

**“Sovereign Wealth Fund “Samruk-Kazyna” JSC**

Interim condensed consolidated financial statements  
(unaudited)

*As at September 30, 2019 and for the three and nine months then ended*

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**INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

<i>In millions of tenge</i>	Note	September 30, 2019 (unaudited)	December 31, 2018 (audited) (restated)*
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	12,901,466	12,677,362
Intangible assets	8	2,018,549	1,685,014
Exploration and evaluation assets		434,538	431,848
Investment property		18,777	42,388
Investments in joint ventures and associates	9	4,163,595	3,701,451
Loans issued and finance lease receivables		414,758	431,276
Amounts due from credit institutions	10	168,652	176,360
Deferred tax assets		138,028	131,192
Other non-current financial assets	11	342,642	291,374
Other non-current assets	12	762,436	627,917
		<b>21,363,441</b>	<b>20,196,182</b>
<b>Current assets</b>			
Inventories		723,903	611,859
VAT receivable		174,190	151,750
Income tax prepaid		54,317	68,857
Trade accounts receivable	13	787,986	747,873
Loans issued and finance lease receivables		148,851	201,656
Amounts due from credit institutions	10	773,982	623,612
Other current financial assets	11	67,654	57,257
Other current assets	13	465,140	417,362
Cash and cash equivalents	14	1,816,465	2,487,533
		<b>5,012,488</b>	<b>5,367,759</b>
Assets classified as held for sale or distribution to the Shareholder	6	168,856	182,410
<b>Total assets</b>		<b>26,544,785</b>	<b>25,746,351</b>

*The explanatory notes on pages 8 through 52 form  
an integral part of these interim condensed consolidated financial statements (unaudited).*

**INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)**

<i>In millions of tenge</i>	Note	September 30, 2019 (unaudited)	December 31, 2018 (audited) (restated)*
<b>Equity and liabilities</b>			
<b>Equity attributable to equity holder of the Parent</b>			
Share capital	15.1	5,158,915	5,133,766
Additional paid-in capital		17,303	17,303
Currency translation reserve		1,393,324	1,349,799
Revaluation reserve of investments at fair value through other comprehensive income		30,719	28,806
Hedging reserve		(46,078)	(67,163)
Other capital reserves		(16,930)	(16,807)
Retained earnings		5,991,099	5,100,419
		<b>12,528,352</b>	<b>11,546,123</b>
Non-controlling interest		1,595,101	1,407,212
<b>Total equity</b>		<b>14,123,453</b>	<b>12,953,335</b>
<b>Non-current liabilities</b>			
Borrowings	16	6,191,136	6,035,456
Loans from the Government of the Republic of Kazakhstan		652,997	630,433
Lease liabilities	18	376,404	130,640
Provisions		318,959	269,123
Deferred tax liabilities		1,068,347	934,960
Employee benefit liabilities		98,028	94,243
Obligations under oil supply agreements	17	461,863	1,153,761
Other non-current liabilities		123,464	118,675
		<b>9,291,198</b>	<b>9,367,291</b>
<b>Current liabilities</b>			
Borrowings	16	739,325	817,319
Loans from the Government of the Republic of Kazakhstan		10,967	22,973
Lease liabilities	18	88,498	25,853
Provisions		107,091	151,793
Employee benefit liabilities		6,961	7,267
Income tax payable		30,826	18,699
Trade and other payables		994,976	995,322
Obligations under oil supply agreements	17	376,429	527,402
Other current liabilities	19	686,555	764,021
		<b>3,041,628</b>	<b>3,330,649</b>
Liabilities associated with assets classified as held for sale or distribution to the Shareholder	6	88,506	95,076
<b>Total liabilities</b>		<b>12,421,332</b>	<b>12,793,016</b>
<b>Total equity and liabilities</b>		<b>26,544,785</b>	<b>25,746,351</b>

\* Certain numbers shown here do not correspond to the consolidated financial statements for the year ended December 31, 2018 and reflect adjustments made. refer to Note 2.

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



Chief accountant

  
Beibit Karymsakov

  
Almaz Abdrakhmanova

The explanatory notes on pages 8 through 52 form  
an integral part of these interim condensed consolidated financial statements (unaudited).

**INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

<i>In millions of tenge</i>	Note	For the three months ended September 30		For the nine months ended September 30	
		2019 (unaudited)	2018 (unaudited) (restated)*	2019 (unaudited)	2018 (unaudited) (restated)*
<b>Continuing operations</b>					
Revenue	20	2,740,557	2,703,762	7,754,771	7,461,627
Government grants		12,127	11,581	35,384	23,735
		<b>2,752,684</b>	<b>2,715,343</b>	<b>7,790,155</b>	<b>7,485,362</b>
Cost of sales	21	(2,036,731)	(2,003,407)	(5,840,900)	(5,695,921)
<b>Gross profit</b>		<b>715,953</b>	<b>711,936</b>	<b>1,949,255</b>	<b>1,789,441</b>
General and administrative expenses	22	(100,402)	(127,430)	(306,451)	(337,278)
Transportation and selling expenses	23	(189,418)	(191,477)	(578,912)	(521,468)
Impairment loss, net	24	(130,861)	5,243	(199,712)	(66,551)
Gain on disposal of subsidiaries		765	15,132	24,119	26,144
Gain on business combination	5	-	-	71,960	313,517
<b>Operating profit</b>		<b>296,037</b>	<b>413,404</b>	<b>960,259</b>	<b>1,203,805</b>
Finance costs	25	(150,809)	(124,257)	(423,670)	(500,267)
Finance income	26	42,882	38,182	126,856	174,067
Other non-operating loss		(26,503)	(5,098)	(39,551)	(15,751)
Other non-operating income		15,676	4,331	54,821	21,860
Share in profit of joint ventures and associates, net	27	206,747	211,819	703,137	570,694
Net foreign exchange gain/(loss)		10,266	29,688	(9,058)	87,243
<b>Profit before income tax</b>		<b>394,296</b>	<b>568,069</b>	<b>1,372,794</b>	<b>1,541,651</b>
Income tax expenses		(79,965)	(119,290)	(274,771)	(282,237)
<b>Net profit for the period from continuing operations</b>		<b>314,331</b>	<b>448,779</b>	<b>1,098,023</b>	<b>1,259,414</b>
<b>Discontinued operations</b>					
Loss from discontinued operations, net of income tax		-	-	-	(3,542)
<b>Net profit for the period</b>		<b>314,331</b>	<b>448,779</b>	<b>1,098,023</b>	<b>1,255,872</b>
<b>Net profit for the period attributable to:</b>					
Equity holder of the Parent		309,648	392,923	988,695	1,146,510
Non-controlling interest		4,683	55,856	109,328	109,362
		<b>314,331</b>	<b>448,779</b>	<b>1,098,023</b>	<b>1,255,872</b>

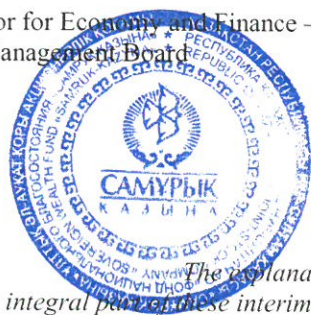
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an integral part of these interim condensed consolidated financial statements (unaudited).

**INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)**

	For the three months ended September 30		For the nine months ended September 30	
	2019 (unaudited)	2018 (unaudited) (restated)*	2019 (unaudited)	2018 (unaudited) (restated)*
<i>In millions of tenge</i>				
<b>Other comprehensive income, net of tax</b>				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>				
Exchange differences on translation of foreign operations	15.8	87,199	215,300	49,928
Unrealized gain from revaluation of investments at fair value through other comprehensive income		2,214	29	2,156
Gain/(loss) on cash flow hedge		880	(7,479)	(6,824)
Reclassification of losses on cash flow hedge to profit or loss		-	-	19,005
Reclassification to profit or loss of the revaluation reserve for the sale of financial assets at fair value through other comprehensive income		(668)	(139)	(556)
Reclassification to profit or loss of a foreign currency translation reserve upon the disposal of foreign subsidiaries		-	-	-
Share of the OCI items of associates and joint ventures		1,191	1,789	2,338
Tax effect on transactions of OCI components		(5,849)	-	(3,325)
<b>Other comprehensive income to be reclassified to profit or loss in subsequent periods</b>		<b>84,967</b>	<b>209,500</b>	<b>71,785</b>
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>				
Share of the OCI items of associates and joint ventures		(4)	(304)	186
Actuarial gain/(loss) on defined benefit plans		279	(607)	(1,853)
Tax effect on transactions of OCI components		-	104	-
<b>Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods</b>		<b>275</b>	<b>(807)</b>	<b>(1,667)</b>
<b>Other comprehensive income for the period, net of tax</b>		<b>85,242</b>	<b>208,693</b>	<b>70,118</b>
<b>Total comprehensive income for the period, net of tax</b>		<b>399,573</b>	<b>657,472</b>	<b>1,168,141</b>
<b>Total comprehensive income for the period, net of tax, attributable to:</b>				
Equity holder of the Parent		386,222	575,573	1,053,776
Non-controlling interest		13,351	81,899	114,365
		<b>399,573</b>	<b>657,472</b>	<b>1,168,141</b>

\* Certain numbers shown here do not correspond to the consolidated financial statements for the three and nine months ended September 30, 2018 and reflect adjustments made, refer to Note 2.

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



*Beibit Karymsakov*

Beibit Karymsakov

Chief accountant

*Almaz Abdurakhmanova*

Almaz Abdurakhmanova

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**INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Note	Attributable to the equity holder of the Parent							Total	Non-controlling interest	Total
		Share capital	Additional paid-in capital	Revaluation reserve of investments at fair value through other comprehensive income	Currency translation reserve	Hedging reserve	Other capital reserves	Retained earnings			
<b>Balance as at December 31, 2017 (audited) (restated)</b>		5,133,476	13,189	29,012	941,704	(54,666)	(16,742)	3,908,470	9,954,443	1,817,529	11,771,972
Total comprehensive income for the period		-	-	75	211,452	(7,883)	-	1,125,741	1,329,365	144,173	1,473,558
Issue of shares		-	-	-	-	-	-	-	-	563	563
Dividends		-	-	-	-	-	-	-	-	(22,687)	(22,687)
Other contributions of the Shareholder		-	3,979	-	-	-	-	-	3,979	-	3,979
Other distributions to the Shareholder		-	-	-	-	-	-	(47,797)	(47,797)	(643)	(48,440)
Other transactions with the Shareholder		-	-	-	-	-	-	(5,777)	(5,777)	-	(5,777)
Acquisition of subsidiaries		-	-	-	-	-	-	-	-	76,762	76,762
Change in ownership interests of subsidiaries – acquisition of non-controlling interest		-	-	-	1,196	-	-	104,665	105,861	(796,770)	(690,909)
Other equity movements		-	-	108	-	1	(1)	82	190	(368)	(178)
<b>Balance as at September 30, 2018 (unaudited) (restated)*</b>		5,133,476	17,168	29,195	1,154,352	(62,548)	(16,743)	5,085,384	11,340,284	1,218,559	12,558,843

The explanatory notes on pages 8 through 52 form an integral part of these interim condensed consolidated financial statements (unaudited).

**INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)**

In millions of tenge	Note	Attributable to the equity holder of the Parent							Total	Non-controlling interest	Total
		Share capital	Additional paid-in capital	Revaluation reserve of investments at fair value	through other comprehensive income	Currency translation reserve	Hedging reserve	Other capital reserves			
<b>Balance as at December 31, 2018 (audited) (restated)*</b>		5,133,766	17,303	28,806	1,349,799	(67,163)	(16,807)	5,100,419	1,407,212	12,953,335	
Effect of adoption of new standards	2	-	-	-	-	-	-	(10,476)	(6,231)	(16,707)	
<b>Balance as at December 31, 2018 (audited) (restated)*</b>		5,133,766	17,303	28,806	1,349,799	(67,163)	(16,807)	5,089,943	1,400,981	12,936,628	
Total comprehensive income for the period		-	-	1,726	43,245	21,307	-	987,498	114,365	1,168,141	
Issue of shares	15.1	25,149	-	-	-	-	-	-	1,908	27,057	
Dividends	15.2	-	-	-	-	-	-	-	(42,077)	(42,077)	
Discount on loans from the Government	15.3	-	-	-	-	-	-	(1,796)	-	(1,796)	
Other distributions to the Shareholder	15.4	-	-	-	-	-	-	(73,056)	-	(73,056)	
Other transactions with the Shareholder	15.5	-	-	-	-	-	-	(2,501)	-	(2,501)	
Transfer of assets to the Shareholder	15.6	-	-	-	-	-	166	(13,517)	-	(13,351)	
Acquisition of subsidiaries	5	-	-	-	-	-	-	-	85,804	85,804	
Change in ownership interests of subsidiaries – acquisition of non-controlling interest		-	-	-	-	-	(312)	(1,526)	(504)	(2,342)	
Change in ownership interests of subsidiaries – sale of non-controlling interest	15.7	-	-	(103)	58	-	-	6,351	36,972	43,278	
Other equity movements		-	-	290	222	(222)	23	(297)	(2,348)	(2,332)	
<b>Balance as at September 30, 2019 (unaudited)</b>		<b>5,158,915</b>	<b>17,303</b>	<b>30,719</b>	<b>1,393,324</b>	<b>(46,078)</b>	<b>(16,930)</b>	<b>5,991,099</b>	<b>1,595,101</b>	<b>14,123,453</b>	

\* Certain numbers shown here do not correspond to the consolidated financial statements for the three and nine months ended September 30, 2018 and to the consolidated financial statements for the year ended December 31, 2018 and reflect adjustments made, refer to Note 2.

