Kazakhstan (*Note 17.5*), in the total amount of 26,768 million tenge (2012: 50,135 million tenge).

In 2013, the Group acquired property, plant and equipment funded by loans received, in the amount of 17,854 million tenge (2012: nil).

In 2013, the Group's provisions for asset retirement and environmental obligations in the amount of 8,740 million tenge are capitalized to property, plant and equipment (2012: 16,727 million tenge).

In 2013, the Group capitalised borrowing costs of 19,038 million tenge (2012: 4,162 million tenge).

During 2012, the Fund placed coupon bonds, at below market interest rates purchased by the National Bank of the Republic of Kazakhstan and received loans from the Government, bearing below market interest rates. Bonds discount at initial recognition in the amount of 89,617 million tenge was recognized as a one-off gain in the consolidated statement of changes in equity.

In 2012 amendments to the terms of the bonds placed by the Fund and purchased by the National Bank of the Republic of Kazakhstan were registered. In accordance with these changes, the term of the bonds payable was prolonged to 2062 and the interest rates were reduced to 0.01%. The amendments resulted in a substantial modification of the terms of the existing financial liability, and respectively, the extinguishment of the original financial liability and the recognition of a new financial liability in accordance with IAS 39. The difference of 304,650 million tenge, between the fair value of the new liability and the carrying amount of the original liability, was recognized in the consolidated statement of changes in equity.



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL
STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

38. RELATED PARTY DISCLOSURES

In accordance with IAS 24 "Related Party Disclosures", parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

Related parties include key management personnel of the Group, enterprises in which a substantial interest in the voting power is

owned, directly or indirectly, by the Group's key management personnel and other entities controlled by the Government. Related party transactions were made on terms agreed to between the parties that may not necessarily be at market rates, except for certain regulated services, which are provided based on the tariffs available to related and third parties.

The following table provides the total amount of transactions, which have been entered into with related parties as at December 31:

<i>In millions of tenge</i>		Associates	Joint ventures where the Group is a venturer	Other state – controlled entities	Other related parties
Due from related parties	2013	45,827	21,039	6,070	339
	2012	60,684	16,352	5,054	199
Due to related parties	2013	9,268	46,231	932	2,436
	2012	22,924	52,693	1,710	101
Sale of goods and services	2013	60,667	222,474	73,016	1,984
	2012	93,788	330,247	90,928	2,678
Purchase of goods and services	2013	40,271	331,902	17,116	2,894
	2012	42,210	264,232	9,498	19
Current accounts and deposits (liabilities)	2013	60	709	28,224	34
	2012	290	19	13,209	624
Cash and cash equivalents, and amounts due from credit institutions (assets)	2013	6,530	-	198,369	-
	2012	4,296	-	517,482	-
Loans to customers	2013	15,628	59,145	7,193	6,156
	2012	7,698	41,802	19,835	27,159
Loans received	2013	67	7	1,112,865	-
	2012	48	-	779,774	-
Other assets	2013	18,190	48,059	56,732	1,790
	2012	739	33,157	143,356	980
Other liabilities	2013	2,961	830	50,502	39
	2012	411	371	20,903	2
Interest received	2013	1,682	6,914	12,141	4,392
	2012	2,074	3,182	7,491	1,583



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Interest accrued	2013	1	4,403	58,973	6
	2012	531	1,412	49,232	4

As at December 31, 2013 some of the Group's borrowings of 71,290 million tenge were guaranteed by the Government of the Republic of Kazakhstan (2012: 69,907 million tenge).

Total compensation to key management personnel included in personnel costs in the accompanying consolidated statement of comprehensive income was equal to 12,836 million tenge for the year ended December 31, 2013 (2012: 11,979 million tenge). Compensation to key management personnel mainly consists of contractual salary and performance bonus based on operating results.

As earlier disclosed in Note 27, the Government provides certain subsidies to the Group's subsidiaries.

The Group's principal financial instruments consist of borrowings, loans from the Government of the Republic of Kazakhstan, finance lease liabilities, amounts due to the customers, derivatives, cash and cash equivalents, loans to customers, amounts due from credit institutions, other financial assets, as well as accounts receivable and accounts payable. The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk and credit risk. The Group also monitors the liquidity risk arising from all financial instruments.



JOINT-STOCK COMPANY SOVEREIGN WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

- INDEPENDENT AUDITORS' REPORT
- CONSOLIDATED FINANCIAL STATEMENTS
- Consolidated balance sheet
- Consolidated statement of comprehensive income
- Consolidated statement of changes in equity
- Consolidated statement of cash flows
- NOTES to the consolidated financial statements

39. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

INTEREST RATE RISK

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Group limits interest rate risk by monitoring changes in interest rates in the currencies in which its cash, investments and borrowings are denominated.

The Group's exposure to interest risk relates primarily to the Group's long-term and short-term borrowings with floating interest rates (*Note 18*).

The following table demonstrates the sensitivity of the Group's profit before income tax (through the impact on floating rate borrowings) and equity (through the impact on the fair value of investments available for sale) to a reasonably possible change in floating LIBOR interest rates, with all other variables held constant.

<i>In millions of tenge</i>	Increase / (decrease) in basis points*	Effect on profit and loss	Other effect on equity
2013			
US Dollar	3/(3)	(1,034)/1,034	(7)/7
tenge	3/(3)	(60)/60	(285)/333
2012			
US Dollar	5/(5)	(284)/284	(79)/105
tenge	5/(5)	(406)/426	(1,351)/1,318

* 1 basis point = 0.01%.

CURRENCY RISK

As a result of significant borrowings, lease liabilities and trade accounts payable, cash and cash equivalents and accounts receivable denominated in the US Dollars, the Group's consolidated

financial position can be affected significantly by movement in the US Dollar / tenge exchange rates.

The following table demonstrates the sensitivity of the Group's profit before income tax to a reasonably possible change in the US Dollar and Euro, with all the variables held constant.

<i>In millions of tenge</i>	Increase / (decrease) in exchange rate	Effect on profit and loss
2013		
US Dollar	20%/10%	(317,350)/(156,200)
Euro	20%/10%	(13,426)/(6,713)
2012		
US Dollar	1.57%/(1.57%)	(33,629)/33,629
Euro	10.77%/(10.77%)	(1,854)/1,854

CREDIT RISK

Credit risk arising from the inability of a party to meet the terms of the Group's financial instrument contracts is generally limited to the amounts, if any, by which the counterparty's obligations exceed the obligations of the Group to that party. It is the Group's policy to enter into financial instruments with a diversity of creditworthy parties. The maximum exposure to credit risk is represented by carrying value of each financial asset. The Group considers that its maximum exposure is reflected by the amount of loans to customers (*Note 10*), amount due from credit institutions

(*Note 11*), trade accounts receivable and other current assets (*Note 15*), other financial assets (*Note 12*), and cash and cash equivalents, net of allowances for impairment recognized at the reporting date.

Concentrations of credit risk may arise from exposures to a single debtor or to groups of debtors having similar characteristics such that their ability to meet their obligations is expected to be affected similarly by changes in economic or other conditions.



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL
STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT
CONSOLIDATED FINANCIAL STATEMENTS
Consolidated balance sheet
Consolidated statement of comprehensive income
Consolidated statement of changes in equity
Consolidated statement of cash flows
NOTES to the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Procedures are in force to ensure that sales are only made to buyers with an appropriate credit history and that an acceptable credit exposure limit is not exceeded. Credit risk is minimised by the fact that the Group operates on a prepayment basis with the majority of its buyers.

LIQUIDITY RISK

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with its financial

liabilities. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

Liquidity requirements are monitored on a regular basis and management ensures that sufficient funds are available to meet any commitments as they arise.

The table shown below summarises the maturity profile of the Group's financial liabilities at December 31 based on contractual undiscounted payments.

