“Sovereign Wealth Fund “Samruk-Kazyna” JSC

Separate financial statements

For the year ended 31 December 2023,
with independent auditor’s report

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«Эрнст энд Янг» ЖШС
Әл-Фараби д-лы, 77/7
«Есентай Тауэр» ғимараты
Алматы қ., 050060
Қазақстан Республикасы
Тел.: +7 727 258 59 60
Факс: +7 727 258 59 61
www.ey.com

ТОО «Эрнст энд Янг»
пр. Аль-Фараби, д. 77/7
здание «Есентай Тауэр»
г. Алматы, 050060
Республика Казахстан
Тел.: +7 727 258 59 60
Факс: +7 727 258 59 61
www.ey.com

Ernst & Young LLP
Al-Farabi ave., 77/7
Esentai Tower
Almaty, 050060
Republic of Kazakhstan
Tel.: +7 727 258 59 60
Fax: +7 727 258 59 61
www.ey.com

Independent Auditor's Report

To the Shareholder, Board of Directors and Management of "Sovereign Wealth Fund "Samruk-Kazyna" JSC

Opinion

We have audited the separate financial statements of "Sovereign Wealth Fund "Samruk-Kazyna" JSC (hereinafter - the "Fund"), which comprise the separate statement of financial position as at 31 December 2023, and the separate statement of comprehensive income, separate statement of changes in equity and separate statement of cash flows for the year then ended, and notes to the separate financial statements, including material accounting policy information.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the separate financial position of the Fund as at 31 December 2023 and its separate financial performance and its separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the separate financial statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the separate financial statements in the Republic of Kazakhstan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate financial statements of the current period. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed these matters is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the separate financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the separate financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying separate financial statements.

Key audit matter	*How our audit addressed the key audit matter*
Impairment of investments in subsidiaries and joint ventures	
We considered this matter to be one of the key audit matters due to materiality of the balances of investments in subsidiaries and joint ventures to the separate financial statements, the high level of subjectivity in respect of assumptions underlying impairment analysis and significant judgements made by the management. In addition, increased cost of debt and uncertainty regarding future economic growth affects the subsidiaries' and joint ventures' business prospects and therefore triggers potential impairment of the Fund's investments. Significant assumptions included discount rates, tariff forecasts, long-term growth rates, inflation, currencies exchange rate forecasts. Significant estimates included production forecasts, future capital expenditures and project deadlines. Information on investments in subsidiaries and joint ventures and the impairment tests performed is disclosed in *Note 4* to the separate financial statements.	We obtained management's impairment analysis, including analysis of impairment indicators and impairment test models. We involved our internal business valuation specialists in the testing of impairment analysis and calculation of recoverable amounts performed by the management. We analysed the assumptions underlying management forecast. We compared the discount rates and long-term growth rates to general market indicators and other available information. We tested the mathematical accuracy of the impairment models and assessed their sensitivity to changes in assumptions. We analysed disclosures made in the separate financial statements in respect of the impairment of investments in subsidiaries and joint ventures.
Compliance with loan covenants	
In accordance with the terms of certain financing arrangements, the Fund should comply with certain covenants. Breaching covenants could result in significant fines and penalties along with funding shortages. In addition, cross default provisions are in place under many of the Fund's financing arrangements. Compliance with covenants was one of the matters of most significance in our audit since it can have a major impact on the going concern assumption used in the preparation of the separate financial statements, and on classification of interest-bearing liabilities in the separate statement of financial position. Information on compliance with covenants is disclosed in *Note 13* to the separate financial statements.	We examined the terms of financing arrangements on covenants including additional clauses on cross default conditions. We compared data used in the calculations with the separate financial statements. We assessed arithmetic accuracy of financial covenants calculations. We analysed the forecast made in approved budgets as of 31 December 2023, to assess if a breach is likely to occur in the next 12 months, we obtained and analysed management's analysis for the potential impact on going concern. We analysed communication with creditors in respect of compliance with covenants as at 31 December 2023. We also analysed the information disclosed in the separate financial statements.

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Other information included in the Fund's 2023 Annual Report

Other information consists of the information included in the Fund's 2023 Annual Report other than the separate financial statements and our auditor's report thereon. Management is responsible for the other information. The Fund's 2023 Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the separate financial statements does not cover the other information and will not express any form of assurance conclusion thereon.

In connection with our audit of the separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of management and the Audit Committee for the separate financial statements

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

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

The Audit Committee is responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the separate financial statements

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

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

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The partner in charge of the audit resulting in this independent auditor's report is Adil Syzdykov.

Ernst & Young LLP

Adil Syzdykov Auditor	Rustamzhan Sattarov General Director Ernst & Young LLP
Auditor Qualification Certificate No. МФ 0000172 dated 23 December 2013	State Audit License for audit activities on the territory of the Republic of Kazakhstan: series МФЮ-2, № 0000003, issued by the Ministry of Finance of the Republic of Kazakhstan on 15 July 2005

050060, Republic of Kazakhstan, Almaty
Al-Farabi ave., 77/7, Esentai Tower

19 April 2024

SEPARATE STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

In millions of tenge	Notes	2023	2022
Assets			
Non-current assets			
Property, plant and equipment		**9,686**	9,865
Investment property		**5,698**	4,783
Intangible assets		**771**	799
Investments in subsidiaries	5	**4,897,498**	4,695,184
Investments in joint ventures	6	**50,611**	50,611
Loans issued and net investment in finance lease	7	**1,519,333**	1,401,115
Amounts due from credit institutions	8	**162,863**	565,520
Other non-current financial assets		**694**	694
Other non-current assets	9	**17,020**	24,648
		6,664,174	6,753,219
Current assets			
Income tax prepaid		**85,194**	13,810
Loans issued and net investment in finance lease	7	**247,062**	151,285
Amounts due from credit institutions	8	**870,683**	227,886
Other current assets	10	**6,880**	208,656
Cash and cash equivalents	11	**539,309**	621,278
		1,749,128	1,222,915
Assets classified as held for sale	5	**7,276**	
Total assets		**8,420,578**	7,976,134
Equity and liabilities			
Equity			
Share capital	12	**5,492,783**	5,268,819
Revaluation reserve of investments at fair value through other comprehensive income		**(1,472)**	(1,472)
Retained earnings		**1,312,681**	1,229,391
Total equity		**6,803,992**	6,496,738
Non-current liabilities			
Borrowings	13	**287,126**	365,169
Loans from the Government of the Republic of Kazakhstan	14	**861,818**	679,844
		1,148,944	1,045,013
Current liabilities			
Borrowings	13	**182,871**	220,016
Loans from the Government of the Republic of Kazakhstan	14	**11,028**	3,760
Financial guarantee liabilities	16	**84,559**	80,419
Other current liabilities	15	**189,184**	130,188
		467,642	434,383
Total liabilities		**1,616,586**	1,479,396
Total equity and liabilities		**8,420,578**	7,976,134

Managing Director for Economy and Finance – member of the Management Board ____________ *Aidar Ryskulov*

Chief accountant ____________ *Almaz Abdrakhmanova*

The accounting policies and notes on pages 6 to 45 are an integral part of these separate financial statements.

SEPARATE STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2023

In millions of tenge	Notes	2023	2022
Interest income	17	**167,580**	108,307
Interest expense	18	**(88,091)**	(63,728)
Dividend income	19	**513,588**	757,714
Net interest income and dividend income		**593,077**	802,293
General and administrative expenses	20	**(20,118)**	(20,873)
Finance income	21	**139,213**	64,154
Finance expenses	22	**(22,026)**	(61,365)
Gain on disposal of share in subsidiary	5	**941,909**	98,353
Gain on disposal of investment in joint venture	23	**–**	297,528
Loss on impairment of investments in subsidiary	4	**(91,061)**	(232,463)
(Loss on impairment)/gain from reversal of impairment reserve of other non-current assets	9	**(5,659)**	1,851
Reversal of expected credit losses		**459**	31,785
Foreign exchange loss, net		**(4,896)**	(10,782)
Other income		**1,605**	905
Other expense		**(2,072)**	(2,311)
Profit before income tax		**1,530,431**	969,075
Income tax expense	24	**(214,698)**	(17,444)
Net profit for the year		**1,315,733**	951,631
Other comprehensive income		**–**	–
Total comprehensive income for the year, net of tax		**1,315,733**	951,631
Earning per share			
Basic and diluted net profit for the period per share (tenge)	12	**377.87**	273.30

Managing Director for Economy and Finance – member of the Management Board — *Aidar Ryskulov*

Chief accountant — *Almaz Abdrakhmanova*

SEPARATE STATEMENT OF CASH FLOWS

For the year ended 31 December 2023

In millions of tenge	Notes	2023	2022
Cash flows from operating activities			
Dividend received	19	**527,849**	478,068
Proceeds from borrowings	13	**25,000**	23,605
Repayment of loans issued		**23,309**	89,750
Redemption of amounts due from credit institutions		**26,177**	6,691
Proceeds of loans from the Government	14	**336,309**	162,859
Redemption of loans received from the Government	14	**(891)**	(10,639)
Loans given to subsidiaries		**(187,600)**	(30,488)
Proceeds from redemption of bonds issued by subsidiaries		**22,745**	68,685
Purchase of bonds, issued by subsidiaries		**(243,709)**	(1,360,708)
Payments to suppliers		**(6,246)**	(6,217)
Payroll payments		**(3,313)**	(3,455)
Sponsorship		**(6,741)**	(9,856)
Corporate income tax		**(280,308)**	(24,000)
Withholding tax	24	**(5,803)**	(5,046)
Other taxes and payments		**(2,420)**	(3,937)
Interest received		**184,094**	106,623
Interest paid	13, 14	**(61,675)**	(56,454)
Other cash receipts		**2,320**	5,211
Net cash flows received from/(used in) operating activities		**349,097**	(569,308)
Cash flows from investing activities			
Withdrawal of bank deposits		**400,124**	16,560
Placement of bank deposits		**(236,771)**	(416,546)
Contributions to share capital of subsidiaries		**(226,731)**	(79,699)
Contributions to share capital of joint venture		**–**	(2,475)
Proceeds from the sale of property, plant and equipment		**–**	12
Proceeds from the sale of other long-term assets		**2,086**	1,873
Proceeds from redemption of bonds issued by second-tier banks		**–**	9,373
Dividend from joint venture	19	**1,052**	263,670
Proceeds from sale of joint venture	10	**163,770**	1,198,317
Proceeds from redemption of notes of National Bank of Republic of Kazakhstan	10	**1,667,271**	637,674
Purchase of property, plant and equipment		**(138)**	(91)
Purchase of intangible assets		**(224)**	(291)
Purchase of notes of National Bank of Republic of Kazakhstan	10	**(1,646,958)**	(606,040)
Purchase of of bonds issued by second-tier banks		**(400,000)**	–
Other cash receipts		**3,244**	–
Net cash flows (used in)/ received from investing activities		**(273,275)**	1,022,337

SEPARATE STATEMENT OF CASH FLOWS (continued)

In millions of tenge	Notes	2023	2022
Cash flows from financing activities			
Issue of shares	12	**49,478**	–
Distributions to the Shareholder	15	**(93,592)**	(129,827)
Distributions to the Public Foundation "Qazaqstan halqyna"	15	**(20,650)**	–
Dividends paid to the Shareholder	12	**(1,264,753)**	(170,024)
Proceeds from borrowings	13	**18,442**	9,799
Repayment of borrowings	13	**(199,529)**	(95,146)
Proceeds on disposal of partial interest in a subsidiary without loss of control	5	**1,300,000**	153,860
Proceeds from bonds issued	13	**63,008**	–
Repayment of Government loans	14	**–**	(137)
Other cash receipts		**75**	22
Other cash payments		**(11,922)**	(2,784)
Net cash flows used in financing activities		**(159,443)**	(234,237)
Net (decrease)/increase in cash and cash equivalents		**(83,621)**	218,792
Effect of changes in exchange rates on cash and cash equivalents		**1,578**	9,468
Change in allowance for expected credit losses		**74**	51
Cash and cash equivalents, at the beginning of the year		**621,278**	392,967
Cash and cash equivalents, at the end of the year		**539,309**	621,278

Managing Director for Economy and Finance –
member of the Management Board

Aidar Ryskulov

Chief accountant

Almaz Abdrakhmanova

SEPARATE STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

In millions of tenge	Notes	Share capital	Revaluation reserve of investments at fair value through other comprehensive income	Retained earnings	Total
Balance as at 31 December 2021		5,268,580	(1,472)	581,545	5,848,653
Net profit for the year		–	–	951,631	951,631
Total comprehensive income for the year		–	–	951,631	951,631
Issue of shares	12	239	–	–	239
Discount on loans from the Government	12	–	–	68,684	68,684
Dividends	12	–	–	(170,024)	(170,024)
Other distributions to the Shareholder	12	–	–	(202,445)	(202,445)
Balance as at 31 December 2022		**5,268,819**	**(1,472)**	**1,229,391**	**6,496,738**
Net profit for the year		**–**	**–**	**1,315,733**	**1,315,733**
Total comprehensive income for the year		**–**	**–**	**1,315,733**	**1,315,733**
Issue of shares	12	**223,964**	**–**	**21,227**	**245,191**
Discount on loans from the Government	12	**–**	**–**	**177,932**	**177,932**
Other transactions with the Shareholder		**–**	**–**	**(11,922)**	**(11,922)**
Dividends	12	**–**	**–**	**(1,264,753)**	**(1,264,753)**
Distributions to the Public Foundation "Qazaqstan halqyna"	12	**–**	**–**	**(66,614)**	**(66,614)**
Other distributions to the Shareholder	12	**–**	**–**	**(88,313)**	**(88,313)**
Balance as at 31 December 2023		**5,492,783**	**(1,472)**	**1,312,681**	**6,803,992**

Managing Director for Economy and Finance – member of the Management Board

Aidar Ryskulov

Chief accountant

Almaz Abdrakhmanova

The accounting policies and notes on pages 6 to 45 are an integral part of these separate financial statements.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2023

1. GENERAL INFORMATION

"Sovereign Wealth Fund "Samruk-Kazyna" Joint Stock Company (the "Fund" or "Samruk-Kazyna") was established on 3 November 2008 in accordance with the Decree of the President of the Republic of Kazakhstan No. 669 dated 13 October 2008 and the Resolution of the Government of the Republic of Kazakhstan No. 962 dated 17 October 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 to the Fund of ownership in certain entities owned by the Government of the Republic of Kazakhstan (the "Government" or the "State"). The founder of the Fund is the Government, represented by State property and privatization committee of the Ministry of finance of the Republic of Kazakhstan. The Government is the sole shareholder of the Fund (the "Shareholder").

