

**Sovereign Wealth Fund "Samruk-Kazyna" JSC**

Interim condensed separate  
financial statements (unaudited)

*as at June 30, 2012 and for the six months  
then ended*

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## REPORT ON REVIEW OF INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS

To the Shareholder of Sovereign Wealth Fund "Samruk-Kazyna" JSC:

### *Introduction*

We have reviewed the accompanying interim condensed separate financial statements of Sovereign Wealth Fund "Samruk-Kazyna" JSC comprising the interim separate balance sheet as at June 30, 2012 and the related interim separate statements of comprehensive income, changes in equity and cash flows for the six-month period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed separate financial statements in accordance with International Financial Reporting Standard IAS 34, Interim Financial Reporting (IAS 34). Our responsibility is to express a conclusion on these interim condensed separate financial statements based on our review.

### *Scope of Review*

We conducted our review in accordance with the International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing. Consequently, it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed separate financial statements of Sovereign Wealth Fund "Samruk-Kazyna" JSC are not prepared, in all material respects, in accordance with IAS 34.


*Ernst & Young LLP*

  
\_\_\_\_\_  
Elshad Aliyev  
Audit Partner

  
\_\_\_\_\_  
Alexander Nazarkulov  
Auditor

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

September 28, 2012

  
\_\_\_\_\_  
Evgeny Zhemaletdinov  
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 July 15, 2005



## INTERIM SEPARATE Balance Sheet

<i>In millions of Tenge</i>	Notes	June 30, 2012 (unaudited)	December 31, 2011 (audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		509	634
Intangible assets		175	199
Investments in subsidiaries	4	2,750,200	2,498,897
Investments in associates and joint venture	5	119,957	101,783
Loans issued	6	503,512	458,723
Amounts due from credit institutions	7	235,604	258,512
Other non-current financial assets	8	107,474	132,721
Long-term bank deposits	9	137,222	170,110
Deferred tax asset		2,862	2,700
Other non-current assets		7,173	4,083
		<b>3,864,688</b>	<b>3,628,362</b>
<b>Current assets</b>			
Corporate income tax prepaid		14,434	18,434
Loans issued	6	80,007	81,611
Amounts due from credit institutions	7	29,723	33,681
Other current financial assets	8	42,889	66,833
Assets related to call / put options		37,313	33,240
Short-term bank deposits	9	80,698	70,202
Other current assets	10	45,932	10,857
Cash and cash equivalents	11	607,759	451,902
		<b>938,755</b>	<b>766,760</b>
<b>TOTAL ASSETS</b>		<b>4,803,443</b>	<b>4,395,122</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	12	4,396,716	4,050,383
Revaluation reserve for available-for-sale investments		(149,318)	(126,333)
Accumulated losses		(1,121,079)	(1,116,293)
<b>Total equity</b>		<b>3,126,319</b>	<b>2,807,757</b>
<b>Non-current liabilities</b>			
Borrowings	13	1,044,912	1,032,791
Amounts due to the Government	14	418,867	404,731
Financial guarantee liabilities		27,838	25,845
		<b>1,491,617</b>	<b>1,463,367</b>
<b>Current liabilities</b>			
Borrowings	13	176,388	117,664
Amounts due to the Government	14	461	275
Financial guarantee liabilities		5,148	3,091
Liabilities under call / put options		854	717
Other current liabilities		2,656	2,251
		<b>185,507</b>	<b>123,998</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,803,443</b>	<b>4,395,122</b>

*Notes on pages 6 to 22 are an integral part of these interim condensed separate financial statements.*

Managing Director – Member of the Management Board

Chief Accountant

  
 Nurlan Rakhmetov  
  
 Almaz Abdrakhmanova

## Interim separate statement of comprehensive income

<i>In millions of Tenge</i>	Notes	For six months ended June 30, 2012 (unaudited)	For six months ended June 30, 2011 (unaudited)
Interest income	15	30,964	27,124
Interest expenses	16	(50,814)	(46,173)
Dividend income	17	170,955	78,132
<b>Gross profit</b>		<b>151,105</b>	<b>59,083</b>
General and administrative expenses	18	(6,621)	(9,507)
Finance income	19	19,886	29,033
Impairment of investments in subsidiaries	4	-	(123,693)
Impairment of financial assets		(859)	(645)
Foreign exchange gain, net		1,100	91
Gain from change in the value of options, net		1,166	7,371
Gain / (loss) on disposal of financial assets	8	3,805	(6,867)
Other operating (expenses) / income		(48)	451
<b>Profit / (loss) before income tax</b>		<b>169,534</b>	<b>(44,683)</b>
Income tax expense	20	(3,882)	(7,372)
<b>Net profit / (loss) for the period</b>		<b>165,652</b>	<b>(52,055)</b>
<b>Other comprehensive loss, net of income tax</b>			
Net loss on available-for-sale investments		(22,985)	(31,489)
<b>Total other comprehensive loss, net of income tax</b>		<b>(22,985)</b>	<b>(31,489)</b>
<b>Total comprehensive income / (loss) for the period</b>		<b>142,667</b>	<b>(83,544)</b>

*Notes on pages 6 to 22 are an integral part of these interim condensed separate financial statements.*

Managing Director – Member of the Management Board

Chief Accountant

  
 Nurlan Rakhmetov  
  
 Almaz Abdurakhmanova

## Interim separate statement of cash flows

<i>In millions of Tenge</i>	Note	For six months ended June 30, 2012 (unaudited)	For six months ended June 30, 2011 (unaudited)
<b>Cash flows from operating activities:</b>			
Profit / (loss) before income tax		169,534	(44,683)
Adjustments for:			
Depreciation and amortisation		82	143
Impairment of investments in subsidiaries	4	-	123,693
Impairment of financial assets and other current assets	6, 7, 9, 10	859	645
Finance income	19	(19,886)	(29,033)
Gain from change in the value of options, net		(1,166)	(7,371)
Unrealized foreign exchange loss / (gain)		328	(313)
(Gain) / loss on disposal of financial assets	8	(3,805)	6,867
Other		476	837
<b>Operating cash flows before changes in working capital:</b>		<b>146,422</b>	<b>50,785</b>
Change in loans issued		(41,828)	(136,903)
Change in amounts due from credit institutions		27,922	96,856
Change in other current and non-current assets		(44,571)	(60,772)
Change in borrowings and amounts due to the Government		83,359	134,401
Change in other current liabilities		406	89
<b>Cash flows from operating activities:</b>		<b>171,710</b>	<b>84,456</b>
Income tax paid		(4,044)	(16,487)
Interest received		21,060	13,687
<b>Net cash flows from operating activities</b>		<b>188,726</b>	<b>81,656</b>
<b>Cash flows from investing activities:</b>			
Refund / (placement) of bank deposits, net		19,612	(17,390)
Acquisitions of shares of associates and additional contributions to subsidiaries		(77,644)	(40,671)
Sale of financial assets	8	27,125	32,849
Sale of investments in subsidiaries	4	150,035	-
Purchase of property, plant and equipment and intangible assets		(6)	(16)
<b>Net cash flows from / (used in) investing activities</b>		<b>119,122</b>	<b>(25,228)</b>