<i>In millions of tenge</i>	On demand	Due later than 1 month but not later than 3 months	Due later than 3 month but not later than 1 year	Due later than 1 year but not later than 5 years	Due after 5 years	Total
At December 31, 2013						
Loans from the Government	71,170	24	3,403	19,386	1,373,642	1,467,625
Borrowings	245,459	123,789	405,202	2,192,807	2,807,861	5,775,118
Finance lease liabilities	67	4,536	13,044	45,668	43,712	107,027
Due to customers	81,797	46,973	45,847	54,983	81,921	311,521
Trade and other payables	164,644	166,979	111,689	256,505	12	699,829
Derivatives	-	-	41	-	46	87
Other current liabilities	25,011	39,593	131,900	8,911	11,250	216,665
	588,148	381,894	711,126	2,578,260	4,318,444	8,577,872
At December 31, 2012						
Loans from the Government	458,887	71	109,107	24,783	1,140,801	1,733,649
Borrowings	187,161	157,597	755,108	1,798,934	3,102,669	6,001,469
Finance lease liabilities	30	2,697	9,019	26,668	17,020	55,434
Due to customers	221,676	105,004	260,089	147,549	77,178	811,496
Trade and other payables	181,502	126,417	186,146	229,200	4,826	728,091
Derivatives	-	12,047	42	42,561	33	54,683
Other current liabilities	103,895	40,068	208,659	24,036	14,879	391,537
	1,153,151	443,901	1,528,170	2,293,731	4,357,406	9,776,359



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT
CONSOLIDATED FINANCIAL STATEMENTS
Consolidated balance sheet
Consolidated statement of comprehensive income
Consolidated statement of changes in equity
Consolidated statement of cash flows
NOTES to the consolidated financial statements

CAPITAL MANAGEMENT

The Group manages its capital primarily through capital management of its subsidiaries while conducting its oversight function. Major objective of the capital management is to ensure that subsidiaries of the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The Group manages capital of its subsidiaries by setting various performance indicators tailored to the business need and industry specific matters of each subsidiary. Key performance indicators ("KPI") used by the Group to manage capital of its subsidiaries

are ratios of: Debt to Earnings before Taxes, Depreciation and Amortization, and Interest ("D/EBITDA"); and Debt to Equity ("D/E"). Debt is considered to be equal to all borrowings, debt securities, guarantee and finance lease liabilities of relevant subsidiaries reduced by value of cash and cash equivalents. Equity is considered to be equal to the entire equity of the subsidiary attributable to majority shareholders.

Allowed maximum for the indicator is approved for each subsidiary based on the needs and specifics of its business and varies within following ranges (consolidated KPI's for the Group have been presented for reference purposes as the Group does not monitor KPI's on the consolidated level):

KPI	2013	2012
ND/EBITDA	3.09	4.07
ND/E	0.69	0.83
<i>In billions of tenge</i>		
Borrowings	3,974	4,208
Loans from the Government	269	771
Payable for the acquisition interest in NCP	322	340
Finance lease liabilities	89	44
Due to customers	242	743
Derivatives	1	8
Guaranteed principal amount of companies liabilities outside the Group	307	-
Others	-	47
Debt	5,204	6,161
Profit before income tax	890	802
Interest on loans and debt securities issued	200	167
Interest on finance lease liabilities	4	3
Depreciation, depletion and amortization	356	322
Impairment loss	233	219
EBITDA	1,683	1,513
Total equity	7,507	7,415



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT
CONSOLIDATED FINANCIAL STATEMENTS
Consolidated balance sheet
Consolidated statement of comprehensive income
Consolidated statement of changes in equity
Consolidated statement of cash flows
NOTES to the consolidated financial statements

FAIR VALUES OF FINANCIAL INSTRUMENTS

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Set out below is a comparison by category of carrying amounts and fair values of all of the Fund's financial instruments presented at fair value in the consolidated balance sheet:

<i>In millions of tenge</i>	Level 1	Level 2	Level 3	December 31, 2013
Financial instruments category				
Available-for-sale financial assets	50.639	13.636	726	65.001
Financial assets at fair value through profit and loss	-	8.114	-	8.114
Derivative financial assets	-	46.427	-	46.427
Derivative financial liabilities	-	527	-	527

<i>In millions of tenge</i>	Level 1	Level 2	Level 3	December 31, 2013
Financial instruments category				
Available-for-sale financial assets	283.039	128.006	6.441	417.486
Financial assets at fair value through profit and loss	8.548	13.993	14.715	37.256
Trading securities	70.421	-	-	70.421
Derivative financial assets	527	49.719	32	50.278
Derivative financial liabilities	373	7.965	-	8.338



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Reconciliation of the beginning balance and ending balance based on the Level 3 hierarchy of the fair value as at December 31, 2013 is presented as follows:

<i>In millions of tenge</i>	Available-for-sale financial assets	Financial assets at fair value through profit / loss	Trading securities	Derivative financial assets	Total financial assets
As at January 1, 2012	-	14,654	-	-	14,654
Total profit / (loss) recognized in profit and loss	674	(1,084)	-	-	(410)
Total profit / (loss) recognized in the other comprehensive income	(637)	-	-	-	(637)
Acquisition	-	6,106	-	32	6,138
Sale	-	(340)	-	-	(340)
Repayment	(613)	-	-	-	(613)
Transfer from Level 1 and Level 2	7,017	-	-	-	7,017
Reclassifications to other assets	-	(462)	-	-	(462)
Others	-	(4,159)	-	-	(4,159)
As at December 31, 2012	6,441	14,715	-	32	21,188
Total profit / (loss) recognized in profit and loss	72	41	-	-	113
Total profit / (loss) recognized in the other comprehensive income	248	142	-	-	390
Acquisition	-	2,956	-	7	2,963
Sale	-	(1,441)	-	-	(1,441)
Repayment	(211)	(54)	-	-	(265)
Transfer from Level 1 and Level 2	726	-	-	-	726
Reclassifications to other assets	-	-	-	-	-
Transfer to assets classified as held for sale	(6,550)	(16,359)	-	(39)	(22,948)
As at December 31, 2013	726	-	-	-	726

<i>In millions of tenge</i>	2013				
	Fair value by level of assessment				
	Carrying amount	Fair value	Quotations in an active market (Level 1)	From the observed market (Level 2)	Based on the significant amount of unobserved (Level 3)
Financial assets					
Amounts due from credit institutions	1,574,564	1,541,964	933,766	549,624	58,574
Financial liabilities					
Borrowings	3,974,366	4,019,557	2,945,574	742,846	331,137
Loans from the Government of the Republic of Kazakhstan	268,558	228,369	-	228,369	-

The fair value of the above financial instruments has been calculated by discounting the expected future cash flows at prevailing interest rates.



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

40. COMMITMENTS AND CONTINGENCIES

LEGAL PROCEEDINGS

BTA Bank

In 2009, BTA Bank was subject to a raiding action and, as a result, was demanded by the court to pay an amount of GBP 30,418,143. As part of enforcement of this decision, shares of CJSC "BTA Bank" (Kyrgyzstan), owned by BTA Bank were seized, which led to loss of control over CJSC "BTA Bank" (Kyrgyzstan).

In order to return control and title on these shares, BTA Bank filed a claim to recognize the sale of shares as invalid, which should lead to re-registration of 71% interest in CJSC "BTA Bank" (Kyrgyzstan) in BTA Bank's favour. On December 6, 2012, ruling of the Bishkek interdistrict court on acknowledgment of the sale of shares as invalid came into legal force.

This court ruling was not executed before the issuance of these consolidated financial statements (shares are not registered in favor of BTA Bank) as a result of prolonged proceeding on the cancellation of existing arrest.

Sekerbank TAS

In accordance with the decision of the Commercial Court of Istanbul dated 7 February 2012 at the request of Türkiye Vakıflar Bankası TAO provisional arrest was imposed on 101,726,214 shares of Sekerbank TAS belonging to Subsidiary BTA Bank JSC BTA Securities Joint Stock Company ("BTA Securities") together with the prohibition to transfer these shares to third parties. The issue regarding removal of seizure of shares belonging to BTA Securities was considered during court sessions on 13 May 2013, 11 September 2013 and 5 February 2014. Consideration of the case by the Commercial Court of Istanbul is appointed on 2 June 2014.

As at the date of issue of these consolidated financial statements there is no prediction of unfavourable outcome of the legal case.

Rompetrol Rafinare S.A. (subsidiary of NC KMG)

As at December 31, 2009 NC KMG, the Group subsidiary, had an outstanding balance of 3,353 million tenge of a convertible debt instrument issued by a significant subsidiary of Rompetrol – Rompetrol Rafinare S.A. to the Romanian State. The nominal value of liabilities was equal to 570.3 million Euros. The instrument had 7 (seven) years maturity and expired on September 30, 2010. Fair value of the debt component at the initial recognition was determined as the discounted future contractual cash payments under the instrument. Under the share ownership as at December 31, 2009 the Group would have lost control over Rompetrol Rafinare S.A.,

if the entire debt instrument was settled at September 30, 2010 by issuance of new shares to the Romanian State, without any further action by Rompetrol and/or Rompetrol Rafinare S.A.

During the first half of 2010 in order to increase its interest in Rompetrol Rafinare S.A. NC KMG made a public offer to all shareholders. In August 2010 Rompetrol Rafinare S.A. increased its share capital by issuance of new shares amounting to RON 329.4 million (equivalent of 78 million Euro at the date of subscription), all of which were subscribed and fully paid for by Rompetrol, further increasing its interest in Rompetrol Rafinare S.A. Of these proceeds from the share issuance, in August 2010, Rompetrol Rafinare S.A. repaid 54 million Euros (equivalent to 10,464 million tenge) out of the total debt of 570.3 million Euro in relation to the convertible debt instrument to the Romanian State. In September 2010, Rompetrol Rafinare S.A. paid the last coupon, amounting to 17 million Euro (equivalent to 3,315 million tenge), leading to a nil balance of the liability component of the convertible debt instrument.