Manager, Director for Economy and Finance –  
Member of the Management Board



Beibit Karymsakov



Almaz Abdrakhmanova



Interim condensed consolidated financial statements (unaudited)

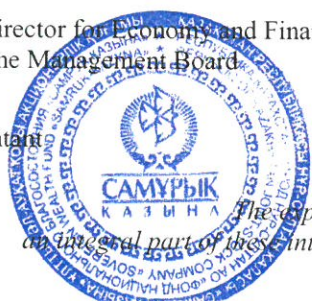


**INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**

<i>In millions of tenge</i>	Note	For the nine months ended September 30, 2019 (unaudited)	For the nine months ended September 30, 2018 (unaudited)
<b>Cash flows from operating activities</b>			
Receipts from customers		7,548,388	7,977,380
Payments to suppliers		(4,873,321)	(4,899,681)
Payments to employees		(745,006)	(695,739)
Other taxes and payments		(1,213,244)	(1,087,955)
Operations with financial instruments (the Fund and Kazpost JSC)		14,426	(58,018)
Other (payments)/receipts, net		(161,143)	(61,242)
VAT received		63,764	65,748
Income taxes paid		(162,537)	(123,291)
Interest paid		(305,280)	(413,269)
Interest received		123,635	134,860
<b>Net cash flows received from operating activities</b>		<b>289,682</b>	<b>838,793</b>
<b>Cash flows from investing activities</b>			
(Placement)/redemption of bank deposits, net		(155,715)	1,628,768
Acquisition of joint ventures and associates, net		(4,204)	(3,018)
Acquisition of subsidiaries, net of cash acquired with the subsidiary	5	(170,580)	2,921
Acquisition of property, plant and equipment and exploration and evaluation assets		(734,766)	(624,256)
Acquisition of intangible assets		(12,275)	(7,557)
Proceeds from sale of subsidiaries, net of cash of disposed subsidiaries		62,716	8,138
Proceeds of receivables from sale of BTA Bank JSC		30,318	-
Dividends received from joint ventures and associates	9	185,975	216,981
Loans issued		(8,693)	(29,761)
Repayment of loans issued		49,673	55,539
Purchase of debt instruments		(72,818)	(220,185)
Other receipts, net		64,373	21,721
<b>Net cash flows (used)/received from investing activities</b>		<b>(765,996)</b>	<b>1,049,291</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		1,180,644	1,601,867
Repayment of borrowings		(1,196,869)	(2,597,803)
Share buyback by subsidiary		(2,396)	(634,209)
Repayment of lease liabilities		(64,465)	(14,694)
Contributions to the share capital	15.1	25,000	-
Distributions to the Shareholder		(97,644)	(37,300)
Acquisition of non-controlling interest		-	(56,700)
Repayment of principal for acquisition of additional interest in the indivisible shares of the North-Caspian project		-	(185,570)
Dividends paid to non-controlling interest of subsidiaries		(36,723)	(22,136)
Other payments		(2,348)	(803)
<b>Net cash flows used in financing activities</b>		<b>(194,801)</b>	<b>(1,947,348)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(671,115)</b>	<b>(59,264)</b>
Effects of exchange rate changes on cash and cash equivalents		(4,464)	141,993
Changes in cash and cash equivalents disclosed as part of assets classified as held for sale		4,007	15,472
Change in allowance for expected credit losses		504	(738)
Cash and cash equivalents, at the beginning of the period	14	2,487,533	2,263,938
<b>Cash and cash equivalents, at the end of the period</b>	14	<b>1,816,465</b>	<b>2,361,401</b>

Managing Director for economy and Finance –  
Member of the Management Board

Chief accountant



*[Signature]*

Beibit Karymsakov

*[Signature]*

Almaz Abdrakhmanova

The explanatory notes on pages 8 through 52 form an integral part of these interim condensed consolidated financial statements (unaudited).

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

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### 1. GENERAL INFORMATION

#### Corporate information

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

During this process the Government’s overall objective was to increase management efficiency and to optimise organisational structures in these entities for them to successfully achieve their strategic objectives as set in the respective Government programs and development plans of these entities.

The Fund is a holding company combining state-owned enterprises listed in *Note 28* (the “Group”). Prior to February 1, 2012, the Fund’s activities were governed by the Law of the Republic of Kazakhstan *On National Welfare Fund* No. 134-4 dated February 13, 2009 and were aimed to assist in provision of stable development of the state economy, modernization and diversification of economy, and improvement of the Group companies’ efficiency. According to the Law of the Republic of Kazakhstan enacted on February 1, 2012 *On Sovereign Wealth Fund* No. 550-4, the Fund’s activity is focused on improving sovereign wealth of the Republic of Kazakhstan by increasing the long-term value of the Group companies and by effective management of the Group assets.

For management purposes, the Group is organized into organizational business units based on their products and services, and has 8 (eight) reportable operating segments as follows (*Note 32*):

- Oil and gas segment includes operations related to exploration and production of oil and gas, transportation of oil and gas and refining and trading of crude oil, gas and refined products;
- Transportation segment includes operations related to railway and air transportation of cargo and passengers;
- Communication segment includes operation of fixed line communication, including local, long-distance intercity and international telecommunication services (including CIS and non-CIS countries); and also renting out of lines, data transfer services and wireless communication services;
- Energy segment includes operations related to production and distribution of electricity, the function of oversight over the input of electricity into the energy system and consumption of imported electricity, the function of centralized operation and dispatch of facilities in the Unified Energy System of Kazakhstan;
- Mining segment includes exploration, mining, processing, sales of mineral resources and geological exploration;
- Industrial segment includes projects for the development of chemical industry;
- Corporate center segment covers Fund’s investing and financing activities, including provision of loans to related and third parties;
- Other segment includes operations related to assisting the Government in increasing housing availability by investing into residential development and other operations.

The address of the Fund’s registered office is 17/10 E10 str., Nur-Sultan, the Republic of Kazakhstan.

These interim condensed consolidated financial statements were authorised for issue by Managing Director for Economy and Finance – Member of the Management Board and Chief accountant of the Fund on November 29, 2019.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)

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### 2. BASIS OF PREPARATION

These interim condensed consolidated financial statements for the three and nine months ended September 30, 2019 were prepared in accordance with International Accounting Standard No. 34 *Interim Financial Statements* (IAS 34). These interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended December 31, 2018.

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

#### Restatements affecting comparative information

##### *National Atomic Company “Kazatomprom” JSC (“NAC KAP”)*

###### *Acquisition of Baiken-U LLP and increase of share in associate companies Khorasan-U LLP and Kyzylkum LLP*

In December 2018, the Group obtained control over Baiken-U LLP. As at December 31, 2018, the Group applied provisional amounts for the acquired assets and liabilities as the assessment of fair value for the business combination was not complete at the end of the reporting period. As at September 30, 2019 an independent professional appraiser finalised fair value assessment of acquired assets and liabilities and, as a result, comparative information as at December 31, 2018, was restated.

The Group maintained significant influence over Kyzylkum LLP and JV Khorasan-U LLP as at December 31, 2018 (*Note 5*) and Group concluded that no control was obtained over JV Khorasan-U LLP pending participants’ approval of changes in the charter of the investee that would enable the Group to exercise the majority of votes. As at December 31, 2018, the Group applied provisional amounts for the acquired investments in associates as the assessment of fair value for the business combination was not complete at the end of the reporting period.

As at September 30, 2019 an independent professional appraiser finalised fair value assessment of acquired shares in associate companies. Thus, as at December 31, 2018 the Group applied fair values for the acquired investments in associates as the assessment of fair value in these condensed interim consolidated financial statements (*Note 5*).

###### *Joint operations – JV Akbastau JSC and Karatau LLP*

In the 1st half of 2018 in connection with the reclassification of and accounting for JV Akbastau JSC and Karatau LLP as joint operations and pending completion of fair value assessments of acquired assets and liabilities by an independent professional appraiser under IFRS 3, the acquired assets and liabilities were recorded at provisional amounts. Following issuance of the valuation report by the independent appraiser at the end of 2018, comparative information in this condensed interim consolidated financial statements was restated using acquisition method under IFRS 3.

##### *Investments in Sekerbank TAS*

For the nine months ended September 30, 2019 Group reclassified investments in Sekerbank TAS from assets classified as held for sale to the investments in associates. The relevant amendments were made retrospectively.

##### *Bonds of Forte Bank JSC*

In September 2018 the Group acquired coupon bonds issued by Forte Bank JSC using the funds released from bank deposit, previously placed with Forte Bank JSC. As the discount on initial recognition of bonds and amortization of discount on deposit recognized due to early withdrawal were accounted for on a net basis, comparative data was adjusted in the consolidated statement of comprehensive income in these condensed interim consolidated financial statements.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited) (continued)**

**2. BASIS OF PREPARATION (continued)**

**Restatements affecting comparative information (continued)**

<i>In millions of tenge</i>	December 31, 2018 (audited)	NAC KAP	Investments in Sekerbank TAS	December 31, 2018 (restated)
<b>Assets</b>				
Property, plant and equipment	12,669,551	7,811	-	12,677,362
Intangible assets	1,611,163	73,851	-	1,685,014
Investments in joint ventures and associates	3,664,897	18,568	17,986	3,701,451
Inventories	611,094	765	-	611,859
Assets classified as held for sale or distribution to the Shareholder	200,396	-	(17,986)	182,410
<b>Total assets</b>	<b>25,645,356</b>	<b>100,995</b>	<b>-</b>	<b>25,746,351</b>
<b>Equity</b>				
Currency translation reserve	1,333,529	-	16,270	1,349,799
Retained earnings	5,078,098	38,591	(16,270)	5,099,496
Equity attributable to equity holder of the Parent	11,507,532	38,591	-	11,546,123
Non-controlling interest	1,364,353	42,859	-	1,407,212
<b>Total equity</b>	<b>12,871,885</b>	<b>81,450</b>	<b>-</b>	<b>12,953,335</b>
<b>Non-current liabilities</b>				
Deferred tax liabilities	915,415	19,545	-	934,960
<b>Total liabilities</b>	<b>12,773,471</b>	<b>19,545</b>	<b>-</b>	<b>12,793,016</b>
<b>Total equity and liabilities</b>	<b>25,645,356</b>	<b>100,995</b>	<b>-</b>	<b>25,746,351</b>

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited) (continued)**

**2. BASIS OF PREPARATION (continued)**

**Restatements affecting comparative information (continued)**

<i>In millions of tenge</i>	For the nine months ended September 30, 2018 (unaudited)	NAC KAP	Investments in Sekerbank TAS	Bonds of Forte Bank JSC	For the nine months ended September 30, 2018 (unaudited) (restated)
Cost of sales	(5,688,355)	(7,566)	-	-	(5,695,921)
<b>Gross profit</b>	<b>1,797,007</b>	<b>(7,566)</b>	<b>-</b>	<b>-</b>	<b>1,789,441</b>
Impairment loss, net	(76,471)	-	9,920	-	(66,551)
Gain on business combination	96,858	216,659	-	-	313,517
<b>Operating profit</b>	<b>984,792</b>	<b>209,093</b>	<b>9,920</b>	<b>-</b>	<b>1,203,805</b>
Finance costs	(546,288)	-	-	46,021	(500,267)
Finance income	220,088	-	-	(46,021)	174,067
Other non-operating income, net	6,205	(96)	-	-	6,109
Share in profit of joint ventures and associates, net	569,117	-	1,577	-	570,694
<b>Profit before income tax</b>	<b>1,321,157</b>	<b>208,997</b>	<b>11,497</b>	<b>-</b>	<b>1,541,651</b>
Income tax expenses	(284,025)	1,788	-	-	(282,237)
<b>Net profit for the period from continuing operations</b>	<b>1,037,132</b>	<b>210,785</b>	<b>11,497</b>	<b>-</b>	<b>1,259,414</b>
<b>Net profit for the period</b>	<b>1,033,590</b>	<b>210,785</b>	<b>11,497</b>	<b>-</b>	<b>1,255,872</b>
<b>Net profit for the period attributable to:</b>					
Equity holder of the Parent	923,634	211,379	11,497	-	1,146,510
Non-controlling interest	109,956	(594)	-	-	109,362
<b>Other comprehensive income, net of tax</b>					
Exchange differences on translation of foreign operations	234,216	-	(11,609)	-	222,607
Share of the OCI items of associates and joint ventures	2,226	-	112	-	2,338
<b>Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods</b>	<b>229,217</b>	<b>-</b>	<b>(11,497)</b>	<b>-</b>	<b>217,720</b>
<b>Other comprehensive income/(loss) for the period, net of tax</b>	<b>229,183</b>	<b>-</b>	<b>(11,497)</b>	<b>-</b>	<b>217,686</b>
<b>Total comprehensive income for the period, net of tax</b>	<b>1,262,773</b>	<b>210,785</b>	<b>-</b>	<b>-</b>	<b>1,473,558</b>
<b>Total comprehensive income for the period, net of tax, attributable to:</b>					
Equity holder of the Parent	1,118,006	211,379	-	-	1,329,385
Non-controlling interest	144,767	(594)	-	-	144,173

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited) (continued)**

**2. BASIS OF PREPARATION (continued)**

**Restatements affecting comparative information (continued)**

<i>In millions of tenge</i>	For the three months, ended September 30, 2018 (unaudited)	NAC KAP	Investments in Sekerbank TAS	Bonds of Forte Bank JSC	For the three months, ended September 30, 2018 (unaudited) (restated)
Cost of sales	(2,002,408)	(999)	-		(2,003,407)
<b>Gross profit</b>	<b>712,935</b>	<b>(999)</b>	<b>-</b>		<b>711,936</b>
Impairment loss, net	(79)	-	5,322		5,243
<b>Operating profit</b>	<b>409,081</b>	<b>(999)</b>	<b>5,322</b>		<b>413,404</b>
Finance costs	(170,278)	-	-	46,021	(124,257)
Finance income	84,203	-	-	(46,021)	38,182
Other non-operating loss, net	(702)	(65)	-	-	(767)
Share in profit of joint ventures and associates, net	211,341	-	478	-	211,819
<b>Profit before income tax</b>	<b>563,333</b>	<b>(1,064)</b>	<b>5,800</b>	<b>-</b>	<b>568,069</b>
<b>Net profit for the period from continuing operations</b>	<b>444,043</b>	<b>(1,064)</b>	<b>5,800</b>	<b>-</b>	<b>448,779</b>
<b>Net profit for the period</b>	<b>444,043</b>	<b>(1,064)</b>	<b>5,800</b>	<b>-</b>	<b>448,779</b>
<b>Net profit for the period attributable to:</b>					
Equity holder of the Parent	388,187	(1,064)	5,800	-	392,923
Non-controlling interest	55,856	-	-	-	55,856
<b>Other comprehensive income, net of tax</b>					
Exchange differences on translation of foreign operations	221,297	-	(5,997)	-	215,300
Share of the OCI items of associates and joint ventures	1,592	-	197	-	1,789
<b>Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods</b>	<b>215,300</b>	<b>-</b>	<b>(5,800)</b>	<b>-</b>	<b>209,500</b>
<b>Other comprehensive income/(loss) for the period, net of tax</b>	<b>214,493</b>	<b>-</b>	<b>(5,800)</b>	<b>-</b>	<b>208,693</b>
<b>Total comprehensive income for the period, net of tax</b>	<b>658,536</b>	<b>(1,064)</b>	<b>-</b>	<b>-</b>	<b>657,472</b>
<b>Total comprehensive income for the period, net of tax, attributable to:</b>					
Equity holder of the Parent	576,637	(1,064)	-	-	575,573
Non-controlling interest	81,899	-	-	-	81,899

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited) (continued)**

**2. BASIS OF PREPARATION (continued)**

**Foreign currency translation**

*Functional and presentation currency*

Items included in the financial statements of each of the Group’s entities included in these interim condensed consolidated financial statements for the three and nine months ended September 30, 2019 are measured using the currency of the primary economic environment in which the entities operate (“the functional currency”). The interim condensed consolidated financial statements are presented in tenge (“tenge”), which is the Group’s presentation currency.