The main objective of the Government during the merger of "Kazyna" and "Samruk" was to increase management's efficiency and to optimize organizational structure of the Fund's subsidiaries for them to successfully achieve strategic objectives set out in the respective Government programs and development plans.

According to the Law of the Republic of Kazakhstan enacted on 1 February 2012 *On Sovereign Wealth Fund*, the Fund's activities are focused on improving the sovereign wealth of the Republic of Kazakhstan by increasing long-term value of the Fund's group companies and by effective management of the Fund's group assets.

The Fund is a holding company that owns a number of entities listed in *Notes 5* and *6*.

The administrative address of the Fund: 17/10 Syganak str., Astana, the Republic of Kazakhstan.

These separate financial statements were authorized for issue by the Managing Director for Economy and Finance and Chief accountant of the Fund on 19 April 2024.

These separate financial statements were issued in addition to the consolidated financial statements of the Fund. The consolidated financial statements were authorized for issue by the Managing Director for Economy and Finance and Chief accountant of the Fund on 19 April 2024.

2. BASIS OF PREPARATION

These separate financial statements have been prepared on a historical cost basis, except as described in the accounting policies and notes to these separate financial statements. The Fund maintains its accounting records in Kazakhstani tenge ("tenge"), All amounts in these separate financial statements are rounded to the nearest million tenge, except when otherwise indicated.

Statement of compliance

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

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

Foreign currency translation

Functional and presentation currency

These separate financial statements are presented in tenge, which is functional and presentation currency of the Fund's separate financial statements.

Transactions and balances

Transactions in foreign currency are initially recorded at the functional currency rate effective at the date of transaction. Monetary assets and liabilities denominated in the foreign currency are translated to the functional currency using exchange rate effective at the separate statement of financial position date. All translation differences are taken to the separate statement of comprehensive income. Non-monetary items measured on a historical cost basis in a foreign currency are translated using the exchange rates at the date of 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.

2. BASIS PREPARATION (continued)

Foreign currency translation (continued)

Exchange rates

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

As at 31 December 2023 the currency exchange rate of KASE was 454.56 tenge to 1 US dollar. This rate was used to translate monetary assets and liabilities denominated in US dollars as at 31 December 2023 (as at 31 December 2022: 462.65 tenge to 1 US dollar). The currency exchange rate of KASE as at 19 April 2024 was 446.49 tenge to 1 US dollar. For the year ended December 31, 2023 the Fund had foreign exchange loss of 248,442 million tenge and foreign exchange gain of 243,546 million tenge, due to fluctuations in foreign exchange rates to tenge.

3. MATERIAL ACCOUNTING POLICY INFORMATION

New standards, interpretations and amendments to current standards and clarifications

The Fund applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2023, but which do not have any impact on the separate financial statements of the Fund:

IFRS 17 Insurance Contracts IFRS 17

Insurance Contracts is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 replaces IFRS 4 *Insurance Contracts*. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them as well as to certain guarantees and financial instruments with discretionary participation features; a few scope exceptions will apply. The overall objective of IFRS 17 is to provide a comprehensive accounting model for insurance contracts that is more useful and consistent for insurers, covering all relevant accounting aspects. IFRS 17 is based on a general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach);
- A simplified approach (the premium allocation approach) mainly for short-duration contracts.

The new standard had no material impact on the Fund's separate financial statements.

Definition of Accounting Estimates - Amendments to IAS 8

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Fund's separate financial statements.

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

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Fund's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Fund's financial statements.

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

The amendments to IAS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities.

The amendments had no impact on the Fund's separate financial statements.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

New standards, interpretations and amendments to current standards and clarifications (continued)

International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12

The amendments to IAS 12 have been introduced in response to the OECD's BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023.

Fund is the investment holding, whose activities are carried out on the territory of the Republic of Kazakhstan, where the standard Pillar II rules have not been yet enacted at the legislative level. However, Fund has subsidiaries, which are presented in the following jurisdictions where Pillar II Model Rules have been enacted (or substantially enacted), and will enter into force in tax years 2024 and beyond: the Republic of Bulgaria, Federal Republic of Germany, Kingdom of the Netherlands, Romania, the Swiss Confederation and the United Kingdom of Great Britain and Northern Ireland.

The Fund has applied the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar II income taxes.

The Fund is still in the process of assessing the potential exposure to Pillar II income taxes as at December 31, 2023. The potential exposure, if any, to Pillar II income taxes is currently not known or reasonably estimable. The Fund continues to progress on the assessment and expects to complete the assessment in 2024.

Standards that have been issued but not yet effective

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

These amendments and interpretations are not expected to have a material impact on the separate financial statements of the Fund:

- *Classification of Liabilities as Current or Non-current* - Amendments to IAS 1;
- *New Lease Liability in a Sale and Leaseback* – Amendments to IFRS 16;
- *Supplier Finance Arrangements* - Amendments to IAS 7 and IFRS 7.
- *The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability* - Amendments to IAS 21

The Fund has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The Fund intends to apply the practical expedients in future periods, if necessary.

Investments in subsidiaries, joint ventures and associates

The Fund's investments in its subsidiaries, joint ventures and associates are carried at cost less impairment.

Subsidiaries are the entities controlled by the Fund. Control is achieved when the Fund 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 Company controls an investee if and only if the Fund 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;
- The ability to use its power over the investee to affect its returns.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Investments in subsidiaries, joint ventures and associates (continued)

When the Fund has less than a majority of the voting or similar rights of an investee, the Fund 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 Company's voting rights and potential voting rights.

The Fund 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.

An associate is an entity over which the Fund has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but which does not comprise control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

Disposal of investments in subsidiaries, joint ventures and associates

The partial disposal of investments in subsidiaries, joint ventures and associates is recognized in the Fund's separate financial statements at carrying amount in proportion to the disposal share.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVPL).

The classification of financial assets on initial recognition depends on the characteristics, contractual cash flows of the financial asset and the business model used by the Fund to manage these assets. Except for trade receivables that do not contain a significant financing component or for which the Fund has applied the practical expedient, the Fund initially measures financial assets at fair value plus, in the case of financial assets not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Fund has applied the practical expedient, are measured at the transaction price determined in accordance with IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or FVOCI, it needs to give rise to cash flows that are "solely payments of principal and interest (SPPI)" on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets whose cash flows do not meet the "cash flow" criterion are classified as valued at FVPL, regardless of the business model.

The business model used by the Fund to manage its financial assets describes the way in which the Fund manages its financial assets in order to generate cash flows. The business model determines whether the cash flows will result from the receipt of contractual cash flows, the sale of financial assets or both.

All purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, which is the date that the Fund commits to purchase or sell the asset.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial assets (continued)

Subsequent measurement

Financial assets are classified into three categories for subsequent measurement:

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets at fair value through profit or loss.

Financial assets measured at amortised cost (debt instruments)

A Fund measures financial assets at amortised cost if both of the following criteria are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at amortised cost are subsequently measured using the effective interest method and impairment requirements apply. Gains or losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Fund includes trade and other receivables, loans to related parties and bank deposits in the category of financial assets measured at amortised cost.

Financial assets measured at fair value through other comprehensive income

The Fund measures financial assets at fair value through other comprehensive income when two criteria are met:

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time.

Financial assets measured at fair value through other comprehensive income include mainly debt securities of third and related parties.

Financial assets at fair value through profit or loss

The category of financial assets measured at FVPL includes certain loans issued by the Fund to related parties and containing derivative financial instruments and coupon bonds included in other financial assets, which are mandatorily measured at fair value. Financial assets whose cash flows are not solely payments of principal and interest are classified and measured at FVPL irrespective of the business model used. Notwithstanding the criteria for classification at amortised cost or at FVOCI as described above, debt instruments may be classified as at FVPL upon initial recognition if such classification eliminates or significantly reduces an accounting mismatch.

Financial assets measured at FVPL are recognised in the separate statement of financial position at fair value, with net changes in fair value recognised in the separate statement of comprehensive income.

Impairment of financial assets

The Fund recognises an allowance for expected credit losses (ECL) for all debt financial assets not measured at fair value through profit or loss.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Fund expects to receive, discounted at an approximation of the original effective interest rate.

The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial assets (continued)

Impairment of financial assets (continued)

ECL are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade and other receivables, the Fund applies a simplified approach in calculating the CGU. Consequently, the Fund does not monitor changes in credit risk but instead recognises an allowance for losses at each reporting date in an amount equal to the expected credit losses over the entire term. The Fund has used a valuation allowance matrix, based on its past experience of credit losses, adjusted for projected borrower-specific factors and general economic conditions.

The Fund considers a financial asset to be in default when contractual payments are past due by 90 days. However, in certain cases the Fund may also conclude that a financial asset is in default if internal or external information indicates that it is unlikely that the Fund will receive, without regard to the credit enhancement mechanisms retained by the Fund, the full amount of the remaining contractual payments. A financial asset is derecognised if the Fund has no reasonable expectation of recovering the contractual cash flows.

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

Initial recognition and measurement

Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, as appropriate. The Fund determines the classification of its financial liabilities at initial recognition.

Financial liabilities are recognized initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs. The Fund's financial liabilities include trade and other payables, borrowings, loans from the Government of the Republic of Kazakhstan, financial guarantee contracts and other liabilities.

Financial liabilities

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Borrowings and loans from the Government of the Republic of Kazakhstan

After initial recognition, interest bearing loans and borrowings are measured at amortized cost using the effective interest rate method. Gains and losses on such financial liabilities are recognized in the separate statement of comprehensive income when the liabilities are derecognized as well as through the effective interest rate method (EIR) amortization process. Amortized cost is calculated by taking into account discounts or premiums on acquisition and fee or costs that are an integral part of the EIR. The EIR amortization is included in interest expenses in the separate statement of comprehensive income.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial liabilities (continued)

Subsequent measurement (continued)

Borrowings and loans from the Government of the Republic of Kazakhstan (continued)

Issued financial instruments or their components are classified as liabilities, where the substance of the contractual arrangement results in the Fund having an obligation either to deliver cash or other financial assets, or to satisfy the obligation other than by the exchange of a fixed amount of cash or other financial assets for a fixed number of own equity instruments. Such instruments include amounts due to the Government and loan due to credit institutions, which are initially recognized at the fair value of the consideration received less directly attributable transaction costs. Subsequently, amounts received are stated at amortized cost and any difference between net proceeds and the redemption value is recognized in the separate statement of comprehensive income over the period of the borrowings using the effective interest method. If the Fund purchases its own debt, it is then removed from the separate statement of financial position and the difference between the carrying amount of the liability and the consideration paid is recognized in interest income.

Debt securities issued

Debt securities issued represent bonds issued by the Fund. They are accounted for according to the same principles used for borrowings and loans from the Government of the Republic of Kazakhstan.

Financial guarantee contracts

Financial guarantee contracts issued by the Fund represent those contracts that require a payment to be made to reimburse the holder for losses the party incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the following measures: estimated allowance on losses and the amount of liability recognized less cumulative amortization.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

Income and expense recognition

Income is recognized when it is probable that the Fund will receive economic benefits associated with the transaction and the amount of income can be reliably determined.

Expenses are recognized as incurred and are reported in the separate statement of comprehensive income in the period to which they relate on the accrual basis.

Interest and finance income and expenses

Interest income and expenses on financial instruments, issued and received in the framework of achieving the goal, fulfilling the tasks and carrying out the core activities of the Fund is disclosed as interest income and expense. All other interest income and expense not related to the core activities of the Fund are disclosed in finance income and expenses. Finance income includes interest on current bank accounts, bank deposits, financial guarantees, repo transactions and notes of the National Bank of the Republic of Kazakhstan, etc. Finance expenses include amortization of discount on loans received, costs associated with attracting and servicing borrowed funds internally and externally, including interest expenses and other similar expenses.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Income and expense recognition (continued)

Interest and finance income and expenses (continued)

Interest and finance income and expense is recognized using the effective interest method. This rate allows exact discounting of estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument (for example, early repayment) and includes any fees or incremental costs that are directly attributable to the instrument, which are an integral part of the effective interest rate, but not future credit losses.

The carrying amount of the financial asset or financial liability is adjusted if there is reassessment of payments and cash receipts by the Fund. The adjusted carrying amount is calculated based on the original effective interest rate and the change in the carrying amount is recorded as interest income or expense.

Once the recorded value of a financial asset or a group of similar financial assets has been reduced due to an impairment loss in the separate financial statements, interest income continues to be recognized using the original effective interest rate applied to the new carrying amount.

Dividends

Dividends income is recognized when the Fund's right to receive the payment is determined.

Income tax

Income tax for the year comprises current and deferred tax. Income tax is recognized in the separate statement of comprehensive income except to the situations when it relates to items charged or credited directly to the equity, in which case it is recognized in equity.

Current income tax expenses are the expected taxes payable on the taxable profit for the year and any adjustments to tax payable in respect of previous years.

Deferred tax assets and liabilities are calculated in respect of temporary differences using the liability method.

Deferred income taxes are provided for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the separate financial statements, except where the deferred income tax arises as a result of the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, which at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

A deferred tax asset is recorded only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. Deferred tax assets and liabilities are measured at tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates that have been enacted (or substantively enacted) at the reporting date.

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 or deficiency of the fair value of consideration received over the par value of shares issued is recognized as an increase or decrease in the retained earnings.

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 separate financial statements when they are proposed before the reporting date or proposed or declared after the reporting date but before the separate financial statements are authorised for issue.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Equity (continued)

Other distributions to the Shareholder

Other distributions to the Shareholder recognized as deductions from retained earnings are represented by expenses incurred or asset distribution made at the discretion of the Shareholder, including property, plant and equipment, interest in another entities, other disposal groups, cash and other assets in accordance with accounting policy of the Fund.

Statement of cash flows

For the purposes of presentation of separate statement of cash flows the Fund uses direct method.

Statement of cash flows represents flows (inflows and outflows) of cash and cash equivalents for the period, classifying them by operating, investing or financing activities.

Dividends from subsidiaries are classified within operating activity and dividends from associates and joint ventures are classified within investing activity in the separate statement of cash flow.