On September 30, 2010 the Extraordinary General Meeting of the shareholders of Rompetrol Rafinare S.A. approved the conversion of the unredeemed convertible debt instrument into shares, the corresponding share capital increase and the exact numbers of shares to be received by the Romanian State for the convertible debt it held, calculated based on the exchange rate in force on such date, together with a share premium calculated as a difference of the exchange rate valid on September 30, 2010 and issuance date on September 30, 2003. This resulted in a non-controlling position of the Romanian State of 44.6959%.

These transactions resulted in a decrease of retained earnings by 113,467 million tenge and increase of non-controlling interest by 103,003 million tenge in 2010.

In 2010, the Romanian State, represented by the Ministry of public finance of the Romanian State ("MFP"), initiated a legal action against the decision of Rompetrol Rafinare S.A. to increase its share capital and convert the convertible debt instrument partially in cash and partially by issuance of shares.

Constanta Tribunal dismissed the Romanian State request: (a) for some of the annulment reasons considering that the Romanian State lacks the capacity to stand trial, arguing that same did not have the capacity of shareholder when such acts were adopted, and (b) for some of the annulment reasons considering that there were not grounded.

Furthermore, on November 17, 2010 the Ministry of public finance of the Romanian State issued a Summons and Forced Execution Title in the amount of RON 2,205,592,436 (for presentation purposes 516.3 million Euro and, at the exchange rate as at December 31, 2010 is 100,797 million tenge) as a result of the Romanian authorities disagreement with the decision of NC KMG to partially



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

settle the instrument by issuance of shares. Rompetrol Rafinare S.A. filed a claim against a forced execution requesting cancellation of the Summons and Forced Execution Title. The hearing of the case had been suspended in June 2012 and can be resumed during one year period, until June 6, 2013.

In addition, on September 10, 2010 the Romanian authorities, represented by MFP and the National agency for fiscal administration ("ANAF"), issued a decision for a precautionary seizure on all the participations held by Rompetrol Rafinare S.A. in its affiliates as well as on all movable and immovable assets of Rompetrol Rafinare S.A. except for inventories. This measure is still in force and being challenged by NC KMG. As of the reporting date this seizure has not been enforced as the Romanian authorities did not initiate forced execution procedures. Management believes that the enforcement of the seizure by the authorities would not be practicable.

On February 15, 2013, Rompetrol Rafinare S.A. and the Office of State ownership and privatisation in industry ("OPSPI"), representing the Romanian State, signed a memorandum of understanding whereby they agreed the amicable settlement of the dispute over the conversion of the convertible debt instrument.

On January 22, 2014, the Memorandum of Understanding was approved by the Government Decision no.35/2014 pursuant to which the Ministry of public finance has been authorized and mandated to pursue all procedural actions required for the withdrawal of the claims and the termination of all litigations. The Memorandum of Understanding includes the following key aspects:

- OPSPI will sell and the Rompetrol Rafinare S.A. will acquire shares owned by OPSPI and representing 26.6959% of Rompetrol Rafinare S.A.'s share capital for a cash consideration of 200 million US Dollars;
- Rompetrol will consider investments in energy projects related to its core activities estimated at 1 billion US Dollars over 7 years;
- MPF of Romania will drop all cases against the Rompetrol Refinery S.A. General Meeting of Shareholders decisions related to the conversion and will cancel the forced execution title.

Following the hearing on March 24, 2014 the court case was closed after MPF of Romania renouncing all the above mentioned court actions.

ENVIRONMENT LIABILITIES

The enforcement of environmental regulation in Kazakhstan is evolving and subject to ongoing changes. Penalties for violations of Kazakhstan's environmental laws can be severe. Potential liabilities which may arise as a result of stricter enforcement of existing regulations, civil litigation or changes in legislation cannot be reasonably estimated. Other than those amounts provided for in provisions (*Note 22*) management believes that there are no

probable or possible environmental liabilities which could have a material adverse effect on the Group's consolidated balance sheet, consolidated statement of comprehensive income or consolidated statement of cash flows.

Ozenmunaigas JSC environmental audit 2011–2012 (KMG EP)

On January 25, 2013 Ozenmunaigas JSC ("OMG") received a notification from the Department of ecology of Mangystau oblast to pay fine of 59,345 million tenge for environmental damage. The total amount was determined as a result of an inspection that covered the period from August 2011 to November 2012. OMG believes that the act was illegal and that calculations were not reliable and on February 26, 2013 filed an appeal to the Specialized interregional economic court of Mangystau oblast. On March 7, 2013 the Department of ecology of Mangystau oblast filed a claim with the same Court for the forced payment of the fines.

On May 22, 2013 the Court satisfied the appeal of OMG in full and rejected the claim of the Department of ecology of Mangystau oblast for the forced payment of the fines. On June 6, 2013 the Department of ecology of Mangystau oblast filed an appeal to the Judicial Panel of Appeals on Civil and Administrative Cases of Mangystau oblast court. This appeal was rejected by the Judicial Panel of Appeals on July 9, 2013. On December 23, 2013 the Department of ecology of Mangystau oblast filed an appeal to the Cassation Judicial Panel on of Mangystau oblast Court. This appeal was rejected by the Cassation Judicial Panel on February 12, 2014. KMG EP expects that the Department of ecology of Mangystau oblast will file further appeals to the Supreme Court of the Republic of Kazakhstan.

Management of NC KMG believes that OMG has a strong position on this issue, as the inspection was carried out with violations of the laws of the Republic of Kazakhstan in relation to procedure for the inspection process and the Department of ecology of Mangystau oblast has no reliable evidence confirming the damage to the environment, as required by the civil procedure and environmental codes of the Republic of Kazakhstan.

NC KMG believes that OMG will continue to successfully appeal the results of the inspection and the request for payment for damages to the environment, and therefore no provision has been accrued for this matter as at December 31, 2013.

OMG environmental audit 2012–2013 (KMG EP)

On January 24, 2014 OMG received a notification from the Department of ecology of Mangystau oblast to pay a fine of 213 billion tenge for the environmental damage. The total amount was determined as a result of an inspection that covered 2012 and 2013.

On February 7, 2014 OMG filed an appeal against this notification. On February 21, 2014 the Specialized administrative court of Aktau



JOINT-STOCK COMPANY SOVEREIGN WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

city satisfied the appeal. The court decision cannot be appealed against by appellate and cassational procedures, but may be appealed against by the prosecutor.

In addition, on February 14, 2014 the Department of ecology of Mangystau oblast sent a notification to OMG to pay an additional fine in the amount of 327,900 million tenge for the environmental damage. This new environmental fine relates to the same matters where the Department of ecology previously attempted to impose fine of 59,345 million, and this claim was rejected by the court.

OMG filed an appeal against the above compensation fine. On March 6, 2014 the Specialized interregional economic court of Mangystau oblast cancelled the above notification and recognised it as illegal.

Considering successful appeal history, NC KMG believes that it will continue to successfully appeal the results of the inspection, and therefore, no provision has been accrued for these matters in the consolidated financial statements as at December 31, 2013.

Embamunaigas environmental audit (KMG EP)

In July 2013 the Department of ecology of Atyrau oblast conducted an inspection to determine whether production activities of "Embamunaigas" JSC ("EMG") comply with environmental requirements, including associated gas utilization requirements. The Department of ecology of Atyrau oblast concluded that gas utilization on EMG three oilfields does not comply with the approved technological development plans.

On September 24, 2013 the Specialized interregional economic court of Atyrau oblast in its decision ruled to suspend commercial development of these three oilfields until violations of ecological norms are eliminated and a positive government ecological conclusion is obtained. On October 21, 2013 EMG filed an appeal to the Atyrau oblast court to request the cancellation of this decision. On November 21, 2013 EMG received positive conclusion of the state ecological examination from the Committee of ecological regulation and control of the Ministry of environment and water resources of the Republic of Kazakhstan and on December 10, 2013 – from the Department of ecology of Atyrau oblast. As a result, litigation under this case has finished.

Embamunaigas gas flaring (KMG EP)

On January 23, 2014 EMG received a notification from the Department of ecology of Atyrau oblast to pay a fine of 37,150 million tenge for environmental damage caused by violations of environmental protection law, including associated gas flaring. The total amount was determined as a result of an inspection that covered the period 2008 to 2013.

EMG and NC KMG disagreed with this notification and currently takes appropriate actions to appeal the claim of the Department of ecology of Atyrau oblast. NC KMG believes that it can successfully appeal the results of the inspection and the claim for environment damages, and therefore no provision has been accrued for this matter as at December 31, 2013.

Kashagan environmental audit (KMG Kashagan B.V.)

During the period from September 12, 2013 to February 7, 2014 the Department of ecology of Atyrau oblast performed an inspection of North Caspian Operating Company and its agent, Agip KCO, for compliance with the environmental legislation. As a result of the inspection, acts and protocols on the violation of the environmental legislation were issued, and a notification was received by North Caspian Operating Company and Agip KCO to compensate the environmental damage in the amount of 134,300 million tenge (the Group's share is equal to 22,700 million tenge).