*Transactions and balances*

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

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

*Group entities*

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

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

*Exchange rates*

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

The following table presents foreign currency exchange rate to tenge:

	<b>September 30, 2019</b>	<b>December 31, 2018</b>	<b>Weighted average for the nine months ended September 30, 2019</b>	<b>Weighted average for the nine months ended September 30, 2018</b>	<b>November 29, 2019</b>
United States dollar (“USD”)	<b>387.99</b>	384.20	<b>381.52</b>	326.53	<b>386.35</b>
Euro (“EUR”)	<b>423.72</b>	439.37	<b>428.67</b>	395.39	<b>425.14</b>
Russian ruble (“RUR”)	<b>5.98</b>	5.52	<b>5.87</b>	5.5	<b>6.03</b>

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)

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### 2. BASIS OF PREPARATION (continued)

#### New and amended standards and interpretations

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended December 31, 2018, except for the adoption of new standards and interpretations effective as of January 1, 2019. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- IFRIC Interpretation 23 *Uncertainty over Income Tax Treatment*;
- Amendments to IFRS 9: *Prepayment Features with Negative Compensation*;
- Amendments to IAS 19: *Plan Amendment, Curtailment or Settlement*;
- Amendments to IAS 28: *Long-term Interests in Associates and Joint Ventures*;
- Annual improvements 2015-2017 cycle:
  - IFRS 3 *Business Combinations*;
  - IFRS 11 *Joint Arrangements*;
  - IAS 12 *Income Taxes*;
  - IAS 23 *Borrowing Costs*.

All of these amendments had no impact on the interim consolidated financial statements of the Group.

#### *IFRS 16 Leases*

The Group applies, for the first time, IFRS 16 *Lease*. As required by IAS 34, the nature and effect of these changes are disclosed below.

IFRS 16 supersedes IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement Contains a Lease*, SIC-15 *Operating Leases – Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on-statement of financial position model.

Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have an impact for leases where the Group is the lessor.

The Group adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of January 1, 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (‘short-term leases’), and lease contracts for which the underlying asset is of low value (‘low-value assets’).



**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited) (continued)**

**2. BASIS OF PREPARATION (continued)**

**New and amended standards and interpretations (continued)**

*IFRS 16 Leases (continued)*

The effect of adoption IFRS 16 on interim condensed consolidated statement of financial position is as follows:

<i>In millions of tenge</i>	<b>As at January 1, 2019</b>
<b>Assets</b>	
Property, plant and equipment	212,337
Deferred tax assets	2,345
Other non-current assets	(2,374)
VAT receivable	144
Assets classified as held for sale or distribution to the Shareholder	208
<b>Total assets</b>	<b>212,660</b>
<b>Equity</b>	
Retained earnings	(10,476)
Non-controlling interest	(6,231)
	<b>(16,707)</b>
<b>Liabilities</b>	
Lease liabilities	229,567
Deferred tax liabilities	(633)
Trade and other payables	(123)
Provisions	348
Liabilities associated with assets classified as held for sale or distribution to the Shareholder	208
<b>Total equity and liabilities</b>	<b>212,660</b>

Nature of the effect of adoption of IFRS 16

The Group has lease contracts for various items of buildings and premises, plant, machinery, vehicles and other equipment. Before the adoption of IFRS 16, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. A lease was classified as a finance lease if it transferred substantially all of the risks and rewards incidental to ownership of the leased asset to the Group; otherwise it was classified as an operating lease. Finance leases were capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments were apportioned between interest (recognised as finance costs) and reduction of the lease liability. In an operating lease, the leased property was not capitalised and the lease payments were recognised as rent expense in profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognised under advances received, trade accounts payable and other payables, respectively.

Upon adoption of IFRS 16, the Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which has been applied by the Group.

- Leases previously classified as finance leases

The Group did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under IAS 17). The requirements of IFRS 16 was applied to these leases from January 1, 2019.

- Leases previously accounted for as operating leases

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related advances received and accrued lease payments previously recognised.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited) (continued)**

**2. BASIS OF PREPARATION (continued)**

**New and amended standards and interpretations (continued)**

*IFRS 16 Leases (continued)*

Nature of the effect of adoption of IFRS 16 (continued)

• Leases previously accounted for as operating leases (continued)

Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group also applied all available exemptions.

The lease liabilities as at January 1, 2019 can be reconciled to the operating lease commitments as of December 31, 2018 as follows:

*In millions of tenge*

<b>Operating lease commitments as at December 31, 2018</b>	<b>277,121</b>
Effect of discounting using incremental borrowing rate as at January 1, 2019	(63,368)
<b>Discounted operating lease commitments as at January 1, 2019</b>	<b>213,753</b>
Less commitments relating to short-term leases and low-value assets	(8,567)
Add commitments relating to leases previously classified as finance leases	156,493
Payments in periods provided by an extension option and not recognized as at December 31, 2018	24,381
<b>Lease liabilities as at January 1, 2019</b>	<b>386,060</b>

Impact of IFRS 16 adoption on interim condensed consolidated statement of cash flows

While in accordance with IAS 17, operating lease payments were presented as part of cash flows from operating activities, in accordance with IFRS 16, lease payments were split into interest payments and principal repayment. In accordance with the requirements of IFRS 16, the Group submitted repayment of principal in cash flows from financial activities. In accordance with the Group’s accounting policy, interest paid is classified as part of the cash flows from operating activities. Payments on short-term leases, leases of low value assets and variable rental payments not included in the valuation of the lease liability are presented as part of operating activities.

Summary of new accounting policies

Set out below are the new accounting policies of the Group upon adoption of IFRS 16, which have been applied from the date of initial application:

• Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

• Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)

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### 2. BASIS OF PREPARATION (continued)

#### New and amended standards and interpretations (continued)

##### *IFRS 16 Leases (continued)*

##### Summary of new accounting policies (continued)

- Lease liabilities (continued)

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

- Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of property, plant and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of assets that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

- Significant judgement in determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to extend. That is, it considers all relevant factors that create an economic incentive for it to exercise the extension. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

### 3. SEASONALITY OF OPERATIONS

The Group's operating expenses are subject to seasonal fluctuations, with higher expenses for various materials, production services, maintenance and other services usually expected in the second half of the year rather than in the first six months. These fluctuations are mainly due to requirements to conduct formal public tenders during the first six months with goods and services being purchased in the second six months of the year.

### 4. SIGNIFICANT ACCOUNTING ESTIMATES, AND JUDGEMENTS

The preparation of interim condensed consolidated financial statements required management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these interim condensed consolidated financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended December 31, 2018.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)

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### 5. BUSINESS COMBINATION

#### **Khan Tengri Holding B.V.**

On May 23, 2019, the Group concluded an agreement with Tele2 for the purchase of remaining 49% share of Khan Tengri Holding B.V. and 50.52% of the voting rights of all outstanding shares, and completed the acquisition on June 28, 2019.

The consideration transferred for 49% interest acquired by the Group was 181,535 million tenge, including cash paid in the amount of 101,118 million tenge and loan provided to Mobile Telecom Service LLP (“MTS”) in the amount of 80,417 million tenge for the purpose of consideration payment to the seller, Tele2.

On February 25, 2016, the Group provided a guarantee to associate organization Khan Tengri Holding B.V. under the credit facility from Development Bank of Kazakhstan JSC with a credit limit of up to 10,009 million tenge for the period until December 19, 2024. Guarantee issued in the amount of 937 million tenge was included into the consideration of business combination due to the acquisition of residual shares in associate of Khan Tengri Holding B.V.

In June 2019, the Group received approval from Committee on Regulation of Natural Monopolies and Protection of Competition under the Ministry of National Economy of the Republic of Kazakhstan of the terms of the trust management agreement that indicate that the Group has control over Khan Tengri Holding B.V.

The Group’s interest in Khan Tengri Holding B.V. was recorded in the interim condensed consolidated financial statements using the equity method till the date of control acquisition.

If the companies were consolidated at the beginning of the year, the Group’s revenues would be 339,260 million tenge, and profit before tax 78,743 million tenge.

The amount of goodwill equal to 100,398 million tenge and includes the cost of the expected synergistic effect from the acquisition. The entire amount of goodwill is allocated to the telecommunications segment. It is expected that recognized goodwill will not be deductible for the purposes of the taxation either in full or in part.

During nine months period ended September 30, 2019, the Group recognized income from re-measurement of previously held interest in the equity-accounted associate in the amount of 17,310 million tenge as a result of remeasuring its existing interest in the equity-accounted associate amount of 81,901 million tenge at the date of obtaining control to its acquisition-date fair value of 99,211 million tenge.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited) (continued)**

**5. BUSINESS COMBINATION (continued)**

**Khan Tengri Holding B.V. (continued)**

Provisional fair value amounts of identified assets, liabilities and contingent liabilities of Khan Tengri Holding B.V. as at the date of acquisition comprised the following:

<i>In millions of tenge</i>	<b>At acquisition date</b>
<b>Assets</b>	
<b>Non-current assets</b>	
Property, plant and equipment	126,230
Intangible assets	112,272
Deferred tax assets	14,945
Other non-current financial assets	78
Other non-current assets	2,060
<b>Current assets</b>	
Inventories	909
VAT receivable	1,160
Income tax prepaid	614
Trade accounts receivable	15,801
Other current assets	3,312
Cash and cash equivalents	5,392
<b>Total assets</b>	<b>282,773</b>
<b>Liabilities</b>	
<b>Non-current liabilities</b>	
Borrowings	7,551
Lease liabilities	21,530
Provisions	4,527
Deferred tax liabilities	24,004
<b>Current liabilities</b>	
Borrowings	2,705
Lease liabilities	5,383
Provisions	299
Income taxes payable	1,134
Trade and other payables	26,747
Other current liabilities	9,482
<b>Total liabilities</b>	<b>103,362</b>
<b>Net assets</b>	<b>179,411</b>
Consideration transferred for 49% interest	181,535
Acquisition-date fair value of initial 51% interest	99,211
	<b>280,746</b>
Acquisition-date fair values of identifiable net assets acquired	(179,411)
Guarantee issued to Mobile Telecom Service LLP	(937)
<b>Goodwill</b>	<b>100,398</b>
<b>Analysis of cash flows on acquisition</b>	
Net cash acquired with the subsidiary	5,392
Consideration transferred	(181,535)
<b>Net cash outflow</b>	<b>(176,143)</b>

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited) (continued)**

**5. BUSINESS COMBINATION (continued)**

**JV Khorasan-U LLP**

The Group has gained control over JV Khorasan-U LLP on February 20, 2019. The Group assessed the fair value of the identifiable assets acquired and the liabilities and contingent liabilities assumed in the acquisition of the entity under IFRS 3 *Business Combinations*. The valuation was performed by an independent appraiser.

The following table is the fair value of the assets acquired and liabilities as at the acquisition date:

<i>In millions of tenge</i>	<b>At acquisition date</b>
<b>Assets</b>	
<b>Non-current assets</b>	
Property, plant and equipment	22,808
Intangible assets	178,856
Other non-current financial assets	3,409
Other non-current assets	882
<b>Current assets</b>	
Inventories	8,873
VAT receivable	1,736
Trade accounts receivable	10,038
Other current assets	62
Cash and cash equivalents	5,563
<b>Total assets</b>	<b>232,227</b>
<b>Liabilities</b>	
<b>Non-current liabilities</b>	
Provisions	1,240
Deferred tax liabilities	36,873
<b>Current liabilities</b>	
Borrowings	17,441
Provisions	118
Trade and other payables	4,526
Other current liabilities	421
<b>Total liabilities</b>	<b>60,619</b>
<b>Net assets</b>	<b>171,608</b>
Less:	
Non-controlling interest	(85,804)
Carrying value of the investments in joint venture	(31,154)
<b>Gain on business combination</b>	<b>54,650</b>

Net result of business combinations recognised in the nine months ended September 30, 2019 comprises bargain purchase gain of 2,150 million tenge and excess of fair value of investment in the associate over its carrying value of 52,500 million tenge at the acquisition date.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited) (continued)**

**6. DISPOSALS AND ASSETS CLASSIFIED AS HELD FOR SALE OR DISTRIBUTION TO THE SHAREHOLDER**

**Disposals**

*KMG Retail LLP*

On February 8, 2019 the Company completed the sale of 100% interest in KMG Retail LLP, which was classified as a disposal group held for sale, for 60,512 million tenge.

At the date of loss of control net assets of KMG Retail LLP were as follows:

<i>In millions of tenge</i>	<b>Net assets at the date of disposal</b>
Property, plant and equipment	34,266
Intangible assets	42
Other non-current assets	6,556
Other current assets	138
Cash and cash equivalents	2,288
<b>Total assets</b>	<b>43,290</b>
Trade and other payables	203
Other current liabilities	56
<b>Total liabilities</b>	<b>259</b>
<b>Net assets</b>	<b>43,031</b>

The resulting gain on disposal of KMG Retail LLP amounted to 17,481 million tenge.

*Kazakhstan-British University JSC (KBTU)*

In January 2019, a sale agreement on 100% shares in KBTU between the National Company “KazMunayGas” JSC (“NC KMG”) and the Public Foundation “Nursultan Nazarbayev Education Fund” came into force. According to the terms of the agreement, the transfer of shares and payment of 11,370 million tenge for them are made in three tranches within two years. On February 6, 2019 KMG received a payment for the first 30% stake of 3,339 million tenge. KMG believes that it has lost control over KBTU due to transfer of 30% stake and the signing of the trust agreement for the remaining 70% stake.

At the date of loss of control net assets of KBTU were as follows:

<i>In millions of tenge</i>	<b>Net assets at the date of disposal</b>
Property, plant and equipment	6,367
Intangible assets	1,964
Amounts due from credit institutions	2,091
Deferred tax assets	98
Other non-current assets	37
Inventories	120
VAT receivable	77
Income tax prepaid	103
Trade accounts receivable	504
Other current assets	158
Cash and cash equivalents	4,732
<b>Total assets</b>	<b>16,251</b>
Trade and other payables	267
Other current liabilities	3,940
Other non-current liabilities	823
<b>Total liabilities</b>	<b>5,030</b>
<b>Net assets</b>	<b>11,221</b>

The resulting gain on disposal of KBTU net of loss of 143 million tenge incurred by KBTU for the period from January 1, 2019 till the date of sale amounted to 6 million tenge.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited) (continued)**

**6. DISPOSALS AND ASSETS CLASSIFIED AS HELD FOR SALE OR DISTRIBUTION TO THE SHAREHOLDER (continued)**

**Disposals (continued)**

*Management Company of Special Economic Zone Taraz assets of Chemical Park (“Chemical Park”)*

In April 2019 in accordance with the Resolution of the Government of Republic of Kazakhstan dated March 26, 2019 the Fund transferred 90% shares of Chemical Park with the net assets of 7,906 million tenge to the State property and privatization committee of the Ministry of finance of the Republic of Kazakhstan.

The resulting loss on disposal of Chemical Park net of operating loss of 103 million tenge incurred by Chemical Park for the period from January 1, 2019 till the date of sale amounted to 89 million tenge.