Provision and repayment of loans issued to related and third parties, acquisition and redemption of debt instruments from such organizations are classified within investing activity, except for those related to Fund's core business and classified within operating activity in the separate statement of cash flow.

Financing activities are activities that result in changes in the size and composition of the equity and borrowings of the Fund acquired for the needs of the Fund, except for operations carried out as part of the core activities of the Fund, including the receipt of targeted financing and the subsequent issuance of financing which are classified in operating activity in the separate statement of cash flow.

Fund discloses cash flows arising from changes in ownership interests in a subsidiary that do not result in a loss of control in financing activity in the separate statement of cash flow.

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the separate financial statements of the Fund requires management to make judgments, estimates and assumptions that affect the reported in the separate financial statements amounts of revenue, expenses, assets and liabilities, and disclosure of contingent liabilities and assets as at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

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:

Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the separate statement of financial position cannot be derived from active markets, it is 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 separate financial statements.

Taxation

In assessing tax risks, management considers the known areas of non-compliance with tax legislation as a possible obligation which the Fund would not appeal or does not believe it could successfully appeal, if additional taxes will be accrued by tax authorities, Such determination requires significant judgments and is subject to changes as a result of changes in tax legislation and regulations, amendments to the taxation terms, the determination of expected outcomes from pending tax proceedings and current outcome of ongoing compliance audits by tax authorities.

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Deferred tax assets

Deferred tax assets were recognized for all allowances on provisions and other liabilities to the extent that it is probable that taxable temporary differences and business nature of such expenses will be proved, as well as successful application of tax planning strategies, The unrecognized deferred tax assets were equal to 59 million tenge as at 31 December 2023 (as at 31 December 2022: 1,676 million tenge) *(Note 24).*

Estimation of expected credit losses

The measurement of impairment losses both under IFRS 9 across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. The Fund's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Fund's credit grading model, which assigns PDs to the individual grades;
- The segmentation of financial assets when their ECL is assessed on a collective basis;
- Development of ECL models, including the various formulae and the choice of inputs;
- Determination of associations between macroeconomic scenarios and, economic inputs, such as oil price with one year lag, and the effect on PDs, EADs and LGDs.

Impairment of investments in subsidiaries and joint ventures

At each reporting date the Fund evaluates whether indicators of impairment of the carrying amount of investments in subsidiaries and joint ventures exist. If any such indication exists, the recoverable amount of the asset is estimated and compared to its carrying amount. If the carrying amount exceeds the recoverable amount, impairment is recorded. The recoverable amount is the greater of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate (adjusted WACC) that Management of the Fund believes reflects the current market assessment of the time value of money and the risks specific to the assets, The change in the estimated recoverable amount may result in an additional impairment or a reversal of the impairment and thus an impairment reversal being recognised in future periods.

Impairment of investments in "National Company "Kazakhstan Temir Zholy" JSC ("KTZh")

The assessment of whether there is an indication of assets impairment is based on a number of factors, such as a change in growth expectations in the railway industry, future cash flow estimates, changes in the future availability of financing, technological obsolescence, discontinuance of service, current replacement costs and other changes in circumstances.

The Management of the Fund performed analysis of impairment indicators of the investments in KTZh. Based on performed analysis it was identified that carrying amount of the investments in KTZh was higher than net assets of KTZh as at 31 December 2023.

Due to existing impairment indicators, the Fund performed an impairment test for investment at 31 December 2023. Recoverable amount of investments in KTZh was determined using value in use method.

A number of subjective factors, both operational and financial, using the best evidence available, had been used to estimate cash flows.

The operational assumptions used in the test reflect expected volumes of transportation services, including transit volumes, based on projected demand and historical growth dynamic of transit freight transportations volumes, based on the approved KTZh business plan, which is a tool for achieving strategic goals.

Financial assumptions include significant estimates associated with tariff forecasts and growth rates, discounts, and projected tenge to Swiss Franc exchange rates. The key long-term assumptions that were used in the calculation were an annual growth rate of 3.58% (31 December 2022: 4.00%) and a discount rate of 14.07% (31 December 2022: 12.36%).

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Impairment of investments in subsidiaries and joint ventures (continued)

Impairment of investments in "National Company "Kazakhstan Temir Zholy" JSC ("KTZh") (continued)

As at 31 December 2023 no impairment has been identified based on the estimated value in use of the Fund's investments. However, the value in use estimate is sensitive particularly to the following assumptions:

- Transit freight transportation volumes;
- Revenue rate, including the tariffs growth, types of freight, distance of freight transportation; and
- The discount rate (WACC).

The Fund performed a sensitivity analysis and concluded that when using the following justifiably possible changes in the key assumptions on an individual basis, while keeping other parameters constant, no impairment will occur:

- *Growth rate* - decrease of the growth rate from 3,58% to 1,00%;
- *Discount rate (WACC)* – an increase of the discount rate from 14.07% to 17.88%.

However, with more significant changes in each of the above key assumptions or simultaneous adverse impact of several factors, the carrying value of the Fund's investments may become higher than their recoverable amount, which may result in the need to recognise impairment in the future.

Impairment of investments in "AstanaGas KMG" JSC ("AstanaGas")

The Management of the Fund performed analysis of impairment indicators of the investments in AstanaGas. Based on performed analysis it was identified that carrying amount of the investments in AstanaGas was higher than net assets of AstanaGas as at 31 December 2023.

Due to existing impairment indicators, the Fund performed an impairment test as at 31 December 2023. Recoverable amount of investments in AstanaGas was determined using value in use method. The value in use was estimated as the present value of the terminal value (in the post-forecast period) of "Saryarka" gas pipeline. The terminal value calculation was formed on the basis of the assumption that "Saryarka" gas pipeline in the entire modeling period, including the post-forecast period, will be owned by AstanaGas, which allows the company to continue to lease it after 2033 on conditions that satisfy shareholders of AstanaGas, that is after the period during which the lease payments will go mainly to service loans.

Discount rate (WACC) of 9.4% was used in calculations (31 December 2022: 13.00%). As a result of this analysis, as at 31 December 2023, no impairment was identified. Increase in WACC for 3.00% will result that the carrying value of the Fund's investments may become higher than their recoverable amount, which may result in the need to recognise impairment in the future.

Impairment of investments in "Samruk-Kazyna Ondeu" LLP

The Management of the Fund performed analysis of impairment indicators of the investments in Samruk-Kazyna Ondeu. Based on performed analysis it was identified that carrying amount of the investments in Samruk-Kazyna Ondeu was higher than net assets of Samruk-Kazyna Ondeu as at 31 December 2023.

Due to existing impairment indicators of investments in Samruk-Kazyna Ondeu, the Fund performed an impairment test as at 31 December 2023. Recoverable amount of investments in Samruk-Kazyna Ondeu was determined using value in use method. The key assumptions in the impairment test are tariff forecasts, an annual growth rate of 2.4% and a discount rate of 12.30%.

Based on the assessment of recoverable amount of investments as of 31 December 2023 impairment was identified and the Fund recognized an impairment loss on investments in the amount of 91,061 million tenge in the separate statement of comprehensive income (31 December 2022: an impairment loss in the amount of 216,396 million tenge) (*Note 5*).

An increase in the discount rate by more than 1.0% could result in an additional impairment accrual of 26,088 million tenge. A decline in the long-term growth rate of more than 1.40% could result in an additional impairment accrual of 2,825 million tenge.

Impairment of investments in "KazPost" JSC ("KazPost")

The Management of the Fund performed analysis of impairment indicators of the investments in KazPost. Based on performed analysis it was identified that carrying amount of the investments in KazPost was higher than net assets of KazPost as at 31 December 2023.

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Impairment of investments in subsidiaries and joint ventures (continued)

Impairment of investments in "KazPost" JSC ("KazPost") (continued)

Due to existing impairment indicators of investments in Kazpost, the Fund performed an impairment test for property, plant and equipment and intangible assets as at 31 December 2023. Recoverable amount of investments in Kazpost was determined using value in use method.

A number of subjective factors, both operational and financial, using the best evidence available, had been used to estimate cash flows.

Operational assumptions include significant estimates related to the forecast level of traditional postal services, taking into account the Kazpost's project implementation plans, based on the approved Kazpost business plan, which is a tool for achieving strategic goals.

Financial assumptions include significant estimates associated with tariff forecasts and growth rates and discounts. The key long-term assumptions used in the calculation were an annual growth rate of 4.5% (31 December 2022: 4.5%) and a discount rate of 13.68% (31 December 2022: 14.26%).

Based on the assessment of recoverable amount of investments as of 31 December 2023 no impairment was identified.

The Fund performed a sensitivity analysis and concluded that when using the following justifiably possible changes in the key assumptions on an individual basis, while keeping other parameters constant, no impairment will occur:

- *Growth rate* - decrease of the growth rate from 4.5% to 3.5%;
- *Discount rate (WACC)* – an increase of the discount rate from 13.68% to 16.68%.

However, with more significant changes in each of the above key assumptions or simultaneous adverse impact of several factors, the carrying value of the Fund's investments may become higher than their recoverable amount, which may result in the need to recognise impairment in the future.

Impairment of investments in "Samruk-Kazyna-Invest" JSC ("SKI")

The Management of the Fund performed analysis of impairment indicators of the investments in "SKI". Based on performed analysis it was identified that carrying amount of the investments in "SKI" was higher than net assets of "SKI" as at 31 December 2022.

Due to existing impairment indicators of investments in "SKI", the Fund performed an impairment test as at 31 December 2022. Recoverable amount of investments in "SKI" was determined using value in use method.

The forecast of financial flows in the financial models for impairment are based on valuation data of project companies, the authorized capital of SKI portfolio companies, as well as the share according to market quotations of the listed company Sekerbank T.A.S. and portfolio investments of "Bolashaq Investments LTD".

Based on the assessment of recoverable amount of investments as of 31 December 2022 impairment was identified and the Fund recognized an impairment loss in the amount of 16,067 million tenge *(Note 5)*.

Impairment of investments in "CCGT Turkistan" LLP ("CCGT Turkistan")

The Management of the Fund performed analysis of impairment indicators of the investments in CCGT Turkistan. Based on performed analysis it was identified that carrying amount of the investments in CCGT Turkistan was higher than net assets of CCGT Turkistan as at 31 December 2023.

Due to existing impairment indicators of investments in CCGT Turkistan, the Fund performed an impairment test as at 31 December 2023. Recoverable amount of investments in CCGT Turkistan was determined using value in use method.

A number of subjective factors, both operational and financial, using the best evidence available, had been used to estimate cash flows.

Operational assumptions include significant estimates related to the forecast level of electricity and power sales, based on the approved CCGT Turkistan business plan, which is a tool for achieving strategic goals.

Discount rate (WACC) of 15.40% and growth rate 2.59% was used in calculations. As a result of this analysis, as at 31 December 2023, no impairment was identified. Increase in WACC for 1.2% will result that the carrying value of the Fund's investments may become higher than their recoverable amount, which may result in the need to recognise impairment in the future.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

5. INVESTMENTS IN SUBSIDIARIES

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

					Ownership	
In millions of tenge	**Activity**	**Country**	**31 December 2023**	31 December 2022	**31 December 2023**	31 December 2022
"National company "Kazakhstan Temir Zholy" JSC	Passenger and cargo transportation	Kazakhstan	**1,815,139**	1,612,899	**100.00%**	100.00%
"National company "KazMunayGas" JSC	Exploration, production, processing and transportation of oil and gas	Kazakhstan	**1,210,033**	1,536,365	**67.42%**	87.42%
"Samruk-Kazyna Ondeu" LLP	Development and implementation of projects in the chemical industry	Kazakhstan	**531,312**	465,221	**100.00%**	100.00%
"Samruk-Energy" JSC	Electricity and heat production	Kazakhstan	**523,555**	458,519	**100.00%**	100.00%
"National Mining Company "Tau-Ken Samruk" JSC	Exploration, mining and processing of solid minerals	Kazakhstan	**303,217**	295,764	**100.00%**	100.00%
"Kazakhtelecom" JSC	Telecommunication services	Kazakhstan	**196,750**	93,212	**80.85%**	52.03%
"Kazakhstan Electricity Grid Operating Company" ("KEGOC") JSC	Electricity transmission services	Kazakhstan	**120,648**	120,648	**85.00%**	90.00% + 1
"National Atomic Company "KazAtomProm" JSC	Production and mining of uranium, rare metals	Kazakhstan	**110,608**	110,608	**75.00%**	75.00%
"CCGT Turkistan" LLP	Transmission, distribution and sale of electricity	Kazakhstan	**99,675**	11,790	**100.00%**	100.00%
"Samruk-Kazyna Invest" LLP	Investments	Kazakhstan	**82,929**	78,129	**100.00%**	100.00%
"Kazpost" JSC	Postal and financial activities	Kazakhstan	**59,395**	53,745	**100.00%**	100.00%
"QAZAQ AIR" JSC	Air transportation	Kazakhstan	**46,357**	46,147	**100.00%**	100.00%
"AES Shulbinskaya GES" LLP	Electricity production by hydroelectric power plants	Kazakhstan	**41,238**	–	**100.00%**	–
"Samruk-Kazyna Construction" JSC	Construction and real estate management	Kazakhstan	**31,849**	31,849	**100.00%**	100.00%
"National company "QazaqGaz" JSC	Exploration, production, transportation, sale and storage of natural gas and gas condensate	Kazakhstan	**30,094**	13,179	**100.00%**	100.00%
"AES Ust-Kamenogorskay GES" LLP	Electricity production by hydroelectric power plants	Kazakhstan	**25,284**	–	**100.00%**	–
"Samruk-Kazyna Business Service" LLP	Transformation services, information and IT services	Kazakhstan	**2,692**	2,692	**100.00%**	100.00%
"Kazakhstan atomic electricity stations" JSC	Realization the construction projects of nuclear power plants	Kazakhstan	**1,882**	1,633	**100.00%**	100.00%
Private company "Center for Scientific and Technological Initiatives Ltd"	institutional services for innovative technologies, other research and experimental developments in the natural and technical sciences	Kazakhstan	**544**	150	**100.00%**	100.00%
"Samruk-Kazyna Contract" LLP	Procurement activities	Kazakhstan	**21**	21	**100.00%**	100.00%
"Air Astana" JSC	Air transportation	Kazakhstan	**–**	7,276	**–**	51.00%
Less: allowance on impairment			**(335,724)**	(244,663)		
			4,897,498	4,695,184		

5. INVESTMENTS IN SUBSIDIARIES (continued)

Changes in investments in subsidiaries

Change in investments in subsidiaries is represented as follows:

"National company "Kazakhstan Temir Zholy" JSC

On December 26, 2023, the Fund made a cash contribution of 24,309 million tenge to the authorized capital of JSC "National company "Kazakhstan Temir Zholy".