North Caspian Operating Company and Agip KCO does not agree with the claim of the Department of ecology and intends to appeal this fine in the full amount in accordance with all appropriate instances, as they believe that gas flaring and environmental emissions were made under the conditions and within the limit stated in the obtained permits. Management of NC KMG supports the position of North Caspian Operating Company and Agip KCO and assesses the risk related to this matter as possible. No provision has been accrued in regard of this matter as at December 31, 2013.

Atyrau Refinery LLP environmental audit

On March 5, 2014 the Department of ecology of Atyrau oblast has ordered Atyrau Refinery LLP ("ANPZ") to pay an environmental fine of 23,700 million tenge. The Atyrau regional prosecutor's office and the Department of ecology conducted a joint inspection at ANPZ and determined that ANPZ had allegedly flared 693,753 cubic meters of sour gas without necessary permits. As a result of the inspection, ANPZ was ordered to pay a fine for the environmental damage caused by the unauthorized flaring of gas.

Management of NC KMG believes that claim filed by the Department of ecology was imposed as a result of use of inappropriate input data. NC KMG is in process of engaging local and foreign experts to conduct an independent inspection. Management of NC KMG believes that they have a strong position and assesses the risk related to this matter as possible. No provision has been accrued in regard of this matter as at December 31, 2013.

COMMODITY PRICE RISK

The Group generates most of its revenue from the sale of commodities, primarily crude oil and oil products. Historically, the prices of these products have been volatile and have fluctuated



JOINT-STOCK COMPANY SOVEREIGN WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

widely in response to changes in supply and demand, market uncertainty, the performance of the global or regional economies and cyclicalities in industries.

Prices may also be affected by government actions, including the imposition of tariffs and import duties, speculative trades, an increase in capacity or an oversupply of the Group's products in its main markets. These external factors and the volatility of the commodity markets make it difficult to estimate future prices.

A substantial or extended decline in commodity prices would adversely affect the Group's business and the financial results and cash flows from operations. The Group does not hedge significantly its exposure to the risk of fluctuations in the price of its products.

TAXATION

Kazakhstan's tax legislation and regulations are subject to ongoing changes and varying interpretations. Instances of inconsistent opinions between local, regional and national tax authorities are not unusual. The current regime of penalties and interest related to reported and discovered violations of Kazakhstan's tax laws are severe. Penalties are generally 50% of the taxes additionally assessed and interest is assessed at the refinancing rate established by the National Bank multiplied by 2.5. As a result, penalties and interest can amount to multiples of any assessed taxes. Fiscal periods remain open to review by tax authorities for 5 (five) calendar years preceding the year of review. Under certain circumstances reviews may cover longer periods. Because of the uncertainties associated with Kazakhstan's tax system, the ultimate amount of taxes, penalties and interest, if any, may be in excess of the amount expensed to date and accrued at December 31, 2013.

As at December 31, 2013 management believes that its interpretation of the relevant legislation is appropriate and that it is probable that the Group's tax positions will be sustained, except as provided for in these consolidated financial statements (*Note 22*).

Provisions against amounts due from BTA Bank JSC

In September 2010, the Tax City Committee of Astana initiated comprehensive tax audit of the Fund's activities for 2009. During the tax audit, tax authorities raised a question on deductibility of provisions for corporate income tax purposes in 2009. The Fund has not agreed with the results of tax audit and as at the date of these consolidated financial statements submitted an appeal to Tax committee.

The Resolution of the Government No. 2275 dated December 30, 2009 approved the "Rules of allocation of assets and contingent liabilities to the category of doubtful and bad assets by the national management holding, and by legal entities that are mainly engaged in borrowing transactions and repurchase of rights of demand and 100% of voting shares (share of participation) of such entities

belong to the national management holding, and they have the right to deduct provision (reserve) expenses against doubtful and bad assets, contingent liabilities, apart from assets and contingent liabilities provided in favour of related parties, or third parties on obligations of related parties (apart from assets and contingent liabilities of credit cooperatives)" ("Rules").

In accordance with the Rules the Fund recognized and deducted for corporate income tax purposes provisions related to the amounts due from BTA Bank JSC of 177,352 million tenge ("Provisions"). The Fund's management believes that as at December 31, 2013 its interpretation of applicable legislation (including Rules) is appropriate and the Fund's position on deduction of these provisions will be sustained. Accordingly, the Group did not recognize any provisions associated with possible assessments by tax authorities in these consolidated financial statements.

Provision of BTA Bank JSC against tax liabilities

As at 31 December 2013 the BTA Bank has a significant volume of problem loans, which were fully or partially provided for. In accordance with the current Tax Code of Kazakhstan, a reduction in claim to a debtor can have the following potential tax consequences for the BTA Bank:

- taxable income for corporate income tax from decrease in loan loss allowances previously deducted for tax purposes, except in certain cases envisaged by the Tax Code of Kazakhstan;
- liability for withholding corporate or individual income tax at the rate of 20% for borrowers who are non-residents of Kazakhstan;

The BTA Bank cannot reliably measure the amount of potential tax liabilities that can result from a reduction of claims on these problem loans. Therefore the Bank did not record provisions for these potential tax liabilities.

Transfer pricing control

Transfer pricing control in Kazakhstan has a very wide scope and applies to many transactions that directly or indirectly relate to international business regardless of whether the transaction participants are related or not. The transfer pricing legislation requires that all taxes applicable to a transaction should be calculated based on market price determined in accordance with the arm's length principle.

The new law on transfer pricing came into effect in Kazakhstan from January 1, 2009. The new law is not explicit and there is little precedence with some of its provisions. Moreover, the law is not supported by detailed guidance, which is still under development. As a result, application of transfer pricing control to various types of transactions is not clearly regulated.



JOINT-STOCK COMPANY SOVEREIGN WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Because of the uncertainties associated with the Kazakhstan transfer pricing legislation, there is a risk that the tax authorities may take a position that differs from the Group's position, which could result in additional taxes, fines and interest at December 31, 2013. As at December 31, 2013 management believes that its interpretation of the transfer pricing legislation is appropriate and that it is probable that the Group's positions with regard to transfer pricing will be sustained.

Tax contingencies of Georgian entities (KTO)

According to the Tax Code of Georgia ("TCG"), tax administration is authorized to make decision on use of market prices for taxation purposes if transaction takes place between related parties. Although TCG contains certain guidance on the determination of market prices of goods and services, the mechanism is not developed and there is no separate transfer pricing legislation in Georgia. Existence of such ambiguity creates uncertainties as related to the position that tax authorities might take when considering taxation of transactions between related parties.

The Georgian subsidiaries of NC KMG have significant transactions with off-shore subsidiaries of the NC KMG as well as amongst each other. These transactions fall within the definition of transactions between related parties and may be challenged by tax authorities of Georgia.

Management of NC KMG believes that it has sufficient arguments to assert that pricing of transactions between entities of NC KMG

Year	Capital expenditures	Operational expenditures
2014	201,491	52,428
2015	86,214	42,902
2016	73,332	45,033
2017	19,654	43,032
2018–2024	37,815	254,010
Total	418,506	437,405

LOCAL MARKET OBLIGATIONS

The Kazakhstan Government requires oil producers and oil trading companies to supply a portion of their crude oil and oil products to meet domestic energy requirement on an annual basis, mainly to maintain oil products supply balance on the local market and to support agricultural producers during the spring and autumn sowing campaigns. Local market oil prices are significantly lower than export prices and even lower than the normal domestic market prices determined in an arm-length transaction. If the Government does require additional crude oil to be delivered over and above the quantities currently supplied by NC KMG, such supplies will take precedence over market sales and will generate substantially

less revenue than crude oil sold on the export market, which may adversely affect NC KMG's business, prospects, financial position and results of operations.

Tax audit of KTZh

During 2011 and 2012 the tax authorities conducted tax audits of KTZh for the period of 2007-2010. As a result of these audits the tax authorities have assessed additional taxes, including fines and penalties in the amount of 13,289 million tenge. KTZh has challenged these assessments and believes the claims were groundless. KTZh intends to appeal the results in a court. KTZh has recognized a tax provision in the amount of 757 million tenge, which represents KTZh's best estimate of the amount required to settle this liability.

COMMITMENTS UNDER OILFIELD AND MINING FIELD LICENSES AND SUBSURFACE USE CONTRACTS

As at December 31, 2013 the Group, including joint ventures of the Group, had following commitments on fulfillment of minimal work programs with respect to the requirements of their oilfield and mining field licenses and related subsurface use contracts with the Government (in millions of tenge):

less revenue than crude oil sold on the export market, which may adversely affect NC KMG's business, prospects, financial position and results of operations.

In 2013, in accordance with its obligations, the Group delivered 2,898,025 tons of oil on the domestic market (2012: 2,936,540 tons).