**Interim separate statement of cash flows (CONTINUED)**

<i>In millions of Tenge</i>	Note	For six months ended June 30, 2012 (unaudited)	For six months ended June 30, 2011 (unaudited)
<b>Cash flows from financing activities:</b>			
Dividends	12	(159,113)	–
Other distributions to the Shareholder		(3,878)	–
Contributions to share capital	12	11,000	56,080
<b>Net cash flows (used in) / from financing activities</b>		<b>(151,991)</b>	<b>56,080</b>
<b>Net change in cash and cash equivalents</b>		<b>155,857</b>	<b>112,508</b>
<b>Cash and cash equivalents, beginning</b>		<b>451,902</b>	<b>401,586</b>
<b>Cash and cash equivalents, at the end of the period</b>		<b>607,759</b>	<b>514,094</b>

**NON-CASH TRANSACTIONS**

Non-cash transactions, including the following, have been excluded from the interim separate statement of cash flows:

*For six months ended June 30, 2012:*

1. Shareholder's contributions to the share capital of the Fund in the form of fixed assets (Note 12).
2. Fund's contributions to the share capital of subsidiaries in the form of fixed assets (Note 4).
3. Offset of income tax prepayment with VAT in the amount of 4,000 million Tenge.

*For six months ended June 30, 2011:*

1. Recognition of discount of 17,318 million Tenge on loans issued to subsidiaries.
2. Recognition of discount of 9,306 million Tenge on amounts due to the Government.
3. Shareholder's contributions to the share capital of the Fund in the form of fixed assets.
4. Fund's contributions to the share capital of subsidiaries in the form of fixed assets.

*Notes on pages 6 to 22 are an integral part of these interim condensed separate financial statements.*

Managing Director – Member of the Management Board

Chief Accountant

  
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 Nurlan Rakhmetov  
  
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 Almaz Abdymakhmanova  




**Interim separate statement of changes in equity**

<i>In millions of Tenge</i>	Share capital	Revaluation reserves for available-for-sale investments	Accumulated losses	Total
<b>As at December 31, 2010</b>	<b>3,891,909</b>	<b>4,881</b>	<b>(626,713)</b>	<b>3,270,077</b>
Net loss for the period	–	–	(52,055)	(52,055)
Other comprehensive loss	–	(31,489)	–	(31,489)
<b>Total comprehensive loss for the period</b>	<b>–</b>	<b>(31,489)</b>	<b>(52,055)</b>	<b>(83,544)</b>
Contribution to the share capital (Note 12)	56,080	–	1,203	57,283
Gain from initial recognition of amounts due to the Government	–	–	9,306	9,306
Transactions with the Shareholder	–	–	(24,402)	(24,402)
<b>As at June 30, 2011 (unaudited)</b>	<b>3,947,989</b>	<b>(26,608)</b>	<b>(692,661)</b>	<b>3,228,720</b>
<b>As at December 31, 2011</b>	<b>4,050,383</b>	<b>(126,333)</b>	<b>(1,116,293)</b>	<b>2,807,757</b>
Net profit for the period	–	–	165,652	165,652
Other comprehensive loss	–	(22,985)	–	(22,985)
<b>Total comprehensive profit for the period</b>	<b>–</b>	<b>(22,985)</b>	<b>165,652</b>	<b>142,667</b>
Contributions to the share capital (Note 12)	346,333	–	–	346,333
Transactions with the Shareholder	–	–	1,630	1,630
Dividends to the Shareholder (Note 12)	–	–	(168,190)	(168,190)
Other distributions to the Shareholder	–	–	(3,878)	(3,878)
<b>As at June 30, 2012 (unaudited)</b>	<b>4,396,716</b>	<b>(149,318)</b>	<b>(1,121,079)</b>	<b>3,126,319</b>

*Notes on pages 6 to 22 are an integral part of these interim condensed separate financial statements.*

Managing Director – Member of the Management Board

Chief Accountant



## NOTES TO INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS

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### 1. GENERAL

Sovereign Wealth Fund "Samruk-Kazyna" JSC (the "Fund" or "Samruk-Kazyna") was established on November 3, 2008 in conjunction with the Decree of the President of the Republic of Kazakhstan dated October 13, 2008 and the Decree of the Government of the Republic of Kazakhstan dated October 17, 2008. The Fund was created 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 of ownership in certain entities owned by the Government of the Republic of Kazakhstan (the "Government" or the "State") to the Fund. The Government, represented by the State Assets and Privatization Committee of the Ministry of Finance of the Republic of Kazakhstan is the sole shareholder of the Fund (the "Shareholder").

The Government's overall objective of the reorganization is to increase management's efficiency and to optimise organisational structures in the Fund's subsidiaries in order to achieve successfully their strategic objectives set in the respective Government programs and development plans.

Prior to February 1, 2012, the Fund's activities were governed by the Law of the Republic of Kazakhstan "On Sovereign Wealth Fund" No. 134-4 dated February 13, 2009 and were aimed at providing assistance in achieving 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. 550-4, the Fund's activities are focused on improving sovereign wealth of the Republic of Kazakhstan by increasing the long-term cost (value) of the Fund's group companies and by effective management of the Fund's group assets.

The Fund is a holding company having investments in state-owned enterprises listed in *Notes 4 and 5*.

The Fund has its registered office in the Republic of Kazakhstan, Astana, Kabanbay Batyr Avenue 19.

These interim condensed separate financial statements were issued in addition to the interim condensed consolidated financial statements of the Fund and its subsidiaries (the "Group") for the same reporting period. These interim condensed separate financial statements were authorized for issue by the Managing Director – Member of the Management Board and Chief Accountant of the Fund on September 28, 2012.

#### **The plan of stabilization of economy and financial system**

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

- Stabilization of financial sector
- Stabilization of real estate market
- Small and medium business support
- Development of agricultural sector
- Implementation of innovation, industrial and infrastructure projects

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

#### **Investments in Karachaganak project**

On June 28, 2012 the Government, as represented by the Ministry of Oil and Gas and the State Assets and Privatization Committee of the Ministry of Finance, and the participants of the Karachaganak Project (further, the "Consortium" or "KPO") signed an agreement, in accordance to which the Government acquired a 10% participating interest in KPO. The fair value of the 10% interest acquired was assessed as 2 billion USD (approximating 300 billion Tenge), of which 150 billion Tenge was paid by the Government in cash and the remaining portion through a settlement of taxes.