Also, the Fund purchased bonds issued by "National company "Kazakhstan Temir Zholy" JSC in the amount of 73,709 million tenge and 100,000 million tenge with an interest rate below the market. The differences between the fair value of these bonds at the issuance date and the nominal value of bonds in the amount of 14,716 million tenge and 23,718 million tenge, respectively, were recognized as an increase in investments *(Note 7).*

In 2023, the Fund provided loan to "National company "Kazakhstan Temir Zholy" JSC in the amount of 162,600 million tenge with an interest rate below the market. The difference between the fair value of the loan at the provision date and the nominal value of loan in the amount of 139,497 million tenge was recognized as an increase in investments *(Note 7).*

"National company "KazMunayGas" JSC

In 2023, the Fund purchased bonds issued by "National company "KazMunayGas" JSC in the amount of 50,000 million tenge and 20,000 million tenge with an interest rate below the market. The difference between the fair value of these bonds at the issuance date and the nominal value of bonds in the amount of 22,145 million tenge and 8,679 million tenge, respectively, were recognized as an increase in investments *(Note 7).*

Also, the Fund recognized additional liabilities under the issued financial guarantee in the amount of 935 million tenge with respect to additional tranches of the loan received from the China Development Bank by "Kazakhstan Petrochemical Industries Inc." LLP, a joint venture of "National company "KazMunayGas" JSC (2022: 15,228 million tenge).

In 2023 based on Shareholder resolution Fund realised 20% of "National company "KazMunayGas" JSC shares to RGI "National Bank of the Republic of Kazakhstan" for total consideration of 1,300,000 million tenge. As a result of the transaction, the Fund recognized the disposal of an interest in a subsidiary at its carrying amount of 358,091 million tenge, gain on disposal of an interest in a subsidiary in the amount of 941,909 million tenge in the separate statement of comprehensive income.

In 2022 as part of the Comprehensive Privatization Plan for 2021-2025, the Fund through an IPO sold 3% of "National company "KazMunayGas" JSC shares on the Astana International Financial Center Exchange and on the Kazakhstan Stock Exchange for total consideration of 153,860 million tenge. As a result of the transaction, the Fund recognized the disposal of an interest in a subsidiary at its carrying amount of 52,721 million tenge, gain on disposal of an interest in a subsidiary, net of commission costs, in the amount of 98,353 million tenge in the separate statement of comprehensive income.

"Samruk-Kazyna Ondeu" LLP

In 2023, the Fund made cash contribution of 51,374 million tenge to the authorized capital of "Samruk-Kazyna Ondeu" LLP (2022: 6,467 million tenge).

In 2023 the Fund concluded additional agreements with "Samruk-Kazyna Ondeu" LLP on prolongation of two loan agreements, and recognized the difference between the fair value and nominal value of these loans amounting to 6,186 million tenge as an increase of investment in "Samruk-Kazyna Ondeu" LLP *(Note 7).*

In 2023 the Fund purchased 25% share of "Butadien" LLP for the cash consideration in the amount of 8,531 million tenge from "National company "KazMunayGas" JSC and recognized investments in joint venture on this amount. As at December 31, 2023 the respective cash consideration was not yet paid off. On October 27, 2023, the Fund transferred 25% share of "Butadien" LLP in the form of contribution to the authorized capital of "Samruk-Kazyna Ondeu" LLP and increased its investment accordingly.

As a result of performed impairment test as at December 31, 2023, the Fund recognised an investment impairment loss of 91,061 million tenge in the separate statement of comprehensive income (2022: 216,396 million tenge) *(Note 4).*

5. INVESTMENTS IN SUBSIDIARIES (continued)

Changes in investments in subsidiaries (continued)

"Samruk-Energy" JSC

In 2023, the Fund made a cash contribution in the amount of 62,746 million tenge (2022: 2,486 million tenge) and property contribution with a carrying value of 2,290 million tenge (which approximates fair value) to the authorized capital of "Samruk-Energy" JSC and increased its investment accordingly.

"National Mining Company "Tau-Ken Samruk" JSC

On September 12, 2023, the Fund received 100% shares of "National Geological Exploration Company "Kazgeology" JSC from Shareholder as payment for the placed shares of the Fund with a total par value of 6,447 million tenge *(Note 12)*. The Fund recognized these shares at fair value in the amount of 6,447 million tenge. Further, the Fund transferred 100% shares of "National Geological Exploration Company "Kazgeology" JSC with a book value of 6,447 million tenge as a contribution to the authorized capital of "National Mining Company "Tau-Ken Samruk" JSC and increased its investment accordingly.

"Kazakhstan Electricity Grid Operating Company" ("KEGOC") JSC

In November 2023 as part of the SPO (secondary public offering) program, KEGOC conducted a secondary placement of ordinary shares totaling 15,294,118 shares at a price of 1,482 tenge on organized securities markets (KASE and AIX). As a result, the Fund's share in KEGOC diluted and decreased to 85%.

"Kazakhtelecom" JSC

On September 12, 2023, the Fund received 28.82% shares of "Kazakhtelecom" JSC from Shareholder as payment for the placed of shares of the Fund with a total par value of 89,206 million tenge *(Note 12)*. The Fund recognized these shares at fair value in the amount of 103,538 million tnege. The difference between the par and fair value of these shares totaling 14,332 million tenge was recognized through retained earnings in a separate statement of changes in equity *(Note 12)*. As a result, the Fund's share in "Kazakhtelecom" JSC increased to 80.85%.

"CCGT Turkistan" LLP

In 2023, the Fund made a cash contribution to the authorized capital of "CCGT Turkistan" LLP JSC in the amount of 77,000 million tenge (2022: 11,790 million tenge). The Fund has a financial guarantee obligation on the "CCGT Turkistan" LLP's loans received from «Halyk Bank» JSC. In 2023, "CCGT Turkistan" LLP' made loan withdrawals, and the Fund recognized financial guarantee obligation in the amount of 10,885 million tenge and debited its investments in "CCGT Turkistan" LLP, respectively.

"Samruk-Kazyna Invest" LLP

In 2023, the Fund made cash contribution to the authorized capital of "Samruk-Kazyna Invest" LLP in the amount of 4.800 million tenge (2022: 326 million tenge).

"Kazpost" JSC

In 2023, the Fund made a cash contribution to the authorized capital of "Kazpost" JSC in the amount of 5,650 million tenge (2022: 10,843 million tenge).

«AES Ust-Kamenogorskay GES» LLP and «AES Shulbinskaya GES» LLP

In 2023, the Fund received 100% of share in "AES Shulbinskaya" GES LLP ("Shulbinskaya GES") and 100% of share in "AES Ust-Kamenogorskay GES" LLP ("UK GES") from Shareholder as the payment for the placed shares of the Fund with a total par value of 36,183 million tenge and 23,445 million tenge, respectively (*Note 12*). The Fund recognized investments in subsidiaries Shulbinskaya GES and UK GES at fair value of 41,238 million tenge and 25,284 million tenge, respectively. The difference between the nominal and fair value of the shares in Shulbinskaya GES and UK GES for a total amount of 6,895 million tenge was recognized through retained earnings in a separate statement of changes in equity *(Note 12)*.

5. INVESTMENTS IN SUBSIDIARIES (continued)

Changes in investments in subsidiaries (continued)

"National company "QazaqGaz" JSC

In 2023, the Fund made a property contribution with a carrying value of 16,915 million tenge (which approximates fair value) to the authorized capital of "National company "QazaqGaz" JSC" and increased its investment accordingly.

In 2022, the Fund made a cash contribution to the authorized capital of "National company "QazaqGaz" JSC in the amount of 13,179 million tenge.

"QAZAQ AIR" JSC

On 20 September 2022, the Fund made a cash contribution to the authorized capital of "QAZAQ AIR" JSC in the amount of 33,947 million tenge.

"Air Astana" JSC

In December 2023, a decision was made by the General Shareholder Meeting of Air Astana to split the outstanding shares of company to 306 million common shares and to increase the number of authorized shares to 366 million common shares.

On February 8, 2024 the Board of Directors of the Fund approved the decision to dispose 60,410,524 common shares of Air Astana on organized markets at a price of 1,073.83 tenge per common share.

In February 2024, the Fund disposed 9,884,209 (10%) of common shares at a price of 1,073.83 tenge per common share for a total amount of 10,614 million tenge through their sale on the Astana International Exchange (AIX) and Kazakhstan Stock Exchange JSC (KASE).

As a result of held IPO, the Fund's share in Air Astana decreased from 51% to 41% and the control over Air Astana was lost. Since, after disposal the Fund retains significant influence, the investment will be recognized as an investment in associate at cost in proportion to the remaining share.

As at 31 December 2023, the investment in "Air Astana" JSC was classified as an asset held for sale with a carrying amount of 7,276 million tenge.

Allowance for impairment

As at December 31, 2023 the Fund recognized an allowance for impairment in investments in "Samruk-Kazyna Ondeu" LLP in the amount of 307,457 million tenge *(Note 4)*, "Samruk-Kazyna Invest" LLP in the amount of 16,067 million tenge *(Note 4)* and "QAZAQ AIR" JSC in the amount of 12,200 million tenge (as at December 31, 2022: "Samruk-Kazyna Ondeu" LLP in the amount of 216,396 million tenge, "Samruk-Kazyna Invest" LLP in the amount of 16,067 million tenge and "QAZAQ AIR" JSC in the amount of 12,200 million tenge).

6. INVESTMENTS IN JOINT VENTURES

As at 31 December investments in joint ventures were presented as follows:

In millions of tenge	**31 December 2023**	31 December 2022
"AstanaGas KMG" JSC	**43,695**	43,695
"Stantsiya Ekibastuzskaya GRES-2" JSC	**16,390**	16,390
Less: allowance on impairment	**(9,474)**	(9,474)
	50,611	50,611

As at December 31, 2023 the Fund recognized an allowance on impairment of investment in "AstanaGas KMG" JSC in the amount of 9,474 million tenge (December 31, 2022: 9,474 million tenge).

Activities of joint venture, country of residence and the Fund's share in these companies as of 31 December is presented as follows:

			Ownership	
Company	**Activity**	**Country**	**31 December 2023**	31 December 2022
"AstanaGas KMG" JSC	Gas pipeline construction	Kazakhstan	**50%**	50%
"Stantsiya Ekibastuzskaya GRES-2" JSC	Production, transmission and distribution of electric energy	Kazakhstan	**50%**	50%

7. LOANS ISSUED AND NET INVESTMENT IN FINANCE LEASE

As at 31 December loans issued carried at amortized cost and net investment in finance lease comprised the following:

In millions of tenge	**31 December 2023**	31 December 2022
Loans issued to subsidiaries	**352,120**	338,154
"National company "Kazakhstan Temir Zholy" JSC	**113,619**	87,058
"Samruk-Energy" JSC	**97,004**	94,249
"Samruk-Kazyna Ondeu" LLP	**54,802**	58,902
"Samruk-Kazyna Construction" JSC	**46,375**	59,082
"QAZAQ AIR" JSC	**36,877**	33,698
Other	**3,443**	5,165
Loans issued to third parties and related parties	**31,073**	14,070
"Doszhan Temir Zholy" JSC	**5,634**	6,138
"National company "Kazakhstan Engineering" JSC	**–**	4,445
Other	**25,439**	3,487
Bonds issued by subsidiaries	**1,247,381**	1,071,202
"National company "Kazakhstan Temir Zholy" JSC	**648,971**	502,848
"National Company "KazMunayGas" JSC	**428,762**	374,608
"Kazakhtelecom" JSC	**41,000**	41,000
"Atyrau Oil Refinery" LLP	**19,364**	33,588
"Samruk-Kazyna Construction" JSC	**–**	12,860
Other	**109,284**	106,298
Bonds issued by third parties and related parties	**125,797**	119,144
"NMH Baiterek" JSC	**80,893**	74,566
"Baiterek Venture Fund" JSC	**40,150**	40,150
Other	**4,754**	4,428
Interest receivable	**22,560**	16,722
Less: allowance for expected credit losses	**(14,505)**	(10,069)
Total loans issued	**1,764,426**	1,549,223
Net investment in finance lease	**1,969**	3,177
Total loans issued and net investment in finance lease	**1,766,395**	1,552,400
Less: current portion	**(247,062)**	(151,285)
Non-current portion	**1,519,333**	1,401,115

The table below provides a breakdown by ECL stage of loans issued:

	2023		
In millions of tenge	**Gross carrying amount**	**Allowance for expected credit losses**	**ECL coverage**
Stage 1	**1,735,235**	**(7,487)**	**0.43%**
Stage 2	**36,877**	**(199)**	**0.54%**
Stage 3	**6,819**	**(6,819)**	**100%**
	1,778,931	**(14,505)**	**0.82%**

7. LOANS ISSUED AND NET INVESTMENT IN FINANCE LEASE (continued)

In millions of tenge	Gross carrying amount	2022 Allowance for expected credit losses	ECL coverage
Stage 1	1,518,775	(3,004)	0.20%
Stage 2	33,698	(246)	0.73%
Stage 3	6,819	(6,819)	100%
	1,559,292	**(10,069)**	**0.65%**

In millions of tenge	31 December 2023	31 December 2022
Loans issued and net investment in finance lease in tenge	**1,272,727**	1,042,995
Loans issued in US dollars	**493,668**	496,240
Loans issued in other foreign currencies	**–**	13,165
	1,766,395	1,552,400

As at 31 December 2023, effective interest rate for loans issued in tenge with carrying amount of 1,270,758 million tenge was from 0.1% to 15.38% per annum (31 December 2022: loans issued in tenge with carrying amount of 1,039,818 million tenge from 0.1% to 14.50%), for loans issued in US dollars with carrying amount of 493,668 million tenge was from 5% to 11.00% per annum (31 December 2022: loans issued in US dollars with carrying amount of 496,240 million tenge from 5.00% to 11.00%). The maturity of loans issued was from January 2024 to November 2062 (31 December 2022: from September 2023 to November 2062).