At the date of loss of control net assets of Chemical Park were as follows:

<i>In millions of tenge</i>	<b>Net assets at the date of disposal</b>
Property, plant and equipment	4,283
Intangible assets	5
Other non-current assets	1,878
Inventories	25
VAT receivable	265
Trade accounts receivable	19
Other current assets	12
Cash and cash equivalents	1,980
<b>Total assets</b>	<b>8,467</b>
Trade and other payables	132
Other current liabilities	429
<b>Total liabilities</b>	<b>561</b>
<b>Net assets</b>	<b>7,906</b>

*International Airport Aktobe JSC, Airport Pavlodar JSC and International Airport Atyrau JSC*

On September 10, 2019 in accordance with a decree of the Government of the Republic of Kazakhstan dated July 31, 2019, the Fund transferred controlling stakes of three airports, International Airport Aktobe JSC, Airport Pavlodar JSC and International Airport Atyrau JSC to the State property and privatization committee of the Ministry of finance of the Republic of Kazakhstan. The net assets of the airports amounted to 9,810 million tenge.



**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited) (continued)**

**6. DISPOSALS AND ASSETS CLASSIFIED AS HELD FOR SALE OR DISTRIBUTION TO THE SHAREHOLDER (continued)**

**Disposals (continued)**

*International Airport Aktobe JSC, Airport Pavlodar JSC and International Airport Atyrau JSC (continued)*

At the date of loss of control net assets of airports were as follows:

<i>In millions of tenge</i>	<b>Net assets at the date of disposal</b>		
	International Airport Aktobe JSC	Airport Pavlodar JSC	International Airport Atyrau JSC
Property, plant and equipment	4,895	1,091	3,550
Intangible assets	18	–	4
Inventories	301	26	221
VAT receivable	–	3	4
Income tax prepaid	–	3	2
Trade accounts receivable	90	15	26
Other non-current and current assets	36	6	19
Cash and cash equivalents	271	42	225
<b>Total assets</b>	<b>5,611</b>	<b>1,186</b>	<b>4,051</b>
Borrowings	–	–	81
Deferred tax liabilities	–	30	557
Trade and other payables	18	22	30
Other current and non-current liabilities	81	39	180
<b>Total liabilities</b>	<b>99</b>	<b>91</b>	<b>848</b>
<b>Net assets</b>	<b>5,512</b>	<b>1,095</b>	<b>3,203</b>

**Assets classified as held for sale or distribution to the Shareholder**

Assets classified as held for sale or distribution to the Shareholder comprised the following:

<i>In millions of tenge</i>	<b>Segment</b>	<b>September 30, 2019 (unaudited)</b>	<b>December 31, 2018 (audited) (restated)</b>
<b>Assets classified as held for sale, including:</b>			
Transtelecom JSC	Transportation	<b>133,242</b>	182,410
KMG Retail LLP	Oil and gas	<b>96,875</b>	96,283
Kazakh-British Technical University JSC	Oil and gas	–	43,632
Other		<b>–</b>	15,704
		<b>36,367</b>	26,791
<b>Assets classified as held for distribution to Shareholder, including:</b>			
MAEK-Kazatomprom LLP	Energy	<b>35,614</b>	–
		<b>35,614</b>	–
		<b>168,856</b>	182,410

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited) (continued)**

**6. DISPOSALS AND ASSETS CLASSIFIED AS HELD FOR SALE OR DISTRIBUTION TO THE SHAREHOLDER (continued)**

**Assets classified as held for sale or distribution to the Shareholder (continued)**

Liabilities associated with assets classified as held for sale or distribution to the Shareholder comprised the following:

<i>In millions of tenge</i>	<b>Segment</b>	<b>September 30, 2019 (unaudited)</b>	<b>December 31, 2018 (audited)</b>
<b>Liabilities associated with assets classified as held for sale, including:</b>			
		<b>78,261</b>	95,076
Transtelecom JSC	Transportation	<b>77,213</b>	81,992
KMG Retail LLP	Oil and gas	-	375
Kazakh-British Technical University JSC	Oil and gas	-	4,659
Other		<b>1,048</b>	8,050
<b>Liabilities associated with assets classified as held for distribution to the Shareholder, including:</b>			
MAEK-Kazatomprom LLP	Energy	<b>10,245</b>	-
		<b>10,245</b>	-
		<b>88,506</b>	95,076

In accordance with the planned activities for transfer of controlling interest in MAEK-Kazatomprom LLP within 12 months period to the State property and privatization committee of the Ministry of finance of the Republic of Kazakhstan, the Fund classified net assets of MAEK-Kazatomprom LLP in the amount of 25,369 million tenge as held for distribution to the Shareholder.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)**

**7. PROPERTY, PLANT AND EQUIPMENT**

Movements in property, plant and equipment are presented as follows:

<i>In millions of tenge</i>	Oil and gas assets	Pipelines and refinery assets	Buildings and premises	Railway tracks and infrastructure	Machinery, equipment and vehicles	Mining assets	Other	Construction in progress	Total
<b>Net book value at January 1, 2019 (audited) (restated)</b>	4,290,879	2,339,017	993,331	1,098,920	2,876,451	139,094	83,393	856,277	12,677,362
Effect of adoption of IFRS 16 (Note 2)	47,124	5,559	45,256	-	110,672	-	3,726	-	212,337
Foreign currency translation	37,491	5,357	1,420	61	4,256	-	244	319	49,148
Changes in estimates	18,126	2,489	25	-	(8)	1,283	-	-	21,915
Additions	48,840	1,139	16,727	107	49,925	19,794	4,290	358,533	499,355
Additions through lease agreements	3,916	90	3,096	-	102,228	-	841	-	110,171
Acquisition through business combinations (Note 5)	-	-	15,393	-	67,319	22,627	22,350	18,486	146,175
Disposals	(17,058)	(3,863)	(16,458)	(781)	(51,038)	-	(5,920)	(15,106)	(110,224)
Depreciation charge	(169,172)	(111,407)	(44,459)	(26,595)	(221,681)	(21,491)	(13,135)	-	(607,940)
Depreciation and impairment on disposals	9,405	3,735	9,067	329	28,024	-	5,158	735	56,453
Impairment, net of reversal of impairment	1,748	(86,429)	(5,262)	(197)	(31,932)	(966)	(384)	(7,478)	(130,900)
Discontinued operations / transfer from/(to) assets classified as held for sale or distribution to the Shareholder	8,552	(60)	(23,376)	-	(31,728)	(3,204)	(1,476)	(226)	(51,518)
Transfers from/(to) intangible assets, net	(201)	-	-	-	(3)	-	61	(5,866)	(6,009)
Transfers from/(to) exploration and evaluation assets/ investment property	1,950	-	15,068	-	146	6,284	2,354	1,028	26,830
Transfer from/(to) inventories, net	25	2,910	39	(410)	3,902	1,652	(1,637)	1,830	8,311
Other transfers and reclassifications	117,240	35,542	60,595	28,802	215,204	-	5,996	(463,379)	-
<b>Net book value at September 30, 2019 (unaudited)</b>	<b>4,398,865</b>	<b>2,194,079</b>	<b>1,070,462</b>	<b>1,100,236</b>	<b>3,121,737</b>	<b>165,073</b>	<b>105,861</b>	<b>745,153</b>	<b>12,901,466</b>
Historical cost	5,899,000	3,422,105	1,546,087	1,349,064	5,188,042	312,067	220,375	884,890	18,821,630
Accumulated depreciation and impairment	(1,500,135)	(1,228,026)	(475,625)	(248,828)	(2,066,305)	(146,994)	(114,514)	(139,737)	(5,920,164)
<b>Net book value at September 30, 2019 (unaudited)</b>	<b>4,398,865</b>	<b>2,194,079</b>	<b>1,070,462</b>	<b>1,100,236</b>	<b>3,121,737</b>	<b>165,073</b>	<b>105,861</b>	<b>745,153</b>	<b>12,901,466</b>

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)**

**7. PROPERTY, PLANT AND EQUIPMENT (continued)**

<i>In millions of tenge</i>	<b>Oil and gas assets</b>	<b>Pipelines and refinery assets</b>	<b>Buildings and premises</b>	<b>Railway tracks and infrastructure</b>	<b>Machinery, equipment and vehicles</b>	<b>Mining assets</b>	<b>Other</b>	<b>Construction in progress</b>	<b>Total</b>
<i>Including:</i>									
Historical cost of right-of-use assets under lease agreements	51,314	5,413	51,959	-	496,821	-	25,306	-	630,813
Accumulated depreciation and impairment of right-of-use assets under lease agreements	(4,531)	(1,413)	(6,618)	-	(172,016)	-	(2,030)	-	(186,608)
<b>Net book value at September 30, 2019 (unaudited)</b>	<b>46,783</b>	<b>4,000</b>	<b>45,341</b>	<b>-</b>	<b>324,805</b>	<b>-</b>	<b>23,276</b>	<b>-</b>	<b>444,205</b>

As at September 30, 2019 property, plant and equipment with net book value of 1,141,802 million tenge was pledged as collateral for some of the Group’s borrowings (December 31, 2018: 1,260,296 million tenge).

As at September 30, 2019 the cost of fully amortised property, plant and equipment of the Group was equal to 1,052,749 million tenge (December 31, 2018: 826,144 million tenge). For the nine months ended September 30, 2019 the Group accrued depreciation expenses for the right-of-use assets under lease agreements in the amount of 42,685 million tenge.

For the nine months ended September 30, 2019 the Group capitalized borrowing costs at an average interest rate of 5.3% in the amount of 13,970 million tenge (for the nine months ended September 30, 2018: at an average interest rate of 5.01% in the amount of 26,106 million tenge).

During the nine months ended September 30, 2019 the Group recorded total impairment loss attributable to property, plant and equipment of 130,900 million tenge mainly attributable to cash-generating units of KMG International N.V. (“KMGIT”), Drilling jackup rig “Satti” (“Satti rig”) and Batumi Oil Terminal (“BOT”) (Note 24).

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited) (continued)**

**8. INTANGIBLE ASSETS**

Movements in intangible assets are presented as follows:

<i>In millions of tenge</i>	Licenses	Subsurface use rights	Goodwill	Marketing related intangible assets	Software	Other	Total
<b>Net book value at January 1, 2019 (audited) (restated)</b>	625,667	703,161	205,912	33,364	45,528	71,382	1,685,014
Foreign currency translation	4,811	1,940	99	2,646	28	(891)	8,633
Additions	2,573	3,740	-	-	2,595	1,055	9,963
Acquisition through business combinations (Note 5)	108,506	178,856	100,398	-	1,890	1,876	391,526
Disposals	(2,393)	(39)	-	-	(3,819)	(1,425)	(7,676)
Amortization charge	(28,639)	(26,408)	-	-	(13,283)	(3,157)	(71,487)
Accumulated amortization on disposals	1,599	-	-	-	3,810	1,129	6,538
(Impairment)/reversal of impairment, net	-	(5,607)	-	(6,641)	(594)	445	(12,397)
Discontinued operations / transfer from/(to) assets classified as held for sale or distribution to the Shareholder, net	(3)	4	-	-	(271)	(18)	(288)
Transfers from/(to) property, plant and equipment, net	(36)	201	-	-	5,855	(11)	6,009
Transfers from exploration and evaluation assets/ investment property	-	2,704	-	-	-	-	2,704
Transfer from/(to) inventories, net	-	-	-	-	10	-	10
Other transfers	576	-	-	-	636	(1,212)	-
<b>Net book value at September 30, 2019 (unaudited)</b>	<b>712,661</b>	<b>858,552</b>	<b>306,409</b>	<b>29,369</b>	<b>42,385</b>	<b>69,173</b>	<b>2,018,549</b>
Historical cost	811,151	915,472	370,031	58,738	150,204	119,887	2,425,483
Accumulated amortization and impairment	(98,490)	(56,920)	(63,622)	(29,369)	(107,819)	(50,714)	(406,934)
<b>Net book value at September 30, 2019 (unaudited)</b>	<b>712,661</b>	<b>858,552</b>	<b>306,409</b>	<b>29,369</b>	<b>42,385</b>	<b>69,173</b>	<b>2,018,549</b>
<b>Including:</b>							
Historical cost of right-of-use assets under lease agreements	575	-	-	-	2,278	503	3,356
Accumulated depreciation and impairment of right-of-use assets under lease agreements	(53)	-	-	-	(626)	-	(679)
<b>Net book value at September 30, 2019 (unaudited)</b>	<b>522</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,652</b>	<b>503</b>	<b>2,677</b>

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)**

**9. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES**

Investments in joint ventures and associates comprised the following:

<i>In millions of tenge</i>	Main activity	Place of business	September 30, 2019 (unaudited)		December 31, 2018 (audited) (restated)	
			Carrying amount	Percentage ownership	Carrying amount	Percentage ownership
<b>Joint ventures</b>						
Tengizchevroil LLP	Oil and gas exploration and production	Kazakhstan	2,307,648	20.00%	1,970,533	20.00%
Mangistau Investments B.V.	Oil and gas exploration and production	Kazakhstan	174,286	50.00%	138,549	50.00%
Asian Gas Pipeline LLP	Transportation of natural gas	Kazakhstan	110,455	50.00%	-	50.00%
KazRosGas LLP	Processing and sale of natural gas and refined gas	Kazakhstan	86,717	50.00%	65,116	50.00%
Beineu-Shymkent Gas Pipeline LLP	Transportation of natural gas	Kazakhstan	84,061	50.00%	34,411	50.00%
Ural Group Limited BVI	Oil and gas exploration and production	Kazakhstan	66,879	50.00%	70,874	50.00%
AstanaGas KMG LLP	Gas pipeline construction	Kazakhstan	43,855	50.00%	43,883	50.00%
Forum Muider B. V.	Production and sale of coal	Kazakhstan	35,532	50.00%	37,008	50.00%
Other			189,054		208,277	
<b>Total joint ventures</b>			<b>3,098,487</b>		<b>2,568,651</b>	
<b>Associates</b>						
Kazzinc LLP	Mining and processing of metal ores, production of refined metals	Kazakhstan/ Kazakhstan/ Russia	457,136	29.82%	483,723	29.82%
Caspian Pipeline Consortium	Transportation of crude oil		346,252	20.75%	289,586	20.75%
PetroKazakhstan Inc. (“PKI”)	Exploration, production and processing of oil and gas	Kazakhstan	120,101	33.00%	116,577	33.00%
JV KATCO LLP	Exploration, production and processing of uranium	Kazakhstan	58,154	49.00%	49,704	49.00%
Sekerbank T.A.S. (Note 2)	Banking	Turkey	16,257	19.37%	17,986	19.37%
Khan Tengri Holding B.V. (Note 5)	Telecommunications	Kazakhstan	-	-	76,071	51.00%
Other			67,208		99,153	
<b>Total associates</b>			<b>1,065,108</b>		<b>1,132,800</b>	
			<b>4,163,595</b>		<b>3,701,451</b>	