## NOTES TO INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS (continued)

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### 1. GENERAL (continued)

#### Investments in Karachaganak project (continued)

The Government established a new entity Final Production Sharing Agreement Interest Managing Company LLP ("FPSAIMC") and contributed the newly acquired 10% in the project into FPSAIMC capital. Then, in accordance with the Government Resolution No. 570 dated May 3, 2012, on June 28, 2012 the Fund received the Government's 100% share in FPSAIMC as a contribution to the Fund's capital with a fair value of 300,070 million Tenge as at the date of transaction (*Notes 4 and 15*).

On June 29, 2012 the Fund transferred FPSAIMC to National Company "KazMunayGas" JSC ("KMG") for consideration of 150,035 million Tenge of KMG share capital and cash consideration of 150,035 million Tenge (*Note 4*), which was financed by a loan in the total amount of 1,000 million 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 years. Under the loan agreement the NC KMG has undertaken to provide the collateral in the form of 5% share in the Project to the Consortium. The loan is guaranteed by the Fund.

On June 28, 2012 the Fund paid dividends in amount of 159,113 million Tenge, part of which in amount of 150,035 million Tenge was used by the Government to finance the acquisition of the above-mentioned interest in KPO (*Note 15*).

### 2. BASIS OF PREPARATION

Interim condensed separate financial statements for the six months ended June 30, 2012 were prepared in accordance with International Accounting Standard No. 34 "Interim financial statements" (IAS 34). These interim condensed separate financial statements do not include all the information and disclosures required in the annual separate financial statements, and should be read in conjunction with the Fund's annual separate financial statements for the year ended December 31, 2011.

All values in these interim condensed separate financial statements are rounded to the nearest million, except when otherwise indicated.

#### Foreign currency translation

##### *Functional and presentation currency*

The interim condensed separate financial statements are presented in Tenge, which is the Fund's functional and presentation currency.

##### *Transactions and balances*

Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the interim separate statement of comprehensive income.

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 the initial transactions. Non-monetary items measured at the fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined.

##### *Exchange rates*

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

The official rate of Tenge to US Dollar at June 30, 2012 and December 31, 2011 was 149.42 and 148.4 Tenge to 1 US Dollar, respectively. The currency exchange rate as at September 28, 2012 was 149.86 Tenge to 1 US Dollar.

#### New standards, interpretations and amendments adopted by the Fund for the first time

The accounting policies adopted in the preparation of the interim condensed separate financial statements are consistent with those followed in the preparation of the Fund's annual financial statements for the year ended December 31, 2011, except for adoption of new standards and interpretations as of January 1, 2012, noted below:

## NOTES TO INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS (continued)

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### 2. BASIS OF PREPARATION (continued)

#### New standards, interpretations and amendments adopted by the Fund for the first time (continued)

##### IAS 12 - *Deferred Tax: Recovery of Underlying Assets* (Amendment)

This amendment to IAS 12 includes a rebuttable presumption that the carrying amount of investment property measured using the fair value model in IAS 40 will be recovered through sale and, accordingly, that any related deferred tax should be measured on a sales basis. The presumption is rebutted if the investment property is depreciable and it is held within a business model whose objective is to consume substantially all of the economic benefits in the investment property over time, rather than through sale. Specifically, IAS 12 will require that deferred tax arising from a non-depreciable asset measured using the revaluation model in IAS 16 should always reflect the tax consequences of recovering the carrying amount of the underlying asset through sale. Effective implementation date is for annual period beginning on or after January 1, 2012.

##### IFRS 7 - *Disclosures - Transfers of financial assets* (Amendment)

The IASB issued an amendment to IFRS 7 that enhances disclosures for financial assets. These disclosures relate to transferred assets (as defined under IAS 39). If the transferred assets are not derecognised entirely in the financial statements, an entity has to disclose information that enables users of financial statements to understand the relationship between those assets which are not derecognised and their associated liabilities. If those assets are derecognised entirely, but the entity retains a continuing involvement, disclosures have to be provided that enable users of financial statements to evaluate the nature of, and risks associated with, the entity's continuing involvement in those derecognised assets. Effective implementation date is for annual periods beginning on or after July 1, 2011 with no comparative requirements.

##### IFRS 1 - *Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters* (Amendment)

When an entity's date of transition to IFRS is on or after the functional currency normalisation date, the entity may elect to measure all assets and liabilities held before the functional currency normalisation date, at fair value on the date of transition to IFRS. This fair value may be used as the deemed cost of those assets and liabilities in the opening IFRS statement of financial position. However, this exemption may only be applied to assets and liabilities that were subject to severe hyperinflation. Effective implementation date is for annual periods beginning on or after July 1, 2011 with early adoption permitted.

The amendments to above stated IFRSs standards did not have any impact on financial position or performance of the Fund.

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

### 3. SEASONALITY OF OPERATIONS

The activities of the Fund are not seasonal in nature and are not subject to seasonal fluctuations.

## NOTES TO INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS (continued)

### 4. INVESTMENTS IN SUBSIDIARIES

The following table represents investments in subsidiaries, activity, country of incorporation or location of the Fund's subsidiaries, as well as the Fund's share in these subsidiaries:

Company	Activity	Country	Ownership			
			June 30, 2012 (unaudited)	December 31, 2011 (audited)	June 30, 2012 (unaudited)	December 31, 2011 (audited)
National Company "KazMunayGas" JSC	Oil & gas	Kazakhstan	928,806	737,286	100.00%	100.00%
BTA Bank JSC	Bank services	Kazakhstan	891,092	891,092	81.48%	81.48%
National Company "Kazakhstan Temir Zholy" JSC	Freight and passengers railway transportation	Kazakhstan	801,551	795,877	100.00%	100.00%
Development Bank of Kazakhstan JSC	State investment activity	Kazakhstan	306,355	302,769	100.00%	100.00%
National Atomic Company "Kazatomprom" JSC	Uranium production	Kazakhstan	147,275	147,275	100.00%	100.00%
Samruk-Energy JSC	Production and transportation of heat and electricity	Kazakhstan	139,926	138,765	95.22%	94.73%
Alliance Bank JSC	Bank services	Kazakhstan	122,801	122,801	67.00%	67.00%
Kazakhstan Electricity Grid Operating Company JSC ("KEGOC")	Transfer of electricity	Kazakhstan	112,129	112,129	100.00%	100.00%
Kazakhtelecom JSC	Services of fixed communication	Kazakhstan	88,733	88,733	51.00%	51.00%
Kazyna Capital Management JSC	Creation of investment funds	Kazakhstan	69,444	69,444	100.00%	100.00%
Entrepreneurship Development Fund "Damu" JSC	Development of small entrepreneurship	Kazakhstan	67,521	39,521	100.00%	100.00%
Investment Fund of Kazakhstan JSC	Assistance in realization of the strategy of industrial and innovation development	Kazakhstan	32,493	32,493	100.00%	100.00%
Real Estate Fund "Samruk-Kazyna" JSC	Stabilization of real estate market	Kazakhstan	31,851	31,738	100.00%	100.00%
Temirbank JSC	Bank services	Kazakhstan	23,488	23,488	79.90%	79.90%
United Chemical Company LLP	Development of chemical industry in the RK	Kazakhstan	18,552	7,002	100.00%	100.00%
Export-Credit Insurance Corporation "KazExportGarant" JSC	Insurance services	Kazakhstan	11,270	11,270	100.00%	100.00%
National Company "Kazakhstan Engineering" JSC	Industry	Kazakhstan	9,850	9,850	100.00%	100.00%
Kazpost JSC	Postal activity and financial services	Kazakhstan	9,564	9,387	100.00%	100.00%