Changes in loans issued to subsidiaries

"Samruk-Kazyna Construction" JSC ("SKC")

In 2012, the Fund entered into a revolving credit line agreement (with a line limit of 99,053 million tenge) with "SKC" with a maturity date of 5 September 2032 and an interest rate of 2%, for financing housing projects under the "Affordable Housing – 2020" Program, approved by the Government of the Republic of Kazakhstan dated 21 June 2012.

Following the terms of the credit line, the Fund has the right to demand early repayment of loans or part of them from SKC, and SKC undertakes to repay in case of the Fund's request. In connection with this condition, the Fund classifies all loans issued under this credit line as short-term.

In 2023, SKC partially repaid loans of 4,722 million tenge (2022: 4,722 million tenge).

"Samruk-Kazyna Ondeu" LLP

In 2023, Fund concluded additional addendums to two loan agreements with "Samruk-Kazyna Ondeu" LLP on prolongation of the grace period to December 31, 2024. The difference between the nominal value and the fair value of these loans at the date of modification in the amount of 6,186 million tenge was recognized as an increase in investments in a subsidiary *(Note 5)*.

"National company "Kazakhstan Temir Zholy" JSC

In 2023 the Fund provided loan to National company "Kazakhstan Temir Zholy" JSC in the amount of 162,600 million tenge with a maturity – annual partial payment since 2033 and interest rate of 0.05% for the purpose of subsequent financing «Passenger Transportation» JSC in order to upgrade the rolling stock of railway passenger cars. The difference between the nominal and fair value of the loan at the date of provision in the amount of 139,497 million tenge was recognized as an increase in the investment in National company "Kazakhstan Temir Zholy" JSC (*Note 5*). The fair value of the loan was determined using market interest rate of 11.59% per annum at the date of loan provision.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

7. LOANS ISSUED AND NET INVESTMENT IN FINANCE LEASE (continued)

Change in bonds issued by subsidiaries (continued)

2023

National Company "KazMunayGas" JSC

In 2023 the Fund purchased bonds issued by National Company "KazMunayGas" JSC in the amount of 50,000 million tenge and 20,000 million tenge with a maturity 10 years and interest rate of 0.5%. The difference between the nominal and fair value of the bond at the date of purchase in the amount of 22,145 million tenge and 8,679 million tenge was recognized as an increase in the investment in National Company "KazMunayGas" JSC (*Note 5*). The fair value of these bonds were determined using market interest rate of 11.74% and 11.57% per annum at the date of bonds purchase.

National company "Kazakhstan Temir Zholy" JSC

In 2023 the Fund purchased bonds issued by National company "Kazakhstan Temir Zholy" JSC in the amount of 73,709 million tenge and 100,000 million tenge with a maturity 20 years and interest rate of 8.74%. The difference between the nominal and fair value of the bond at the date of purchase in the amount of 14,716 million tenge and 23,718 million tenge was recognized as an increase in the investment in National company "Kazakhstan Temir Zholy" JSC (*Note 5*). The fair value of these bonds were determined using market interest rate of 11.59% and 12,25% per annum at the date of bond purchase.

2022

National Company "KazMunayGas" JSC

In 2022, the Fund and National Company "KazMunayGas" JSC entered into a bond purchase-sale agreement, according to which on September 16, 2022, the Fund purchased bonds in the amount of 751,631 million tenge with a maturity of 13 years and 1 month and an interest rate of 3%. The difference between the nominal and fair value of the bonds at the date of purchase in the amount of 380,477 million tenge was recognized as an increase in the investment in National Company "KazMunayGas" JSC. The fair value of the bonds was determined using market interest rate of 14.5% per annum at the date of bond placement.

"National company "Kazakhstan Temir Zholy" JSC

On October 27, 2022, the Fund purchased bonds issued by "National company "Kazakhstan Temir Zholy" JSC in the amount of 883 million US dollars (equivalent to 410,903 million tenge) with a maturity of 3 years and an interest rate of 2%. The difference between the nominal and fair value of the bonds at the date of purchase in the amount of 107 million US dollars (equivalent to 49,197 million tenge) was recognized as an increase in the investment of "National company "Kazakhstan Temir Zholy" JSC. The fair value of the bonds was determined using market interest rate of 6.6% per annum at the date of bond placement.

On December 30, 2022, the Fund purchased bonds issued by "National company "Kazakhstan Temir Zholy" JSC in the amount of 162,859 million tenge with a maturity of 20 years and an interest rate of 7,37%. The difference between the nominal and fair value of the bonds at the date of purchase in the amount of 68,762 million tenge was recognized as an increase in the investment of "National company "Kazakhstan Temir Zholy" JSC. The fair value of the bonds was determined using market interest rate of 13.99% per annum at the date of bond placement.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

8. AMOUNTS DUE FROM CREDIT INSTITUTIONS

As at 31 December amounts due from credit institutions comprised the following:

In millions of tenge	**31 December 2023**	31 December 2022
Bonds placed with second-tier banks	**764,476**	332,482
Bank deposits placed under the policy of temporary available cash	**230,343**	400,516
Funds for financing activities within the framework approved by the Government	**41,120**	67,614
Less: allowance for expected credit losses	**(2,393)**	(7,206)
Total amounts due from credit institutions	**1,033,546**	793,406
Less: current portion	**(870,683)**	(227,886)
Non-current portion	**162,863**	565,520

In millions of tenge	**31 December 2023**	31 December 2022
Rating from A+(A1) to A-(A3)	**230,343**	–
Rating from BBB+(Baa1) to BBB(Baa2)	**–**	400,384
Rating from BBB-(Baa3) to BB-(Ba3)	**449,632**	54,006
Rating from B+(B1) to B-(B3)	**355,964**	346,222
Less: allowance for expected credit losses	**(2,393)**	(7,206)
	1,033,546	793,406

Amounts due from credit institutions were denominated in the following currencies:

In millions of tenge	**31 December 2023**	31 December 2022
Amounts due from credit institutions, in tenge	**803,232**	793,274
Amounts due from credit institutions, in US dollars	**230,314**	132
	1,033,546	793,406

Bank deposits placed under the policy of temporary available cash

As at 31 December 2023, effective interest rate for bank deposits placed under the policy of temporary available cash was 5.77% per annum in US dollars (31 December 2022: 10% per annum in tenge and 1% per annum in US dollars), the maturity was from March 2024 to June 2024 (31 December 2022: from July 2023 to February 2024).

Bonds placed with second-tier banks

As at 31 December 2023, effective interest rate for bonds placed with second tier banks with fixed interest rates was from 8.46% to 12.33% per annum (31 December 2022: from 8.46% to 12.33%), with floating interest rates - base rate of the National Bank of the Republic of Kazakhstan minus 0.5%, the maturity date was from March 2024 to November 2035 (31 December 2022: from December 2024 to November 2035). The bonds are denominated in tenge.

Funds in credit institutions to finance Government approved programs (targeted loans)

As at 31 December 2023 amounts placed with banks and other financial organizations, for purposes of financing Government appoved programs, were mainly represented by loans denominated in tenge issued to the following banks and other financial entities:

- "Development Bank of Kazakhstan" JSC, to decrease financing costs of investment projects in priority segments of economy of 1,654 million tenge respectively (31 December 2022: 1,870 million tenge). Effective interest on the loans was charged at rate 7.45% per annum;
- To the commercial banks for refinancing mortgage loans and student loans, construction of housing in Astana and Almaty in the amount of 37,690 million tenge and 1,774 million tenge respectively (31 December 2022: 44,533 million tenge and 1,774 million tenge, respectively). Effective interest on these loans was charged at rates from 1% to 7.28% per annum.

As of 31 December 2023 and 2022, Fund's amounts due from credit institutions relates to stage 1 of ECL and are not overdue.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

9. OTHER NON-CURRENT ASSETS

As at 31 December other non-current assets comprised the following:

In millions of tenge	**31 December 2023**	31 December 2022
Assets to be transferred	**24,611**	24,611
SAP licenses	**6,287**	8,256
Other	**9**	9
Less: provision for impairment	**(13,887)**	(8,228)
	17,020	24,648

Assets to be transferred

On 29 December 2020 the Shareholder transferred the property of railway sections to the Fund for further transfer to subsidiaries. The transaction was executed on a free of charge basis, and the market value amounted to 23,797 million tenge. This transaction is recognized as transactions with a Shareholder in the separate statement of changes in equity.

The Shareholder also transferred property in the form of railway vehicles with a market value of 814 million tenge to the Fund.

Provision for impairment

As at December 31, 2023 the Fund recognized provision for impairment of SAP licenses in the amount of 6,287 million tenge and allowance for impairment of assets to be transferred in the amount of 7,600 million tenge (31 December 2022: provision for impairment of SAP licenses in the amount of 8,228 million tenge).

In 2023 the Fund recognized provision for impairment of assets to be transferred in the amount of 7,600 million tenge and recognized reversal of impairment provision for SAP licenses in the amount of 1,941 million tenge (2022: 1,851 million tenge) in the separate statement of comprehensive income. The recoverable amount of SAP licenses were determined based on the planned license requirement.

10. OTHER CURRENT ASSETS

As at December 31 other current assets comprised the following:

In millions of tenge	**31 December 2023**	31 December 2022
Financial assets, measured at at amortised cost	**759**	202,655
Restricted cash	**18,410**	18,417
Account receivable from sale of shares	**–**	164,685
Notes of the National Bank of the Republic of Kazakhstan	**–**	20,313
Dividends receivable	**–**	15,313
Other trade receivables	**10,845**	12,430
Less: allowance for expected credit losses	**(28,496)**	(28,503)
Non-financial assets	**6,121**	6,001
Other	**6,121**	6,001
	6,880	208,656

Notes of the National Bank of the Republic of Kazakhstan

In 2023 as part of its free cash flow management strategy the Fund was investing into notes of the National Bank of the Republic of Kazakhstan with maturities of less than twelve months, that are usually held to maturity.

Account receivable from sale of shares

As of December 31, 2022, account receivables from the sale of shares represent the amount due from Cooperative KazmunaiGaz U.A for the sale of a 50% stake in "KMG Kashagan B.V." PLLC. The receivable in the amount of 363.6 million US dollars (equivalent to 163,770 million tenge per exchange rate at the date of payment) was received in June 2023 (in 2022: 1,198,317 million tenge).

10. OTHER CURRENT ASSETS (continued)

Dividends receivable

As at 31 December 2022, dividends receivable include dividends from "Kazakhstan Electricity Grid Operating Company" JSC in the amount of 15,313 million tenge. The dividends were received in January 2023.

11. CASH AND CASH EQUIVALENTS

As at 31 December cash and cash equivalents comprised the following:

In millions of tenge	**31 December 2023**	31 December 2022
Current accounts with banks – US dollars	**241,775**	322,411
Current accounts with banks – tenge	**36,006**	54,439
Current accounts with banks – other currency	**10**	35
Bank deposits – US dollars	**230,239**	190,728
Bank deposits – tenge	**237**	12,210
Reverse repurchase agreements and other treasury securities with contractual maturity of three months or less	**31,062**	41,549
Less: allowance for expected credit losses	**(20)**	(94)
	539,309	621,278

As at 31 December 2023, the weighted average interest rate on term deposits was 15.05% in tenge, 5.13% in US dollars (31 December 2022: 13.97% in tenge, 1.74% in US dollars), on current accounts was 1.05% in tenge, 5.09% in US dollars (31 December 2022: 0.10% in tenge, 2.48% in US dollars).

12. EQUITY

Issue of shares

During 2023 and 2022, the Fund made issues of ordinary shares, which were paid for as follows:

Payment for shares	**Number of shares authorized and issued**	**Par value per share, in tenge**	**Share capital in millions of tenge**
As of 31 December 2021	3,481,961,408		5,268,580
Shares issued during the period			
Shares issued and paid by contribution of property	1	239,265,541	239
As of 31 December 2022	3,481,961,409		5,268,819
Shares issued during the period			
Shares issued and paid by cash	**6,000**	**8,246,277**	**49,478**
Shares issued and paid by contributions of state-owned interests in subsidiaries	**1**	**89,206,406,162**	**89,206**
	50	**723,663,220**	**36,183**
	40	**586,110,925**	**23,445**
	100	**64,469,200**	**6,447**
Shares issued and paid by contribution of property	**1,000**	**16,915,397**	**16,915**
	20	**114,504,250**	**2,290**
As of 31 December 2023	**3,481,968,620**		**5,492,783**

As at 31 December 2023 – 3,481,968,620 shares of the Fund were fully paid up (31 December 2022: 3,481,961,409 shares).

Cash contributions

In November 2023 Fund issued 6,000 shares at par value of 8,246,277 tenge for the total amount of 49,478 million tenge, which were paid off by the Shareholder by cash in accordance with the Resolution of the Government of the Republic of Kazakhstan. These funds are intended to finance projects carried out by Fund's subsidiary "Samruk-Kazyna Ondeu" LLP.

12. EQUITY (continued)

Issue of shares (continued)

Property contributions

On April 14, 2023 the Fund issued 1,000 shares at par value of 16,915,397 tenge, which were paid off by the Shareholder by an immovable property with a fair value of 16,915 million tenge in accordance with the Resolution of the Government of the Republic of Kazakhstan. The Fund transferred this immovable property as a contribution to the authorized capital of National company "Qazaq Gaz" JSC (*Note 5*).

On August 9, 2023 the Fund issued 20 shares at par value of 114,504,250 tenge, which were paid off by the Shareholder by an immovable property with a fair value of 2,290 million tenge in accordance with the Resolution of the Government of the Republic of Kazakhstan. The Fund transferred this immovable property as a contribution to the authorized capital of "Samruk-Energy" JSC (*Note 5*).

On 28 June 2022 the State Property and Privatisation Committee made property contribution with a fair value of 239 million tenge. This property was transferred to the share capital of "Kazakhstan Temir Zholy" JSC.

Contributions of state-owned interests in subsidiaries

On April 19, 2023 the Fund issued 50 shares at par value of 723,663,220 tenge and 40 shares at par value of 586,110,925 tenge for the total amount of 59,628 million tenge, which were paid off by the Shareholder by means of 100% of share in Shulbinskaya GES and UK GES in accordance with the Resolution of the Government of the Republic of Kazakhstan. The Fund recognized investments in subsidiaries in Shulbinskaya GES and UK GES at their fair values of 41,238 million tenge and 25,284 million tenge, respectively (*Note 5*). The difference between the value of 100% share in Shulbinskaya GES and UK GES at the date of issue of shares and the fair value determined after revaluation of these assets in the total amount of 6,895 million tenge was recognized through retained earnings in a separate statement of changes in equity.