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited) (continued)**

**9. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (continued)**

Movements in investments in joint ventures and associates are presented as follows:

*In millions of tenge*

<b>Balance as at January 1, 2019 (audited) (restated)</b>	3,701,451
Share in profit of joint ventures and associates, net (Note 27)	703,137
Dividends received	(185,975)
Change in dividends receivable	6,663
Acquisitions	948
Disposals (Note 5)	(113,055)
Reversal of impairment (Note 24)	3,063
Foreign currency translation	35,218
Contribution to share capital of subsidiary without change in ownership	3,256
Other comprehensive income, other than foreign currency translation	12,375
Discount on loans given	820
Adjustment of unrealized income	(4,306)
<b>Balance as at September 30, 2019 (unaudited)</b>	<b>4,163,595</b>

**10. AMOUNTS DUE FROM CREDIT INSTITUTIONS**

Amounts due from credit institutions comprised the following:

<i>In millions of tenge</i>	September 30, 2019 (unaudited)	December 31, 2018 (audited)
Bank deposits	823,365	655,787
Loans to credit institutions	125,840	150,785
Less: allowance for expected credit losses	(6,571)	(6,600)
<b>Amounts due from credit institutions, net</b>	<b>942,634</b>	<b>799,972</b>
Less: current portion	(773,982)	(623,612)
<b>Non-current portion</b>	<b>168,652</b>	<b>176,360</b>

<i>In millions of tenge</i>	September 30, 2019 (unaudited)	December 31, 2018 (audited)
Rating from A+(A1) to A-(A3)	357,115	444,431
Rating from BBB-(Baa3) to BB-(Ba3)	399,343	211,250
Rating from B+(B1) to B-(B3)	186,176	144,291
	<b>942,634</b>	<b>799,972</b>

<i>In millions of tenge</i>	September 30, 2019 (unaudited)	Weighted average interest rate	December 31, 2018 (audited)	Weighted average interest rate
Amounts due from credit institutions, denominated in US dollars	688,700	2,14%	541,913	2,44%
Amounts due from credit institutions, denominated in tenge	253,744	6,52%	255,151	4,85%
Amounts due from credit institutions, denominated in other currencies	190	4%	2,908	0,33%
	<b>942,634</b>		<b>799,972</b>	

As at September 30, 2019 amounts due from credit institutions included funds of 14,365 million tenge pledged as collateral for certain Group’s borrowings (December 31, 2018: 13,806 million tenge).

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited) (continued)**

**11. OTHER FINANCIAL ASSETS**

Other financial assets comprised the following:

<i>In millions of tenge</i>	<b>September 30, 2019 (unaudited)</b>	December 31, 2018 (audited)
<b>Financial assets at fair value through other comprehensive income, including</b>	<b>20,178</b>	14,532
Treasury bills of the Ministry of Finance of the Republic of Kazakhstan	11,229	11,905
Treasury notes of foreign governments	5,048	–
Bonds of Kazakhstani financial institutions	1,598	1,370
Corporate bonds	1,156	1,201
Notes of the National Bank of the Republic of Kazakhstan	1,084	–
Equity securities	63	56
<b>Financial assets at amortized cost, including</b>	<b>336,702</b>	281,693
Bonds of Kazakhstani financial institutions	248,859	197,179
Corporate bonds	100,104	93,186
Euro bonds of the Ministry of Finance of the Republic of Kazakhstan	1,719	–
Less: allowance for expected credit losses	(13,980)	(8,672)
<b>Financial assets at fair value through profit or loss, including</b>	<b>53,416</b>	52,406
Equity securities	26,189	23,451
Note receivable from shareholder of joint venture	13,505	16,599
Corporate bonds	7,685	6,812
Bonds of Kazakhstani financial institutions	3,350	694
Forward and futures contracts	1,811	3,129
Options	876	1,721
<b>Total financial assets</b>	<b>410,296</b>	348,631
Less: current portion	(67,654)	(57,257)
<b>Non-current portion</b>	<b>342,642</b>	291,374

As at September 30, 2019 and December 31, 2018 other financial assets by currency, except for derivatives, comprised:

<i>In millions of tenge</i>	<b>September 30, 2019 (unaudited)</b>	December 31, 2018 (audited)
Financial assets, denominated in tenge	351,605	327,122
Financial assets, denominated in US dollars	56,004	16,659
	<b>407,609</b>	343,781

**12. OTHER NON-CURRENT ASSETS**

Other non-current assets comprised the following:

<i>In millions of tenge</i>	<b>September 30, 2019 (unaudited)</b>	December 31, 2018 (audited)
Advances paid for non-current assets	424,402	278,365
Long-term VAT receivable	207,765	191,509
Restricted cash	100,788	105,747
Long-term receivables	23,523	38,171
Prepaid expenses	18,729	16,404
Long-term inventories	15,912	15,574
Other	55,257	49,909
Less: impairment allowance	(83,940)	(67,762)
	<b>762,436</b>	627,917



**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited) (continued)**

**13. TRADE ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS**

Trade accounts receivable comprised the following:

<i>In millions of tenge</i>	<b>September 30, 2019 (unaudited)</b>	December 31, 2018 (audited)
Trade accounts receivable	848,411	804,834
Less: allowance for expected credit losses	<b>(60,425)</b>	(56,961)
	<b>787,986</b>	747,873

Other current assets comprised the following:

<i>In millions of tenge</i>	<b>September 30, 2019 (unaudited)</b>	December 31, 2018 (audited)
Other accounts receivable	192,389	150,150
Advances paid and deferred expenses	180,360	152,970
Other prepaid taxes	82,417	70,802
Restricted cash	66,398	77,270
Dividends receivable	17,410	24,986
Amounts due from employees	5,131	5,105
Other	34,194	39,690
Less: impairment allowance	<b>(113,159)</b>	(103,611)
	<b>465,140</b>	417,362

As at September 30, 2019 the Group’s receivables of 78,169 million tenge were pledged under certain Group borrowings (December 31, 2018: 61,325 million tenge).

At at September 30, 2019 319 million tenge of the Group’s receivables were interest bearing (December 31, 2018: 9,814 million tenge). As at September 30, 2019 the weighted average interest rate was 11% (December 31, 2018: 11.72%).

**14. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents comprised the following:

<i>In millions of tenge</i>	<b>September 30, 2019 (unaudited)</b>	December 31, 2018 (audited)
Current accounts with banks – US dollars	956,384	998,733
Current accounts with banks – tenge	210,028	240,404
Current accounts with banks – other currency	28,247	21,232
Bank deposits – US dollars	256,466	853,482
Bank deposits – tenge	329,453	301,234
Bank deposits – other currency	3,970	3,779
Cash in transit	6,866	12,934
Cash on hand	12,701	10,431
Reverse repurchase agreements with contractual maturity of three months or less	12,557	46,011
Less: allowance for expected credit losses	<b>(207)</b>	(707)
	<b>1,816,465</b>	2,487,533

Short-term bank deposits are placed for varying periods of between 1 (one) day and 3 (three) months, depending on immediate cash needs of the Group. As at September 30, 2019 the weighted average interest rates for short-term bank deposits and current accounts were 5.28% and 0.6%, respectively (December 31, 2018: 4.0% and 0.6%, respectively).

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited) (continued)**

**15. EQUITY**

**15.1 Share capital**

<b>Payment for shares</b>	<b>Number of shares authorized and issued</b>	<b>Par value per share, in tenge</b>	<b>Share capital in millions of tenge</b>
<b>As at December 31, 2018 (audited)</b>	3,481,939,318		5,133,766
Cash contributions	2,500	10,000,000	25,000
Property contributions	14,951	10,000	149
<b>As at September 30, 2019 (unaudited)</b>	<b>3,481,956,769</b>		<b>5,158,915</b>

*Cash contributions*

On February 19 and August 28, 2019 the Shareholder made cash contribution to the Fund’s share capital of 15,000 million tenge and 10,000 million tenge, respectively. These amounts were aimed to finance projects implemented by United Chemical Company LLP (“UCC”) subsidiary of the Fund.

*Property contributions*

On June 28, 2019 the State property and privatization committee of the Ministry of finance of the Republic of Kazakhstan contributed property of 149 million tenge to the Fund’s share capital. This property was transferred to the charter capital of subsidiary National Company “Kazakhstan Temir Zholy” JSC (“NC KTZh”).

**15.2 Dividends**

*Dividends attributable to non-controlling interest*

During the nine months ended September 30, 2019, the Group declared dividends of 42,077 million tenge to the holders of non-controlling interest in NC KMG group, Kazakhtelecom JSC (“KTC”), NAC KAP and Kazakhstan Electricity Grid Operating Company JSC (“KEGOC”).

**15.3 Discount on loans from the Government**

On May 16, 2019 the Fund made partial early repayment of bonds in the amount of 4,525 million tenge issued in the framework of the eleventh issue of bonds of the Fund purchased by the National Bank using the funds of the National Fund. Due to the early redemption of obligations of the National Bank of the Republic of Kazakhstan, the Fund recognized the decrease in discount on loans from the Government of 1,796 million tenge in consolidated statement of changes in equity.

**15.4 Other distributions to the Shareholder**

*Social projects financing*

During the nine months ended September 30, 2019, in accordance with the Shareholder’s resolutions, the Fund recognized liabilities for financing of various social projects for total amount of 29,868 million tenge. These liabilities were recognized as other distributions to the Shareholder in the consolidated statement of changes in equity.

*Financing construction of social facilities*

During the nine months ended September 30, 2019, in accordance with the Shareholder’s resolution, the Fund recognized liabilities for future financing of the construction of Kazakh drama theatre in Nur-Sultan city of 26,498 million tenge. This financing was recognized as other distributions to the Shareholder in the consolidated statement of changes in equity.

During the nine months ended September 30, 2019, the Fund recognized liabilities for financing of restoration of damaged social facilities in Arys city of 7,000 million tenge. This financing was recognized as other distributions to the Shareholder in the consolidated statement of changes in equity.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)

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### 15. EQUITY (continued)

#### 15.4 Other distributions to the Shareholder (continued)

During the nine months ended September 30, 2019 the Fund recognized liabilities for financing the construction of social facilities located in the Turkestan city as part of the socio-economic development of the Turkestan region in the amount of 1,773 million tenge. This financing was recognized as other distributions to the Shareholder in the consolidated statement of changes in equity.

*Transfer of shares of “Management Company of Special Economic Zone Taraz assets of Chemical Park” JSC to the Shareholder (“Chemical Park”)*

In April 2019 in accordance with the Resolution of the Government of Republic of Kazakhstan dated March 26, 2019 the Group transferred 90% shares of Chemical Park with the net assets of 7,906 million tenge to the State property and privatization committee of the Ministry of finance of the Republic of Kazakhstan. This transaction was recognized as distribution to the Shareholder in consolidated statement of changes in equity (*Note 6*).

#### 15.5 Other transactions with the Shareholder

As part of the contract of sale of bonds of Baiterek National Managing Holding JSC, on January 17, 2019 the next tranche was issued in the amount of 5,751 million tenge. The maturity of bonds is up to 2026 with a coupon rate of 0.15%. Since the funds were provided for the purposes of housing construction and completion of construction of problem housing facilities of Nur-Sultan city within the framework of “Nurly Zher” state program, approved by the Resolution of the Government of the Republic of Kazakhstan on June 22, 2018, the difference between the nominal value and the fair value of 2,501 million tenge was recognized as Other transactions with the Shareholder in the consolidated statement of changes in equity.

#### 15.6 Transfer of assets to the Shareholder

*Transfer of shares of “Aktobe International Airport” JSC, “Pavlodar Airport” JSC and “Atyrau International Airport” JSC to the Shareholder*

On September 10, 2019 in accordance with the Resolution of the Government of Republic of Kazakhstan dated July 31, 2019 the Fund transferred controlling shares of three airports, Aktobe International Airport JSC, Pavlodar Airport JSC and Atyrau International Airport JSC, to the State property and privatization committee of the Ministry of Finance of the Republic of Kazakhstan with net assets of 9,810 million tenge.

*Transfer of the Almaty-1 and Almaty-2 railway stations to the Shareholder*

In July 2019 in accordance with the Minute of business trip of the Prime-Minister of Republic of Kazakhstan dated December 21, 2018 the Group transferred movable and immovable property of Almaty-1 and Almaty-2 railway stations of 3,541 million tenge to the communal property of Almaty municipality.

#### 15.7 Change in ownership interests of subsidiaries – sale of non-controlling interest

*NAC KAP*

As part of the Comprehensive Privatization Plan for 2016–2020, on September 26, 2019 the Fund additionally placed 3,8 % shares of NAC KAP on international stock exchanges of Nur-Sultan (AIX) and London (LSE) by accelerated collection of bids. The offer price was determined at 13 US dollars per GDR.

As a result of share issue, the Group received proceeds of 43,278 million tenge, net of transaction costs of 812 million tenge, non-controlling interest increased by 36,972 million tenge, and the difference of 6,351 million tenge was recognized as an increase in retained earnings.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited) (continued)**

**15. EQUITY (continued)**

**15.8 Currency translation reserve**

The currency translation reserve is used to record exchange differences arising from the translation of financial statements of the subsidiaries, whose functional currency is not tenge and whose financial statements are included in the consolidated financial statements. During the nine months ended September 30, 2019 foreign translation difference amounted to 84,462 million tenge.

Certain borrowings of the Group denominated in US dollars were designated as hedge instrument for the net investment in the foreign operations. As at September 30, 2019 unrealized foreign currency loss of 34,534 million tenge resulting from translation of these borrowings were transferred to currency translation reserve recognized in other comprehensive income.

**15.9 Book value per share**

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

<i>In millions of tenge</i>	<b>September 30, 2019 (unaudited)</b>	December 31, 2018 (audited) (restated)
<b>Total assets</b>	<b>26,544,785</b>	25,746,351
Less: intangible assets	<b>(2,018,549)</b>	(1,685,014)
Less: total liabilities	<b>(12,421,332)</b>	(12,793,016)
<b>Net assets for common shares</b>	<b>12,104,904</b>	11,268,321
Number of common shares	<b>3,481,956,769</b>	3,481,939,318
<b>Book value per common share, tenge</b>	<b>3,476</b>	3,236

*Earnings per share*

<i>In tenge</i>	<b>For the nine months ended September 30, 2019 (unaudited)</b>	For the nine months ended September 30, 2018 (unaudited) (restated)
Weighted average number of common shares for basic and diluted earnings per share	<b>3,481,945,830</b>	3,481,938,318
Basic and diluted share in net profit for the period per share	<b>315.35</b>	360.68
Basic and diluted share in net profit from continuing operations per share	<b>315.35</b>	361.70

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited) (continued)**

**16. BORROWINGS**

Borrowings, including interest payable, comprised the following:

<i>In millions of tenge</i>	<b>September 30, 2019 (unaudited)</b>	December 31, 2018 (audited)
Fixed interest rate borrowings	5,539,980	5,053,961
Floating interest rate borrowings	1,390,481	1,798,814
	<b>6,930,461</b>	6,852,775
Less: amounts due for settlement within 12 months	<b>(739,325)</b>	(817,319)
<b>Amounts due for settlement after 12 months</b>	<b>6,191,136</b>	6,035,456

<i>In millions of tenge</i>	<b>September 30, 2019 (unaudited)</b>	December 31, 2018 (audited)
US dollar-denominated borrowings	5,133,321	5,369,190
Tenge-denominated borrowings	1,438,532	1,116,301
Other currency-denominated borrowings	358,608	367,284
	<b>6,930,461</b>	6,852,775

Under the terms of some loan agreements, respective subsidiaries of the Group are obliged to comply with certain covenants. The Group reviews compliance with all the Group loan covenants at each reporting date.