CAPITAL COMMITMENTS

KTZh

As at December 31, 2013, KTZh had committed to contracts for the construction of Zhezkazgan – Beineu and Arkalyk – Shubarkol



JOINT-STOCK COMPANY SOVEREIGN WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

railways, the construction of a multifunctional ice palace in Astana, the primary backbone transport communication net, and the purchase of cargo and passenger electric locomotives, cargo and passenger carriers and locomotives totaling 567,979 million tenge (2012: 748,373 million tenge). This amount includes commitments for purchase of passenger electric locomotives from joint venture Electrovoz Kurastyru Zauyty JSC in the amount of 215,934 million tenge (2012: 255,040 million tenge) for delivery through December 31, 2020 and also commitments for purchase of passenger carriers from joint venture Tulpar-Talgo LLP in the amount of 21,139 million tenge (2012: 41,034 million tenge) for delivery through December 31, 2014.

NC KMG

As at December 31, 2013, NC KMG had other capital commitments of approximately 641 billion tenge related to acquisition and construction of property, plant and equipment (2012: 540 billion tenge).

KEGOC

As at December 31, 2013 KEGOC JSC had capital commitments on the construction projects related to electricity transmissions, transmission lines and electricity transmission rehabilitation project in the amount of 68,612 million tenge (2012: 31,678 million tenge).

Air-Astana

During 2008 Air Astana signed an agreement with Airbus to purchase 6 (six) Airbus narrow-body aircraft. Air Astana was committed to pre-delivery payments in accordance with an agreed payment schedule. Payments commenced in 2008 and the last payment was made in 2013. During 2012 and 2013, Air Astana entered into fixed interest finance lease agreements for 3 (three) Airbus and for the remaining 3 (three) Airbus aircrafts, respectively. These leases are denominated in US dollars, with a repayment term of 12 (twelve) years. Loans provided by financial institutions to the lessor are guaranteed by European Export Credit Agencies.

During 2011 Air Astana signed an agreement with Embraer to purchase 2 (two) Embraer-190 narrow -body aircraft. Air Astana was committed to pre-delivery payments from 2011 in accordance with an agreed payment schedule, with first aircraft delivered in November 2012 and the second in December 2013, both on a fixed interest US dollar finance lease, with a repayment term of twelve years.

During 2012, Air Astana finalised an agreement with Boeing to purchase 3 (three) Boeing-767s and 3 (three) Boeing-787s aircraft. Air Astana is committed to pre-delivery payments in accordance with the agreed payment schedule. In respect of the Boeing 767 aircraft, 50% of pre-delivery payments were paid from own resources and 50% were financed by borrowings. The

amounts borrowed in respect of the first two Boeing 767 were repaid by the company on delivery of each aircraft in 2013. Final pre-delivery payments for the third B767 aircraft were made in 2013. One Boeing 767 was delivered in September and another in October 2013 and the third one is expected in mid 2014. Delivery of Boeing 787s are planned in 2017 and 2019 with last pre-delivery payments expected in 2018.

In June 2013, Air-Astana signed a term sheet with a US financing corporation to finance purchase of up to three Boeing-767 aircraft for the amount guaranteed by US Export-Import Bank. This facility has been used to finance both Boeing-767 delivered in September and in October 2013, respectively, while the third one is expected in mid-2014.

The terms of the Air Astana's contracts with the above suppliers precludes it from disclosing information on the purchase cost of the aircraft.

Real Estate Fund "Samruk-Kazyna" JSC ("Real Estate Fund")

As at December 31, 2013 Real Estate Fund had contractual commitments in the amount of 25,243 million tenge under agreements with construction companies (2012: 16,013 million tenge).

Green Quarter project

In accordance with the instruction of the Government of the Republic of Kazakhstan regarding implementation of the Green Quarter project (the "Project"), in December 2013 Real Estate Fund entered into the agreement with BI Corporation LLP. In accordance with this agreement, Real Estate Fund finances the Project for the total amount of 44 billion tenge, of which its own funds are equal to 15 billion tenge (the remaining amount will be provided by the Parent).

To implement the Project, Real Estate Fund will place deposits for the total amount of 44 billion tenge in the second tier banks for the period of 18 (eighteen) years at 3.5% per annum. The banks will then finance the Project company EXPO Village LLP.

In addition to the agreement on mutual implementation of the project, SK Development LLP and BI Corporation LLP have signed the sale-purchase agreement for 49.9% interest in EXPO Village LLP, a subsidiary of BI Corporation LLP for consideration of 100 tenge. The date of ownership transfer for this interest is stated to be the earliest of the two dates: April 1, 2017 or the commissioning date of the Project. According to the agreement Real Estate Fund has interest in net income from sales of property constructed under the Project.

These agreements resulted in Real Estate Fund's not immediately exercisable call option to purchase an interest in EXPO Village LLP, which is a derivative financial instrument under IAS 39, and shall be recognized at its fair value in the consolidated financial statements of the Group.



JOINT-STOCK COMPANY SOVEREIGN WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013 with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT
 CONSOLIDATED FINANCIAL STATEMENTS
 Consolidated balance sheet
 Consolidated statement of comprehensive income
 Consolidated statement of changes in equity
 Consolidated statement of cash flows
 NOTES to the consolidated financial statements

In the opinion of Real Estate Fund management, as at the reporting date significant uncertainties exist which are related to the Project implementation, and do not allow making a reliable estimate of the fair value of the financial instrument, since the Real Estate Fund has not yet received financing from the Parent and have not yet approved the Project's design estimates. Accordingly, this option to purchase a share in the company was not recognized in the consolidated financial statements of the Group, as not satisfying assets recognition criteria per IFRS.

Intergas Central Asia JSC ("ICA", subsidiary of NC KMG)

Under the terms of the Concession Agreement, ICA has an obligation to invest 30 million US Dollars (equivalent to 4,608 million tenge) each year for the improvement and repair of the gas transportation assets transferred and for investments in new gas transportation assets. As at December 31, 2013 ICA had approximately 72,701 million tenge in contractual commitments related to this investment obligation (2012: 52,330 million tenge).

Kyrgyz By-Pass (ICA)

The Group is obliged, subject to certain conditions, which include tariff recovery, to design and construct the Kyrgyz By-Pass at a cost, which was estimated in the Concession Agreement, of approximately 90 million US Dollars to 100 million US Dollars. This asset will be transferred to the Republic of Kazakhstan at the later of the end of the term of the Concession Agreement or after 20 (twenty) years from the completion for 1 US Dollar. Construction of this bypass has not started yet.

Management believes that they have taken all necessary steps to fulfill the Group's obligations in this respect, as well as considering the issue of taking into management a part of gas-pipeline belonging to the Kyrgyz Republic. However, the new domestic tariffs which, per the Concession Agreement, are a precondition for the commencement of construction of the Kyrgyz By-Pass have not been published as at December 31, 2013.

The Government of the Republic of Kazakhstan reviews the Group's compliance with its obligations under the Concession Agreement,

<i>In millions of tenge</i>	2013	2012
Within one year	17,505	18,427
From one to five years	53,995	41,136
Over five years	4,406	15,135
Total	75,906	74,698

Operating lease commitments include fixed rental payments and certain portion of payments for technical support which vary according to flying hours.

including the fulfillment of the investment commitments. The review of the Group's compliance with its obligations under the Concession Agreement for 2013 will be performed in 2014. The Management believes that as at December 31, 2013 the Group is in compliance with investment requirements.

Samruk-Energy

Capital commitments of joint ventures

As at December 31, 2013 the Group's share in capital expenditure commitments of Forum Muider, Ekibastuzkaya GRES-1 and Ekibastuzskaya GRES-2 was equal to 105,830 million tenge (2012: 57,501 million tenge). Zhambylskaya GRES does not have any material capital expenditure commitments as at December 31, 2013.

Investment commitments of joint ventures

As at December 31, 2013 the Group's share in investment commitments of Ekibastuzkaya GRES-1 and Ekibastuzskaya GRES-2 was equal to 42,377 million tenge (December 31, 2012: 57,501 million tenge). Zhambylskaya GRES does not have any material investments commitments as at December 31, 2013.

Other contractual commitments

As at December 31, 2013 other capital commitments of the Group under the contracts on acquisition of plant, property and equipment were equal to 81,552 million tenge (2012: 36,426 million tenge).

OPERATING LEASE COMMITMENTS

Operating lease commitments relate mainly to aircraft lease with the lease term from 5 (five) to 10 (ten) years. All operating lease contracts contain market review clauses in the event that Air Astana exercises option to renew. Air Astana does not have the option to purchase leased assets at the expiry of lease period.

As at December 31, operating lease commitments were as follows:

The fixed and variable rental payments are denominated and settled in US Dollars. This currency is routinely used in international commerce for aircraft operating leases.



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

KAZAKHTELECOM LICENSE COMMITMENTS

Under the terms of certain licenses on the provision of wireless telecom services, Kazakhtelecom has certain obligations in terms of coverage area of its network. Kazakhtelecom is obliged to expand the cellular telecommunication coverage to the regions along the major highways and small-sized towns and urban-type communities of the Republic of Kazakhstan. Management of Kazakhtelecom believes that it is in compliance with the terms of the licenses.

COMMITMENTS TO EXTEND LOANS, GUARANTEES, LETTERS OF CREDIT AND OTHER COMMITMENTS RELATED TO SETTLEMENT OPERATIONS

At any time the Group has outstanding commitments to extend credit. These commitments take the form of approved loans and credit card limits and overdraft facilities and are cancellable on certain conditions.