On September 12, 2023, the Fund issued 100 shares with a par value of 64,469,200 tenge for the amount of 6,447 million tenge and 1 share with a par value of 89,206 million tenge, which were paid by the Shareholder by transferring 100% shares of "National Geological Exploration Company "Kazgeology" JSC and 28.82% shares of "Kazakhtelecom" JSC in accordance with the Resolution of the Government of the Republic of Kazakhstan. The Fund recognized investments in subsidiary "National Geological Exploration Company "Kazgeology" JSC at their fair value of 6,447 million tenge. Further, Fund transferred 100% shares of "National Geological Exploration Company "Kazgeology" JSC to the authorized capital of the subsidiary "National Mining Company Tau-Ken Samruk" JSC (*Note 5*). The Fund increased the value of the investment in subsidiary "Kazakhtelecom" JSC by the amount of the fair value of the received 28.82% shares of "Kazakhtelecom" JSC in the amount of 103,538 million tenge (*Note 5*). The difference between the value of 28.82% shares of "Kazakhtelecom" JSC on the date of issue of the Fund's shares and the fair value determined after revaluation of these assets in the total amount of 14,332 million tenge was recognized through retained earnings in a separate statement of changes in equity.

Other distributions to the shareholder

In 2023, based on the order of the shareholder, the Fund recognized obligation on financing various social projects in the total amount of 88,313 million tenge *(Note 15)* within equity as other distributions to the shareholder in the separate statement of changes in equity (2022: 202,445 million tenge).

Distributions to the Public Foundation "Qazaqstan halqyna"

In accordance with the article 20 of the Law of the Republic of Kazakhstan "on Sovereign Wealth Fund", effective from January 1, 2023, the Fund annually distributes not less than seven percent of net income of the Fund to a non-profit organization represented by the Public Foundation "Qazaqstan halqyna". The liability to distribute funds is recognized upon the decision of the sole Shareholder.

In accordance with the Government Resolution dated December 19, 2023, the Fund recognized obligations to pay to the Public Foundation "Qazaqstan halqyna" in the total amount of 66,614 million tenge in a separate statement of changes in equity.

12. EQUITY (continued)

Discount on loans from the Government

In 2023, the Fund placed bonds in the amount of 173,709 million tenge (2022: 162,859 million tenge) (*Note 14*). The difference between nominal and fair value in the amount of 38,435 million tenge was recognized as a discount on loans from the Government in the separate statement of changes in equity (2022: 68,762 million tenge).

Also, in 2023 the Fund received loan in the amount of 162,600 million tenge (*Note 14*). The difference between nominal and fair value in the amount of 139,497 million tenge was recognized as a discount on loans from the Government in the separate statement of changes in equity.

In 2022, the Fund made partial early repayment of bond obligations to the National Bank in the amount of 137 million tenge, and therefore recognized the amortization of the discount on loans from the Government in the amount of 78 million tenge in the separate statement of changes in equity *(Note 14)*.

Dividends

On 26 December 2023, the Fund paid dividends to the Shareholder of 238,027 million tenge based on results of 2022 in accordance to the Resolution of the Government dated 19 December 2023.

During the period from October to November 2023, the Fund paid dividends to the Shareholder in the amount of 1,026,726 million tenge from retained earnings of 2021 in accordance to the Government Resolution dated 20 October 2023.

On 4 October 2022, the Fund paid dividends to the Shareholder of 170,024 million tenge based on results of 2021 in accordance to the Resolution of the Government dated 22 September 2022.

Book value of shares

In accordance with the decision of the Exchange Council of Kazakhstan Stock Exchange ("KASE") dated 4 October 2010 the financial statements should contain data on the book value of one share (common and preferred) at the reporting date calculated in accordance with the approved KASE rules.

In millions of tenge	**31 December 2023**	31 December 2022
Total assets	**8,420,578**	7,976,134
Intangible assets	**(771)**	(799)
Total liabilities	**(1,616,586)**	(1,479,396)
Net assets for common shares	**6,803,221**	6,495,939
Number of common shares as at 31 December	**3,481,968,620**	3,481,961,409
Book value per common share, tenge *	**1,954**	1,866

* *Presentation of book value per common share is a non-IFRS measure.*

Earnings per share

Basic and diluted share in net profit is calculated by dividing the net income for the period attributable to Shareholder on the weighted average number of common shares outstanding during the period.

The following table summarizes the income and shares data used to calculate basic and diluted share in net profit for the period per share:

In tenge	**31 December 2023**	31 December 2022
Net profit for the period attributable to Shareholder for calculation basic and diluted share in net profit for the period	**1,315,733**	951,631
Weighted average number of common shares for basic and diluted earnings per share	**3,481,963,068**	3,481,961,409
Basic and diluted net profit for the period per share (tenge)	**377.87**	273.30

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

13. BORROWINGS

As at 31 December borrowings, including interest payable, comprised the following:

In millions of tenge	Issuance amount	Redemption date	Effective interest rate	31 December 2023	31 December 2022
Loans received				**50,640**	98,704
"KMG Karachaganak" LLP	25 billion tenge	2024	15.39%	**21,916**	–
"National Mining Company "Tau-Ken Samruk" JSC	18.4 billion tenge	2024	18,70%	**15,530**	15,889
"First Heartland Jusan Bank" JSC	20.5 billion tenge	2032	6.50%	**13,194**	14,720
"VTB Bank" PJSC	10.4 billion roubles	2023	Key rate of the Central Bank of the Russian Federation + 1.75%	**–**	68,095
Bonds				**419,357**	486,481
Bonds LSE 2021	500 million US dollars	2026	2.36%	**225,947**	229,241
Bonds AIX 2023	140 million US dollars	2024	3.5%	**64,783**	–
Bonds KASE 2018	40.5 billion tenge	2024	9.25%	**41,468**	41,468
Bonds KASE 2018	34.5 billion tenge	2024	9.25%	**35,324**	35,324
Bonds KASE 2017	25 billion tenge	2027	10.5%	**26,051**	26,050
Bond KMG 2017	111 billion tenge	2044	10%	**21,027**	19,671
Bond DBK 2009	114.9 billion tenge	2059	6,43%-10,22%	**4,757**	4,432
Bonds KASE 2020	129 billion tenge	2023	10.9%	**–**	130,295
Total borrowings				**469,997**	585,185
Less: amounts due for settlement within 12 months				**(182,871)**	(220,016)
Amounts due for settlement after 12 months				**287,126**	365,169

13. BORROWINGS (continued)

Borrowings comprised the following currencies:

In millions of tenge	**31 December 2023**	31 December 2022
Borrowings, denominated in tenge	**179,267**	287,849
Borrowings, denominated in US dollars	**290,730**	229,241
Borrowings, denominated in Russian roubles	**–**	68,095
	469,997	585,185

The change in borrowings is represented as follows:

In millions of tenge	**2023***	2022*
Balance as at 1 January	**585,185**	1,099,014
Received by cash	**106,450**	33,404
Interest accrued	**33,845**	39,294
Discount	**(7,080)**	(4,459)
Interest paid	**(34,980)**	(39,006)
Repayment of principal	**(199,529)**	(95,146)
Amortisation of discount	**5,714**	43,496
Foreign currency translation	**(19,934)**	24,855
Offset	**–**	(516,579)
Other	**326**	312
Balance as at 31 December	**469,997**	585,185

* *Cash proceeds and repayments of certain borrowings obtained by the Fund are included within cash flows from operating activities because these borrowings are part of the Fund's main activity of assets management.*

As at December 31, 2023 property, plant and equipment and investment property with net book value of 13,482 million tenge was pledged as collateral for some of the Fund's borrowings (December 31, 2022: 13,671 million tenge).

Loans received

Loan from "KMG Karachaganak" LLP

On 29 August 2023 the Fund received loan from "KMG Karachaganak" LLP for the total amount of 25,000 million tenge with an interest rate of 0.01% per annum and maturity on 1 December 2024. The difference between the nominal amount and the fair value of the loan at the date of agreement in the amount of 4,124 million tenge was recognized as interest income in a separate statement of comprehensive income.

Loan from "National Mining Company "Tau-Ken Samruk" JSC

On 24 December 2021 the Fund received interest-free loan from "National Mining Company "Tau-Ken Samruk" JSC for the total amount of 18,442 million tenge for the working capital replenishment. The maturity of the loan was 31 December 2022.

On December 2022 the Fund and "National Mining Company "Tau-Ken Samruk" JSC concluded an addendum about extension of maturity date until 31 December 2023 and an interest rate 0.01% from the total amount of financial aid. The difference between nominal value and fair value of the loan as at the date of addendum in the amount of 2,554 million tenge was recognized as finance income in the separate statement of comprehensive income. On 25 December 2023 the Fund repaid the loan.

On 25 December 2023 the Fund received another loan from "National Mining Company "Tau-Ken Samruk" JSC for the total amount of 18,442 million tenge and with an interest rate 0.01% from the total amount of financial aid for the working capital replenishment. The maturity of the loan was 31 December 2024. The difference between nominal value and fair value of the loan as at the date of agreement in the amount of 2,956 million tenge was recognized as finance income in the separate statement of comprehensive income.

13. BORROWINGS (continued)

Bonds

In 2023 the Fund issued bonds for the total amount of 140 million US dollars on AIX Stock Exchange (equivalent to 63,008 million tenge at the exchange rate as of date of transaction) with an annual coupon rate of 3,5% and maturity December 26, 2023. In December 2023, the Fund extended the maturity date of the bonds until June 26, 2024.

Covenants

The Fund is required to ensure execution of the financial and non-financial covenants under the terms of the loan agreements. As of 31 December 2023 and 2022 the Fund complied with all financial and non-financial covenants

14. LOANS FROM THE GOVERNMENT OF THE REPUBLIC OF KAZAKHSTAN

Loans from the Government of the Republic of Kazakhstan comprised the following:

In millions of tenge	**Redemption date**	**Effective interest rate**	**31 December 2023**	31 December 2022
Bonds purchased by the National Bank of the Republic of Kazakhstan using the funds of the National Fund	2035-2063	5.56-13.99%	**836,941**	672,208
Other loans from the Government	2029-2046	5.15%-11.59%	**35,905**	11,396
Total amounts due to the Government of the Republic of Kazakhstan			**872,846**	683,604
Less: current portion			**(11,028)**	(3,760)
Non-current portion			**861,818**	679,844

The change in loans from the Government of the Republic of Kazakhstan are represented as follows:

In millions of tenge	**2023***	2022*
Balance as at 1 January	**683,604**	579,369
Received by cash	**336,309**	162,859
Interest accrued	**33,379**	17,364
Discount	**(177,932)**	(68,684)
Interest paid	**(26,695)**	(17,448)
Principal paid	**(891)**	(10,776)
Amortisation of discount	**25,072**	20,920
Balance as at 31 December	**872,846**	683,604

* *Cash proceeds and repayments of certain borrowings obtained by the Fund are included within cash flows from operating activities because these borrowings are part of the Fund's main activity of assets management.*

Bonds purchased by the National Bank of the Republic of Kazakhstan

In December 2022, Fund's bonds issue in the amount of 542,863 million tenge with an annual coupon of 7.37% per annum was registered. In 2023, the Fund's bonds were placed in the amount of 173,709 million tenge (2022: 162,859 million tenge). The bonds were purchased by the National Bank of the Republic of Kazakhstan funded by the National Fund. The funds received from the sale of these bonds were used to provide a loan to "KTZ" JSC in order to finance the construction of the second tracks of the Dostyk-Moiynty railway section with a total length of 836 km, aimed at increasing the transit and export potential of the country (*Note 7*). The fair value of consideration received was 135,275 million tenge (2022: 94,097 million tenge). The difference between nominal and fair value of the bond in the amount of 38,435 million tenge was recognized as a discount on loan from the government in a separate statement of changes in equity (68,762 million tenge) *(Note 12)*.

14. LOANS FROM THE GOVERNMENT OF THE REPUBLIC OF KAZAKHSTAN (continued)

Bonds purchased by the National Bank of the Republic of Kazakhstan (continued)

In February 2022, in accordance with the corporate decisions made by the Fund and with the edition of the Rules on proceeds to the National Fund of the Republic of Kazakhstan from transfer of assets of national managing holdings, national holdings, national companies and their subsidiaries, affiliates and other legal entities affiliated with them to the competitive environment approved by the Resolution of the Government of the Republic of Kazakhstan No. 323 dated 4 June 2018, effective on the redemption date, the Fund made a partial early redemption of bonds at par value in the amount of 137 million tenge which was carried out within the eleventh bond issue of the Fund purchased by the National Bank of the Republic of Kazakhstan. In this regard, the Fund recognized amortization of discount on loans from the Government in the amount of 78 million tenge in the separate statement of changes in equity*(Note 12)*.

Other loans from the Government

In 2023 in accordance with the Law of the Republic of Kazakhstan "On Republican budget for 2023-2025" dated December 1, 2022, Fund received loan from the Ministry of Finance of the Republic of Kazakhstan in the total amount of 162,600 million tenge with an interest rate 0.05% and maturity 30 years. The loan was provided for the purpose of financing NC "KTZ" JSC for subsequent financing to "Passenger Transportation" JSC (*Note 7*). The fair value of consideration received was 23,103 million tenge. The difference between nominal and fair value of the bond in the amount of 139,497 million tenge was recognized as a discount on loan from the government in a separate statement of changes in equity *(Note 12)*.

15. OTHER CURRENT LIABILITIES

In millions of tenge	**31 December 2023**	31 December 2022
Financial liabilities	**187,685**	128,698
Liabilities on financing of other social projects:	**172,982**	127,276
Construction of the National Coordination Center for Emergency Medicine in the city of Astana for 200 beds and the National Scientific Center for Infectious Diseases in the city of Almaty for 350 beds	***54,164***	*90,976*
Distributions to the Public Foundation "Qazaqstan halqyna"	***45,964***	–
Construction of a perinatal center in Astana	***45,851***	–
Construction of the Center of the Kazakh Gymnastics Federation in Astana city	***16,200***	*16,200*
Construction of residential buildings for socially vulnerable segments of the population in Zhetisu region	***10,803***	*11,600*
Construction of family rest park in Astana city	**–**	*8,500*
Other	**14,703**	1,422
Non-financial liabilities	**1,499**	1,490
Other	**1,499**	1,490
Total amount of other current liabilities	**189,184**	130,188

Liabilities on financing of other social projects

In 2023, based on the order of the Shareholder, the Fund recognized obligations on financing of various social projects, including distributions to the Public Foundation "Qazaqstan halqyna" for the total amount of 154,927 million tenge (2022: 202,445 million tenge) *(Note 12)*.