Under the terms of some loan agreements, respective subsidiaries of the Group are obliged to comply with certain covenants. The Group reviews compliance with all the Group loan covenants at each reporting date.

As at December 31, 2018, the Group had breached one of the HSBC France financial covenants, as a result, classified non-current portion of the loan of 46,238 million tenge as current liability. On February 28, 2019 the Group received a waiver from HSBC France to reset covenant threshold as at December 31, 2018. As at December 31, 2018 the Group was in compliance with the reset covenant.

Accordingly, this event had not resulted in payment acceleration of HSBC France loan and had not impacted the Group’s obligations under its other borrowing arrangements. As a result, during the nine months ended September 30, 2019 the Group transferred the previously reclassified principal amount to the non-current portion.

As of September 30, 2019 the Group complied with all financial and non-financial covenants under other loan agreements.

Changes in borrowings are as follows:

<i>In millions of tenge</i>	
<b>Balance as at January 1, 2019 (audited)</b>	6,852,775
Additions	1,151,037
Interest accrued	293,549
Discount	(1,737)
Purchase of property plant and equipment financed by borrowings	9,056
Interest capitalized	13,970
Interest paid	(288,267)
Transfer to liabilities associated with assets classified as held for sale or distribution to the Shareholder	(5,056)
Repayment of principal	(1,185,723)
Amortization of discount	8,182
Business combination (Note 5)	26,245
Foreign currency translation	40,846
Other	15,584
<b>Balance as at September 30, 2019 (unaudited)</b>	<b>6,930,461</b>

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited) (continued)**

**16. BORROWINGS (continued)**

The carrying amount of borrowings by the Group subsidiaries is presented below:

<i>In millions of tenge</i>	<b>September 30, 2019 (unaudited)</b>	December 31, 2018 (audited)
NC KMG and its subsidiaries	3,921,857	4,149,123
NC KTZh and its subsidiaries	1,346,700	1,272,129
The Fund	543,328	535,712
UCC LLP and its subsidiaries	268,070	183,156
Kazakhtelecom and its subsidiaries	264,419	91,991
Samruk-Energy and its subsidiaries	217,842	248,069
NAC KAP and its subsidiaries	205,298	199,690
KEGOC and its subsidiaries	152,653	162,059
Other subsidiaries of the Fund	10,294	10,846
<b>Total borrowings</b>	<b>6,930,461</b>	<b>6,852,775</b>

**17. OBLIGATIONS UNDER OIL SUPPLY AGREEMENTS**

**NC KMG**

In 2016 the NC KMG Group entered into long-term crude oil and liquefied petroleum gas (“LPG”) supply agreement, which involved a prepayment. The total minimum delivery volume approximates 38 million tons of crude oil and 1 million tons of LPG in the period from the date of the contract to March 2021.

The agreement stipulates pricing calculation with reference to market quotes and prepayments are settled through physical deliveries of crude oil and LPG.

As at September 30, 2019, the NC KMG Group has partially settled the prepayments by oil supply in the total amount of 1,846 million US dollars (equivalent to 708,864 million tenge as at settlement date). Also the Group accrued interest in amount of 18,775 million tenge with interest rate of LIBOR + 1.85%.

As at September 30, 2019 the remaining delivery commitment of the Group under the oil supply agreement equals to 8.6 million tons of oil.

**KMG Kashagan B.V.**

During 2016, the KMG Kashagan B.V. entered into a long-term crude oil supply agreement. In accordance with the terms of the agreement, during the period from 2017 till 2025, KMG Kashagan B.V. will supply the minimum volume of oil of 18 million tons from the Kashagan field.

During the nine months ended September 30, 2019 KMG Kashagan B.V. has partially settled the prepayments by oil supply in the total amount of 345 million US dollars (equivalent to 125,981 million tenge as at settlement date).

The total amount of accrued interest for the nine months ended September 30, 2019 amounted to 69 million US dollars (equivalent to 26,456 million tenge).

Interest at LIBOR 1m rate plus 2.05% for the amount received of 1,950 million US dollars and LIBOR 1m rate plus 2.25% for the amount of 250 million US dollars is monthly accrued on balances of those prepayments.

Obligations under oil supply agreement is recognized as contract liability to customers in accordance with IFRS 15.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited) (continued)**

**18. LEASE LIABILITIES**

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments comprised the following:

<i>In millions of tenge</i>	<b>September 30, 2019 (unaudited)</b>	
	<b>Minimum lease payments</b>	<b>Present value of minimum lease payments</b>
Within one year	106,220	88,498
Two to five years inclusive	368,292	250,538
After five years	124,435	125,866
Less: amounts representing finance costs	(134,045)	-
<b>Present value of minimum lease payments</b>	<b>464,902</b>	<b>464,902</b>
Less: amounts due for settlement within 12 months	(106,220)	(88,498)
<b>Amounts due for settlement after 12 months</b>	<b>358,682</b>	<b>376,404</b>

<i>In millions of tenge</i>	<b>December 31, 2018 (audited)</b>	
	<b>Minimum lease payments</b>	<b>Present value of minimum lease payments</b>
Within one year	31,666	25,853
Two to five years inclusive	102,955	90,430
After five years	52,591	40,210
Less: amounts representing finance costs	(30,719)	-
<b>Present value of minimum lease payments</b>	<b>156,493</b>	<b>156,493</b>
Less: amounts due for settlement within 12 months	(31,666)	(25,853)
<b>Amounts due for settlement after 12 months</b>	<b>124,827</b>	<b>130,640</b>

As at September 30, 2019 interest calculation was based on effective interest rates ranging from 4.7% to 14.60% (December 31, 2018: from 2.0% to 14.60%).

Changes in lease liabilities are as follows:

<i>In millions of tenge</i>	
<b>January 1, 2019 (audited)</b>	156,493
Effect of adoption of IFRS 16 (Note 2)	229,567
Additions of leases	103,391
Interest accrued	20,750
Interest paid	(10,194)
Repayment of principal	(63,065)
Foreign currency translation	3,646
Transfer to liabilities associated with assets classified as held for sale or distribution to the Shareholder	(126)
Business combination (Note 5)	23,879
Other	561
<b>September 30, 2019 (unaudited)</b>	<b>464,902</b>

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited) (continued)**

**19. OTHER CURRENT LIABILITIES**

Other current liabilities comprised the following:

<i>In millions of tenge</i>	<b>September 30, 2019 (unaudited)</b>	December 31, 2018 (audited)
Contract liabilities to customers	190,936	211,703
Other taxes payable	142,610	147,787
Due to employees	99,956	111,930
Amounts due to customers	36,712	27,688
Obligations to the Shareholder on the financing of social projects	32,791	50,072
Advances received and deferred income	20,069	28,117
Dividends payable	8,119	4,030
Obligations under guarantee agreements	5,547	7,404
Non-financial liabilities on joint operations	-	16,995
Government grant liability	-	11,784
Other financial liabilities	96,908	94,517
Other non-financial liabilities	52,907	51,994
	<b>686,555</b>	<b>764,021</b>

**20. REVENUE**

<i>In millions of tenge</i>	<b>For the three months ended September 30</b>		<b>For the nine months ended September 30</b>	
	<b>2019 (unaudited)</b>	2018 (unaudited)	<b>2019 (unaudited)</b>	2018 (unaudited)
Sales of crude oil	916,332	985,285	2,647,508	2,799,161
Sales of oil refined products	688,529	735,693	1,960,493	1,981,894
Railway cargo transportation	265,119	219,007	713,523	627,213
Sales of gas products	188,023	209,997	632,886	562,147
Sales of refined gold	137,015	61,286	302,154	174,450
Telecommunication services	122,735	52,513	307,518	154,639
Oil and gas transportation fee	110,750	75,561	270,503	236,120
Air transportation	103,484	90,359	246,708	217,555
Sales of uranium products	79,303	131,698	237,163	259,345
Electricity complex	62,986	63,490	175,245	200,924
Electricity transmission services	53,144	32,533	161,825	105,223
Oil processing fees	47,877	41,775	143,913	128,237
Railway passenger transportation	24,063	25,699	64,806	64,098
Interest revenue	11,724	13,149	35,655	35,188
Postal services	11,009	10,693	32,612	30,448
Other revenue	92,386	103,611	270,609	271,895
Less: quality bank for crude oil	(4,309)	(4,607)	(12,653)	(12,162)
Less: indirect taxes and commercial discounts	(169,613)	(143,980)	(435,697)	(374,748)
	<b>2,740,557</b>	<b>2,703,762</b>	<b>7,754,771</b>	<b>7,461,627</b>



**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited) (continued)**

**21. COST OF SALES**

	For the three months ended September 30		For the nine months ended September 30	
	2019 (unaudited)	2018 (unaudited) (restated)	2019 (unaudited)	2018 (unaudited) (restated)
<i>In millions of tenge</i>				
Materials and supplies	1,160,953	1,270,348	3,361,281	3,607,560
Depreciation, depletion and amortization	215,561	167,874	607,700	493,294
Personnel costs, including social tax and contributions	214,305	195,707	623,606	581,356
Fuel and energy	98,207	86,139	284,456	247,699
Production services rendered	80,586	64,027	233,264	152,941
Repair and maintenance	58,983	58,200	161,962	132,802
Mineral extraction tax	32,432	35,322	100,482	112,554
Taxes other than social taxes and withdrawals	27,632	19,950	69,547	56,574
Interest expense	24,937	25,670	67,772	70,358
Rent	15,277	22,239	59,509	56,568
Transportation expenses	11,299	10,064	33,374	24,963
Other	96,559	47,867	237,947	159,252
	<b>2,036,731</b>	<b>2,003,407</b>	<b>5,840,900</b>	<b>5,695,921</b>

**22. GENERAL AND ADMINISTRATIVE EXPENSES**

	For the three months ended September 30		For the nine months ended September 30	
	2019 (unaudited)	2018 (unaudited)	2019 (unaudited)	2018 (unaudited)
<i>In millions of tenge</i>				
Personnel costs, including social tax and contributions	47,362	46,306	142,239	131,466
Depreciation and amortization	9,849	7,404	28,883	23,404
Consulting services	8,996	7,510	22,802	22,355
Taxes other than social taxes and withdrawals	5,562	10,293	18,907	28,436
Allowance for expected credit losses for trade receivable and other assets	3,132	1,749	14,808	8,286
Business trips	2,209	1,902	5,984	5,247
Sponsorship and charitable donations	2,194	4,349	7,520	5,938
Other services by third parties	1,583	2,327	3,925	5,086
Rent	1,201	2,989	3,952	8,192
Repair and maintenance	1,189	1,586	3,364	3,825
Transportation services	1,037	908	2,662	3,207
Utilities expenses and maintenance of buildings	981	952	2,994	2,752
Professional education and advanced trainings	743	719	1,825	2,059
Fines and penalties	603	24,209	3,404	25,028
Bank services	483	696	1,563	2,094
Other	13,278	13,531	41,619	59,903
	<b>100,402</b>	<b>127,430</b>	<b>306,451</b>	<b>337,278</b>

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited) (continued)**

**23. TRANSPORTATION AND SELLING EXPENSES**

	For the three months ended September 30		For the nine months ended September 30	
	2019 (unaudited)	2018 (unaudited)	2019 (unaudited)	2018 (unaudited)
<i>In millions of tenge</i>				
Transportation	99,216	89,880	310,044	255,344
Custom duties	35,392	36,465	102,344	95,085
Rent tax	34,622	44,116	103,591	111,464
Commission fees to agents and advertising	5,505	3,327	12,605	8,566
Personnel costs, including social tax and contributions	3,564	5,138	13,497	14,268
Depreciation and amortization	3,389	3,453	10,347	9,018
Other	7,730	9,098	26,484	27,723
	<b>189,418</b>	<b>191,477</b>	<b>578,912</b>	<b>521,468</b>

**24. IMPAIRMENT LOSS**

	For the three months ended September 30		For the nine months ended September 30	
	2019 (unaudited)	2018 (unaudited) (restated)	2019 (unaudited)	2018 (unaudited) (restated)
<i>In millions of tenge</i>				
Impairment of property, plant and equipment, intangible assets and exploration and evaluation assets	(124,492)	(2,433)	(164,871)	(44,628)
Impairment of assets held for sale	(2,964)	(10,178)	(8,490)	(25,246)
Impairment of other financial assets	(2,665)	(5,734)	(11,306)	(10,767)
Impairment/(reversal of impairment ) of VAT receivable	(952)	1,715	(13,478)	403
Reversal of impairment of loans issued	2,299	1,685	8,210	3,048
Reversal of impairment of investments in joint ventures and associates (Note 9)	1,843	5,322	3,063	9,920
(Reversal of impairment)/Impairment of amounts in credit institutions	348	11,624	(3,306)	9,456
Other	(4,278)	3,242	(9,534)	(8,737)
	<b>(130,861)</b>	<b>5,243</b>	<b>(199,712)</b>	<b>(66,551)</b>

For the nine months ended September 30, 2019 the Group recognized impairment loss of property, plant and equipment, exploration and evaluation assets and intangible assets of 164,871 million tenge, which mainly relates to cash generating units of KMGI, Satti rig and BNT.

The Group considers a number of factors when reviewing for indicators of impairment. As at September 30, 2019 several factors, such as deterioration of financial results, non-fulfillment of budgets and changes in business plans for asset of several cash generating units (“CGUs”) were changed that could indicate a potential impairment.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited) (continued)**

**24. IMPAIRMENT LOSS (continued)**

The management performed an impairment test as at September 30, 2019 and 2018 for the following CGUs that had prevailing impairment indicators:

<i>In millions of tenge</i>	For the three months ended September 30,		For the nine months ended September 30,	
	2019 (unaudited)	2018 (unaudited)	2019 (unaudited)	2018 (unaudited)
CGUs of KMGI	93,587	-	93,587	-
"Satti rig	24,505	-	24,505	-
CGU BNT	6,478	-	12,583	3,743
Satpayev project	-	-	-	34,793
Brownfields at «KazMunaiGaz «Exploration and Production» JSC ("KMG EP")	-	-	18,888	-
Other	(78)	2,433	15,308	6,092
	<b>124,492</b>	<b>2,433</b>	<b>164,871</b>	<b>44,628</b>

*CGUs of KMGI*

Based on the results of analysis performed, KMGI recognized impairment loss of property, plant and equipment and intangible assets of 86,946 million tenge and 6,641 million tenge, respectively.