The Group provides financial guarantees and letters of credit to guarantee the performance of customers to third parties. These agreements have fixed limits and generally extend for a period of up to five years.

The contractual amounts of commitments are set out in the following table by category. The amounts reflected in the table for commitments assume that amounts are fully advanced. The amounts reflected in the table for letters of credit represent the maximum accounting loss that would be recognized at the reporting date if counterparties failed completely to perform as contracted.

<i>In millions of tenge</i>	2013	2012
Contracted amount		
Loan, credit line and finance lease commitments	136,225	284,196
Guarantees	405,920	110,879
Letters of credit and other commitments related to settlement operations	527	99,274
Less: Guarantees and deposits with restrictive covenants	(7,921)	(8,411)
Less: Provision for bank letters of credit and guarantees	(806)	(3,111)

The Group uses the same credit control and management policies in undertaking off-balance sheet commitments as it does for on-balance operations.

The total outstanding contractual commitments to extend credit indicated above does not necessarily represent future cash requirements, as these commitments may expire or terminate without being funded, as well the Group could request collateral for credit instruments.

TRUST MANAGEMENT

Certain subsidiaries of the Group provide trust management services to individuals, trust companies, pension funds and other organizations. In particular they manage assets or invest received funds into different financial instruments in accordance with customer instructions. The Group receives commission fee for such services. Assets received for trust management are not assets of the Group, accordingly, they are not reflected in its consolidated

balance sheet. The Group does not bear credit risk when conducting such investments, since it does not issue guarantees against said investments.

COMPLIANCE WITH COVENANTS

The Group was in compliance with all covenants at December 31, 2013.

COST RECOVERY AUDIT (KASHAGAN)

Under the base principles of North-Caspian Profit Sharing Agreement ("NCPSA"), the Government of the Republic of Kazakhstan transferred to the contractors exclusive rights to conduct activity involving a subsurface area, but did not transfer rights to such subsurface area into either ownership or lease. Therefore, all extracted and processed hydrocarbons (i.e. the extracted product) is the property of the state. The work is carried out on a compensation basis, with the state paying the contractors not in cash, but with a portion of the hydrocarbon



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

production, thus allowing the contractors to recover their costs and earn profits. This is so-called production sharing, i.e., the sharing of the results of the work carried out by the investor.

Under the NCPSA not all the costs incurred by the contractors may be recovered. Certain expenditures need to be approved by the Management Committee ("ManCom") for future cost recovery.

NC KMG considers that all recoverable costs are appropriately classified in accordance with the NCPSA and that those identified as recoverable costs are eligible for recovery as at December 31, 2013.

However, certain expenditures have not been approved by the ManCom in accordance with Sections 13 and 14 of the NCPSA. These expenditures are deemed to be non-recoverable costs for KMG Kashagan B.V. until the ManCom approves them. Negotiations continue with the Competent body to resolve these issues.

As a result of cost recovery audits performed for the period from 2001 to 2008 expenditures in the amount of 7,975 million US Dollars (1,224,991 million tenge at December 31, 2013 exchange rate) were disallowed from cost recovery. NC KMG share in the expenditures was 1,340 million US Dollars (205,889 million tenge at December 31, 2013 exchange rate). As a result of the work performed by the contractors to resolve the comments, on November 28, 2011 the Competent body (PSA LLP) and the contractors signed the resolution, according to which the disallowed for recovery costs were reduced to 2,959 million US Dollars (454,476 million tenge at December 31, 2013 exchange rate) with the NC KMG share amounting to 497 million US Dollars (76,382 million tenge at December 31, 2013 exchange rate).

Within the framework of the Settlement Agreement signed on May 17, 2012 further negotiations with the Competent body were concluded and resulted in the downward revision of the costs disallowed for recovery to 230 million US Dollars (35,315 million tenge at December 31, 2013 exchange rate) with NC KMG share amounting to 39 million US Dollars (5,953 million tenge at December 31, 2013 exchange rate).

Cost recovery audit for 2009 was completed in 2012. As a result of the audit performed costs in the amount of 875 million US Dollars (134,409 million tenge at December 31, 2013 exchange rate) were disallowed for recovery, with the NC KMG share being 147 million US Dollars (22,590 million tenge at December 31, 2013 exchange rate). Further negotiations are conducted to resolve the issue.

Cost recovery audit for 2010 was completed in 2013. As a result of the audit performed expenditures in the amount of 1,336 million US Dollars (205,824 million tenge at December 31, 2013 exchange rate) were initially disallowed for cost recovery. As a result of negotiations and work performed by the contractors to resolve comments an amount of 2,083 thousand US Dollars (320,907 thousand tenge at December 31, 2013 exchange rate) was classified as non-recoverable costs and 785,101 thousand US Dollars (120,952,660 thousand tenge at December 31, 2013 exchange rate) remain unresolved. The Groups's share in these costs is 350 thousand US Dollars (53,921 thousand tenge at December 31, 2013 exchange rate) and 131,950 thousand US Dollars (20,328,217 thousand tenge at December 31,

2013 exchange rate) respectively. Further negotiations are conducted to resolve the issue.

COMMITMENTS UNDER SUBSURFACE USE CONTRACT (KMG KARACHAGANAK)

Karachaganak FPSA ("FPSA") is subject to periodic reviews of its activities by state authorities with respect to its requirements. Management cooperates with state authorities to agree on remedial actions necessary to resolve any findings resulting from these reviews. Failure to comply with the terms of the FPSA could result in fines, penalties, FPSA limitation, suspension or revocation.

Based on the FPSA, the Government of the Republic of Kazakhstan transferred to the contracting companies ("CCs") exclusive rights to carry out activities involving a subsurface use area but did not transfer rights to such subsurface area into either ownership or lease. Therefore, all extracted and processed hydrocarbons (i.e. the extracted product) are the property of the state. The works to extract hydrocarbons are carried out on a compensated basis with the state paying the CCs not in cash but with a portion of the hydrocarbon production thus allowing the CCs to recover their costs and earn profits.

Under the FPSA not all costs incurred by the CCs could be reimbursed. Future costs for reimbursement must be approved by the Joint Operating Committee.

The Competent body provided acts for audit of 2010-2011 recoverable costs. The CCs of Karachaganak FPSA and Competent body represented by PSA LLP are currently discussing the results of the revision act on results of examination of recoverable costs calculation of the Petroleum Operations Account for 2010 contracting year under the FPSA for the contract area of Karachaganak oil and gas condensate field dated November 18, 1997 ("2010 revision act"). According to the above revision act, the Competent body raised a claim to include an amount of 457 million US Dollars (70,179 million tenge at December 31, 2013 exchange rate) within recoverable costs for 2010. In this case the amount of 9 million US Dollars (1,362 million tenge at December 31, 2013 exchange rate) was recognized as non-recoverable by the CCs. Based on the results of the 3rd round of negotiations between the CCs and the Competent body (as at January 2014), the amount of potential dispute/arbitration was 206 million US Dollars (31,577 million tenge at December 31, 2013 exchange rate).

According to 2011 revision act, the Competent body raised a claim to include an amount of 201 million US Dollars (30,815 million tenge at December 31, 2013 exchange rate) within recoverable costs for 2011. The results are currently under consideration of the CCs.

EXPROPRIATION OF THE BATUMI SEA PORT ASSETS (KTO)

In accordance with Management Right agreement for Batumi Sea Port ("BSP") between BTL (former BIHL) and the Georgian Government, Georgian Government has the right for expropriation



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

of the BSP's assets, in case the BSP will not meet its obligations on minimum volume of transshipment, which is 6 million tons per year. As at December 31, 2013, BSP was not exposed to risk of asset expropriation from the Georgian Government, as actual volumes of transshipment were 10,170 million tons.

GAS SUPPLY AND PURCHASE OBLIGATIONS (KTG)

As at December 31, 2013 KTG had contractual obligations on gas export deliveries in the amount of 754,498 thousand US Dollars (115,898 million tenge) (2012: 13,512 million tenge). The amount of contractual obligations on gas purchases was equal to 528,200 thousand US Dollars (81,137 million tenge).

In accordance with sales contracts with Gazprom Schweiz AG in case of Monthly contractual natural gas volumes underdelivered due to KTG fault, the Group is liable to pay fine of 0.01% of the value of underdelivered natural gas volume. As at December 31, 2013 and 2012 the Management of NC KMG believes that there is no obligation to Gazprom Schweiz AG related to liability clause in accordance with the sales contract.

GAS SUPPLY AND PURCHASE OBLIGATIONS (KTG-AIMAK)

As at December 31, 2013, the contractual commitments of KTG-Aimak JSC on gas purchase were equal to 13,246 million tenge (2012: 3,221 million tenge), and gas delivery commitments were equal to 3,598 million tenge (2012: 48,748 million tenge).