Actual amount of cash paid during 2023, including distributions to Public Foundation "Qazaqstan halqyna" totaled to 114,242 million tenge (2022: 129,827 million tenge).

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

16. FINANCIAL GUARANTEE LIABILITIES

As at December 31 the financial guarantee liabilities comprised the following:

In millions of tenge	**2023**	2022
As at 1 January	**80,419**	53,588
Guarantees issued during the year	**12,826**	33,190
Amortization of financial guarantee liabilities	**(8,686)**	(6,359)
As at 31 December	**84,559**	80,419
Less: current portion	**(84,559)**	(80,419)
Non-current portion	**–**	–

Financial guarantee liabilities include the Fund's liabilities on guarantees issued to financial institutions for financing activities and significant contracts of its subsidiaries and joint venture *(Notes 5 and 6)*. The main part of the guarantee agreements is concluded on the condition that there is no compensation to the Fund. Total outstanding amount of guarantees as at 31 December 2023 is 2,136 million US dollars and 330,194 million tenge (31 December 2022: 2,170 million US dollars, 182,746 million tenge, respectively).

17. INTEREST INCOME

Interest income for the years ended 31 December comprised the following:

In millions of tenge	**2023**	2022
Interest on bonds	**79,553**	46,807
Unwinding of discount on loans issued	**74,152**	49,929
Interest on loans issued	**9,751**	11,571
Recognition of discount on loans issued	**4,124**	–
	167,580	108,307

18. INTEREST EXPENSES

Interest expenses for the years ended 31 December comprised the following:

In millions of tenge	**2023**	2022
Interest on bonds issued and borrowings	**56,496**	41,576
Unwinding of discount on financial liabilities	**27,469**	22,152
Loss on discounting of financial assets at initial recognition	**4,126**	–
	88,091	63,728

19. DIVIDEND INCOME

In millions of tenge	**2023**	2022
"National company "KazMunayGas" JSC	**262,276**	180,847
"National Atomic Company "KazAtomProm" JSC	**150,728**	170,541
"Kazakhstan Electricity Grid Operating Company" ("KEGOC") JSC	**30,029**	27,212
"National Company "Qazaq Gas" JSC	**27,065**	–
"Kazakhtelecom" JSC	**26,299**	20,001
"Samruk-kazyna Construction" JSC	**6,437**	2,031
"Air Astana" JSC	**3,833**	–
"Samruk Kazyna Ondeu" LLP	**2,896**	–
"Samruk-Energy" JSC	**2,041**	2,041
"Ekibastuz GRES-2" JSC	**1,052**	–
"KMG Kashagan B.V." PLLC	**–**	264,333
"National mining company "Tau-Ken Samruk" JSC	**–**	88,819
Other subsidiaries	**932**	1,889
	513,588	757,714

In 2023 the Fund received dividends in the amount of 528,901 million tenge (2022: 741,738 million tenge).

20. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses for the year ended 31 December comprised the following:

In millions of tenge	2023	2022
Sponsorship and charitable donations, net	**6,741**	7,388
Personnel costs	**3,644**	3,278
Third-party services	**1,924**	1,747
Repair and maintenance	**1,682**	869
Depreciation and amortization	**691**	728
Taxes	**690**	754
Non-refundable VAT	**647**	659
Audit, consulting services and information expenses	**133**	318
Other	**3,966**	5,132
	20,118	20,873

Sponsorship and charitable donations

The Fund on an annual basis makes target donations in accordance with its Charity program. The target charity transfers were provided for financing the number of projects implemented through a single Operator – Corporate Fund "Samruk-Kazyna Trust".

Other

Other expenses include other administrative expenses, including expenses for remuneration of members of the management body – the Board of Directors in the total amount of 283 million tenge (2022: 324 million tenge), funds for support of operating activities of subordinated organizations in the total amount of 1,086 million tenge (2022: 1,407 million tenge) and other administrative expenses to ensure operating activities of the Fund.

21. FINANCE INCOME

Finance income for the year ended 31 December comprised the following:

In millions of tenge	2023	2022
Income on "reverse repo" transactions and notes of the National Bank of the Republic of Kazakhstan	**44,446**	23,350
Interest on bank deposits	**40,899**	21,041
Interest on bonds	**20,398**	–
Interest on current bank accounts	**18,269**	4,372
Income from financial guarantees	**8,770**	6,699
Amortisation of discount on financial assets	**3,475**	2,095
Discount on borrowings	**2,956**	4,459
Other	**–**	2,138
	139,213	64,154

22. FINANCE EXPENSES

Finance expenses for the year ended 31 December comprised the following:

In millions of tenge	2023	2022
Interest on bank loans	**11,448**	15,793
Unwinding of discount on borrowings	**2,597**	41,552
Other	**7,981**	4,020
	22,026	61,365

23. GAIN ON DISPOSAL OF INVESTMENT IN JOINT VENTURE

On June 13, 2022, the Fund realized 49.5% share in "Kazakhstan Petrochemical Industries Inc." LLP, obtained by reducing the authorized capital of "Samruk-Kazyna Ondeu" LLP in favour of National Company "KazMunayGas" JSC for total consideration of 91,175 million tenge. As a result of the sale and purchase transaction, the Fund recognized a net loss on disposal of investment in joint venture in the amount of 790 million tenge in the separate statement of comprehensive income.

On September 15, 2022, the Fund sold a 50% share in "KMG Kashagan B.V." PLLC to Cooperative KazmunaiGaz U.A for consideration of 3,782 million US dollars (equivalent to 1,793,259 million tenge on the date of loss of control). As a result of the transaction, the Fund recognized the gain on disposal of an interest in a joint venture in the amount of 298,318 million tenge in the separate statement of comprehensive income.

24. INCOME TAX EXPENSE

Income tax expense for the years ended 31 December comprised the following:

In millions of tenge	**2023**	2022
Current corporate income tax	**208,895**	12,398
Withholding tax expense	**5,803**	5,046
	214,698	17,444

As at 31 December 2023, the Fund was subject to corporate income tax at the statutory rate of 20% (31 December 2022: 20%).

A reconciliation of income tax expenses applicable to its profit before income tax at the statutory income tax rate to actual income tax expense was as follows:

In millions of tenge	**2023**	2022
Profit before income tax	**1,530,431**	969,075
Statutory income tax rate	**20%**	20%
Theoretical income tax expense	**306,086**	193,815
Change in unrecognised deferred tax assets	**(1,617)**	(53,888)
Expenses on sponsorship and charitable donations	**1,348**	1,971
Allowance on impairment of loans issued and amounts due from credit institutions	**1,212**	(6,526)
Income from non-taxable dividends	**(102,718)**	(151,543)
Gain on disposal of share in subsidiary	**19,838**	2,777
Gain on disposal of share in joint venture	**–**	(212)
Discount on financial assets and financial liabilities	**(6,158)**	(2,998)
Income from financial guarantees	**(1,737)**	(1,699)
Impairment of investments in subsidiaries	**18,212**	46,492
Other non-taxable income	**(19,944)**	(11,706)
Other non-deductible expenses	**176**	961
Corporate income tax expense presented in the separate statement of comprehensive income	**214,698**	17,444

24. INCOME TAX EXPENSE (continued)

Deferred income tax balances, calculated by applying the statutory tax rates effective at the reporting date to the temporary differences between the tax basis of assets and liabilities and the amounts reported in the separate financial statements, are comprised of the following:

In millions of tenge	**As at 31 December 2023**	**Profit and loss**	As at 31 December 2022	Profit and loss	As at 31 December 2021
Deferred tax assets					
Excess of the amount of corporate income tax withheld at the source of payment from income in the form of remuneration, over the amount of corporate income tax calculated	**–**	**–**	–	(60,261)	60,261
Amounts due from credit institutions	**16,661**	**(2,345)**	19,006	(2,158)	21,164
Loans issued	**902**	**523**	379	(22)	401
Property, plant and equipment	**194**	**2**	192	192	–
Other liabilities	**411**	**(79)**	490	(166)	656
Less: unrecognized deferred tax assets	**(59)**	**1,617**	(1,676)	53,888	(55,564)
Deferred tax assets	**18,109**	**(282)**	18,391	(8,527)	26,918
Deferred tax liabilities					
Borrowings	**(18,106)**	**271**	(18,377)	8,176	(26,553)
Property, plant and equipment	**–**	**–**	–	198	(198)
Other accounts receivable	**(3)**	**11**	(14)	153	(167)
Deferred tax liabilities	**(18,109)**	**282**	(18,391)	8,527	(26,918)
Net deferred tax assets/(liabilities)	**–**	**–**	–	–	–

A deferred tax asset/liabilities 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/liabilities are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Investments in subsidiaries and joint ventures will be recovered primarily through dividends. Dividends from subsidiaries and joint ventures are not taxable, accordingly the Fund did not recognize deferred tax on undistributed earnings from investments.

25. RELATED PARTY TRANSACTIONS

Related parties include entities of the Fund's group and other entities controlled by the Government, the Fund's key management personnel, and other related parties. Related party transactions were made on terms agreed between the parties that may not necessarily be at market rates, except for certain regulated services, which are provided based on the tariffs applicable to related and third parties.

25. RELATED PARTY TRANSACTIONS (continued)

The following tables show the total amounts of transactions entered into with related parties during 2023 and 2022 and the corresponding balances as at 31 December 2023 and 2022:

In millions of tenge		Amounts from related parties*	Amounts due to related parties	Cash and deposits placed with related parties
Subsidiaries	**31 December 2023**	**1,616,702**	**135,370**	**35,981**
	31 December 2022	1,587,792	66,264	10,029
Associates and joint ventures of subsidiaries	**31 December 2023**	**4,622**	**–**	**–**
	31 December 2022	5,015	–	–
Other entities controlled by the Government	**31 December 2023**	**127,320**	**893,071**	**–**
	31 December 2022	144,654	754,492	54,221

* *As at December 31, 2023 amounts from related parties are represented on a net basis, including ECL amounts: from subsidiaries – 2,558 million tenge, associates and joint ventures of subsidiaries - 1,014 million tenge, other entities controlled by the Government – 159 million tenge (as at December 31, 2022: from subsidiaries – 1,935 million tenge, associates and joint ventures of subsidiaries - 1,126 million tenge, other entities controlled by the Government – 249 million tenge).*

As at December 31, 2023 and December 31, 2022 amounts from related parties include other account receivable, loans and net investment in finance lease, amounts due to related parties include account payable, borrowings, the Fund's liabilities on guarantees issued to financial institutions for financing activities and significant contracts of its subsidiaries and related parties.

In millions of tenge		Dividends income	Purchases from related parties	Sales to related parties
Subsidiaries	**2023**	**512,536**	**3,696**	**1,463**
	2022	493,381	2,964	1,885,025
Joint ventures	**2023**	**1,052**	**–**	**–**
	2022	264,333	–	–
Associates and joint ventures of subsidiaries	**2023**	**–**	**–**	**–**
	2022	–	35	–
Other entities controlled by the Government	**2023**	**–**	**–**	**1,300,000**
	2022	–	–	–

In millions of tenge		Interest accrued to related parties	Interest incurred to related parties	Finance income accrued to related parties	Finance expenses incurred to related parties
Subsidiaries	**2023**	**125,902**	**5,967**	**14,051**	**3,755**
	2022	67,371	5,058	7,576	41,604
Associates and joint ventures of subsidiaries	**2023**	**426**	**–**	**–**	**–**
	2022	473	–	–	–
Other entities controlled by the Government	**2023**	**8,003**	**64,768**	**21,839**	**–**
	2022	8,727	43,844	691	–

25. RELATED PARTY TRANSACTIONS (continued)

The nature of transactions entered into with related parties during 2023 and 2022 are disclosed in the relevant notes to the separate financial statements.

Total compensation to Fund's key management personnel included in general and administrative expenses in the accompanying separate statement of comprehensive income was equal to 857 million tenge for the year ended 31 December 2023 (2022: 730 million tenge). The indicated amount includes the compensation to the independent directors, which are members of management personnel, the Board of Directors of 283 million tenge for the year ended 31 December 2023 (2022: 324 million tenge). Compensation to key management personnel consists of salary expenses including taxes, pension contributions and other annual performance based payments.

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's principal financial liabilities consist of borrowings from credit institutions and the Government, bonds issued, financial guarantees and other accounts payable. The main purpose of these financial instruments is to raise financing for the Fund's operations. The Fund's financial assets comprise loans issued to subsidiaries and credit institutions, bank deposits, other financial assets, other accounts receivable, bonds and government securities acquired, cash and cash equivalents arising directly from its operating activity.

The Fund is exposed to market risk, interest rate risk, credit risk, currency risk and liquidity risk.

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 Fund's exposure to interest rate risk relates primarily to the Fund's loans received with floating interest rate *(Note 13)*.

Sensitivity of the Fund's profit before income tax to the potential changes in interest rates with all other variables held constant. There is no impact on the Fund's equity.

In millions of tenge	**Increase/ decrease in basis points**	**Impact on profit before tax**
2023		
US dollar	**+3.97**	**(11,488)**
	−3.97	**11,488**
Russian rouble	**+3.97**	**–**
	−3.97	**–**
2022		
US dollar	+2.45	(5,251)
	−2.45	5,251
Russian rouble	+2.45	(1,470)
	−2.45	1,470

Credit risk

Credit risk arising from the inability of parties to meet terms of the Fund's financial instrument contracts is generally limited to the amounts, if any, by which the counterparties' obligations exceed the obligations of the Fund to those parties.

It is the Fund's policy to enter into financial instruments with a number of creditworthy parties. The maximum exposure to credit risk is represented by the carrying amount of each financial asset. The Fund considers that its maximum exposure is reflected by the amount of loans issued *(Note 7)*, amount due from credit institutions *(Note 8)*, other financial assets, other assets *(Notes 9, 10)*, and cash and cash equivalents *(Note 11)*, net of allowances for impairment recognized at the reporting date. For the financial guarantee issued, the maximum credit risk exposure equals the nominal value of the guaranteed loan agreement as disclosed in "Liquidity risk" section of this note.