**NOTES TO INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS (continued)****4. INVESTMENTS IN SUBSIDIARIES (continued)**

Company	Activity	Country	June 30, 2012 (unaudited)	December 31, 2011 (audited)	Ownership	
					June 30, 2012 (unaudited)	December 31, 2011 (audited)
National Geological Company "Kazgeology" JSC	Geological exploration services	Kazakhstan	8,586	3,176	100.00%	100.00%
NMC "Tau-Ken Samruk" JSC	Development of mining industry of the RK	Kazakhstan	7,862	3,437	100.00%	100.00%
Air Astana JSC	Passengers air transportation	Kazakhstan	7,276	7,276	51.00%	51.00%
International Airport Aktobe JSC	Airport services	Kazakhstan	6,029	6,589	100.00%	100.00%
Samruk-Kazyna Contract LLP	Projects management	Kazakhstan	2,193	2,193	100.00%	100.00%
Airport Pavlodar JSC	Airport services	Kazakhstan	1,454	1,207	100.00%	100.00%
International Airport Atyrau JSC	Airport services	Kazakhstan	1,196	1,196	100.00%	100.00%
SK Pharmacy LLP	Purchase of medicine within the limits of guaranteed medical aid for population	Kazakhstan	700	700	100.00%	100.00%
Samruk-Kazyna Invest JSC	Professional services on investment projects	Kazakhstan	394	394	100.00%	100.00%
Kazakh Research Institute named after Chokin JSC	Scientific work	Kazakhstan	219	219	50.00%+1	50.00%+1
KOREM JSC	Operator of electricity market	Kazakhstan	161	161	100.00%	100.00%
Karagandagiproshakht I K LLP	Designing	Kazakhstan	6	6	90.00%	90.00%
Samruk-Kazyna Finance LLP	Consulting services	Kazakhstan	--	--	100.00%	100.00%
KGF IM	Financial transactions	Cayman Islands	--	--	100.00%	100.00%
KGF Management	Financial transactions	Cayman Islands	--	--	100.00%	100.00%
KGF SLP	Financial transactions	Cayman Islands	--	--	100.00%	100.00%
Less: Impairment			(1,098,577)	(1,098,577)		
			2,750,200	2,498,897		

## NOTES TO INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS (continued)

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### 4. INVESTMENTS IN SUBSIDIARIES (continued)

#### *Changes in investments in subsidiaries*

In accordance with the Resolution No. 570 of the Government dated May 3, 2012, on June 28, 2012 the Fund received the Government's 100% share in Final Production Sharing Agreement Interest Managing Company LLP ("FPSAIMC") with a fair value of 300,070 million Tenge as at the date of transaction (*Note 12*). On June 29, 2012 the Fund transferred 50% share in FPSAIMC with the carrying value of 150,035 million Tenge to the share capital of National Company "KazMunayGas" JSC ("KMG"). The remaining 50% of interest in FPSAIMC was sold to KMG for 150,035 million Tenge.

In accordance with the Resolution No. 822 of the Government dated July 18, 2011, on April 19, 2012 the Fund received the Government's 100% share in Arkagas JSC with the fair value of 4,110 million Tenge as of the date of the transaction (*Note 12*). On June 26, 2012 the Fund transferred 100% share in Arkagas JSC to the share capital of KMG.

In addition to the above mentioned points, during the first half of the year 2012, the Fund made the following contributions :

- to the share capital of KMG in the amount of 32,222 million Tenge, including cash contribution of 2,000 million Tenge, out of the funds received from the Republican budget, and property contribution in the amount of 30,222 million Tenge;
- to the share capital of National Company "Kazakhstan Temir Zholy" JSC in the amount of 5,630 million Tenge. The contribution was made in cash out of the funds received from the Republican budget and in the form of property amounting to 4,000 million Tenge and 1,630 million Tenge, respectively;
- to the share capital of Entrepreneurship Development Fund "Damu" JSC in the amount of 28,000 million Tenge. The contribution was made in cash;
- to the charter capital of United Chemical Company LLP in the amount of 11,550 million Tenge. The contribution was made in cash using the funds provided by the Government's Stabilization Plan according to the minutes of the Government Committee on Management of the National Fund No. 17-5/11-1 dated March 15, 2012;
- to the share capital of Development Bank of Kazakhstan JSC, Samruk-Energy JSC, National Geological Company "Kazgeology" JSC in the total amount of 9,056 million Tenge. The contributions were made in cash out of the funds received from the Republican budget;
- to the share capital of National Mining Company "Tau-Ken Samruk" JSC, Kazpost JSC, Airport Pavlodar JSC and Real Estate Fund "Samruk-Kazyna" JSC in the total amount of 4,962 million Tenge. The contributions were made in the form of cash and property in the amount of 4,849 million Tenge and 113 million Tenge, respectively.

In 2012, the Fund provided financial guarantees to the creditors of KMG, Development Bank of Kazakhstan JSC and Samruk-Energy JSC. The fair value of financial guarantees amounted to 5,153 million Tenge, 894 million Tenge and 207 million Tenge, respectively, was recognized in obligations and correspondingly increased investments in respective subsidiaries.

#### *Impairment of investments in subsidiaries*

During the first half of the year 2011, the Fund recognized an impairment loss on investments in BTA Bank JSC and Alliance Bank JSC for 112,359 million Tenge and 11,334 million Tenge, respectively (the first half of 2012: nil). The recoverable amount of investments in BTA Bank JSC and Alliance Bank JSC was determined as the fair value less cost to sell. Due to absence of an active market for shares of these banks the fair value less costs to sell was derived from the Business Plan and inputs observable in the market, either directly or indirectly.