PUT OPTION WITH SINO-KAZ COMPANY

NAC KAP entered into a put option agreement which provides Sino-Kaz Company with the option to sell its 49% interest in Semizbay-U to NAC KAP at a price equal to the consideration paid by Sino-Kaz Company, less the present value of net income distributed to Sino-Kaz Company. This put option is exercisable in the event that a decision to supply fuel pellets produced at Ulba Metallurgical Plant JSC for the reactors at China Guangdong Nuclear Power Corporation is not reached before July 1, 2014.

If the above stated decision is not made by NAC KAP and CGNPC-URC before July 1, 2014. NAC KAP will acquire and Sino-Kaz Company will sell interest of Sino-Kaz Company in Semizbay-U LLP at repurchase price based on formula determined in an additional addendum to major agreement.

COMMITMENTS UNDER STABILIZATION PLAN

The Fund was assigned as the Government's principal operator in implementation of the Stabilization Plan approved by the Government in 2008 (Note 1).

COMMITMENTS ON RECYCLE USE OF ANTI-CRISIS FUNDS

In accordance with the minute No. 17-5/И-380 of the State committee on issues related to modernization of the economy of the Republic of Kazakhstan dated April 5, 2012 the minute No. 17-5/11-10 of the State committee on issues related to modernization of the economy of the Republic of Kazakhstan dated January 30, 2013 and the minute No.17-5/ И-788 dated October 7, 2013 the Fund is obliged to finance certain investment projects in the total amount of 540,752 million tenge during 2012-2014. Taking into account investments made in 2012 – 2013, the Fund's commitments for 2014 as at December 31, 2013 are equal to 193,714 million tenge (December 31, 2012: 415,324 million tenge), including the following projects:

Financing of a housing construction program – implementation of the "Available housing" program

In accordance with the Resolution No. 821 of the Government dated June 21, 2012, the Fund and the National Fund are obliged to finance housing construction through Real Estate Fund "Samruk-Kazyna" JSC. In accordance with the minutes No. 17-5/11-10 of the State committee on issues related to modernization of the economy of the Republic of Kazakhstan the Fund redistributed an amount of 56,615 million tenge from "Available housing" program to the investment project "Construction of gas pipeline "West-North-Center" (through Kartaly-Tobol-Kokshetau-Astana). As at December 31, 2013 the Fund's commitments dedicated to finance the "Available housing" program with redistribution were equal to 8,100 million tenge (December 31, 2012: 36,200 million tenge).

Other investment projects of the Fund

As at December 31, 2013 the Fund's commitments to finance other investments projects were equal to 185,614 million tenge (December 31, 2012: 379,124 million tenge).

Moreover, in accordance with the minutes No. 17-5/11-10 dated January 30, 2013 of the State committee on issues related to modernization of economy of the Republic of Kazakhstan the Fund is obliged to finance investment project "Constructions of gas pipeline "West-North-Center"(through Kartaly-Tobol-Kokshetau-Astana) for the total amount of 60,000 million tenge using its own funds and/or funds of and/or NC KMG, including 20,000 million tenge which is planned to be allocated by NC KMG.

In accordance with the minutes No. 17-5/07-145 dated April 19, 2013 of the interagency committee on issues related to development of oil and gas and energy sectors execution of above mentioned project is suspended for 1 (one) year.

However, these funds and funds reallocated from "Available housing" program are planned to be compensated from the Republican budget in 2014 by increasing the share of the Fund in the amount of 122,707 million tenge.



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

41. SEGMENT REPORTING

For management purposes, the Group is organized into organizational business units based on their products and services, and has 7 (seven) reportable operating segments as follows:

Oil and gas segment includes operations related to exploration and production of oil and gas, transportation of oil and gas and refining and trading of crude oil and refined products.

Mining and industrial segment is engaged in exploration, mining, processing and sales of uranium, beryllium, tantalum and other solid materials, military industry enterprises and civil machine industry, projects for the development of chemical industry and geological exploration.

Transportation segment includes operations related to railway and air transportation of cargo and passengers,

Telecommunication segment includes operation of fixed line communication, including local, long-distance intercity and international telecommunication services (including CIS and non-CIS countries); and also rent of lines, data transfer services and wireless communication services.

Energy segment includes operations related to production and distribution of electricity, function of oversight over the input of electricity into the energy system and consumption of imported electricity, function of centralised operation and dispatch of facilities in the Unified Electricity System of the Republic of Kazakhstan.

Financial and innovation institutions segment includes operations related to development and stimulation of investment and innovation activities in all segments of the economy of Republic of Kazakhstan.

The operations of Samruk-Kazyna were included in the segment of Corporate center and projects.

Certain of the above operating segments have been formed by aggregation of smaller reportable segments in line with the organizational structure of the Group. Each reportable segment maintains its accounting records in line with IFRS. Financial performance of each segment prepared in line with IFRS is reported to the chief operating decision maker for the purposes of making decisions about allocating resources to the segment and assessing its performance.



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The following table represents information about profit and loss, and assets and liabilities of operating segments of the Group for 2013:

<i>In millions of tenge</i>	Oil and gas	Mining and industrial	Transportation	Telecommunication	Energy	Financial and innovation institutions	Corporate center and projects	Elimination	Total
Revenues from sales to external customers	3,214,061	308,819	982,689	208,145	192,245	71,484	70,733	-	5,048,176
Revenues from sales to other segments	38,658	25,158	16,439	5,514	18,224	6,449	128,775	(239,217)	-
Total revenue	3,252,719	333,977	999,128	213,659	210,469	77,933	199,508	(239,217)	5,048,176
Gross profit	898,610	67,032	310,814	59,097	50,246	24,131	86,396	(66,164)	1,430,162
General and administrative expenses	(160,735)	(37,797)	(96,213)	(25,421)	(17,698)	(19,613)	(25,913)	4,608	(378,782)
Transportation and selling expenses	(332,166)	(5,104)	(5,485)	(5,430)	(260)	-	(522)	1,510	(347,457)
Finance income	42,388	5,652	5,967	5,341	5,098	3,844	43,494	(27,884)	83,902
Finance costs	(171,744)	(9,562)	(39,580)	(11,505)	(10,398)	(1,121)	(3,104)	16,268	(230,746)
Share in profits of joint ventures and associates	483,517	30,711	(4,269)	-	30,085	6,298	-	-	546,342
Foreign exchange gain / (loss), net	(22,202)	(1,912)	(8,234)	(528)	(3,650)	(1,197)	1,021	513	(36,189)
Depreciation, depletion and amortization	(179,750)	(19,766)	(95,456)	(38,852)	(19,932)	(2,074)	(406)	167	(356,069)
Impairment of loans issued	8	(4)	-	-	-	(77,103)	(133)	2	(77,230)
Impairment of other assets	(64,715)	(24,344)	(5,255)	(581)	807	(2,656)	(219,609)	160,919	(155,434)
Provision charges	48,451	4,662	2,540	480	(6,947)	54	-	-	47,016
Income tax expenses	(193,396)	(7,612)	(41,207)	(3,893)	(7,954)	(18,653)	(4,529)	-	(277,244)
Net profit for the period from continuing operations	488,311	37,617	123,149	19,725	49,514	(78,315)	(122,507)	95,235	612,729
Net profit/(loss) for the period from discontinued operations	331	-	(2,812)	-	(91)	(170,400)	-	-	(172,972)
Total net profit for the period	488,642	37,617	120,337	19,725	49,423	(248,715)	(122,507)	95,235	439,757
<i>Other segment information</i>									
Total assets of the segment*	7,594,320	963,298	2,636,642	465,341	889,587	2,415,389	5,380,531	(5,050,619)	15,294,489
Total liabilities of the segment*	3,558,129	258,123	1,250,427	188,331	357,899	2,215,777	1,601,354	(1,642,143)	7,787,897
Allowances for doubtful debts	2,883	1,682	1,622	382	518	(1)	129	17	7,232
Investments in joint ventures and associates	998,490	382,328	26,690	-	257,328	88,918	-	(36,505)	1,717,249
Capital expenditures	610,316	67,631	473,847	67,514	84,614	3,177	722	15,837	1,323,658

*As of December 31, 2013 total assets and total liabilities of the segment financial and innovation institutions in the amount of 2,415,389 million tenge and 2,215,777 million tenge, respectively, comprise of assets classified as held for sale and liabilities, associated with assets held for sale of "BTA Bank" JSC and "Temirbank" JSC in the amount of 1,746,048 million tenge and 1,570,189 million tenge, respectively (Note 6).