As of September 30, 2019 KMGI performed impairment tests of Petrochemical, Bulgaria, Refining and Other CGUs using the value-in-use method to determine recoverable value. As a result, recoverable values of CGUs exceeded their respective carrying values, except for Refining CGU. For the purposes of impairment test, KMGI updated projected cash flows to reflect the decrease in forecasted refinery margins and change in post-tax discount rate of 9.6% (2018: 9.7%). The capitalization rate used for residual values is 7.7% (2018: 7.8%). All other assumptions remained consistent with those disclosed in the audited consolidated financial statements of the Group for the year ended December 31, 2018.

*Satti rig*

The recoverable amount of Satti rig was determined on the basis of value-in-use method. Value-in-use was assessed as the present value of the future cash flows expected to be derived from the rig. The forecasted cash flows are based on financial budget approved by the Group management for the period of 2020-2024, and on estimated forecasts for the period of the useful life of the rig till 2041 extrapolated by inflation rates, at the discount rate of 12.5%. As a result of this analysis, management recognised an impairment loss of 24,505 million tenge.

*CGU BNT*

For the nine months ended September 30, 2019 the Group recognized an impairment loss of 12,583 million tenge, which is mainly attributable to CGU BNT.

*Satpayev project*

As at September 30, 2018, the Group recognized impairment loss for exploration and evaluation assets related to the Satpayev project of 34,793 million tenge. The impairment occurred due to the withdrawal from project and ongoing return of contract territory to the Government of the Republic of Kazakhstan by the Group and its partner, ONGC Videsh.

*Brownfields at KMG EP*

For nine months ended September 30, 2019, the Group wrote-off exploration and evaluation assets for the projects of KMG EP, whose subsoil use contracts were terminated and contract territories returned to the Government of the Republic of Kazakhstan.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited) (continued)**

**25. FINANCE COSTS**

	For the three months ended September 30		For the nine months ended September 30	
	2019 (unaudited)	2018 (unaudited) (restated)	2019 (unaudited)	2018 (unaudited) (restated)
<i>In millions of tenge</i>				
Interest on loans and debt securities issued	97,649	90,180	281,073	292,757
Interest under oil supply agreement (Note 17)	11,774	16,754	45,231	43,824
Interest on lease liabilities	7,587	2,519	20,208	5,559
Unwinding of discount on provisions and other payables	5,027	4,588	14,750	13,012
Finance costs on recognition of financial guarantees	3,857	–	15,019	6,451
Interest for the early redemption of bonds	846	–	3,162	89,612
Discount on financial assets at rates below market	369	1,339	2,396	4,297
Interest on payable for the acquisition of additional interest in North Caspian Project	–	1,673	–	8,448
Other	23,700	7,204	41,831	36,307
	<b>150,809</b>	<b>124,257</b>	<b>423,670</b>	<b>500,267</b>

**26. FINANCE INCOME**

	For the three months ended September 30		For the nine months ended September 30	
	2019 (unaudited)	2018 (unaudited) (restated)	2019 (unaudited)	2018 (unaudited) (restated)
<i>In millions of tenge</i>				
Interest income on amounts due from credit institutions and cash and cash equivalents	19,310	19,377	58,230	67,354
Guarantee income	12,153	561	28,244	4,044
Income from loans and financial assets	9,300	12,338	28,072	34,636
Unwinding of discount on long-term receivables	335	2,812	3,762	5,046
Write-off of loan	–	677	546	52,480
Other	1,784	2,417	8,002	10,507
	<b>42,882</b>	<b>38,182</b>	<b>126,856</b>	<b>174,067</b>

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited) (continued)**

**27. SHARE IN PROFIT OF JOINT VENTURES AND ASSOCIATES, NET**

<i>In millions of tenge</i>	For the three months ended September 30		For the nine months ended September 30	
	2019 (unaudited)	2018 (unaudited) (restated)	2019 (unaudited)	2018 (unaudited) (restated)
Tengizchevroil LLP	88,762	118,769	312,380	338,574
Asian Gas Pipeline LLP	42,937	–	110,455	–
Caspian Pipeline Consortium	19,536	12,384	52,932	36,871
Mangistau Investments B.V.	18,837	25,361	65,079	72,878
Kazzinc LLP	16,672	13,837	43,102	39,464
KazRosGas LLP	10,462	6,127	21,704	5,724
Beineu-Shymkent Pipeline LLP	4,648	(4,819)	38,488	6,744
Forum Muider B. V.	3,437	3,781	9,792	10,514
JV Kazgermunai LLP	2,520	10,352	14,383	21,788
JV KATCO LLP	2,183	4,316	8,450	7,995
Kazakhoil Aktobe LLP	654	1,777	5,562	6,009
Valsera Holdings B.V.	(7,851)	(3,861)	(11,239)	(10,163)
Ural Group Limited BVI	(1,846)	(1,584)	(5,511)	(12,020)
Teniz Service LLP	(628)	–	7,942	–
Sekerbank T.A.S.	(180)	478	(3,851)	1,577
Khan Tengri Holding B.V.	–	1,875	5,831	4,082
Other	6,604	23,026	27,638	40,657
	<b>206,747</b>	<b>211,819</b>	<b>703,137</b>	<b>570,694</b>

**28. CONSOLIDATION**

Subsidiaries included in the interim condensed consolidated financial statements are presented as follows:

	Ownership percentage	
	September 30, 2019 (unaudited)	December 31, 2018 (audited)
1 National Company “KazMunayGas” JSC (“NC KMG”) and subsidiaries	90.42%	90.42%
2 KMG Kashagan B.V.	100.00%	100.00%
3 National Company “Kazakhstan Temir Zholy” JSC (“NC KTZh”) and subsidiaries	100.00%	100.00%
4 National Atomic Company “Kazatomprom” JSC (“NAC KAP”) and subsidiaries	81.28%	85.00%
5 Samruk-Energy JSC (“Samruk-Energy”) and subsidiaries	100.00%	100.00%
6 Kazakhstan Electricity Grid Operating Company JSC (“KEGOC”) and subsidiaries	90.00%+1	90.00%+1
7 Kazpost JSC and subsidiaries	100.00%	100.00%
8 Kazakhtelecom JSC (“KTC”) and subsidiaries	52.03%	52.03%
9 Air Astana JSC (“Air Astana”)	51.00%	51.00%
10 Samruk-Kazyna Construction JSC and subsidiaries	100.00%	100.00%
11 National Mining Company “Tau-Ken Samruk” and subsidiaries	100.00%	100.00%
12 United Chemical Company LLP (“UCC”) and subsidiaries	100.00%	100.00%
13 Samruk-Kazyna Invest LLP and subsidiaries	100.00%	100.00%
14 Samruk-Kazyna Contract LLP	100.00%	100.00%
15 KOREM JSC	100.00%	100.00%
16 International Airport Atyrau JSC	0.00%	100.00%
17 International Airport Aktobe JSC	0.00%	100.00%
18 Airport Pavlodar JSC	0.00%	100.00%
19 SK Business Service LLP and subsidiaries	100.00%	100.00%
20 Qazaq Air JSC and subsidiaries	100.00%	100.00%
21 Kazakhstan nuclear electric plants JSC	100.00%	100.00%
22 MAEK-Kazatomprom LLP	100.00%	100.00%

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited) (continued)**

**29. RELATED PARTY DISCLOSURES**

In accordance with IAS 24 *Related Party Disclosures*, parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

Related parties include key management personnel of the Group, enterprises in which a substantial interest in the voting power is owned, directly or indirectly, by the Group’s key management personnel and other entities controlled by the Government. Related party transactions were made on terms agreed to between the parties that may not necessarily be at market rates, except for certain regulated services, which are provided based on the tariffs available to related and third parties.

The following table provides the total amount of transactions, which have been entered into with related parties during the nine months ended September 30, 2019 and 2018 and the related balances as at September 30, 2019, and December 31, 2018, respectively:

<i>In millions of tenge</i>		Associates	Joint ventures where the Group is a venturer	Other state- controlled entities
Due from related parties	<b>September 30, 2019</b>	<b>4,436</b>	<b>44,598</b>	<b>16,522</b>
	December 31, 2018	20,592	36,243	22,794
Due to related parties	<b>September 30, 2019</b>	<b>51,303</b>	<b>140,386</b>	<b>13,777</b>
	December 31, 2018	40,171	133,759	11,822
Sale of goods and services	<b>September 30, 2019</b>	<b>86,226</b>	<b>277,905</b>	<b>352,341</b>
	September 30, 2018	59,039	238,416	212,805
Purchase of goods and services	<b>September 30, 2019</b>	<b>134,458</b>	<b>1,121,436</b>	<b>11,157</b>
	September 30, 2018	110,185	1,107,584	10,294
Other income/(loss)	<b>September 30, 2019</b>	<b>(1,821)</b>	<b>3,010</b>	<b>3,508</b>
	September 30, 2018	16,603	33,153	(27,987)
Cash and cash equivalents, and amounts due from credit institutions	<b>September 30, 2019</b>	-	-	<b>310,814</b>
	December 31, 2018	-	-	178,664
Loans issued	<b>September 30, 2019</b>	<b>87,585</b>	<b>399,188</b>	<b>5,501</b>
	December 31, 2018	139,749	400,254	5,203
Borrowings	<b>September 30, 2019</b>	<b>1,523</b>	-	<b>1,067,933</b>
	December 31, 2018	1,521	5	1,276,181
Other assets	<b>September 30, 2019</b>	<b>10,799</b>	<b>86,513</b>	<b>113,066</b>
	December 31, 2018	46,305	77,489	113,246
Other liabilities	<b>September 30, 2019</b>	<b>12,579</b>	<b>51,579</b>	<b>88,048</b>
	December 31, 2018	14,990	45,231	65,463
Interest accrued due from related parties	<b>September 30, 2019</b>	<b>7,712</b>	<b>21,867</b>	<b>7,704</b>
	September 30, 2018	8,962	23,709	27,311
Interest accrued due to related parties	<b>September 30, 2019</b>	-	<b>5,935</b>	<b>72,022</b>
	September 30, 2018	-	3,114	77,128

As at September 30, 2019 some of the Group’s borrowings in the amount of 56,175 million tenge were guaranteed by the Government of the Republic of Kazakhstan (as at December 31, 2018: 65,423 million tenge).

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited) (continued)**

**29. RELATED PARTY DISCLOSURES (continued)**

As at September 30, 2019 an increase in cash and cash equivalents, and amounts due from credit institutions with related parties is attributable to the short-term deposit the Group placed of 500 million US dollars (equivalent to 194,296 million tenge as at reporting date) at market rate.

For the nine months ended September 30, 2019 the total compensation to key management personnel included in personnel costs in the accompanying interim consolidated statement of comprehensive income was equal to 4,804 million tenge (for the nine months ended September 30, 2018: 4,148 million tenge). Compensation to key management personnel consists primarily of contractual salary and performance bonus based on operating results.

**30. FAIR VALUE OF FINANCIAL INSTRUMENTS**

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The carrying amount of the financial instruments of the Group as at September 30, 2019 and December 31, 2018 is a reasonable estimate of their fair value for the following financial instruments:

<i>In millions of tenge</i>	Level 1	Level 2	Level 3	September 30, 2019 (unaudited)
<b>Financial instruments category</b>				
<b>Assets</b>				
Financial assets at fair value through other comprehensive income	3,704	11,364	5,110	20,178
Financial assets at fair value through profit or loss	4,154	24,600	21,975	50,729
Derivative financial assets	–	1,811	876	2,687
<hr/>				
<i>In millions of tenge</i>	Level 1	Level 2	Level 3	December 31, 2018 (audited)
<b>Financial instruments category</b>				
<b>Assets</b>				
Financial assets at fair value through other comprehensive income	3,626	10,851	55	14,532
Financial assets at fair value through profit or loss	–	24,165	23,391	47,556
Derivative financial assets	–	3,129	1,721	4,850

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited) (continued)**

**30. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)**

As at September 30, 2019 and December 31, 2018 the carrying amount of the Group’s financial instruments approximates their fair value except for the following financial instruments:

<i>In millions of tenge</i>	September 30, 2019 (unaudited)				
	Carrying amount	Fair value	Fair value by level of assessment		
			Quotations in an active market (Level 1)	From the observed market (Level 2)	Based on the significant amount of unobserved (Level 3)
<b>Financial assets</b>					
Amounts due from credit institutions	942,634	886,946	660,198	226,662	86
<b>Investment property</b>	18,777	31,174	-	3,096	28,078
<b>Financial liabilities</b>					
Borrowings	6,930,461	7,460,045	5,030,005	1,960,171	469,869
Loans from the Government of the Republic of Kazakhstan	663,964	535,411	-	535,411	-
Guarantee obligations	43,852	42,432	-	42,279	153

<i>In millions of tenge</i>	December 31, 2018 (audited)				
	Carrying amount	Fair value	Fair value by level of assessment		
			Quotations in an active market (Level 1)	From the observed market (Level 2)	Based on the significant amount of unobserved (Level 3)
<b>Financial assets</b>					
Amounts due from credit institutions	799,972	791,792	496,248	295,033	511
<b>Investment property</b>	42,388	54,981	-	32,360	22,621
<b>Financial liabilities</b>					
Borrowings	6,852,775	6,878,032	4,302,628	2,268,890	306,514
Loans from the Government of the Republic of Kazakhstan	653,406	533,935	-	533,935	-
Guarantee obligations	47,119	41,529	-	40,059	1,470

The fair value of the above financial instruments has been calculated by discounting the expected future cash flows at prevailing interest rates.

**31. COMMITMENTS AND CONTINGENCIES**

In addition to the contingent liabilities and commitments disclosed in the Group annual consolidated financial statements of the Group for the year ended December 31, 2018, the following changes have taken place during the nine months ended September 30, 2019:

**Cost recovery audits**

As at September 30, 2019 the Group’s share in the total disputed amounts of costs is 749,674 million tenge (December 31, 2018: 765,188 million tenge). The Group and its partners under the production sharing agreements are in negotiation with the Government with respect to the recoverability of these costs.

**Kazakhstan local market obligation**

During nine months ended September 30, 2019, in accordance with its obligations, the Group, including joint ventures, delivered 4,574 thousand tons of crude oil (nine months ended September 30, 2018: 4,590 thousand tons) to the Kazakhstan market.



**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited) (continued)**

**31. COMMITMENTS AND CONTINGENCIES (continued)**

**Oil supply commitments**

As at September 30, 2019 the Group had commitments under the oil supply agreement in the amount of 21.9 million ton to be delivered till March 2021 (December 31, 2018: 30.1 million ton).

**Commitments to extend guarantees, letters of credit and other commitments related to settlement operations**

The Group provides financial guarantees and letters of credit to guarantee the performance of customers to third parties. These agreements have fixed limits and generally extend for a period of up to 15 (fifteen) years.