## NOTES TO INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS (continued)

### 5. INVESTMENTS IN ASSOCIATES AND JOINT VENTURE

Investments in associates and joint venture were presented as follows:

<i>In millions of Tenge</i>	June 30, 2012 (unaudited)	December 31, 2011 (audited)
<b>Joint venture:</b>		
Ekibastuz GRES-1 LLP	101,502	101,502
<b>Associates:</b>		
Shekerbank	18,174	–
Astana-Finance JSC	6,516	6,516
Maikainzoloto JSC	281	281
Less: Impairment	(6,516)	(6,516)
	<b>119,957</b>	<b>101,783</b>

Activities of a joint venture and associates, countries of residence and the Fund's share in these organizations were as follows:

Company	Activity	Country	% in share capital	
			June 30, 2012 (unaudited)	December 31, 2011 (audited)
<b>Joint venture:</b>				
Ekibastuz GRES-1 LLP	Production and transportation of heat and electricity	Kazakhstan	50.00%	50.00%
<b>Associates:</b>				
Shekerbank	Bank services	Turkey	22.1%	–
Astana-Finance JSC	Finance organization	Kazakhstan	5.52%	5.52%
Maikainzoloto JSC	Gold production	Kazakhstan	25.00%	25.00%

#### *Acquisition of share of interest in Shekerbank*

On March 16, 2012 the Fund acquired 222,148,406 shares (22.2%) of Turkish bank Shekerbank from BTA Securities JSC (a subsidiary of BTA Bank JSC).

### 6. LOANS ISSUED

Loans issued comprised:

<i>In millions of Tenge</i>	June 30, 2012 (unaudited)	December 31, 2011 (audited)
Loans to third and related parties	363,841	306,314
Loans to subsidiaries	215,644	232,543
Bonds issued by subsidiaries	918	879
Interest accrued	14,905	11,915
Less: impairment	(11,789)	(11,317)
<b>Total loans issued</b>	<b>583,519</b>	<b>540,334</b>
<b>Less: current portion</b>	<b>(80,007)</b>	<b>(81,611)</b>
<b>Non-current portion</b>	<b>503,512</b>	<b>458,723</b>

#### Loans to third and related parties

##### *Kazakhmys Finance PLC*

During the first half of the year 2012 the Fund provided loans to Kazakhmys Finance PLC in the amount of 400 million US Dollars (equivalent to 59,768 million Tenge at the exchange rate on June 30, 2012) with 15 years maturity. The annual interest rate on the loans is calculated as the basic rate equal to six-months LIBOR plus 4.80%. These loans were issued for the development of the copper field Bozshakol. The loans were financed by proceeds from the loan facility of State China Development Bank (*Note 13*).



## NOTES TO INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS (continued)

### 6. LOANS ISSUED (continued)

#### Loans to subsidiaries

##### *Real Estate Fund "Samruk-Kazyna" JSC*

As a part of the measures taken under the Stabilization Plan, during the first half of the year 2012, the Fund granted additional tranches to Real Estate Fund "Samruk-Kazyna" JSC in the amount of 11,324 million Tenge to acquire residential properties in housing projects under construction.

On March 14, 2012 the Fund signed an agreement on opening of a nonrevolving credit line (with a limit of 17,100 million Tenge) with Real Estate Fund "Samruk-Kazyna" JSC, according to which the Fund provided a loan of 5,000 million Tenge maturing on December 14, 2021 to realize pilot projects in Astana and Shymkent as a part of housing construction program from 2011 to 2014.

In accordance with the terms of the loans, the Fund has a right to demand an early repayment of the loans or part of the loans from Real Estate Fund "Samruk-Kazyna" JSC each December, and Real Estate Fund "Samruk-Kazyna" JSC is obliged to make an early repayment in case of the Fund's demand. Due to this condition the Fund classifies these loans as short-term.

In the first half of 2012 Real Estate Fund "Samruk-Kazyna" JSC made an early repayment of loans in the amount of 30,498 million Tenge.

##### *Other subsidiaries*

On February 14, 2012 the Fund signed a loan agreement with National Company "Kazakhstan Engineering" JSC, according to which the Fund provided a loan in the amount of 5,000 million Tenge maturing on December 30, 2013 for construction of the centre of electrical-optical production and centre of modernization, engineering-technical maintenance and armour repair on the basis of Semei Engineering JSC.

On 5 January 2012 "National Company "KazMunaiGas" JSC has made a partial repayment of loan for the amount of 12,028 million Tenge.

### 7. AMOUNTS DUE FROM CREDIT INSTITUTIONS

Amounts due from credit institutions comprised:

<i>In millions of Tenge</i>	June 30, 2012 (unaudited)	December 31, 2011 (audited)
10 largest local banks	163,460	166,136
Other local credit institutions	132,407	157,252
Interest accrued	5,403	5,804
Less: Impairment	(35,943)	(36,999)
<b>Total amounts due from credit institutions</b>	<b>265,327</b>	<b>292,193</b>
Less: current portion	(29,723)	(33,681)
<b>Non-current portion</b>	<b>235,604</b>	<b>258,512</b>

<i>In millions of Tenge</i>	June 30, 2012 (unaudited)	December 31, 2011 (audited)
Ratings above BB+	17,558	17,350
Ratings from B to BB-	116,125	42,890
Rating B-	17,334	92,117
Rating lower than B-	876	932
No rating	113,434	138,904
	<b>265,327</b>	<b>292,193</b>

Amounts due from credit institutions mainly represent funds placed with banks and other financial institutions to finance the activities under the Stabilization Plan.

On June 30, 2012, within maturity analysis the Fund has no past due and not impaired amounts due from credit institutions.

## NOTES TO INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS (continued)

### 7. AMOUNTS DUE FROM CREDIT INSTITUTIONS (continued)

Total amount of repaid funds during the first half of 2012 amounted to 28,412 million Tenge, including repayment of 25,516 million Tenge made by Entrepreneurship Development Fund "Damu" JSC.

### 8. OTHER FINANCIAL ASSETS

Financial assets comprised the following:

<i>In millions of Tenge</i>	June 30, 2012 (unaudited)	December 31, 2011 (audited)
Financial assets available-for-sale:		
<i>Equity securities of Kazakhmys PLC</i>	100,091	124,876
<i>Equity securities of Kazkommertsbank JSC</i>	34,356	36,306
<i>Equity securities of Halyk Bank of Kazakhstan JSC</i>	8,339	30,149
<i>Debt securities</i>	7,577	8,223
<b>Total other financial assets</b>	<b>150,363</b>	<b>199,554</b>
<b>Less: current portion</b>	<b>(42,889)</b>	<b>(66,833)</b>
<b>Non-current portion</b>	<b>107,474</b>	<b>132,721</b>

On May 28, 2012, Holding Group ALMEX JSC and Halyk Bank of Kazakhstan JSC signed an agreement on assignment of a right of demand option agreement related to preferred shares of Halyk Bank of Kazakhstan JSC.