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The following table represents information about profit and loss, and assets and liabilities of operating segments of the Group for 2012:

<i>In millions of tenge</i>	Oil and gas	Mining and industrial	Transportation	Telecommunication	Energy	Financial and innovation institutions	Corporate center and projects	Elimination	Total
Revenues from sales to external customers	2.920.407	350.885	904.626	189.879	168.625	55.079	107.724	-	4.697.225
Revenues from sales to other segments	39.981	23.408	13.739	5.196	15.044	6.423	361.594	(465.385)	-
Total revenue	2.960.388	374.293	918.365	195.075	183.669	61.502	469.318	(465.385)	4.697.225
Gross profit	869.600	86.893	274.486	56.321	37.659	15.635	310.044	(315.801)	1.334.837
General and administrative expenses	(156.108)	(30.654)	(84.924)	(24.441)	(14.112)	(19.986)	(20.168)	6.724	(343.669)
Transportation and selling expenses	(360.697)	(4.432)	(6.351)	(5.406)	(634)	-	(1.945)	2.131	(377.334)
Finance income	29.024	4.407	6.927	4.677	3.313	3.597	63.547	(59.721)	55.771
Finance costs	(169.184)	(13.925)	(33.825)	(12.331)	(7.231)	(752)	(324)	28.821	(208.751)
Share in profits of joint ventures and associates	471.087	31.004	(72)	1.963	29.972	6.559	-	-	540.513
Foreign exchange gain / (loss), net	(18.006)	(2.762)	(3.914)	(869)	(1.980)	12	1.267	4.001	(22.251)
Depreciation, depletion and amortization	(163.389)	(20.007)	(79.736)	(39.055)	(16.610)	(2.323)	(474)	137	(321.457)
Impairment of loans issued	1	-	-	-	-	2.679	(943)	-	1.737
Impairment of loans provided to credit institutions	-	-	-	-	-	-	282.068	(282.068)	-
Impairment of other assets	(94.889)	(3.417)	(840)	5.839	286	13.670	(301.135)	159.301	(221.185)
Provision charges	35.890	1.140	28.359	319	2.081	(3.061)	-	-	64.728
Income tax expense	(177.131)	(10.972)	(32.858)	(4.472)	(5.312)	(750)	(11.236)	(1.058)	(243.789)
Net profit/(loss) for the period from continuing operations	412.579	53.432	126.537	21.093	43.629	25.356	338.559	(463.350)	557.835
Net profit/(loss) for the period from discontinued operations	628	-	(1.109)	201.996	60	377.704	-	784	580.063
Total net profit for the period	412,207	53,432	125,428	225,089	43,689	403,060	338,558	(462,566)	1,137,898
Other segment information									
Total assets of the segment	6.881.891	765.076	2.232.048	465.384	827.000	4.024.405	5.289.150	(5.210.750)	15.274.204
Total liabilities of the segment	3.265.866	310.479	1.120.819	179.357	339.583	3.147.174	1.627.110	(2.131.643)	7.858.745
Allowances for doubtful debts	7.489	95	1.183	611	256	1	1.751	(1.093)	10.293
Investments in joint ventures and associates	894.097	132.421	15.479	-	232.908	112.644	-	(36.505)	1.351.044
Capital expenditures	551.541	59.293	481.071	68.705	84.547	5.936	3.139	(32.474)	1.221.758



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

42. SUBSEQUENT EVENTS

TENGE DEVALUATION

On February 11, 2014 the tenge was devalued against the US dollar and other major currencies. The exchange rates before and after devaluation were 155.56 tenge per 1 US dollar and 184.5 tenge per 1 US dollar, respectively, which is close to 19% devaluation of tenge. Sensitivity of the Group's net profit before income tax to possible change in tenge / US dollar exchange rate is disclosed in *Note 39*. This sensitivity analysis demonstrates only possible effect of tenge devaluation if it has occurred as at December 31, 2013, with all other variables held constant.

BORROWINGS

Beineu-Shymkent Pipeline LLP received a new tranche of 150 million US Dollars (equivalent to 27 billion tenge at the exchange rate at the transfer date) under its credit line from Bank of China of 1.8 billion US Dollars.

On February 28, 2014 Kazakhtelecom JSC concluded a credit agreement with Bank of China for the total amount of 170 million US dollars.

In January 2014 the Fund placed 300,000,000 coupon bonds in the nominal amount of 1,000 tenge per bond in the total amount of 300,000 million tenge with the circulation period of 15 years and a 3% coupon interest per annum. The bonds were acquired by the National Bank of the Republic of Kazakhstan. The funds acquired from the realization of these bonds in the amount of 200,000 million tenge were used for the purpose of acquisition of a 50% share in Ekibastuzskaya GRES-1 LLP and a 100% share in Kazhydrotechenergo LLP.

In January 2014 Kazakhmys Finance PLC early repaid part of the loans provided by the Fund in the amount of 400 million US Dollars (equivalent to 61,808 million tenge at the exchange rate at the repayment date). The total amount was used by the Fund for early repayment of loans received from the State China Development Bank.

CHANGES IN THE STRUCTURE OF THE GROUP (SUBSIDIARIES)

In February 2014 the Transfer Act on reorganization of "NAC "Kazatomprom" JSC, by means of take-over of "Gornorudnaya Company" LLP was approved. All rights and obligations of "Gornorudnaya Company" LLP were transferred to "NAC "Kazatomprom" JSC in accordance with the Transfer Act.

In April 2014 Samruk-Energy JSC acquired the remaining 50% shares in Ekibastuzskaya GRES-1 LLP and 100% share in Kazgidrotechenergo LLP from Kazakhmys Plc. The acquisition price was equal to 1,300 million US Dollars.

A Decree of the Government of the Republic of Kazakhstan on expropriation of shares in Alliance Bank JSC and Temirbank JSC was signed on 5 March, 2014, which is one of the suspensive conditions in the contract for the sale of 79.88% common shares of Temirbank JSC ("Temirbank") and 16% of common and preferred shares of Alliance Bank JSC..

EXPORT CUSTOMS DUTY

The Government of the Republic of Kazakhstan plans to increase export duty on crude oil exports from 60 US Dollars to 80 US Dollars per ton effective from April 1, 2014.

OPERATING ACTIVITY

Starting January 1, 2014 the order of the Agency on regulation of natural monopolies of the Republic of Kazakhstan dated November 21, 2013, which approves increased oil transportation tariffs for KazTransOil JSC came into force (domestic markets – by 50%, from 1,954.5 tenge to 2,931.8 tenge for transportation of one ton of oil per 1,000 km, export – from 4,732.6 tenge to 4,850.6 tenge, by 2.5%). Starting from April 1, 2014 in accordance the order of Agency on regulation of natural monopolies of the Republic of Kazakhstan oil transportation tariffs for export increased from 4,850.6 tenge to 5,817.2 tenge.

On 31 March 2014 NAC Kazatomprom JSC and CGNPC-URC signed Addendum 3 to the Contract for supply of fuel pellets for 2014-2016. The parties to the contract agreed on supply of fuel pellets within agreed terms, thus avoiding the option of NAC Kazatomprom to buy back from Sino-Kaz the share in Semizbay-U LLP (*Note 6*).

Restrictions on Air Astana flights to European Union countries have been lifted.

RESTRUCTURING OF "ALIANCE BANK" JSC

As disclosed in Note 6, in December 2013 the Fund and Mr. Bulat Utemuratov signed an agreement on sale by the Fund of 79.88% common shares of Temirbank JSC and 16% of common and preferred shares of Alliance Bank JSC with the aim of subsequent merger of Temirbank and Alliance Bank into a single bank. As at



JOINT-STOCK COMPANY SOVEREIGN
WEALTH FUND «SAMRUK-KAZYNA»

Vol. I Vol. II

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013
with Independent Auditors' Report

CONTENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

Consolidated statement of comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

NOTES to the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2013 Alliance Bank is still under control of the Fund and therefore is a consolidated subsidiary (*Note 34*).

On January 23, 2014 management Alliance Bank indicated to its creditors that it would have to restructure certain liabilities in order to continue its operations. The restructuring process is aimed at achieving positive capital and a tier 1 capital ratio of 20% that would allow Alliance Bank to comply with prudential norms and become competitive in the short and medium term.

On January 30, 2014 the Board of Directors of Alliance Bank approved a decision on the restructuring.

This level of capital is expected to be achieved by:

- Restructuring of the debt and subordinated debt securities issued by Alliance Bank, under terms more beneficial to Alliance Bank;
- Merger of Alliance Bank with Temirbank ("Joint Bank") which has a stronger capital base than Alliance Bank;
- Conversion of the bearing low interest rates that are subject to further negotiation with the Fund;
- Utilisation of deferred tax assets through consolidation of operations and creating a profitable Joint Bank.

Management believes that the action proposed under the recapitalisation plan will also help to improve the liquidity position of the Joint Bank. In addition, management initiated revisions of operational efficiency of the Joint Bank aimed at reducing headcount, eliminating unprofitable business relations and integration of IT systems.

On February 6, 2014 Alliance Bank signed an agreement with the National Bank of the Republic of Kazakhstan that set up obligations on Alliance Bank's recapitalisation and established the regulatory framework for the period of implementation of the recapitalisation plan. Under the agreement Alliance Bank undertook to implement the restructuring plan by July 1, 2014 and to bring all prudential ratios to the limits specified in the legislation.

CONTRIBUTIONS TO THE SHARE CAPITAL

In April 2014, the Shareholder made cash contributions to the share capital of the Fund in the amount of 54,500 million tenge.