Concentration of credit risk may arise from exposure 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 by changes in economic or other conditions.

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in raising funds to meet commitments associated with its financial liabilities. Liquidity risk may arise as a result of inabilities to sell a financial asset quickly at cost close to its fair value.

Liquidity requirements are monitored on a regular basis and management of the Fund ensures that sufficient funds are available to meet any commitments as they arise.

The table below summarizes the maturity profile of the Fund's financial liabilities at 31 December 2023 and 2022 based on contractual undiscounted payments.

In millions of tenge	Less than 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 to 5 years	>5 years	Total
As at 31 December 2023						
Borrowings	**274**	**1,613**	**197,699**	**279,644**	**241,666**	**720,896**
Loans from the Government of the Republic of Kazakhstan	**13**	**24**	**45,501**	**279,850**	**2,702,651**	**3,028,039**
Financial guarantees*	**20,436**	**1,183**	**21,619**	**370,976**	**885,847**	**1,300,061**
Other liabilities	**123,475**	**46,195**	**16,200**	**–**	**–**	**185,870**
Total	**144,198**	**49,015**	**281,019**	**930,470**	**3,830,164**	**5,234,866**

In millions of tenge	Less than 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 to 5 years	>5 years	Total
As at 31 December 2022						
Borrowings	283	1,400	110,149	497,078	245,925	854,835
Loans from the Government of the Republic of Kazakhstan	–	24	40,738	252,451	2,371,786	2,664,999
Financial guarantees*	16,628	1,183	17,811	266,182	884,795	1,186,599
Other liabilities	1,249	13,054	121,897	–	–	136,200
Total	**18,160**	**15,661**	**290,595**	**1,015,711**	**3,502,506**	**4,842,633**

* *The Company includes financial guarantees to the maturity profile table. However, the cash outflow in relation to financial guarantees is subject to certain conditions. Financial guarantee is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because of specified debtor fails to make payment when due in accordance with the original or modified terms of debt instrument. In 2023 and 2022 there were no instances of financial guarantees execution.*

Currency risk

Except for current accounts with banks in foreign currency, the Fund attracts substantial amount of foreign currency denominated long-term loans and borrowings and thus exposed to currency risk.

The following table demonstrates the sensitivity to a reasonably possible change in the foreign currencies' exchange rate, with all other variables held constant, of the Fund's profit/(loss) before income tax (due to changes in the fair value of monetary assets and liabilities). The sensitivity of possible changes in exchange rate for other currencies are not considered due to insignificance to the separate financial results of the Fund's operations. There is no impact on the Fund's equity.

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Currency risk (continued)

In millions of tenge	Increase/ (decrease) in currency rate	Effect on (loss)/profit before income tax
2023		
US dollar	**14.15%**	**133,123**
	(14.15%)	**(133,123)**
Russian rouble	**28.54%**	**-**
	(28.54%)	**-**
2022		
US dollar	21%	61,682
	(21%)	(61,682)
Russian rouble	22%	(12,190)
	(22%)	12,190

Capital management

The primary objective of the Fund's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize value of parties concerned. The Fund manages its capital structure and makes adjustments to structure and volume in light of changes in economic conditions. To maintain optimal structure of the capital, the Fund may issue new shares or attract borrowings.

The Fund performs capital management through attracting financial resources at optimally advantageous conditions for further financing of its activity and to invest it for achieving strategic tasks assigned to the Fund. The process of capital management also includes regular monitoring of current conditions at the capital market, of cost of borrowed funds and risks related to the each class of capital.

The Fund has established the debt to equity ratio which should not exceed a ratio of 4:1. This coefficient was satisfied during the reporting period and as at the reporting date. According to the Fund's Policy of debt management the cost of borrowed funds include fair value of obligations incurred due to receiving loans, issuing securities, financial leases, acquisition or sale of derivative financial instruments and deferred payables for non-current financial assets in accordance with IFRS, and nominal amounts of guaranteed principal of liabilities due to legal entities.

Debt to equity ratio is presented as follows as of 31 December:

In millions of tenge	2023	2022
Borrowings	**469,997**	585,185
loans from the Government of the Republic of Kazakhstan	**872,846**	683,604
Total debt	**1,342,843**	1,268,789
Less:cash and cash equivalents	**(539,309)**	(621,278)
Total net debt	**803,534**	647,511
Equity	**6,803,992**	6,496,738
Debt to equity ratio	**0.20**	0.20

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 market prices in active markets (unadjusted) 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 in which inputs used which have a significant effect on the recorded fair value that is not based on observable market data.

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Fair value of financial instruments

The carrying value of the Funds's financial instruments as of 31 December 2023 and 2022 are reasonable approximation of their fair value, except for the financial instruments disclosed below:

	2023				
			Fair value by level of assessment		
In millions of tenge	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 *(Note 8)*	**1,033,546**	**1,005,776**	**–**	**1,005,776**	**–**
Loans with fixed interest rate *(Note 7)*	**1,764,426**	**1,651,085**	**–**	**1,553,400**	**97,685**
Financial liabilities					
Borrowings *(Note 13)*	**469,997**	**443,180**	**210,325**	**232,855**	**–**
Loans from the Government of the Republic of Kazakhstan *(Note 14)*	**872,846**	**631,071**	**–**	**631,071**	**–**
Financial guarantee liabilities *(Note 16)*	**84,559**	**93,073**	**–**	**93,073**	**–**
Other liabilities	**172,982**	**172,982**	**–**	**–**	**172,982**

There were no transfers between Level 1 and Level 2 during the reporting period, and no transfers into or out of Level 3 category.

	2022				
			Fair value by level of assessment		
In millions of tenge	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 *(Note 8)*	793,406	749,140	–	749,140	–
Loans with fixed interest rate *(Note 7)*	1,549,223	1,420,701	–	1,326,946	93,755
Notes of the National Bank of the Republic of Kazakhstan (*Note 10*)	20,313	20,313	20,313	–	–
Account receivable from sale of shares (*Note 10*)	164,685	163,218	–	–	163,218
Financial liabilities					
Borrowings *(Note 13)*	585,185	541,800	198,715	343,085	–
Loans from the Government of the Republic of Kazakhstan *(Note 14)*	683,604	509,900	–	509,900	–
Financial guarantee liabilities *(Note 16)*	80,419	161,003	–	161,003	–
Other liabilities	127,276	126,460	–	–	126,460

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Changes in liabilities arising from financing activities

	2023*					
In millions of tenge	1 January 2023	Cash flows	Foreign exchange movement	New liabilities	Other	31 December 2023
Other current liabilities	127,277	(114,167)	–	154,927	7,982	176,019
Dividends payable	–	(1,264,753)	–	1,264,753	–	–
Non-current loans from the Government of the Republic of Kazakhstan	385,840	–	–	–	9,471	395,311
Non-current borrowings	13,181	–	–	–	(1,446)	11,735
Current borrowings	84,206	(51,887)	(16,430)	–	1,086	16,975
Non-current bonds issued	351,946	–	(4,000)	–	(72,598)	275,348
Current bonds issued	129,200	(66,192)	630	–	75,000	138,638
Total liabilities from financing activities	**1,091,650**	**(1,496,999)**	**(19,800)**	**1,419,680**	**19,495**	**1,014,026**

	2022*					
In millions of tenge	1 January 2022	Cash flows	Foreign exchange movement	New liabilities	Other	31 December 2022
Other current liabilities	52,755	(129,805)	–	202,445	1,882	127,277
Dividends payable	–	(170,024)	–	170,024	–	–
Non-current loans from the Government of the Republic of Kazakhstan	378,248	(137)	–	–	7,729	385,840
Non-current borrowings	154,920	(85,347)	10,481	–	(66,873)	13,181
Current borrowings	19,888	–	–	–	64,318	84,206
Non-current bonds issued	463,704	–	15,186	–	(126,944)	351,946
Current bonds issued	–	–	–	–	129,200	129,200
Total liabilities from financing activities	1,069,515	(385,313)	25,667	372,469	9,312	1,091,650

* *Cash proceeds and repayments of certain borrowing obtained and and bonds issued by the Fund are included within cash flows from operating activities because these borrowings are part of the Fund's main activity of assets management.*

27. SEGMENT REPORTING

Operating segments at the consolidated level are determined based on the type of the produced goods and services provided in different markets. For management purposes, the Group has six reportable segments: oil-and-gas and petrochemical segment, mining, transportation, communication, energy, industrial. The Management Board is the Chief Operating Decision Maker (CODM) and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment disclosures are presented in *Note 39* to the consolidated financial statements for the year ended December 31, 2023 in accordance with IFRS 8.

28. FINANCIAL OBLIGATIONS AND CONTINGENT LIABILITIES

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, including opinions with respect to IFRS treatment of revenues, expenses and other items in the financial statements. The current regime of penalties and interest related to reported and discovered violations of Kazakhstan's tax laws are severe. Due to 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 31 December 2023.

As at 31 December 2023, Management believes that its interpretation of the relevant legislation is appropriate and that it is probable that the Fund's tax positions will be sustained, except as provided for or otherwise disclosed in these separate financial statements.

28. FINANCIAL OBLIGATIONS AND CONTINGENT LIABILITIES (continued)

Legal proceedings

The proceedings initiated against Mr. Stati and his related parties on the suit of the Fund due to the arrest of shares KMG Kashagan B.V. belonging to the Fund

On 14 September 2017, the pre-judgement attachment in respect of the Fund's rights on management of 50% KMG Kashagan B.V. in amount of 5.2 billion US dollars, shares was imposed with regard to the decision of Amsterdam Court (the "Pre-judgement Attachment").

The named Pre-judgement Attachment was imposed as part of the claim for recognition and enforcement of arbitral award in Netherlands on the matter of Anatolie Stati, Gabriel Stati, Ascom Group SA and Terra Raf Trans Trading Ltd, against the Republic of Kazakhstan issued in 2013 by the Arbitration Tribunal at the Arbitration Institute of the Stockholm Chamber of Commerce.

On 14 July 2020, the Court of Appeal of Amsterdam decided to recognise in the Netherlands an arbitral award rendered in 2013 against the Republic of Kazakhstan, while rejecting Stathi's claim to enforce the award against the Fund.

On 18 December 2020, the Supreme Court quashed the decision of the Amsterdam Court of Appeal from 7 May 2019 to uphold the arrest.

On June 14, 2022, the Court of Appeal of The Hague made a decision in respect of cancellation of arrest on KMG Kashagan B.V. shares owned by the Fund, imposed in September 2017. On August 8, Stati filed a cassation appeal against the decision of the Court of Appeal of The Hague dated June 14 this year.

On September 22, 2023 the Supreme Court of the Netherlands rejected the Stati's appeal against the decision of the Hague Court of Appeal dated June 14, 2022. The decision of the Supreme Court is final and cannot be appealed.

Main proceedings in the Stati claim filed on December 7, 2017, in which the Stati asks the court to recognize the Fund as part of the Republic of Kazakhstan and oblige the Fund to comply with the Arbitral Award

On 17 March 2021, a hearing in the main proceedings was held.

On 28 April 2021, the Court of Appeal granted the Fund's request to postpone this process until the decision of the Court of Appeal in The Hague to appeal the restriction on shares of KMG Kashagan B.V.

On November 2, 2022, the Fund filed an application to terminate the trial, in connection with the decision of the Court of Appeal of The Hague dated June 14, 2022, according to which the arrest of Kashagan shares owned by the Fund, imposed in September 2017, was lifted.

On February 8, 2023, the District Court of Amsterdam ruled that the claims of Anatole and Gabriel Stati and their companies ("Stati") against the Fund were inadmissible and, as a result, the proceedings were dismissed. Stati is currently appealing this decision.

Commitments on secondary use of anti-crisis funds

As at 31 December 2023 Fund's commitments included commitments to finance investment projects in the amount of 856 million tenge, including the following:

- Financing of the project "Creation of a special economic zone "Taraz Chemical Park" in the amount of 201 million tenge;
- Financing the acquisition of three leased aircraft by QAZAQ AIR JSC in the amount of 655 million tenge;

Other contingent liabilities

In 2022 Fund committed to finance the construction of the second tracks of the Dostyk-Moiynty railway section from the funds which will be received from National Fund. The amount of contingent liabilities as of December 31, 2023 is 206,295 million tenge (December 31, 2022: 380,004 million tenge).

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

29. SUBSEQUENT EVENTS

Share capital

On January 24, 2024, the Fund issued 100 shares at par value of 387,371,430 tenge and 1 share at par value of 57,672,000 tenge for the total amount of 38,795 million tenge, which were paid off by the Shareholder by means of 100% of interest in authorized capital of "GPC Investment" LLP and 50% of interest in authorized capital of "Soft Art" LLP. Further, the Fund transferred 100% of interest in "GPC Investment" LLP as a contribution to the authorized capital of Fund's subsidiary "National Company "QazaqGaz" JSC and 50% of interest in authorized capital of "Soft Art" LLP as a contribution to the authorized capital of Fund's subsidiary "Samruk-Kazyna Business Service" LLP.

Distributions to the Public Foundation "Qazaqstan halqyna"

During the period from January to March 2024, the Fund made payments to the Public Foundation "Qazaqstan halqyna" for a total amount of 45.964 million tenge.

Borrowings

In March 2024 the Fund issued bonds for the total amount of 15,000 million tenge on AIX Stock Exchange with a coupon rate calculated as the average of the base rates established by the National Bank of the Republic of Kazakhstan less a fixed margin of 1% and with a maturity of March 7 2025.

Dividends

On 19 April 2024, the Fund paid dividends to the Shareholder in the amount of 100,002 million tenge from retained earnings of 2022 in accordance to the Government Resolution dated 13 April 2024.

Floods in Kazakhstan

In March-April 2024, a complex flood situation developed in several regions of the country (North Kazakhstan, Atyrau, Aktobe, Akmola, Kostanay, West Kazakhstan and other regions). A state of emergency was introduced in several areas. A flood situation, as well as measures to minimize its consequences, may affect the activities of the Fund's subsidiaries and joint ventures. The overall effect of floods on the Fund cannot be assessed with reasonable certainty at this time.