In accordance with this agreement on June 29, 2012 Halyk Bank of Kazakhstan JSC realized its right for partial execution of the option and acquired 150,000,000 of its preferred shares at the price of 179.94 Tenge per share.

After selling of Halyk Bank of Kazakhstan JSC preferred shares with a fair value at the date of disposal of 27,057 million Tenge, the Fund ceased recognition of the relevant option obligation on purchase of preferred shares, the fair value of which on the date of disposal amounted to 2,770 million Tenge. Additionally the unrealized gain of 1,101 million Tenge on revaluation of available-for-sale investments on the preferred shares of Halyk Bank of Kazakhstan JSC was reclassified from revaluation reserve for available-for-sale investments into net profit for the period. The resulting net gain on disposal of financial assets was recorded in the interim separate statement of comprehensive income in the amount of 3,805 million Tenge.

Fair value of equity securities of Kazakhmys PLC, Halyk Bank Kazakhstan JSC and Kazkommertsbank JSC as at June 30, 2012 and December 31, 2011 was determined based on published quotations from the active market.

### 9. BANK DEPOSITS

Bank deposits comprise the following:

<i>In millions of Tenge</i>	June 30, 2012 (unaudited)	December 31, 2011 (audited)
10 largest local banks	394,210	413,348
Other local credit institutions	62,800	63,279
Interest accrued	5,978	8,753
Less: impairment	(245,068)	(245,068)
<b>Total bank deposits</b>	<b>217,920</b>	<b>240,312</b>
<b>Less: current portion</b>	<b>(80,698)</b>	<b>(70,202)</b>
<b>Non-current portion</b>	<b>137,222</b>	<b>170,110</b>

<i>In millions of Tenge</i>	June 30, 2012 (unaudited)	December 31, 2011 (audited)
Ratings above BB+	29,299	20,000
Ratings from B to BB-	99,420	106,786
Rating B-	87,783	100,991
Ratings lower than B-	1,418	12,056
No rating	-	479
	<b>217,920</b>	<b>240,312</b>

## NOTES TO INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS (continued)

### 9. BANK DEPOSITS (continued)

As of June 30, 2012, the weighted average interest rate on long-term bank deposits was 8.13% per annum (December 31, 2011: 9.52%), and the weighted average interest rate on short-term bank deposits was 8.33% per annum (December 31, 2011: 9.22%).

#### *Placement of temporary excess cash*

Within the policy of managing temporary excess cash, in the first half of 2012, the Fund placed a deposit in Tsesnabank JSC for an amount of 9,000 million Tenge with maturity of up to one year and annual interest rate of 7.25%.

### 10. OTHER CURRENT ASSETS

<i>In millions of Tenge</i>	June 30, 2012 (unaudited)	December 31, 2011 (audited)
Dividends receivable	43,246	176
Other accounts receivable	3,646	3,184
Prepayment of dividends to the Shareholder	–	9,077
Other	2,355	292
Less: Impairment	(3,315)	(1,872)
	45,932	10,857

### 11. CASH AND CASH EQUIVALENTS

<i>In millions of Tenge</i>	June 30, 2012 (unaudited)	December 31, 2011 (audited)
Current accounts with banks – Tenge	507,374	449,189
Current accounts with banks – US Dollars	3,878	1,639
Current accounts with banks – Euro	1,037	587
Term bank deposits – Tenge	95,470	487
	607,759	451,902

As at June 30, 2012, the weighted average interest rate for current accounts and term deposits placed with Kazakhstan banks is equal to 0.12% per annum (December 31, 2011: 0.08%)

Total amount of cash balances on bank accounts include funds allocated from the State budget and National Fund for Government programs. As at June 30, 2012, these cash balances were accumulated on the accounts with the National Bank and amounted to 448 billion Tenge (December 31, 2011: 435 billion Tenge), including:

- 335 billion Tenge (December 31, 2011: 279 billion Tenge) of National Fund's amounts, received under Stabilization Plan and other State programs;
- 8 billion Tenge (December 31, 2011: 9 billion Tenge) of amounts from the State budget received to provide financing of projects implemented by the Fund;
- 105 billion Tenge (December 31, 2011: 147 billion Tenge) of the Fund's remaining cash balance required for operating and investing activities.

### 12. EQUITY

Payment for shares	Number of shares authorized and issued	Nominal value per share, in Tenge	Share capital in millions of Tenge
As at December 31, 2010	3,479,076,667		3,891,909
Cash contributions	560,866	1,000;100,000	56,080
As at June 30, 2011 (unaudited)	3,479,637,533		3,947,989

**NOTES TO INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS (continued)**

12. EQUITY (continued)

<b>As at December 31, 2011</b>	<b>3,480,637,455</b>		<b>4,050,383</b>
Cash contributions	110,000	1,000;100,000 100,000;93,549;	11,000
Property contributions	311,538	90,092;80,000;5,704 1,000,000;100,000;	31,153
Contributions of state-owned shares	341,164	282,174;46,000	304,180
<b>As at June 30, 2012 (unaudited)</b>	<b>3,481,400,157</b>		<b>4,396,716</b>

As at June 30, 2012, 3,481,400,157 shares were fully paid (December 31, 2011: 3,480,637,455 shares).

In accordance with the Law of the Republic of Kazakhstan "On Republican budget for 2012-2014" dated November 24, 2011, the Shareholder contributed cash to the Fund's share capital in the amount of 11,000 million Tenge in the first half of 2012. This amount is intended for financing of projects implemented by subsidiaries.

In the first half of 2012, the Shareholder contributed property to the share capital of the Fund in the total amount of 31,153 million Tenge, according to the Decree of the Government No. 939 dated September 14, 2010 "On certain issues of the government property".

In accordance with the Resolution No. 570 of the Government dated May 3, 2012, on June 28, 2012 the Fund received the Government's 100% share in FPSAIMC with the fair value of 300,070 million Tenge as of the date of the transaction (Note 4).

In accordance with the Resolution No. 822 of the Government dated July 18, 2011, on April 19, 2012 the Fund received the Government's share in Arkagas JSC with the fair value of 4,110 million Tenge as of the date of the transaction (Note 4).

*Dividends to the Shareholder*

On January 19, 2012 the Decree No. 139 of the Government approved final order for distribution of the Fund's net income for 2010 in the amount of 9,077 million Tenge and settled this amount against prepayment of dividends (Note 10).

On June 28, 2012 the Fund paid dividends to the Shareholder in the amount of 159,113 million Tenge on the results of 2011 according to the Decree No. 850 of the Government dated June 26, 2012.