Contracted amounts reflected in the table for commitments assume that amounts are fully advanced. The amounts reflected in the table for letters of credit represent the maximum accounting loss that would be recognized at the reporting date if counterparties failed completely to perform as contracted.

Commitments to extend guarantees were as follows:

<i>In millions of tenge</i>	<b>September 30, 2019 (unaudited)</b>	December 31, 2018 (audited)
<b>Guarantees</b>	<b>236,575</b>	434,900

The Group uses the same credit control and management policies in undertaking off-balance sheet commitments as it does for on-balance operations.

The total outstanding contractual commitments to extend guarantee indicated above does not necessarily represent future cash requirements, as these commitments may expire or terminate without being funded. The Group could also request collateral for credit instruments.

**Capital commitments**

As at September 30, 2019 the Group, including its joint ventures and associates, had capital commitments of approximately 3,110,091 million tenge related to acquisition and construction of property, plant and equipment (December 31, 2018: 3,741,716 million tenge).

**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 September 14, 2017 the pre-judgement attachment in respect of the Fund’s rights on management of 50% KMG Kashagan B.V. 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 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.

In interim proceedings initiated by the Fund on lifting the Pre-judgement Attachment, the Appeal Court in Amsterdam on January 5, 2018 by way of a preliminary judgment ruled that the aforesaid attachment remains effective. This decision of the Appeal Court in Amsterdam does not create any additional restrictions the Fund rights in respect of KMG Kashagan B.V. shares.

On May 7, 2019, the Appeal Court in Amsterdam upheld the decision of the trial court to maintain the Pre-judgement Attachment imposed on the shares of KMG Kashagan B.V., owned by the Fund, worth 5.2 billion US dollars. The restriction is imposed according to the requirements of A. Stati and his related parties on the enforcement of the decision of the Stockholm Arbitration Tribunal issued against Kazakhstan in 2013. This decision of the Appeal Court in Amsterdam was appealed by the Fund in an orderly manner.

On August 27, 2019, meeting of the Amsterdam Court of Appeal took place on the claim of A. Stati and his related parties on the recognition and enforcement of an arbitral award made by the Stockholm Tribunal against Kazakhstan in 2013. The court tentatively set the date for the announcement of the decision on January 28, 2020.

Currently, the Fund makes all necessary arrangements to protect its interest in accordance with the established procedure and will continue to defend its rights.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)**

**32. SEGMENT REPORTING**

The following table represents information about profit and loss, assets and liabilities of operating segments of the Group as at September 30, 2019 and for the nine months then ended:

<i>In millions of tenge</i>	Oil and gas	Mining	Transportation	Communications	Energy	Industrial	Corporate center	Other	Elimination	Total
Revenues from sales to external customers	5,397,390	603,045	1,065,901	331,176	308,679	5,550	29,110	13,920	-	7,754,771
Revenues from sales to other segments	42,702	11,369	3,706	3,286	53,993	2,171	210,004	6,096	(333,327)	-
<b>Total revenue</b>	<b>5,440,092</b>	<b>614,414</b>	<b>1,069,607</b>	<b>334,462</b>	<b>362,672</b>	<b>7,721</b>	<b>239,114</b>	<b>20,016</b>	<b>(333,327)</b>	<b>7,754,771</b>
<b>Gross profit</b>	<b>1,421,633</b>	<b>107,364</b>	<b>239,070</b>	<b>97,471</b>	<b>92,743</b>	<b>1,143</b>	<b>168,311</b>	<b>8,413</b>	<b>(186,893)</b>	<b>1,949,255</b>
General and administrative expenses	(133,839)	(28,350)	(81,959)	(30,643)	(13,670)	(3,605)	(18,206)	(2,860)	6,681	(306,451)
Transportation and selling expenses	(556,775)	(8,046)	(7,510)	(6,641)	(5,551)	(552)	-	-	6,163	(578,912)
Finance income	96,779	4,523	8,466	5,382	4,959	453	35,169	4,581	(33,456)	126,856
Finance costs	(278,260)	(11,178)	(91,009)	(30,802)	(30,942)	(3,566)	(18,010)	(4,181)	44,278	(423,670)
Share in profit of joint ventures and associates, net	623,685	62,989	4,991	5,831	9,869	(48)	(4,198)	18	-	703,137
Foreign exchange (loss)/gain, net	(24,913)	(272)	(16,303)	(391)	248	(5,229)	37,273	578	(49)	(9,058)
Income tax expenses	(199,104)	(17,639)	(27,253)	(12,137)	(14,782)	(60)	(2,618)	(1,178)	-	(274,771)
Net profit/(loss) for the period from continuing operations	791,607	173,538	(264)	50,514	45,279	(12,788)	211,209	4,773	(165,845)	1,098,023
<b>Total net profit/(loss) for the period</b>	<b>791,607</b>	<b>173,538</b>	<b>(264)</b>	<b>50,514</b>	<b>45,279</b>	<b>(12,788)</b>	<b>211,209</b>	<b>4,773</b>	<b>(165,845)</b>	<b>1,098,023</b>
<b>Other segment information</b>										
Total assets of the segment	16,358,257	2,317,084	3,766,072	1,169,591	1,460,000	575,109	7,735,938	300,951	(7,138,217)	26,544,785
Total liabilities of the segment	6,874,856	541,365	2,539,841	677,079	703,538	359,567	1,690,699	197,215	(1,162,828)	12,421,332
Investments in joint ventures and associates	3,428,147	584,797	30,308	-	90,314	2,180	60,102	88	(32,341)	4,163,595

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)**

**33. SEGMENT REPORTING (continued)**

The following table represents information about profit and loss, assets and liabilities of operating segments of the Group as at September 30, 2018 and for the nine months then ended:

<i>In millions of tenge</i>	Oil and gas	Mining	Transportation	Communications	Energy	Industrial	Corporate center	Other	Elimination	Total
Revenues from sales to external customers	5,477,032	502,559	978,981	185,613	276,613	3,622	24,189	13,018	-	7,461,627
Revenues from sales to other segments	(56,649)	(4,487)	(10,457)	(4,495)	(44,682)	(4,338)	(282,240)	(6,024)	413,372	-
<b>Total revenue</b>	<b>5,420,383</b>	<b>498,072</b>	<b>968,524</b>	<b>181,118</b>	<b>231,931</b>	<b>(716)</b>	<b>(258,051)</b>	<b>6,994</b>	<b>413,372</b>	<b>7,461,627</b>
<b>Gross profit</b>	<b>1,374,243</b>	<b>82,883</b>	<b>201,486</b>	<b>60,961</b>	<b>120,757</b>	<b>1,413</b>	<b>230,824</b>	<b>9,738</b>	<b>(292,864)</b>	<b>1,789,441</b>
General and administrative expenses	(177,084)	(23,175)	(82,901)	(18,340)	(20,174)	(3,570)	(14,924)	(2,432)	5,322	(337,278)
Transportation and selling expenses	(506,894)	(6,031)	(6,858)	(2,225)	(11,576)	(337)	-	-	12,453	(521,468)
Finance income	138,839	6,517	5,365	4,411	5,516	725	115,232	1,785	(104,323)	174,067
Finance costs	(380,076)	(10,254)	(82,897)	(4,117)	(27,504)	(1,854)	(23,953)	(1,108)	31,496	(500,267)
Share in profit of joint ventures and associates, net	503,818	51,978	943	4,200	8,195	(35)	1,577	18	-	570,694
Foreign exchange gain/(loss), net	139,395	13,630	58,993	7,945	9,882	(10,501)	(132,143)	42	-	87,243
Income tax expenses	(230,797)	(14,168)	(1,816)	(12,012)	(16,545)	(159)	(4,951)	(1,789)	-	(282,237)
Net profit/(loss) for the period from continuing operations	839,210	409,888	93,541	40,532	66,996	(16,402)	163,907	6,657	(344,915)	1,259,414
Net loss for the period from discontinued operations	-	-	-	-	-	(3,542)	-	-	-	(3,542)
<b>Total net profit/(loss) for the period</b>	<b>839,210</b>	<b>409,888</b>	<b>93,541</b>	<b>40,532</b>	<b>66,996</b>	<b>(19,944)</b>	<b>163,907</b>	<b>6,657</b>	<b>(344,915)</b>	<b>1,255,872</b>
<b>Other segment information</b>										
Total assets of the segment	16,464,564	2,176,219	3,437,049	875,317	1,456,134	462,137	7,467,849	305,170	(6,898,088)	25,746,351
Total liabilities of the segment	7,786,204	486,308	2,258,520	418,411	731,287	261,837	1,622,831	206,319	(978,701)	12,793,016
Investments in joint ventures and associates	2,841,824	631,012	32,359	76,071	89,309	1,279	61,869	69	(32,341)	3,701,451

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)**

**33. SEGMENT REPORTING (continued)**

The following tables represents information about profit and loss of operating segments of the Group for the three months ended September 30, 2019 and September 30, 2018:

<i>In millions of tenge</i>	Oil and gas	Mining	Trans- portation	Communi- cations	Energy	Industrial	Corporate center	Other	Elimi- nation	Total
Revenues from sales to external customers	1,843,105	233,644	407,268	129,711	106,885	1,606	9,824	8,514	-	2,740,557
Revenues from sales to other segments	13,804	3,791	1,368	1,090	21,577	691	9,204	2,151	(53,676)	-
<b>Total revenue</b>	<b>1,856,909</b>	<b>237,435</b>	<b>408,636</b>	<b>130,801</b>	<b>128,462</b>	<b>2,297</b>	<b>19,028</b>	<b>10,665</b>	<b>(53,676)</b>	<b>2,740,557</b>
<b>Gross profit</b>	<b>470,685</b>	<b>59,244</b>	<b>121,386</b>	<b>46,663</b>	<b>30,891</b>	<b>269</b>	<b>(6,982)</b>	<b>2,780</b>	<b>(8,983)</b>	<b>715,953</b>
General and administrative expenses	(42,481)	(9,045)	(26,965)	(10,757)	(4,422)	(1,436)	(6,360)	(1,187)	2,251	(100,402)
Transportation and selling expenses	(179,558)	(3,569)	(2,665)	(3,672)	(3,080)	(199)	-	-	3,325	(189,418)
Finance income	33,107	1,338	6,025	1,072	1,626	152	8,580	1,586	(10,604)	42,882
Finance costs	(95,225)	(4,364)	(33,080)	(14,055)	(10,459)	(1,333)	(6,250)	(1,279)	15,236	(150,809)
Share in profit of joint ventures and associates, net	179,764	22,545	2,288	-	2,542	(18)	(383)	9	-	206,747
Foreign exchange (loss)/gain, net	(26,963)	134	(13,143)	382	(375)	(6,716)	57,082	(112)	(23)	10,266
Income tax expenses	(43,560)	(8,809)	(15,914)	(4,923)	(5,229)	(19)	(1,299)	(212)	-	(79,965)
Net profit/(loss) for the period from continuing operations	162,579	57,409	22,244	15,225	12,563	(9,794)	53,381	1,321	(597)	314,331
<b>Total net profit/(loss) for the period</b>	<b>162,579</b>	<b>57,409</b>	<b>22,244</b>	<b>15,225</b>	<b>12,563</b>	<b>(9,794)</b>	<b>53,381</b>	<b>1,321</b>	<b>(597)</b>	<b>314,331</b>

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)**

**33. SEGMENT REPORTING (continued)**

<i>In millions of tenge</i>	Oil and gas	Mining	Transportation	Communications	Energy	Industrial	Corporate center	Other	Elimination	Total
Revenues from sales to external customers	1,958,153	215,917	363,780	62,921	88,325	1,262	8,979	4,425	-	2,703,762
Revenues from sales to other segments	(97,335)	(4,522)	(17,395)	(7,639)	(75,676)	(7,957)	(538,128)	(9,271)	757,923	-
<b>Total revenue</b>	<b>1,860,818</b>	<b>211,395</b>	<b>346,385</b>	<b>55,282</b>	<b>12,649</b>	<b>(6,695)</b>	<b>(529,149)</b>	<b>(4,846)</b>	<b>757,923</b>	<b>2,703,762</b>
<b>Gross profit</b>	<b>542,392</b>	<b>35,310</b>	<b>87,063</b>	<b>23,156</b>	<b>33,373</b>	<b>(853)</b>	<b>7,720</b>	<b>3,054</b>	<b>(19,279)</b>	<b>711,936</b>
General and administrative expenses	(70,654)	(7,713)	(29,872)	(5,370)	(6,022)	(1,227)	(7,306)	(950)	1,684	(127,430)
Transportation and selling expenses	(186,237)	(2,233)	(2,336)	(928)	(2,338)	(98)	-	-	2,693	(191,477)
Finance income	27,911	2,394	1,727	1,253	1,783	241	12,465	589	(10,181)	38,182
Finance costs	(84,955)	(4,810)	(27,874)	(1,440)	(8,044)	(1,066)	(5,134)	(392)	9,458	(124,257)
Share in profit of joint ventures and associates, net	181,143	21,305	5,799	1,899	1,201	(11)	478	5	-	211,819
Foreign exchange gain/(loss), net	62,350	8,291	26,729	5,773	4,545	(7,494)	(70,549)	43	-	29,688
Income tax expenses	(96,258)	(10,286)	(1,336)	(4,758)	(4,186)	(69)	(1,931)	(466)	-	(119,290)
Net profit/(loss) for the period from continuing operations	388,340	43,090	65,957	20,735	19,975	(10,087)	(62,475)	(874)	(15,882)	448,779
<b>Total net profit/(loss) for the period</b>	<b>388,340</b>	<b>43,090</b>	<b>65,957</b>	<b>20,735</b>	<b>19,975</b>	<b>(10,087)</b>	<b>(62,475)</b>	<b>(874)</b>	<b>(15,882)</b>	<b>448,779</b>

## **NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)**

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### **33. SUBSEQUENT EVENTS**

#### **Settlement of oil supply agreement**

On October 31, 2019 the Group settled prepayments through oil and LPG delivery for the total amount of 242 million US dollars (equivalent to 94,192 million tenge as at settlement date), including early settlements of 220 million US dollars (equivalent to 85,479 million tenge as at settlement date).

On November 29, 2019 the Group settled prepayments through oil and LPG delivery for the total amount of 161 million US dollars (equivalent to 62,281 million tenge as at settlement date).

#### **Repayment of borrowings**

In October 2019, the Group made bond coupon payments to bondholders in the total amount of 171,603 thousand US dollars (equivalent to 66,808 million tenge as at payment date).

On November 21-22, 2019 the Group made a full early repayment of bonds of 780 million US dollars issued in 2017. The total amount of repayment equaled 897 million US dollars (equivalent to 347,360 million tenge as at payment date), including accrued interest of 428 thousand US dollars (equivalent to 166 millions tenge as at payment date), premium for early repayment of 116 million US dollars (equivalent to 44,988 million tenge as at payment date) and commission for early repayment of 642 thousand US dollars (equivalent to 249 million tenge as at payment date).