*Book value of shares*

In accordance with the decision of the Exchange Board of the Kazakhstan Stock Exchange ("KASE") dated October 4, 2010 financial statements shall disclose book value per share (common and preferred) as of the reporting date, calculated in accordance with the KASE rules.

<i>In millions of Tenge</i>	<b>June 30, 2012 (unaudited)</b>	<b>December 31, 2011 (audited)</b>
Total assets	<b>4,803,443</b>	4,395,122
Intangible assets	(175)	(199)
Total liabilities	<b>(1,677,124)</b>	(1,587,365)
<b>Net assets for common shares</b>	<b>3,126,144</b>	2,807,558
<b>Number of common shares</b>	<b>3,481,400,157</b>	3,480,637,455
<b>Book value per common share (Tenge)</b>	<b>898</b>	807

**NOTES TO INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS (continued)**

**13. BORROWINGS**

Borrowings comprised the following:

<i>In millions of Tenge</i>	June 30, 2012 (unaudited)	December 31, 2011 (audited)
Bonds issued, purchased by subsidiaries:		
- BTA Bank JSC	530,789	527,519
- Alliance Bank JSC	86,378	85,846
- Development Bank of Kazakhstan JSC	43,697	43,657
- National Company "KazMunayGas" JSC	37,063	36,973
- Temirbank JSC	3,048	3,048
- Export-Credit Insurance Corporation "KazExportGarant" JSC	-	1,842
Bonds issued purchased by other companies	106,708	104,865
Loans received	413,617	346,705
<b>Total borrowings</b>	<b>1,221,300</b>	<b>1,150,455</b>
Less: amounts due for settlement within 12 months	(176,388)	(117,664)
<b>Amounts due for settlement after 12 months</b>	<b>1,044,912</b>	<b>1,032,791</b>

Borrowings were denominated in the following currencies:

<i>In millions of Tenge</i>	June 30, 2012 (unaudited)	December 31, 2011 (audited)
Tenge-denominated borrowings	921,761	916,244
US dollar-denominated borrowings	299,539	234,211
	<b>1,221,300</b>	<b>1,150,455</b>

Under the credit facility with State China Development Bank, in the first half of 2012 the Fund obtained the loans of 400 million US Dollars (equivalent to 59,768 million Tenge at the exchange rate on June 30, 2012). The purpose of the loans is to grant loans to Kazakhmys Finance PLC (Note 6).

**14. AMOUNTS DUE TO THE GOVERNMENT**

<i>In millions of Tenge</i>	June 30, 2012 (unaudited)	December 31, 2011 (audited)
Bonds placed by National Bank of Republic of Kazakhstan ("NBRK")	365,221	352,523
Other loans from the Government	54,107	52,483
<b>Amounts due to the Government</b>	<b>419,328</b>	<b>405,006</b>
Less: current portion	(461)	(275)
<b>Non-current portion</b>	<b>418,867</b>	<b>404,731</b>

**15. INTEREST INCOME**

Interest income for the first half of 2012 comprised the following:

<i>In millions of Tenge</i>	For six months ended June 30, 2012 (unaudited)	For six months ended June 30, 2011 (unaudited)
Interest on loans issued and amounts due from credit institutions	21,948	21,758
Unwinding of discount on loans issued	9,013	5,361
Other	3	5
	<b>30,964</b>	<b>27,124</b>

**NOTES TO INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS (continued)**

**16. INTEREST EXPENSES**

Interest expenses for the first half of 2012 comprised the following:

<i>In millions of Tenge</i>	For six months ended June 30, 2012 (unaudited)	For six months ended June 30, 2011 (unaudited)
Interest on bonds	23,109	21,887
Unwinding of discount on financial liabilities	17,279	15,303
Interest on borrowings	10,426	8,439
Other	-	544
	<b>50,814</b>	<b>46,173</b>

**17. DIVIDEND INCOME**

In accordance with the decision of the Management Board of the Fund No. 20/12 dated May 2, 2012, Kazakhtelecom JSC distributed income on results of the first quarter of 2012 in the amount of 18,559 Tenge and 27 tiin per ordinary share in the total amount of 103,386 million Tenge.

According to the decision No. 16/12 of the Management Board dated March 20, 2012, the Fund established the dividend payout from 30% to 50% of the net profit for the results of 2011 for all subsidiaries excluding BTA Bank JSC, Alliance Bank JSC and Kazakh Research Institute named after Chokin JSC.

**18. GENERAL AND ADMINISTRATIVE EXPENSES**

For the first half of 2012, general and administrative expenses comprised the following:

<i>In millions of Tenge</i>	For six months ended June 30, 2012 (unaudited)	For six months ended June 30, 2011 (unaudited)
Charitable donations	2,754	6,290
Personnel costs	923	838
Consulting services	700	468
VAT not applied for recovery	531	473
Other	1,713	1,438
	<b>6,621</b>	<b>9,507</b>

**19. FINANCE INCOME**

For the first half of 2012, finance income comprised the following:

<i>In millions of Tenge</i>	For six months ended June 30, 2012 (unaudited)	For six months ended June 30, 2011 (unaudited)
Interest on bank deposits	11,011	21,567
Income from financial guarantees	8,173	7,057
Interest on current bank accounts	264	285
Other	438	124
	<b>19,886</b>	<b>29,033</b>

**NOTES TO INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS (continued)**

**20. INCOME TAX EXPENSE**

Income tax expense comprised:

<i>In millions of Tenge</i>	For six months ended June 30, 2012 (unaudited)	For six months ended June 30, 2011 (unaudited)
Withholding tax	4,044	4,051
Current income tax expenses	-	2,952
Deferred income tax (benefit) / expenses	(162)	369
	<b>3,882</b>	<b>7,372</b>

As of June 30, 2012 an excess of withholding income tax over corporate income tax payable to state budget amounted to 3,580 million Tenge (December 31, 2011: 3,208 million Tenge). This difference is available for utilization against CIT expense in the future for 10 consecutive years. The Fund's management evaluated and concluded that it is not probable that this difference will be recovered. The Fund has neither taxable temporary differences nor any tax planning opportunities available that could partly support the recognition of these differences as deferred tax assets. If the Fund were able to recognize all deferred tax assets, the Fund's profit for the six months ended June 30, 2012 would increase by 3,580 million Tenge (six months ended June 30, 2011: nil).

**21. RELATED PARTY TRANSACTIONS**

The following tables provide the total amount of transactions, which have been entered into with related parties for the six months ended June 30, 2012 and 2011 and the balances on transactions as at June 30, 2012 and December 31, 2011:

<i>In millions of Tenge</i>		Due from related parties (Note 6, 7, 10)	Due to related parties (Note 13, 14)	Cash and deposits placed with related parties (Note 9,11)
Other entities controlled by the Government	June 30, 2012 (unaudited)	25,176	419,328	447,702
	December 31, 2011	33,765	405,006	436,100
Subsidiaries	June 30, 2012 (unaudited)	379,659	815,594	120,640
	December 31, 2011	383,956	807,267	132,660
Associates and a joint venture of subsidiaries	June 30, 2012 (unaudited)	10,985	-	-
	December 31, 2011	10,439	-	-
Associates and a joint venture	June 30, 2012 (unaudited)	3,990	-	-
	December 31, 2011	-	-	-

**NOTES TO INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS (continued)**

**21. RELATED PARTY TRANSACTIONS (continued)**

<i>In millions of Tenge</i>		Dividend income (Note 17)	Purchases from related parties (Note 5)	Interest earned from related parties (Note 15, 19)	Interest incurred to related parties (Note 16)
Other entities controlled by the Government	2012	–	–	86	14,810
	2011	–	–	289	13,118
Subsidiaries	2012	162,587	19,085	28,024	25,932
	2011	73,996	798	37,247	26,641
Associates and a joint venture	2012	3,990	–	–	–
	2011	–	–	–	–
Associates and a joint venture of subsidiaries	2012	–	–	313	–
	2011	–	–	–	–
	2012	–	–	–	–
Other related parties	2011	2,763	–	721	1,545

Total compensation to key management personnel included in general and administrative expenses in the accompanying interim separate statement of comprehensive income amounted to 181 million Tenge and 133 million Tenge for the periods ended June 30, 2012 and 2011, respectively.

**22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

**Fair value hierarchy**

The Fund 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 in the market, 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.

<i>In millions of Tenge</i>	June 30, 2012	Level 1	Level 2	Level 3
<b>Assets measured at fair value</b>				
Other financial assets	150,363	150,363	–	–
Assets related to call / put options	37,313	–	37,313	–
<b>Liabilities measured at fair value</b>				
Liabilities under call / put options	(854)	–	(854)	–
	December 31, 2011	Level 1	Level 2	Level 3
<b>Assets measured at fair value</b>				
Other financial assets	199,554	199,554	–	–
Assets related to call / put options	33,240	–	33,240	–
<b>Liabilities measured at fair value</b>				
Liabilities under call / put options	(717)	–	(717)	–

During the six months ended June 30, 2012 there were no transfers between levels of fair value hierarchy. The only change in levels since December 31, 2011 were changes in fair value of level 1 and level 2 financial instruments that were recorded in components of other comprehensive income and gain from changes in options' value, respectively.



## NOTES TO INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS (continued)

### 22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### Fair value hierarchy (continued)

There were no changes in designated purpose of financial instruments after the reporting date that could require changes in classification.

### 23. COMMITMENTS AND CONTINGENCIES

As of June 30, 2012 there were no significant changes in commitments and contingencies of the Fund, disclosed in the annual separate financial statements as of December 31, 2011, except for the following:

#### Commitments on repetitive use of anti-crisis funds

In accordance with the minutes No. 17-5/И-380 of the State committee on issues related to modernization of economy in the Republic of Kazakhstan, the Fund has to finance certain investment projects for the total amount of 352,090 million Tenge during 2012-2013:

#### *Financing of a housing construction program - implementation of the "Available housing" program*

In accordance with the Decree No. 821 of the Government dated June 21, 2012, the Fund and the National Fund are to finance housing construction through Real Estate Fund "Samruk-Kazyna" JSC. On June 30, 2012 the Fund's commitments to finance the "Available housing-2020" program amounted to 99,053 million Tenge (December 31, 2011: nil).

#### *Other investment projects of the Fund*

On June 30, 2012 the Fund's commitments to finance other investments projects amounted to 241,487 million Tenge (December 31, 2011: nil).

#### Commitment on acquisition of Shekerbank shares.

On January 25, 2012 the Fund signed an agreement to purchase 339,787,080 shares (33.98%) of the Turkish bank Shekerbank from BTA Securities JSC (a subsidiary of BTA Bank JSC). As at June 30, 2012 the Fund acquired 222,148,406 shares (22.2%) (Note 5).

### 24. SUBSEQUENT EVENTS

#### *Dividends*

In the third quarter of 2012, the Fund received dividends of 173,373 million Tenge from its subsidiaries. Part of these dividends in the amount of 94,874 million Tenge was off-set against borrowings obtained from KMG (Note 13).

#### *Loans issued and received*

In the second half of 2012, the Fund issued a loan to Kazakhmys Finance PLC in the amount of 300 million US Dollars to finance a development of a copper field Bozshakol, Kazakhstan (Note 6). Financing was made using the funds received under the credit line from the State Development Bank of China in the third quarter of 2012 (Note 13).

In the second half of 2012, the Fund issued a loan of 41,266 million Tenge to National Company "Kazakhstan Temir Zholy" JSC for financing the project "Construction of new railway lines "Beineu-Zhezkazgan" and "Arkalyk-Shubarkul".

In the second half of 2012, the Fund issued a loan of 2,155 million Tenge to National Company "Kazakhstan Temir Zholy" JSC for the purpose of renovating of passenger railway wagons of Passengers' Carriage JSC. Financing was made using the funds received from the Republican budget.

In the second half of 2012 the Fund established a credit line agreement with Real Estate Fund "Samruk-Kazyna" JSC and issued the first tranche in the amount of 2,800 million Tenge for the purpose of implementing the housing construction projects in terms of "Available housing-2020" program.

**NOTES TO INTERIM CONDENSED SEPARATE FINANCIAL  
STATEMENTS (continued)**

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**24. SUBSEQUENT EVENTS (continued)**

*Financial assets*

On July 5, 2012 Halyk Bank of Kazakhstan JSC repurchased an additional 40,000,000 of its preferred shares from the Fund for a total cash consideration of 7,208 million Tenge (*Note 8*).

*Increase in investments in subsidiaries*

The Fund made an additional cash contribution to the charter capital of United Chemical Company LLP in the amount of 12,533 million Tenge using funds provided for by the National Fund.

On August 17, 2012 the Fund contributed 50% share in Ekibastuz GRES-1 LLP to the share capital of Samruk-Energy JSC.

*Loans from the Government*

In the second half of 2012 amendments to the terms of the bonds placed with the NBRK were registered (*Note 14*). In accordance with these changes, the term of the bonds payable were prolonged to 2062 and the interest rates were reduced to 0.01%.

On August 13, 2012 the Fund received a loan from the Ministry of Finance of the Republic of Kazakhstan in the amount of 2,155 million Tenge with an interest rate of 0.5% and maturity period of up to 25 years with the purpose of providing a loan to National Company "Kazakhstan Temir Zholy" JSC. Interest rate of the loan to National Company "Kazakhstan Temir Zholy" JSC should not exceed 0.75% per annum.